A new industrial story

Crafting an effective narrative to unlock a global green transition

GLOBAL COOPERATION INSTITUTE

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Executive Summary

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We have an extraordinary opportunity. Unleashing a worldwide scale up of green industrial policy would deliver a global “triple dividend”: economic transformation, social inclusion, and climate security.

But despite strong evidence, the potential of green industrial policy is currently unfulfilled. Global rules on finance, trade, and technology systematically raise costs, limit policy space, and constrain long-term investment.

Whilst the current turbulent moment has exacerbated the polycrisis, it is also creating space for new voices and coalitions. The rules that will frame the new era are not yet determined.

A recent World Bank report acknowledging the central role of industrial policy signals a broader change in thinking: governments are not distortions to be minimised, but agents of transformation to be strengthened. The major multilateral financial and trade institutions, and the governments that direct them, can be pushed to remove the international barriers blocking green industrial transformation in the Global South.

But Northern countries continue to block major change. And this is in part because at the narrative level, a major challenge remains. Narrative is hard to change, and has not received enough atention and support up to now.

This report makes the case that investing and collaborating deliberately in narrative is key to securing the wave of policy progress needed. It sets out what a winning narrative could be, and points to how it could be advanced. It makes the case that we can write a new industrial story together.

The harmful dominant narratives holding back progress on global green industrial policy

Across countries and regions, polling shows that support for climate action, public investment, and state intervention is fragile – particularly when these agendas are framed as costly, unworkable, or in tension with national interests. This is especially true in periods of economic anxiety and geopolitical instability, when zero-sum narratives gain traction. Underpinning the international policy barriers obstructing green industrial policy are narratives that have become so dominant that they masquerade as "common sense":

- An entropy narrative frames shrinking international financing and shrinking space for policy coordination as inevitable, and a lack of ambition as "facing facts". This relegates government action to damage control and citizens to resignation, choking the opportunity for global ecological and social safety and economic prosperity.

- A private takeover narrative frames public financing and public institutions as old fashioned. Public purpose is hollowed out, replaced by the assumption that private actors are inherently more dynamic, innovative, and efficient. When green industrial policy is considered through this frame, public institutions cannot get the support they require.

- A "Just look after our own" narrative frames the scaling back of international cooperation as necessary for countries to care for their own citizens, especially in times of scarcity. When considered through this frame, any loosening of international financing and policy constraints on green industrial policy is perceived by Northern countries as sacrificing their own citizens' interests.

When dominant narratives frame ambition as unrealistic or cooperation as unnecessary, even well-designed policies struggle to gain traction. A wave of policy shifts are needed, all requiring hard-won political engagement, sustained over a period, maintaining momentum in the face of attacks. Reshaping the interpretive environment in which policy choices are made is essential to creating the conditions for sustained progress.

The narrative we need

1 It is in our shared interest to remake the rules

International support to green industrial policy in the Global South is not charity or concession, but is a rational response to interdependence, aligned with long-term prosperity and security across regions.

International barriers – on finance, trade and technology – are holding back green industrial transformation across the world, shifting how responsibility for success or failure is understood. The Global South is not holding back on green transformation but *being held* back.

Action to address these barriers and unleash green transformation in the Global South will not only be good for the Global South but good for the Global North too.

On financing, when it is felt viscerally that the money needs to be found not because "they need it" but because "we all need it to be done" then the conversation about what is "affordable" dramatically shifts; an effective narrative will make clear that what lender countries can't afford are the consequences of a world without a rapid upscaling of green industrial policy. So too, when it is understood that shifts in international policies on trade and technology transfer are vital for the security and prosperity of every country, they will be recognised as legitimate, necessary, and beneficial for the global system.

2 International cooperation on green transformation will make a difference

The myth that public policy and international cooperation do not "deliver" has become a powerful tool for those who seek to delegitimise collective action and shrink the role of government. To enable an expansion of international public sector financing for national public sector policy there is a need to tell the story of the practical difference it is making. To counter the myth of non-delivery of international public policy cooperation, there is a need to foreground stories of effectiveness, to show that international support for green industrial policy brings visible change.

The most effective way to convey the benefits of green industrial policy for people and planet is to mention people first. The gains of green industrial transformation are not only environmental, and if it is understood by people as only an environmental story it will not secure the political support it needs. The political traction for transformation comes from its ability to deliver tangible improvements in people's lives: decent work, economic opportunity, and social mobility. It is within our grasp to provide everyone with the energy they need at reliable prices they can afford, and to provide public transport and public infrastructure that is convenient, safe and dignified for all – and doing so will generate a new wave of good jobs and strengthen social inclusion and stability.

3 A shockingly good future can be won

Our age of crisis is fuelling a spirit of despair, undermining people's receptiveness to ambitious calls to action like green industrial transformation. The climate, economic and social crisis of today needs to be narrated not as an ending but as an opening: a chance to rebuild fiscal compacts, redesign institutions, and anchor cooperation in interdependence; a chance to build a green industrial future that ensures sustainability, prosperity and security for everyone.

It is not the case that the only transitions possible will worsen the lives of ordinary people, nor that the best that can be hoped for is managing pain. Instead, green industrial policy provides an opportunity for economic transformation and social inclusion across the world.

Twenty-first century industrialisation's benefits for people can exceed those of twentieth century industrialisation.

Green industrial policy's potential is not the mere management of misery to avoid disaster but the unleashing of extraordinary opportunity. It is indeed rare in being a product that is much better than it is often advertised.

This is the triple prize: shared prosperity, shared social stability, and shared climate safety, for everyone. Effectively conveying that prize is one of the essential conditions for maintaining momentum and building the base of support needed to win.



Global green industrial policy, unlocked

The current period of geopolitical flux creates openings for reframing the global rules crucial for green industrial policy. A winning narrative will open up the space needed for policy shifts including but not limited to:

- Scaling up multilateral development banks' concessional lending for green industrial policy.
- Lowering of the cost of capital for green industrial policy.
- Reform of policy conditionalities for countries accessing financing for green industrial policy to remove constraints that are hampering effectiveness.
- Reform of the process of negotiating loan agreements to strengthen borrower voice.
- Reform of the governance of multilateral development banks to strengthen developing country voice.
- Pausing repayments from current unaffordable loans, and restructuring those loans.
- Action by lender country governments to oblige private lenders to participate in the pausing and restructuring of current unaffordable loans.

Progress in policy implementation will, in turn, enable a virtuous cycle in which the effectiveness of those policies reinforces belief in the story that made them possible. If successful, this effort would not look like a single campaign but like a shift in common sense, and a transformation in the lives of people across the world.

Investing and collaborating deliberately in narrative is key to securing an enabling environment in which policy innovation, coalition-building, and institutional change can reinforce one another over time, sustaining a virtuous cycle of success. Green industrial policy offers the world an extraordinary opportunity: Shared prosperity, shared social stability, shared climate safety, in all of our interests. Together we can write a winning story.

About Global Cooperation Institute

The Global Cooperation Institute works with partners to create modern approaches to global cooperation in the 21st century, combining the latest evidence with compelling narratives and practical solutions. At the heart of all our work are three words: mutuality, dignity and sustainability.

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About the PUBLIC GOOD narrative project

Led by the Global Cooperation Institute, this work brings together the best data and evidence with the perspectives of experts and communicators from around the world to build effective narrative frames and resource allies.

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