

A Superfund for Workers



How to Promote a Just Transition and Break Out of the Jobs vs. Environment Trap

BY JEREMY BRECHER

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Coal miners conduct laser profiling of a minesite using a laser scanner, July 17, 2014.

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WHEN THE DOMINION CORPORATION PROPOSED, ON APRIL 1, 2013, to build a liquefied natural gas export facility at Cove Point, Md., right on the Chesapeake Bay, seven hundred people demonstrated against it and many were arrested in a series of civil disobedience actions. But an open letter endorsing the project maintained it would “create more than 3,000 construction jobs” most of which would go “to local union members.” The letter—on Dominion letterhead—was signed not only by business leaders, but also by twenty local and national trade union leaders.

Similarly, in the struggle over the Keystone XL pipeline, pipeline proponents were quick to seize on the “jobs issue” and tout support from building trades unions and eventually the AFL-CIO. In a press release titled “U.S. Chamber Calls Politically-Charged Decision to Deny Keystone a Job Killer,” the Chamber said President Obama’s denial of the Keystone permit was “sacrificing tens of thousands of good-paying American jobs in the short term, and many more than that in the long term.”

The media repeat the jobs vs. environment frame again and again: an NPR headline on Keystone was typical of many: “Pipeline Decision Pits Jobs Against Environment.” A similar dynamic has marked the “beyond coal” campaign, the fracking battle, and the struggle for EPA regulation of greenhouse gases under the Clean Air Act.

Is there a persuasive answer to the charge that climate protection policies are job-killers? A common environmentalist response has been that environmental protection produces far more jobs than it eliminates. EPA Administrator Lisa P. Jackson explained, “environmental protection creates jobs—1.7 million of them as of 2008.” It is true that, on balance, environmental policies usually create jobs (see box, “Jobs: Clean Energy vs. Fossil Fuels,” next page); unfortunately, this is of little comfort to the small number of workers in fossil-fuel producing and using industries who are likely to lose their jobs as a result of climate protection policies, including coal miners, power-plant workers, and oil refinery workers. And such workers can rapidly become Fox News poster children for the threat posed to workers by climate protection.

Fortunately, a strategy has been emerging to protect workers and communities whose livelihoods may be threatened by climate protection policies. Protecting those who lose their jobs due to necessary environmental policies has often been referred to as a “just transition,” a phrase popularized by labor and environmental

leader Tony Mazzocchi of the Oil, Chemical, and Atomic Workers union (now merged with the Steelworkers) in the 1990s. (More recently, the term “just transition” is often being used in a broader way to include not only justice for workers and communities adversely affected by environmental policies, but the inclusion of broader social justice objectives within environmental policies.)

To provide a just transition for workers harmed by environmental policies, Mazzocchi proposed the idea of a “Superfund for workers.” The fund would provide financial support and opportunities for higher education for workers displaced by environmental protection policies. As Mazzocchi put it in 1993, “There is a Superfund for dirt. There ought to be one for workers.” He argued that “Paying people to make the transition from one kind of economy—from one kind of job—to another is not welfare. Those who work with toxic materials on a daily basis ... in order to provide the world with the energy and the materials it needs deserve a helping hand to make a new start in life.”

It is a basic principle of fairness that the burden of policies that are necessary for society—like protecting the environment—shouldn’t be borne by a small minority, who through no fault of their own happen to be victimized by their side effects. It

would be unfair for workers, who happen to work in jobs that need to be eliminated in order to achieve some social good, to bear the burden of that change by being left on their own without a job. Just transition policies mean workers will not just be thrown on the trash heap.

Transition Assistance

The principle that workers should be compensated for the adverse effects of public policies was recognized in the Trade Act of 1974 and subsequent programs for “trade adjustment assistance,” which provides compensatory benefits to working people who lose their jobs as a result of U.S. trade policies. The eligibility requirements, benefits, and administration of trade adjustment programs, however, have been inadequate to provide displaced workers with a new start in life.

Indeed, transition assistance in the past has often meant little more than an economic hospice for working people and communities threatened by the side effects of globalization, environmental protection, and other public policies. Without a clear program to protect working people from the effects of climate-protection related policies such as plant closures and drilling bans, the struggle for clean energy can all too easily come to be perceived as a struggle against



JOBS: CLEAN ENERGY VS. FOSSIL FUELS

Numerous studies have found that renewable energy and conservation produce substantially more jobs than fossil fuels, although the precise numbers vary somewhat from study to study and each local situation is unique. Renewable energy and energy efficiency tend to be labor-intensive and local. They contribute to job growth in manufacturing, construction, operation, and maintenance. In addition, dollars saved through energy efficiency tend to be spent and re-spent locally, creating further jobs.

A study by the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst examined the number of jobs created by spending the same amount on different forms of energy. It found that fuels like coal and natural gas are the least job-intensive energy solutions. A dollar invested in energy efficiency and alternative energy creates more than twice as many jobs as the same amount invested in coal or gas. Energy efficiency and alternative energy also produce little or no environmental pollution or climate-changing greenhouse gases.

Natural gas produces less pollution than coal. Their relative effect on climate is still under debate. Coal is slightly more job-intensive than natural gas.

There are many kinds of biofuels. Some, like corn-based ethanol, cause serious environmental damage, do little to reduce greenhouse gases, and raise food prices by diverting resources from food production. Others, such as new algae-based fuels, offer promising alternatives.

The relative cost of different energy sources varies depending on location and the ups and downs of the markets. A 2012 study by the Michigan Public Service Commission found that new renewable energy generation is now cheaper than new coal generation in Michigan. Over time, renewable energy and energy efficiency will almost certainly become progressively cheaper relative to fossil fuels.

A SUPERFUND FOR WORKERS

American workers—even though climate protection, in contrast to neoliberal trade legislation, will benefit rather than harm American workers.

A similar but better program can be developed for workers affected by energy-transition policies. Specifically, people who lose their jobs because of transition to a climate-safe economy should be eligible for:

- full wages and benefits for at least three years
- up to four years of education or training, including tuition and living expenses
- decent pensions with healthcare for those ready to retire.

The opportunity for individuals to access higher education and advanced training will also mesh with the need to develop new labor-force capabilities for the emerging green economy.

Such a program would in many ways resemble the “GI Bill of Rights” that provided education and training, loan guarantees for homes, farms, and businesses, and unemployment pay for veterans returning from war. The program was first

established in 1944 for returning veterans of World War II and has been revamped repeatedly since. It was critical for the economic boom that followed World War II and for the ability of returning veterans to integrate back into American society. A similar program is needed today for those who are displaced from their jobs through no fault of their own.

Protecting Communities

Job reductions often affect not just individual workers but whole communities, and a just transition needs to address those impacts. Such transitions can emulate the highly successful process that helped local communities adjust to the disruption and job shifting that resulted from the closing of military bases under the 2005 Base Realignment and Closing Commission (BRAC). Those communities were helped by a wide range of federal assistance programs, including planning and economic assistance, environmental cleanup, community development grants, and funding for community services.

Individual workers dislocated by base closings also received extensive support. The Department of Defense (DoD) itself provided advance notification

WHAT MIGHT “SUPERFUND FOR WORKERS” LEGISLATION LOOK LIKE?

Perhaps surprisingly, some of the best ideas for protecting workers and communities hit by the side effects of public policy decisions were embodied in legislation championed in 1988 by Sen. John McCain (R-Ariz.) to protect tobacco working people and farmers from tobacco control policy. McCain’s Universal Tobacco Settlement bill, which passed out of committee 19-1 but was defeated on the Senate floor, would have created an industry-funded \$28 billion trust fund to help tobacco growers, cigarette factory workers, their families, and their communities adjust to the reduced purchase of American tobacco.

Workers and farmers would have received transition assistance from the fund if “the implementation of the national tobacco settlement contributed importantly to such workers’ separation” from their jobs. Several tobacco states subsequently developed their own programs to help with the transition away from tobacco, such as Kentucky’s Bill 611, which allocates half of the state’s tobacco settlement funds for agricultural diversification.

The McCain tobacco bill also provided transition support not just for individuals, but for hard-hit communities. It would have created a Tobacco Community Revitalization Trust Fund to offer economic development grants over a twenty-five-year period. They would have supported:

- Business development and employment-creating activities “to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural individuals to the economic and social development of their communities.”
- Activities that “expand existing infrastructure, facilities, and services to capitalize on opportunities to diversify economies in tobacco communities that support the development of new industries or commercial ventures.”
- Initiatives and technical assistance designed to “create or expand locally owned value-added processing and marketing operations in tobacco communities.”
- Preference in employment under the program would be given to former tobacco workers and members of tobacco worker communities.

of job cuts, counseling, a hiring preference system with federal agencies to re-employ qualified displaced DoD employees, and financial incentives to encourage early retirement of those eligible. Workers affected by base closings were also eligible for help under a variety of financial support and retraining programs.

Communities and individuals affected by climate policy transitions could be similarly targeted for assistance from such existing programs as the Department of Labor's (DoL) Rapid Response Services and national emergency grants from the DoL's Employment and Training Administration. The latter provides funding assistance in response to large, unexpected economic events which cause significant job losses, as well as funding from the Departments of Energy and Commerce for economic development of communities and technological modernization for companies.

There has been at least one effort to apply such an approach. Starting in 1992, the Department of Energy (DoE) eliminated 47,700 contractor personnel at 13 major sites as a result of downsizing the nation's nuclear weapons complex. The DoE conducted a Worker and Community Transition Program that provided grants and other assistance for communities affected by the shutdown of nuclear facilities. The goal was to assist displaced workers and provide economic recovery and diversification assistance to the affected communities. The program was budgeted for \$200 million in 1994, declining to \$25 million in 2001. A nuclear test site in Nevada, for example, was repurposed to demonstrate concentrated solar power technologies.

The Obama administration's new "Power+ plan," incorporated in its fiscal year 2016 budget, represents a significant breakthrough in recognizing the need for a "just transition" for workers and communities affected by climate-protecting changes in public policy. It provides more than \$55 million for job training, job creation, economic diversification, and other programs for communities that have experienced layoffs due to the declining coal industry. It has been greeted enthusiastically by Appalachian social justice groups like the Mountain Association for Community Economic Development and Kentuckians For the Commonwealth.

While not nearly what is needed, this proposal for the first time puts a just transition for workers in fossil fuel-related industries on the national political agenda. As the EPA institutes its Clean Power Plan to reduce greenhouse gas emissions by reducing

fossil-fuel pollution from power plants, states and the federal government can promote similar provisions for workers and communities adversely affected by the closing of coal-fired power plants.

What Would a Superfund for Workers Cost?

The recent study *Green Growth* by the Political Economy Research Institute at the University of Massachusetts and the Center for American Progress estimated the cost of a "Superfund for workers" based on a climate action plan that would reduce U.S. greenhouse gas (GHG) emissions by 40% over 20 years. The PERI-CAP plan would create 4.2 million new direct, indirect, and induced jobs. Direct jobs include solar installers and engineers designing more energy-efficient equipment. Indirect jobs include steelworkers making the steel for windmill blades. Induced jobs include the food service jobs made possible by clean energy workers' wages. But it would also entail a loss of 1.5 million fossil fuel-related jobs—a 34% contraction in

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employment in fossil fuels compared to "business as usual" expectations for 2030.

Approximately 212,000 workers are directly employed in oil and gas extraction and 79,000 in coal mining, with about the same number in support activities. (These figures do not include such workers as truck drivers, train crews, and power-plant workers whose jobs are indirect rather than direct parts of the fossil-fuel economy, and who might find work as a result of overall green job growth.) If oil and gas production fell by 20% and coal production fell by 50%, there would be a loss of 100,000 direct jobs. If the downsizing is spread over ten years, an average of 10,000 jobs a year would be lost.

Trade Adjustment Assistance (TAA) provides displaced workers—in addition to whatever they receive from unemployment compensation, health coverage, and other programs—an average of \$10,000 over a two-year period. To provide this



level of support for laid-off fossil fuel workers would cost \$200 million per year. A Superfund designed to provide education, health benefits, income supplements, and job opportunities would clearly require far more, with the exact amount depending on the specific level of benefits. *Green Growth* calculates what the cost would be if such a Superfund provided an average of \$40,000 over two years for the average displaced fossil fuel worker, four times the level of TAA: a total of \$800 million per year, or about 1/50 of 1% of the current federal budget.

Just Transition on the Ground

The fight for a just transition for workers adversely affected by side effects of climate protection doesn't have to wait for national legislation—in fact, it must not. Local struggles around mountaintop-removal coal mining, coal-fired power plants, oil and gas pipelines, and other fossil-fuel infrastructure are occurring every day. Unless those advocating greenhouse gas reduction fight to protect affected workers from harm, the result will be to turn workers and unions against climate protection. Climate protection advocates should insist from the outset that part of any transition away from fossil fuels include protection for the well-being of workers whose jobs may be threatened. They need to ally with unions and the broader labor movement to demand protection for affected workers and communities.

The labor and climate movements should propose their own plans for protecting workers and communities. For example, when the Healthy Connecticut Alliance campaigned to close the Bridgeport Station coal-fired power plant they included in their demands a series of protections for those who worked in the plant:

- Negotiate a jobs agreement with unions representing affected workers.
- Find jobs for affected workers who want them.
- Ensure job retraining for those who need it to fill new jobs.
- Provide decent pensions with healthcare for workers who are not provided other jobs and who do not opt for retraining.
- Create jobs restoring the site.
- Reutilize facilities to replace losses in the tax base.

- Fund job-creating community economic development.

Significant struggles are already brewing in many states over how to implement the EPA's Clean Power Plan for greenhouse gas reduction. Effective state plans are already facing opposition based on the fear that they will threaten jobs.

Making a just transition program for workers a central feature of such plans may make the difference between united support for effective plans and a never-ending battle over “jobs vs. the environment.” It could provide a critical element for drawing together workers, unions, and allies around a broader program for protecting jobs by protecting the climate. And it could serve as the leading edge for a program to provide workers and communities with protection against the vast economic insecurities of life under neoliberal capitalism. **D&S**

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SOURCES: Jeremy Brecher, “‘Jobs vs. the Environment’: How to Counter This Divisive Big Lie,” *The Nation*, April 22, 2014; “U.S. Chamber Calls Politically-Charged Decision to Deny Keystone a Job Killer,” Jan. 17, 2012. (ushamber.com); “Pipeline Decision Pits Jobs Against Environment,” NPR Morning Edition, Nov. 3, 2011 (npr.org); Administrator Lisa P. Jackson, Remarks at the 2011 Good Jobs Green Jobs Conference, As Prepared, Aug. 2, 2011 (yosemite.epa.gov); Tony Mazzocchi, “A Superfund for Workers,” *Earth Island Journal*, 9(1); John Lynch and Seth Kirshenber, “Economic Transition by the Energy-Impacted Communities,” *Commentary*, Fall, 2000 (energyca.org); “Planning Guidance for Contractor Work Force Restructuring,” Office of Worker and Community Transition, U.S. Department of Energy, December 1998 (energy.gov); “The President’s Budget Fiscal Year 2016 Investing in Coal Communities, Workers, and Technology” (whitehouse.gov); “MACED statement on announcement of President Obama’s proposed budget plan to aid Central Appalachian communities,” Feb. 2, 2015 (maced.org); Lisa Abbott, “President proposes major new investments in Appalachian transition,” Kentuckians For the Commonwealth, Feb. 2, 2015 (ktfc.org); Robert Pollin, Heidi Garrett-Peltier, James Heintz, and Bracken Hendricks, *Green Growth: A U.S. Program for Controlling Climate Change and Expanding Job Opportunities*, Political Economy Research Institute (PERI) and Center for American Progress, September 2014; Jeremy Brecher, *Jobs Beyond Coal: A Manual for Communities, Workers, and Environmentalists*, Labor Network for Sustainability (report.labor4sustainability.org); Healthy CT Alliance (healthyclalliance.org); Robert Pollin, James Heintz, and Heidi Garrett-Peltier, “Clean Energy Investments for the U.S. Economy,” discussion paper, Surdna Foundation Conference, March 22, 2010 (peri.umass.edu); Michigan Public Service Commission, “Report on the Implementation of the P.A. 295 Renewable Energy Standard and the Cost-Effectiveness of the Energy Standards,” Michigan Public Service Commission, 2012 (michigan.gov); The Universal Tobacco Settlement Act, S. 1414, 105th Cong., 1997 (thomas.loc.gov).