

# Labor Unions Rally Behind California's Zero-Emissions Climate Plan



*Robert Pollin*

Robert Pollin, distinguished professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts at Amherst, has been spearheading national and international efforts to tackle the climate crisis for more than a decade. Over the past few years, he and a group of his colleagues at PERI have produced green economy transition programs for numerous states. The latest such program is for California, and it is being released today.

The massive study — nearly 200 pages long — shows how California can become a zero emissions economy by 2045 while expanding good job opportunities throughout the state. Nineteen unions have already endorsed the green transition plan, making clear that they reject frameworks that falsely pit labor priorities and the environment against each other, and more are expected to do so in the days and weeks ahead.

In this interview for *Truthout*, Pollin, co-author with Noam Chomsky of *Climate Crisis and the Global Green New Deal: The Political Economy of Saving the Planet* (Verso 2020), talks about the climate stabilization project for California and the national implications of union support for a green economy transition.

*C.J. Polychroniou: California has been at the forefront of the climate fight for*

*years now, but the truth of the matter is that its efforts have fallen short. Now, you and some colleagues of yours at PERI have just completed a commissioned climate stabilization project for California. How does the project envision the clean energy transition to take place in a manner consistent with the emission targets set out by the UN Intergovernmental Panel on Climate Change (IPCC) in 2018, and how will it be financed?*

*Robert Pollin:* This study presents a recovery program for California that will also build a durable foundation for an economically robust and ecologically sustainable longer-term growth trajectory. California has long been a national and global leader in implementing robust climate stabilization policies. This includes the 2018 Executive Order B-55-18 by then Gov. Jerry Brown. This measure committed the state to cut CO<sub>2</sub> emissions by 50 percent as of 2030, to become carbon neutral no later than 2045, and to produce net negative emissions thereafter. These goals are somewhat more ambitious than those set out by the IPCC in 2018. Our study outlines a program through which the state can achieve its own established goals.

Our study shows how these 2030 and 2045 emissions reduction targets can be accomplished in California through phasing out the consumption of oil, coal and natural gas to generate energy in the state, since burning fossil fuels to produce energy is, by far, the primary source of CO<sub>2</sub> emissions, and thereby, the single greatest factor causing climate change. The project we propose is to build a clean energy infrastructure to replace the existing fossil fuel-dominant infrastructure. The clean energy infrastructure will require large-scale investments to, first, dramatically raise energy efficiency standards in the state and, second, to equally dramatically expand the supply of clean renewable energy supplies, including solar and wind primarily, with supplemental supplies from low-emissions bioenergy, geothermal and small-scale hydro power. We show how this climate stabilization program for California can also serve as a major new engine of job creation and economic well-being throughout the state, both in the short- and longer run.

We have scaled the clean energy investment project at about \$76 billion per year on average between 2021 – 2030. This would equal roughly 2 percent of what we estimate will be the state's average GDP between 2021 – 2030. In other words, California can hit its emissions reduction targets through maintaining clean energy investment spending levels at about 2 percent of overall economic activity

in the state. That means that roughly 98 percent of the state's annual economic activity can still be focused on anything other than clean energy investments. But the state must maintain this 2 percent of GDP investment level in clean energy for the program to work.

We estimate this level of investment will generate roughly 420,000 jobs throughout the state's economy. New job opportunities will open for, among other occupations, carpenters, machinists, welders, electronic equipment assemblers, environmental scientists, administrative assistants, accountants, truck drivers, roofers and agricultural laborers. Investments in public transportation — a major component of the energy efficiency investment program — will produce public-sector jobs for drivers and managerial staff. The quality of these jobs — including wages, benefits and levels of unionization — vary by sector. In general, it will be critical to raise job quality standards as the number of jobs available expands. Raising unionization rates, as well as expanding job training programs will all be crucial for raising overall job quality levels. Local hire provisions and related measures will also need to be implemented to ensure equitable access by race and gender to the expanding job opportunities.

While focusing on the clean energy investment to reduce California's CO<sub>2</sub> emissions by 50 percent as of 2030, our study does also examine how the state can achieve its longer-term goal of becoming a zero-emissions economy by 2045. The basic features of the investment program between 2031 - 2045 can be extended from the 2021 - 2030 framework. But, in fact, the scale of the investment spending required to achieve the 2045 zero-emissions target can be somewhat more modest, averaging about 1.3 percent of the state's GDP between 2031 - 2045.

Our study also examines a complementary investment project to upgrade California's economy base through manufacturing, infrastructure, land restoration and agriculture investments. We budgeted this program at about \$62 billion per year, or 1.7 percent of the state's GDP — in these areas. This investment program is based on the proposed national THRIVE Agenda, a bill introduced into the U.S. Congress in February 2021 by Sen. Edward Markey (D-Massachusetts) and Congresswoman Debbie Dingell (D-Michigan) to "Transform, Heal, and Renew by Investing in a Vibrant Economy." To date, the THRIVE Agenda has been endorsed by more than 100 members of Congress and hundreds

of major union, racial justice and climate organizations. We estimate that these investments will generate about 626,000 jobs throughout the state, in a wide range of occupations.

When we bring together the combined investment programs in the areas of energy efficiency and renewable energy, along with public infrastructure/manufacturing and land restoration/agriculture, total spending in California comes to an average of about \$140 billion per year, equal to a bit less than 4 percent of California's average annual GDP between 2021 - 2030. This level of job creation would generate about 1 million jobs within California. This higher level of job creation will then be sustained through the full decade, as long as the budgetary levels for the range of investment programs are maintained. The expansion in job opportunities will equal more than 5 percent of California's 2019 labor force. This means that, if California's unemployment rate was, say, 7 percent without this combined investment program, these investments could drive unemployment to something in the range of 2 percent — i.e. to reach something close to full employment in the state.

An absolute front-and-center feature of our proposal is the just transition program for the state's fossil fuel-dependent workers and communities. About 112,000 people are employed in California in fossil fuel-based industries, amounting to about 0.6 percent the state's total workforce in 2019. Workers in the state's fossil fuel-based industries will, of course, experience job losses as the state dramatically reduces consumption of these CO<sub>2</sub>-generating energy sources. We estimate that about 3,200 workers per year will be displaced in these industries in California between 2021 - 2030 while another roughly 2,500 will voluntarily retire each year. It is critical that all of these workers receive pension guarantees, health care coverage, re-employment guarantees along with wage subsidies to insure they will not experience income losses, along with retraining and relocation support, as needed. Enacting a generous just transition program for the displaced fossil fuel-based industry workers is especially important. We estimate that the costs of a generous just transition package for all fossil fuel industry-based workers experiencing layoffs would come to about \$470 million per year. This is equal to about 0.02 percent (two one-hundredths of one percent) of the state's average GDP between 2021 - 2030.

Three counties in California — Kern, Contra Costa and Los Angeles — account for roughly half of all employment in the state's fossil fuel-based industries. Kern

County, in particular, will face the most significant proportional impacts from the phase-down of the state's fossil fuel industries. We therefore present a focused discussion on providing community transition support for Kern County. In fact, we found that some initial-stage activities are already underway in Kern to move the area away from its current level of fossil fuel-based industry dependency and to build there a clean energy production infrastructure.

How do you pay for the whole thing? It's actually straightforward, especially as we keep in mind that, overall, we are talking about devoting less than 4 percent of the state's overall economic activity to these investment projects, and the most critical purpose of these projects is, after all, is just to achieve the state's own CO2 emissions reduction targets. Of the roughly \$140 billion per year in combined investments and the just transition program, we assume that roughly half of total spending, about \$70 billion per year, will be provided by private investors, while the other half is supplied by public spending. Private investments in the clean energy areas in particular will be incentivized by the federal and statewide regulatory environment. A significant share, if not the majority of the approximately \$70 billion per year in public spending is likely to come from a version of the Biden administration's proposed American Jobs Plan, which is focused on infrastructure and clean energy investments. The State of California could then provide the additional funding, as needed. The fact that the state can borrow at very low interest rates now is critical. As an example, we show that if the state government issues \$30 billion in bonds in the current low-interest rate environment, the debt servicing burden will also be low, i.e. in the range of 0.3 percent of the state's annual general revenues. It follows that even if the federal government's funding through the final version of the Biden American Jobs Plan comes in at a relatively low figure, the State of California could still provide the additional financing through issuing bonds in the current low-interest rate environment without imposing a major burden on the state's overall budget.

*The project has already been endorsed by 19 unions across the State of California, and more are expected to join. This is undoubtedly a highly significant development, but, given that only around 16 percent of the total workforce is unionized, isn't there a need to reach out to the rest of the population for support?*

For decades now, wide majorities of people in California have been supporting strong measures to protect the environment and combat climate change.

Increasingly also, the state is suffering disproportionately from the effects of climate change and, more generally, from burning fossil fuels to produce energy, including wildfires, droughts, floods, heat waves, and air pollution that are all becoming more severe over time. The National Oceanic and Atmospheric Administration [estimates](#) that, just since 2012, California has experienced roughly 16 “billion-dollar disaster events,” generating economic losses of over \$100 billion in total. Beyond these climate-specific considerations, it is also the case that the clean energy investment program will deliver lower energy costs to all consumers in California. This is, first, because raising energy efficiency standards will enable consumers to spend less money for a given amount of energy services — e.g. to heat, cool and light homes, or to drive from Riverside to L.A. In addition, the costs of wind, solar and geothermal power are all roughly equal to or lower than those for fossil fuels and nuclear energy, and are falling significantly. As such, the average California household should be able to save nearly 40 percent on their overall annual energy bill relative to what they spend now in the current fossil-fuel dominant system. In short, everyone in the state has a personal stake in solving the climate crisis, even those who aren’t particularly concerned with the most fundamental matter of saving the planet.

*Can you also speak about the national implications set by the union support in California for the climate stabilization project you and your colleagues have designed?*

The union movement has increasingly embraced a major leadership role in advancing green transition programs. I have worked with the leadership of the AFL-CIO on these issues in multiple states. The level at which California unions have supported our study is one major step forward, and I am, of course, extremely pleased by this support. But it is also part of a growing trend that has been advancing due to the work of outstanding, committed organizers throughout the country. When I first started working on these issues 14 years ago, the prevailing view in mainstream circles — not the labor movement, but in the circles of high-powered policymakers, academia and the mainstream press — was that there is a huge and unavoidable tradeoff between jobs and the environment. You could have one or the other — more jobs or a cleaner environment. But you can’t have both, so choose one. Over the last decade, lots of very effective labor movement activists — from the grassroots levels to many top officials — have pounded home the reality that this is a false trade-off. Due to their efforts, this

message has now penetrated all the way up to the Biden administration. Note that Biden is calling his clean energy program an “American Jobs Plan.”

*This is really highly encouraging news in the battle to tame global warming, so I must ask: What’s next in line in terms of your climate stabilization projects?*

My co-workers and I at PERI are continuing to work with different groups to advance robust climate programs at the national, state as well as county and community levels. Separately, I am working on green transition studies for other countries, Greece being one of them. In the case of Greece, I am looking forward to working more on the issue of land-use requirements in building a green energy infrastructure, building from the outstanding work on this question by the Harvard physicist Mara Prentiss. The issues here is: Do we really have to locate wind turbines on top of the most beautiful pristine mountain cites in Greece in order to build a green economy? This is another one of the false trade-offs that lots of people in power want us to believe. I am also working on issues of financing the global Green New Deal in developing and middle-income countries, especially in Asia, in conjunction with the United Nations Conference on Trade and Development (UNCTAD). That, in addition to trying to maintain the solar panels at my house and office reasonably well.

*Source:*

<https://truthout.org/articles/labor-unions-rally-behind-californias-zero-emissions-climate-plan/>

*C.J. Polychroniou* is a political economist/political scientist who has taught and worked in numerous universities and research centers in Europe and the United States. Currently, his main research interests are in European economic integration, globalization, climate change, the political economy of the United States, and the deconstruction of neoliberalism’s politico-economic project. He is a regular contributor to *Truthout* as well as a member of *Truthout*’s Public Intellectual Project. He has published scores of books, and his articles have appeared in a variety of journals, magazines, newspapers and popular news websites. Many of his publications have been translated into several foreign languages, including Arabic, Croatian, Dutch, French, Greek, Italian, Portuguese, Russian, Spanish and Turkish. His latest books are [\*Optimism Over Despair: Noam Chomsky On Capitalism, Empire, and Social Change\*](#), an anthology of interviews with Chomsky originally published at *Truthout* and collected by Haymarket Books; *Climate Crisis and the Global Green New Deal: The Political Economy of Saving the Planet* (with Noam Chomsky and Robert Pollin as primary authors); and *The*

*Precipice: Neoliberalism, the Pandemic, and the Urgent Need for Radical Change*, an anthology of interviews with Chomsky originally published at *Truthout* and collected by Haymarket Books (scheduled for publication in June 2021)