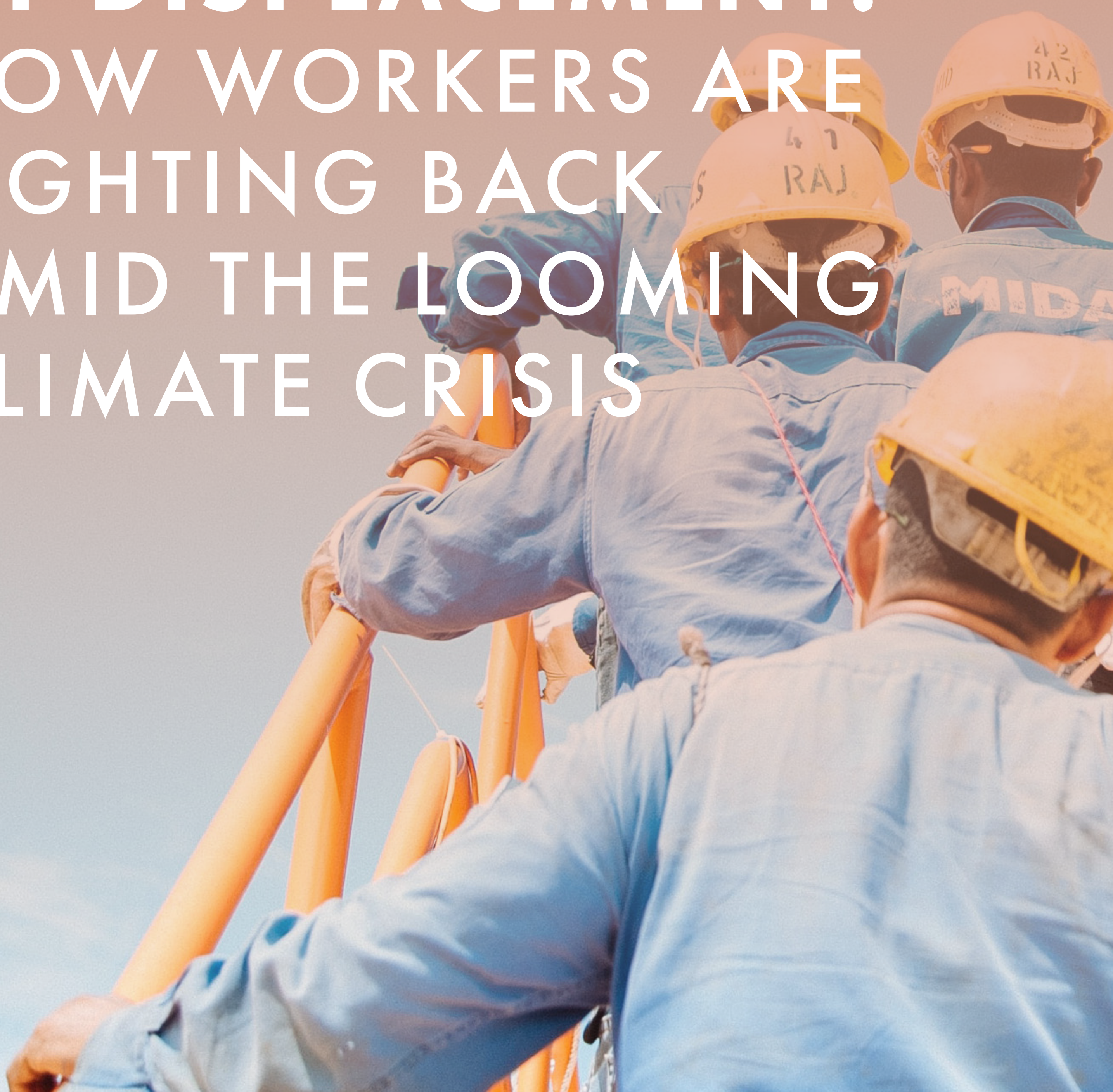
DATA FOR *PROGRESS*

A BRIEF HISTORY OF DISPLACEMENT: HOW WORKERS ARE FIGHTING BACK AMID THE LOOMING CLIMATE CRISIS



As the ice thaws and the temperatures rise, the embers of the climate crisis are heating up. There's simply no denying it anymore: The climate crisis will be the defining issue of our time. But how we, as a society, will address it remains an open question. The biggest fear is that we'll simply fail to act until it's too late, locking in 4, 5, or even upward of 8 degrees Celsius of warming—the consequences of which would be simply devastating. Thanks to growing pressure from the scientific community and grassroots activists on the immediate need to address the climate crisis, we've seen a growing number of policy proposals laying out some of the most detailed climate plans ever. While many of these plans aim to avert the climate crisis, we're left asking if they'll create another crisis: a crisis for fossil fuel workers and communities.

Historically, conservative economists and policymakers have argued that there's an inherent trade-off between jobs and addressing our environmental problem. The new energy on the left, centered around the Green New Deal (GND), rejects this premise, shedding climate austerity in favour of a public-investment-led approach to address the country's climate woes. The story is relatively straightforward: If the country invests hundreds of billions of dollars in the transition to a carbon-neutral economy, there will be so many new green jobs that it'll more than make up for the fossil fuel jobs that are lost. The reception from unions has been mixed, though. And while some unions have come out in support of the energy transition, response from the fossil fuel unions has ranged from cool to downright hostile. Terry O'Sullivan, General President of the Laborers' International Union of North America, said in an official statement, "The real New Deal put green in working people's pockets.… The [Green New Deal] threatens to destroy workers' livelihoods."

Labor is deeply wary of promises from policymakers about job training, job creation, and adjustment policies—and for good reason. They saw how things played out during the globalization era: Workers were assured that, as trade deals were passed, some workers would indeed be displaced, but that the economic pie would increase, creating more jobs on net. In the end, evidence shows that many workers and communities impacted by the trade policies simply never recovered. Like arguments during the trade-liberalization era, proponents of decarbonization rightly argue that transitioning from fossil fuels to clean and renewable energy is likely to generate a net gain of jobs. However, they also acknowledge that such a transition will necessarily entail a shift in the location of jobs between sectors and occupations, posing a challenge for many workers.

Some of the most comprehensive plans to decarbonize the economy—including the Green New Deal resolution as well as plans put forth by some presidential hopefuls, such as Senators Bernie Sanders and Elizabeth Warren—acknowledge the inevitability of these economic dislocations, and propose plans to help workers who lose their jobs in the transition. Most, however, do not fully address the core reason for worker opposition to GND policies: Jobs in fossil fuel industries are unionized, relatively well compensated, and, most importantly, located where the workers currently live. Jobs in the soon-to-expand sector of green energy may outnumber fossil fuel jobs, but they don't come with the same compensation or union protections—not yet, anyway. And right now, many workers do not believe the promises that they will be taken care of in a Green New Deal. As Cecil Roberts, president of the United Mine Workers, put it a few years ago:

> *[Coal miners] hear the glib phrases like "just transition" for displaced workers and know that there has never been any such thing in the history of this country. "Just transition" turns out to mean "just more unemployment."*[1]

But Roberts is not quite right either: Under certain conditions, American workers have supported the elimination of their own jobs. The question is, can policymakers and labor team up once again?

During the 1960s and 1970s, thanks to the relentless work of the civil rights movement, Washington was strongly committed to full employment. This macroeconomic assurance, combined with a hearty labor movement and specific measures to fully compensate workers losing jobs, persuaded many workers to accept displacement. Importantly, these workers knew that while their specific jobs may not be protected, they, as workers, would be made whole.

This grand bargain didn't just arise out of thin air, of course. During policy negotiations, important institutions were in place to balance the interests of labor, the government, and big business. And often, these talks generated bargains that workers willingly accepted. In 1961, members of the International Longshore and Warehouse Union (ILWU) voted to accept the containerization of Pacific Coast ports, replacing most longshore jobs with more-efficient machinery. In exchange for accepting the loss of their jobs, the workers received guarantees of income and benefits. When the federal government reorganized several major railroads in response to an industrywide economic crisis in 1973, Congress gained worker support for the deal by writing into the reorganization legislation the guarantee of lifetime income protection for all rail workers.

Workers have also accepted displacement in the name of the environment. In 1978, timber workers in what is now Redwood National Park—home to the tallest trees on earth—backed the creation of the park, in exchange for income guarantees for laid-off workers, and for preferential hiring for jobs in the new national park.

What unites all of these cases? Workers had plausible transition guarantees that provided economic security equal to what they were leaving behind.

For this to happen, workers needed power, which came from unions strong enough to demand generous transition deals, and from trustworthy partners in industry and government committed to winning labor's support. In this pre-neoliberal era, unions in many industries had this strength, and employers and governments were still interested in gaining labor's support for policies that would displace people from well-paying jobs.

However, during the 1970s ,the political climate of the country changed as policymakers began to blame strong unions for weak economic performance and high inflation, while the public began to see labor as just another special-interest group catering to its own well-off constituents. Industry and government perceived inefficiencies and unfairness in generous, unconditional compensation packages being paid to relatively high-paid union workers, and they turned against generous transition policies. This attack unravelled the careful balancing act that managed power relations between the government, workers, and corporations. Even worse, this line of thinking permeated both political parties: Though he eventually signed the legislation, President Jimmy Carter personally opposed the Redwood employee-protection program as a handout to a special interest.[2]

With the rise of Reaganomics and neoliberalism, unions have been largely decimated. Unionization rates have fallen from almost one in three workers fifty years ago, to one in ten today. The collapse of organized labor since the 1970s means that few unions now wield enough power to effectively negotiate transition packages. Further, workers looking at alternative employment options do not feel confident that any promise of a "just transition" on offer from politicians is real enough to risk giving up a job that puts food on their tables, a roof over their heads, and a health insurance card in their wallets.

Economic transitions after World War II

This brief history of displaced workers can help us learn why workers have supported policies causing job loss in the past, why they fear losing fossil fuel jobs today, and how a Green New Deal might yet win their support. As recently as 1994, when evidence mounted that chlorine posed a grave threat to the environment, the Oil, Chemical, and Atomic Workers International Union (OCAW) refused to back the chemical industry's efforts to thwart a phaseout of the chemical, knowing full well that their jobs were on the line. Rather, OCAW joined with Greenpeace in calling for a tax on chlorine products to finance a transition program for affected workers and communities, including income guarantees, retraining, and relocation assistance.[3] OCAW, under the leadership of longtime Vice President Tony Mazzocchi, had developed a habit of allying with environmentalists in advocating for worker health and safety, on the basis that workers were actually on the front lines of exposure to the dangerous chemicals that environmentalists were so concerned about. With roots in the self-confident worker militancy of the 1970s, Mazzocchi and other OCAW leaders were empowered to push for more than the mere preservation of existing union jobs. Among Mazzocchi's more ambitious proposals was a guaranteed "sabbatical" for all workers, allowing them to retrain for a new job or pursue other interests.

Mazzocchi and OCAW were not alone in hoping for something better for the rank and file than the preservation of existing jobs. After all, the specific jobs weren't holy; the workers simply wanted quality jobs that would provide true middle-class lives for the families of the workers. In 1961, longshore workers up and down the Pacific Coast ratified the first of two five-year Mechanization and Modernization (M&M) contracts negotiated by ILWU President Harry Bridges, a Marxist. Under the agreement, the ILWU accepted the containerization and automation that replaced inefficient, break-bulk cargo with containerized cargo. In doing so, the union recognized that productivity would soar and the number of longshore workers needed would collapse: There are now 10,500 Pacific Coast longshore workers, down from 100,000 in the 1950s. In exchange for accepting the drastic contraction of their union, longshore workers got guaranteed lifetime income, cradle-to-grave benefits, and large, guaranteed individual payouts to current union members. For remaining workers, wages have soared along with productivity, and most longshore workers now make in excess of $100,000.[4] The short of it was that longshore workers willingly accepted significant job losses, in exchange for payouts that left them no worse off. Protect workers, and they will support change. Leave workers behind, and they will fight like their lives depend on it. Because they do.

In one way, the economic transition of the longshore workforce, however, was easy to achieve: The payouts were made possible by the vast productivity increases that came along with containerization. If the size of the economic pie grows enough, and the interests of capital are kept in check, then everyone can have a bigger slice to eat. But economic transitions that do not involve economic growth, a strong labor movement, and a state dedicated to equitable growth result in workers being put at the back of the queue. Promises aren't kept, protections aren't put in place, and workers and communities are devastated.

When the federal government restructured the rail system in the Northeast and Midwest with the Regional Rail Reorganization Act of 1973, Congress required that employees who were dismissed or displaced to lower-paying jobs receive a monthly allowance equal to their previous earnings. In other instances, such as the creation of Redwood National Park in the late 1970s, workers and unions were won over by bold congressional action centered on protections for employees. The Redwood Employee Protection Program—part of the legislation that created the park in 1978—made workers eligible for generous benefits, including full-income replacement for a six-year period, as well as retraining and preferential hiring for new forestry and tourism jobs, which Congress anticipated would be created in the park. Benefit levels paid out under the program were generous, with payments for displaced workers reaching $350 per week ($1,300 in today's dollars) in many instances.[5]

Job loss associated with the trade liberalization offers more food for thought. Since the 1960s, the US has offered some form of Transition Adjustment Assistance (TAA) to workers who lose their jobs as a result of trade liberalization. The idea of TAA, conceived during a time of low unemployment and high unionization, was to transition workers from industries adversely affected by US trade policy, into new, higher-paying jobs in expanding industries. Economists theorized that trade liberalization reallocating workers from uncompetitive and declining industries to more-productive industries would create a rising tide that would lift all boats. According to the wonks, all that workers required was a paddle to help them make the voyage to new and better jobs, which they would inevitably float toward.

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The focus of 1970s-style adjustment policy was to provide cash assistance to workers suffering displacement and let full employment take care of the rest. Under the Trade Act of 1974, workers laid off from firms impacted by imports were made eligible for fifty-two weeks of cash assistance beyond the expiration of unemployment insurance, at 75 percent of pre-layoff earnings. By 1980, TAA covered over half a million workers, at a cost of $1.6 billion.[6]

Worker transitions in the neoliberal era

For a while, workers felt the government was doing a decent job protecting them, but big changes came with the inauguration of Ronald Reagan, in 1981. That very year, as costs rose in excess of allocated funds, Congress decided to cut back the employee protections for railroad workers.[7] Policymakers also soon became dissatisfied with the Redwood employee-protection program, accusing workers of taking advantage of the income-support provisions without trying to go out and find new jobs. According to a 1993 GAO report, less than 13 percent of the 3,500 workers who received Redwood Employee Protection Plan benefits enrolled in retraining. Although Redwood National Park was required to give preferential hiring to dislocated workers, few dislocated workers qualified for long-term park jobs.[8] While the guaranteed income replacement may have discouraged laid-off workers from seeking new employment, local economic and macroeconomic conditions likely played a role as well: There just weren't many decent jobs available in the region after it lost the timber industry—its major economic engine. Local incomes dropped dramatically after the creation of the park, and efforts to provide retraining and income support could not sustain workers (or the communities in which they lived) without the creation of new job opportunities. In fact, Del Norte County's economy—the home of the park—did not stabilize until a state prison was built there a decade later.[9]

Policymakers also grew frustrated at the cost of trade Transition Adjustment Assistance and the lack of perceived incentives for workers to disenroll from the program to find jobs in new industries. TAA policy pivoted from providing income support to transitioning workers, to a "human capital" approach focused on merely giving workers the skills to acquire new jobs relying on the market to take care of the rest. The underlying assumption was that a skills mismatch was the crucial obstacle to workers finding new jobs. Eligibility tightened, and the program shifted from cash assistance to job training and relocation assistance. By 1982, total recipients of TAA dropped from half a million to 30,000 workers.[10]

Job training became the foundation for displaced worker policies after the 1970s, including both workers displaced by trade and those affected by environmental regulations or defense-industry demobilization after the Cold War. The Clinton administration, in fact, shifted the focus even further away from reskilling and training policies, and toward "workforce attachment." What workers really needed, according to this theory, was not new skills but the motivation to go out and find a job, any job. In other words, this theory holds that the problem lies within the workers themselves, not the economy. Thus the Workforce Investment Act of 1998, targeted at workers displaced by environmental measures or other government policies, moved away an approach focused on human capital-based retraining, in favor of a "work first" approach that emphasized immediate job search and job attachment as a "test" of a worker's employability.

The evidence from these neoliberal, displaced-worker policies that emerged under Reagan is clear: They failed to protect the livelihoods of the people on the frontlines. Training and job-search-assistance programs didn't even come close to compensating dislocated workers for the permanent loss of the relatively good jobs they'd had. One study found that the median TAA recipient experienced an earnings decline of 20 percent.[11] Another study found that a substantial minority of defense-industry workers displaced after the Cold War experienced wage declines of fifty percent.[12] This is because workers 1) tended to move from union to nonunion industries, 2) lost seniority, and 3) lost industry- and firm-specific benefits and skills. Far from retraining workers for new, well-paid careers, these programs have instead shunted workers into the low-wage and precarious service sector.[13]

These neoliberal-era transition policies were a reaction to the previous decades of strong labor power, which delivered fair deals for workers. On the one hand, the policies were also a response to perceptions that the transition deals struck in cases like Redwood were handouts to powerful, well-off special interests. Today, fossil fuel workers are relatively well paid, relatively white, and relatively male. One could ask whether these are the workers of most concern in a green-energy transition, rather than, say, the women of color who have long been excluded from these high-wage jobs in the first place. But such a debate falls into the old, neoliberal trap positing that good jobs are always scarce.

On the other hand, neoliberal transition policies have certainly placed too much faith in the market and in the willingness of private employers to automatically reemploy displaced workers. Workers who were willing to reskill and seek new jobs under TAA and other post-1980 adjustment-assistance policies did not find the new jobs they were promised. Two factors likely played a role here. First, policymakers lost their commitment to full employment, shirking the idea that everyone who wants a job should be able to find one. In the absence of a thriving economy—one where workers have the ability to easily find a job and the power to demand a living wage—retraining simply offers false hope. Second, retraining did not address deeper, structural problems involved with industrial transitions and displaced workers. Even those workers willing and able to relocate had difficulty finding work because private employers have proven extremely reluctant to hire laid-off senior workers—especially from unionized industries—and have instead preferred young, more-malleable workers without experience in high-wage, unionized workplaces. These troubles in the labor market are still playing out today. Recently, Boeing refused to hire experienced, ex-union machinists for its plant in South Carolina, even amidst a severe skills shortage in the local labor pool.[14]

Combining full employment with industrial policy

Both the lack of full employment and the reluctance of private employers to reemploy senior workers accustomed to high wages have hampered attempts to transition displaced workers since the 1980s. Fortunately, a lesson from the past can be found in the interwar advocacy of British economist John Maynard Keynes, an early critic of efforts to reemploy displaced workers through macroeconomic full-employment policies or microeconomic retraining policies alone.

Retraining did not address deeper, structural problems involved with industrial transitions and displaced workers.

After World War I, Britain's traditional industries—coal, textiles, steel, and shipbuilding—entered a period of decline that would prove permanent. While unemployment soared in the heartlands of those industries—Northern England, Scotland, and Wales—new industries in light manufacturing and services were being established in South and East England. Keynes proposed a number of policies to address British industrial decline. First, he correctly diagnosed the crisis of Britain's export industries as a terminal one, and opposed attempts to revive competitiveness by slashing wages. Second, unlike the TAA worker-displacement policies outlined above, Keynes understood that the issues of worker retraining and structural adjustment must be combined with macroeconomic policy to ensure a tight labor market was achieved through full-employment policies. It would, after all, be impossible to reemploy laid-off coal miners if there were no employment opportunities awaiting them elsewhere. In 1926, Keynes wrote:

> *The problem of the education and the mobility of labor is going to be at least as important.... It must be the concern of the state to know and have a policy as to where labor is required, what sort of training is wanted; and then where there are maladjustments, as there are in the coal industry, to work out plans for the transfer of labor from localities and trades where there is not demand to localities and other trades which are expanding and not declining.*[15]

In the early 1920s, Keynes proposed that the Treasury spend £100 million, or 2.4 percent of GDP, on capital investment in new industries, which he predicted would employ 500,000 people and bring the unemployment rate down from 10.3 percent to 6 percent. But that would not be sufficient. In 1928, he called for a Board of National Investment to control the pace of capital accumulation and direct investment toward the industries and areas hardest hit by structural unemployment. Unfortunately, the British powers that be did not heed Keynes's advice. Instead, the government and the Bank of England undertook a number of weak, small-bore initiatives that were ineffective. In the end, workers lost out.

The history of workers willingly accepting displacement from their jobs has much to teach us. As the United States and other countries around the world start to plan for the energy transition, we will have to start directly confronting the fact that many workers and their communities will go through seismic economic shifts. Their fossil fuel jobs—and the hundreds of thousands of service jobs depending on the income from those jobs—will be in jeopardy. Policymakers may choose to initiate a transition without thoroughly considering the livelihoods of these people—but that would be a mistake.

In the US, when the government actively guides the economy rather than leaving things to chance, big structural changes can happen—changes that garner worker support and boost economic security. The country has done it before. After World War II, the government created new regional economies in the Sunbelt virtually ex nihilo via the Pentagon's procurement and strategic location of Cold War research and manufacturing industries. The Pentagon's strategies enabled the area to thrive, facilitating interregional migration and the formation of new labor pools in the Sunbelt, far from the old industrial heartland. Although engineers and scientists showed the strongest propensity to relocate, blue-collar workers did as well. Indeed, according to the leading scholars of the regional economics of the military-industrial complex, "It may be that the new geography of defense-related industrial work has resulted in perhaps the largest for-profit publicly subsidized selective population migration in US history."[16] In other words, industrial policy can work.

But transitions are not easy. We should not underestimate or undersell that fact. However, a transition without the broad support of workers may jeopardize the entire project of decarbonization, and it may further fray the social fabric of our already divided country. As recent experiences in France demonstrate, environmental policies that exacerbate inequality and fail to protect the working class risk a ferocious backlash—and for good reason. Thankfully, cutting-edge policies like the Green New Deal are putting workers and their communities at the front of the queue. By being explicitly anti-neoliberal, the activists and policymakers fighting for a Green New Deal are changing the political calculus and are working tirelessly to build broad popular support. Their work is paying off: Recent polling by Data for Progress shows that the Green New Deal is popular, even in swing House districts.

Many details still need to be worked out. Will a transition entail a job guarantee? How can the country revive industrial policy and bring jobs to rural areas that were once dependent on fossil fuels? What is the future of the labor movement, especially in a world after Janus v. AFSCME? Hard questions must be answered. The lives of these workers—and those of countless people around the globe to be affected by the climate crisis—depend on it.

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