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The poverty of power in the Green Keynesian turn

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ABSTRACT
This August marked the arrival of a modest step away from climate neoliberalism toward a "green Keynesianism" in the United States. Legislation advanced by the Biden administration shifted away from austerity and carbon market creation, toward patching up public infrastructure and direct industrial subsidies. However, the new program included next to zero labor terms for the private work it would generously subsidize, let alone more active steps to advance public ownership or worker power. The apparent defeat of the novel measures of this Keynesian strategy, by a united corporate front, demonstrates the political peril of a climate transition strategy based on avoiding confrontation with capital. This is especially due to the present confluence of renewable and fossil energy capital, which will have an enduring drive to make use of the enormous remaining fossil reserves worldwide. Political breakthroughs stemming from California's climate transition provide an instructive alternative to Biden's Keynesian indifference to worker power. Through the joint work of scholars, rank-and-file workers, and broader social movements, the racialized and gendered repression of green construction labor must be overcome, if we are to build the power needed for a climate transition that lasts.

KEYWORDS climate politics, clean energy, labor politics, United States, construction labor, climate justice

Introduction

From the Bolivian Altiplano to the Maldivian shore, the demand of climate justice activists has been unequivocal: the hoarded capital and potent states of the global North must be turned to end the climate catastrophe. In this vision, the transformation will come not by unleashing the brilliance or benevolence of private capital, but instead from global working-class movements that can push the transition through in full.

Instead, for a dim three decades, the dominant climate strategy in the North has been neoliberalism incarnate. State power has bent to make new markets in emissions, while pouring tax credits to investors in cleaner energy. The profit of green sectors has boomed, but so too have global emissions kept their dire climb. That the climate crisis publicly arrived in step with an ascendant neoliberal reign is a disaster already etched on the geological record.

A grim Intergovernmental Panel on Climate change report arrived in August, projecting that only a drastic 50% drop in global emissions this decade was “more likely than not” to avoid the devastation beyond its 1.5°C target. Thirty years into an attempt to privatize a cleaner future, the planet spins at the brink of calamity.

This August also held the arrival of a modest step away from climate neoliberalism toward a “green Keynesianism” in the United States. With proposals for a $1 T infrastructure bill and a $3.5 T federal budget, the Biden administration revealed shifting gears: away from austerity and carbon market creation, toward patching up public infrastructure and directly subsidizing a cleaner industrial direction.

Though partial, such a shift was only made possible through long movement pressure. During the long primary campaign, Biden's defense of fossil projects was harried by an ascendant US left with a special passion for a Green New Deal. Campaign trail pressure reached such pique that in pursuit of breathing room, candidate Biden infamously told one young climate activist, “you oughta vote for someone else.” By the general election, however, Biden sought to circle wagons with the climate left, claiming to offer the boldest general election platform yet for a “clean energy revolution.”

Public gifts for a greener grift

Unveiled in practice, Biden's climate “revolution” aimed squarely at public subsidy to “unlock substantial private capital,” per the words of its advocates at the World Resources Institute (Saha et al., 2021). US federal subsidies were slated to flow to largely private utilities for sales of lower-emission electricity ($150B) and grid upgrades ($27B) (Sanders, 2021). Fossil fuel companies get rearguard support through $16B for dubious carbon capture and hydrogen projects. Vehicle manufacturers would get a public payday from a two-thirds boost in the tax credit to electric car buyers,and over $5B for low-emissions buses.

To their credit, the Biden climate proposals broke from neoliberal orthodoxy not only by veering away from carbon markets but by pausing deficit-paranoid austerity for existing state bureaus. Public transit agencies were slated to gain $105B for repairs and upgrades, particularly for the commuter rail network in the Northeast beloved by President “Amtrak Joe.” This was topped by $110B for road repairs and $7.5B for public electric vehicle chargers, providing extra help to automotive capital (White House, 2021). Climate adaptation was promised $50B, with a focus on protecting commercial ports, alongside $55B for the country's crumbling and parched water systems.

At the left flank of the Biden coalition, pundits trumpeted these relatively generous and bipartisan public expenses as “a watershed in US economic doctrine” that turned “deficit demagogy” into a “fringe position”(Sawicky, 2021). New deficits from the proposed infrastructure and budget bills were projected to add $1B on top of nearly $3B in red ink from prior federal spending this year, which would more than double the peak deficits of the 2008–2012 recession. Faced with a choice between increased deficits or declining state support for private industry, Biden and Democratic leaders chose the former hands down.

At the start of November, the infrastructure bill was passed, while the budget bill's most ambitious climate and social provisions were unapologetically gutted by two Democratic senators close to the coal and pharmaceutical industries. Direct payments to electric utilities for cleaner energy were removed entirely, with the bulk of surviving climate spending set for simply a long term, more nuclear and hydroelectric-friendly extension of existing tax credits to energy companies.

In the same week, the UN COP26 climate conference shuffled into Glasgow. Pointing blame at alleged shirkers abroad and implacable rebels in their home legislatures, representatives of Northern governments made a half-hearted round of emissions-cutting pledges as unlikely to be met as the last, and still far from those needed to hit the 1.5°C target. The wardens of our climate jail acted stuck in a prisoner's dilemma. Northern leaders made clear their pledged annual $100B for Southern climate transitions would continue to be delivered mostly as loans, if at all (Pardikar, 2021). With capital set to profit from the climate crisis on both the finance and construction ends of those international loans, the shock doctrine appeared hale and hearty. COP26 delegates' cheeriest moments, like when féting a keynote by Jeff Bezos, were at the prospects of private sector investment taking charge. Soon after, Biden's budget bill was given a cold "no" by the same coal-state swing senator who had earlier gutted its climate provisions; if sustained, that one further opposition vote doomed the legislation to failure. Hopes of a state-led transition sputtered with little power in the tank.

Power as an afterthought

Whether fleeting or epochal, Biden's narrow Keynesian turn had a terminal problem: it abstained from building any power that might dare to challenge capital. NewHis subsidies would have boosted energy investors and developers, who have been near-unanimous and adamant opponents of union drives or public energy ownership. Public institutions, with even their limited democratic accountability, would see little lasting expansion in assets or authority.

When the Congressional representatives of capital worked in concert to gut the Biden climate policies, overcoming corporate power proved itself especially urgent. Lessons might be found in the 1930s New Deal, which was won, in key part, by restive working classes forcing a split between labor-intensive manufacturing capital (staunchly opposed) and finance capital, which was to concede narrow labor advances in exchange for public largesse (Ferguson, 1984). We might reasonably hope a divide between dirtier capital and cleaner capitals—especially growing clean energy companies—could help open a path for a Green New Deal.

Instead, no such clear capitalist split emerged over Biden's climate program, with executives from big tech to big oil staying united behind the Chamber of Commerce's blitz against the budget bill (Milman, 2021). In part, this unexpected unity owes to the growing confluence of fossil and renewable capital. The country's largest renewable energy generators, NextEra and Berkshire Hathaway, own a larger and still growing amount of gas, oil, and coal plants (Eckhouse et al., 2020). Internationally and in the United States, oil behemoths BP and Shell are investing billions in gaining a share of the renewable market and its public subsidies.

These all-inclusive energy giants have every reason to lobby for further renewable subsidies, and yet fight harder still to make sure their fossil investments are allowed to pay off. It is crucial to remember that our planet still holds an estimated $140 trillion in oil and gas reserves, per the estimates and average prices reported by the US Energy Information Administration. Even without coal reserves, the oil and gas lying in wait equals a third of all global assets (US EIA, 2021; Zakrezewski et al. 2021). If transitions to renewable energy become more costly as they advance, as widely expected, capital will have only greater incentive to make use of that immense, accursed fossil reserve. The only question is what countervailing power can keep doom in the ground.

Such power was clearly lacking as Biden's climate plans evaporated by the week. Critics on the budding socialist left were quick to pin the failure on the same lack of mass mobilization that doomed Obama's 2009 cap-and-trade bill, as decried by Theda Skocpol. Geographer Matt Huber argues Biden's most substantial proposals were opaque subsidies that made it unlikely Power as an afterthought "ordinary people would link climate action to improvements in their lives," as opposed to the "public works jobs-climate package" called for by a proper Green New Deal (Huber, 2021). Combined with the dearth of Biden efforts to rally public shows of support, Huber fairly concludes that "(g)enerating a mass popular base for the legislation was never contemplated."

Of course, organizing such a base can't be done in a legislative cycle alone, and certainly not by just getting the demands right. As scholars like Melinda Cooper and Gabriel Winant argue, decades of the neoliberal ransack of public welfare and unions have profoundly atomized working-class American life (Cooper, 2017; Winant, 2020). Although millions joined the streets for Black Lives Matter and youth climate protests in recent years, even these historic outpourings—from such atomized roots—struggled to build sustained organization and practical leverage past a few welcome local reforms.

The task for the current layer of climate activists is not simply to choose the right demands and activate the waiting masses outside—it's to help those outsiders exist as a cohesive fighting force in the first place. Labor movements, by building on connections forged every day in work rather than atomized time-off, remain as potent a source of that cohesion as we have. While the Senate and COP26 floundered, US workers in manufacturing, construction, and healthcare mounted their most strident and widespread private sector strikes in a decade—although that was a low bar to clear (Furman and Winant, 2021).

In that light, Biden's climate plans fell flat not only on mass appeal, but by leaving the power of workers to a literal afterthought. The infrastructure and budget legislation included no labor terms for the private work they would subsidize, aside from one likely-doomed provision to raise electric vehicle tax credits for US union-made vehicles. Currently, only one model would be eligible. Although federal construction contracts are covered by New Deal-era terms that tend to favor unionized contractors, tax credits, or subsidies to private firms come with no such guarantees. The only other exception was a late-breaking addition to the budget bill, offering $4B in public funds for construction apprenticeship programs. A third of this funding was slated for the training of formerly incarcerated and underrepresented workers, which would modestly boost union training halls and help more women and workers of color get in.

Like a refrain, Biden pledged his climate program would make "good union jobs," but with scarce detail on how executive authority would shore up the legislation's lapses. Such a move would be largely unprecedented and legally murky. At best, his remaining options were likely to be modest wage, training, and safety guidelines for private beneficiaries of the public largesse. At the margins, these might boost inclusion in unions, but with far from a sure shot. A climate strategy focused on "unlocking" greater private investment—which will then be free of federal labor standards—is unlikely to tame the overwhelmingly nonunion riptide of the clean energy sector. A clean energy plan without a labor power plan was unable to build either.

Alternatives to indifference

This is not the only path possible. Biden's federal malaise on shifting power contrasts to California's climate transition, where union moxie and public mandates have built footholds for worker organizing on the tracks of high-speed rail and solar fields. Across the past decade, California's building trade unions pressed state agencies and contractors to win union contracts on these incoming green jobs. Now, in once anti-union bastions like the San Diego exurbs and the San Joaquin Valley, clean energy and rail projects are in a long boom, swelling union ambitions and ranks with younger, more Latino new members (Luke et al., 2017).

In turn, California unions of electricians and ironworkers have become regular, potent supporters of clean energy, defying a notorious international trend of building trades stonewalling against renewable transition. At the state level in 2018, California construction union support helped pass mandates on utilities to provide electricity from 50% zero emissions sources by 2026, and 100% by 2045. Although some local construction union leaders still defend nearby oil projects, the incoming state leader of the building trades boasts how it will be their members who transition California off of fossil fuels for good.

In the unlikely terrain of California's vast San Joaquin Valley, an even more dramatic transformation has been wrought by clean energy construction workers. For geographers, Ruth Wilson Gilmore, Dick Walker, and Don Mitchell, the San Joaquin Valley was the archetype of US carceral, agroindustrial, and anti-labor hegemony (Gilmore, 2007; Mitchell, 1996; Walker, 2004). A white land-owning class long reigned supreme at each level of government, repressing growing working-class Latinx majorities into disorganization and resignation.

Against such odds, with rail and solar projects helping to double and diversify membership in many local construction unions, rank-and-file members and union funds helped sweep a stunning 16 out of 18 of their targeted elections in the Valley in the last three years. Through unprecedented alliances, anti-union municipal incumbents were replaced by Latinx unionists, immigrant organizers,and environmental justice activists, pledging to further build the strength of labor through public funds and mandates.

That this breakthrough arrived long after Latinx or Democratic-registered majorities shows that California's climate transition was not simply due to its electorate, but was wrought by years of a construction union and Latinx movement efforts to build power within the workplace and the state. This hard-won level of working-class power seems crucial for climate transition, but still insufficient.

Without a willingness to challenge capital's direction, and to assert a vision for what kind of jobs to make through public redistribution, labor will be stuck following capital's "all-of-the-above" tow. Fortunately, a blueprint to that end was offered by construction unions in 1970s Sydney, Australia, whose "green bans" halted work on projects facing environmental and community opposition (Burgmann and Burgmann, 2017). As a reach goal, construction unions could refuse work on new fossil-fuel projects altogether. More likely in the near term, unions could refuse to build dirty projects—and try to stymie their permits—until they have won major concessions on environmental terms and lasting labor standards for the site. California building trades have already flexed this leverage to win union jobs and pollution caps on gas power plants, in collaboration with environmental justice groups, and now threaten to fight an Amazon hub unless it limits truck traffic and commits to higher wages for warehouse workers to come. In a more reactionary state, union electricians in Austin, Texas, have rallied labor leaders statewide to organize for a climate transition on union terms (Pollock, 2019).

These hopeful cases point to how revitalization of rank-and-file organizing can help push union leadership beyond their structurally enforced caution. Closer construction worker links with a broader left, particularly those forged through young activists taking long-term rank-and-file jobs, can foster a more assertive political vision. The world that workers build could then not just follow private capital, but steer it with pressure in the workplace and state.

Solidarity in construction

Building worker power doesn't begin and end with labor standards or union initiative alone. The frailty of the New Deal order proves as much. The fight against sexism, racism, and the oppression of immigrants in the workplace, the state, and the streets are crucial not only in themselves but also as essential tasks to unify and strengthen working-class power for the long haul.

Compared to construction, few sectors of US labor are divided between unionized citizens and un-unionized, undocumented immigrants. This is the fruit of both state-enforced anti-immigrant reaction and a parallel campaign of US construction capital to de-unionize and informalize construction work, which utterly routed unions from the enormous residential sector. Rooftop solar and energy retrofit companies have gladly followed these same exploitative terms. The resulting racialized hierarchy in clean energy labor is a material basis for political mistrust between its castes, and it will take head-on organizing drives and political campaigns from unions and broader movements to change.

Few fields, too, are more exclusive to men than construction. Only 4% of construction workers are women (US Bureau of Labor Statistics, 2021). Decades of "family values" austerity and sexism have pressed women into family care labor, making for a hard fit with construction's long, odd hours and the often opaque, fraternal paths to land plum union jobs. Job creation that is blind to who gets the best new jobs will only blindly reproduce these dangerous exclusions.

The future of working-class power in the climate transition will thus hinge not just on state jobs bills, but on union and movement efforts to break these divides in the pivotal construction sector. That might look like union drives to bring in immigrant workers, or campaigns for socialization of care work, like the socialist and labor drive behind Portland, Oregon's 2020 referendum victory for universal childcare (Day, 2020). As in that campaign, geographers and scholars can join with labor, immigrant, feminist, and left activists to raze the barriers to a unified class in action. As in the Bolivian state transformed under indigenous socialist leadership, or the proposals of a new generation of public ownership advocates in the global North, we can aim for state programs that unapologetically build the power of labor and social movements from the rank-and- file up (Cumbers et al., 2017).That's key to a climate transition that lasts.

Human geographers have made much of our public name through critical insights on global neoliberalism, tracing its roots through the political failures of the first Keynesian era in the global North. Instead of forging long-term solidarity and a fighting spirit for the masses, it put to work, that mid-century era of state action pushed increasingly for "labor peace," which soon turned to labor retreat. Massive subsidies to private industry cemented the power of a capitalist class that gradually divided and devoured most of the era's social gains.

Our task is to make sure the "last decade" for decisive climate action doesn't sink to ruin in the same mistake. By leaving the power and unity of the diverse working class to an afterthought, a climate program of public subsidy for private power only hands a shovel to its gravediggers. Geographers and critical scholars of all stripes can help popularize an understanding of these fatal limits to a Keynesian program—and not simply in print. With our students, campus coworkers, and diverse movements from restive working classes, our charge is to help build the organized courage needed for a climate transition that lasts.

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