

# A road already traveled

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*With help from Nancy Vu*



Workers begin to clean up the debris and damage caused by a pro-Trump mob at the U.S. Capitol building. | Samuel Corum/Getty Images

**THROWING SHADE** — The House [is readying articles of impeachment](#) against President Donald Trump after rioters vandalized the Capitol in a real-world example of [maximum polarization](#), and business groups, after years of investor pressure to manage social and political risk, are rising to the

moment, issuing statements of condemnation and [shutting down their political giving](#), especially to Republicans. Marriott, Hallmark Cards and American Express are among the household brands closing their wallets.

“The risk from their political activities has gone up quantum-fold,” said **Bruce Freed**, president of the Center for Political Accountability. “This is a real moment of truth.”

**What comes next:** But ESG watchdogs aren’t convinced that corporate America’s umbrage goes beyond feel-good public relations. A post-election lull in political fundraising makes this a convenient time for companies to reevaluate.

“There’s a fair amount of self-interest there, of course,” said **Jeff Perkins**, executive director of the Friends Fiduciary Corp., a faith-based investor group. “In my positive moments, I like to think we’re in a period of transition where corporations will step into the positive role they can play in society.”

## THE BIG IDEA

**A ROAD ALREADY TRAVELED** — The president-elect will enter the White House in a time of crisis with a big promise to spur job growth by spending on sustainable infrastructure and clean energy.

Sound familiar? It is. In February 2009, a newly elected Vice President Joe Biden was instrumental in getting a massive stimulus bill through Congress during the recession. Unemployment was 8 percent and rising and President Barack Obama had been elected in part on his promise to deliver 5 million green jobs

To get there, the American Recovery and Reinvestment Act, or ARRA, paired more than [\\$90 billion](#) in clean energy investments and tax incentives with [\\$4](#)

[billion](#) in workforce development, including spending on emerging industries such as energy efficiency and renewables. The idea was to train workers for the new economy, and the more sustainable, high-paying jobs would come.

It was, ultimately, a disappointment. ARRA is credited with laying the foundation for growth in electric, [solar](#) and wind power over the past decade. But [it did little to jump-start jobs](#) in the green economy, according to the Labor Department's internal watchdog, and some of its programs were expensive failures.

As the new Congress prepares its agenda, progressives are banking on Democrats' majority to go big and green on stimulus spending and infrastructure. The Long Game spoke to former Obama administration officials, labor experts and economists to compile lessons learned from ARRA.

## Don't count on demand

Democrats in 2009 calculated that a greenhouse gas cap-and-trade program would spur massive job creation in energy and construction. They designed ARRA to help deliver the necessary skilled workforce.

There was one problem. The cap-and-trade program didn't exist then, and it still doesn't. The American Clean Energy and Security Act, better known as the [Waxman-Markey bill](#), passed the House on a dramatic 219-212 vote in June 2009 only to die in the Senate. Democrats also couldn't pass legislation that would have created jobs in home energy efficiency, said **Jason Walsh**, executive director of the BlueGreen Alliance and a former Obama administration official.

"There is [evidence](#) that we trained more people than there was demand for,"

Walsh said.

## Forget loan guarantees

A corollary of lesson No. 1. A loan-guarantee program established by ARRA at the Energy Department delivered questionable results. Solyndra, a solar panel manufacturer, [defaulted on its federally backed \\$535 million loan](#) and became a political scandal for Obama. LG Chem, a Korean lithium-ion battery-maker that then-Michigan Gov. Jennifer Granholm, now Biden's Energy secretary-designate, lured to the state with ARRA funding, took years to make its first battery while [its workers watched movies](#).

Those failures and others were complicated, but market forces played a key role. Solyndra was felled by the plummeting price of polysilicon, a raw material used by its competitors, and misled the government about its finances. LG built a plant before automakers were fully ready for its advanced batteries.

Today, capital is cheap and companies don't need the federal government to back every big idea, said **Joseph Aldy**, a Harvard economist who advised the Obama White House on energy and environmental policy.

"Anyone who's in the energy system trying to develop a project, they can get loans pretty cheap now," Aldy said. "They don't need the government to guarantee those loans to dramatically lower their cost."

## Train the hardest-hit

The nightmare that was 2020 [ended](#) with nearly 10 million fewer jobs than before the pandemic. Many of those losses were among people [earning less](#)

[than \\$40,000 a year](#) in service industries dominated by Black and Latino workers.

But in the years following ARRA, nearly all the jobs created required postsecondary education, according to [a report](#) from Georgetown University's Center on Education and the Workforce.

The challenge is delivering that education to workers. Money should go directly to community and technical colleges that can train people in digital literacy, short-term health care and manufacturing, said **Katie Spiker**, director of government affairs at the nonprofit National Skills Coalition.

Spiker's group supports the [21st Century Skills Act](#), a bill sponsored in the last Congress by then-Sen. Kamala Harris that would award education grants to unemployed and low-income Americans and subsidize businesses and local workforce leaders who try to close the skills gap in their communities.

Congress also could expand the [Work Opportunity Tax Credit](#) for businesses that hire from groups who face barriers to employment, such as people with felony convictions.

Another option is directing money to historically Black colleges and universities and other minority-serving institutions. And there's widespread consensus that Pell grants should be expanded to include students in non-degree programs.

## Lose the adjective

Green jobs can be had in recycling, wind and solar, but they're also created by nuclear plants, pipelines and carbon sequestration. In Washington, a job's

green bona fides depends on which lobbyist you're talking to.

That's one reason there are few comprehensive studies on whether ARRA funding for workforce development actually matched people with better paying and long-term jobs. The Bureau of Labor Statistics had [its own green jobs definition](#) for a while. Obama's Department of Energy later developed [an employment survey](#) that cut across the traditional workforce categories used by economists.

"A lot of the same skill sets needed for something that's 'green' or 'not green' are the same," said **Rachel Jones**, vice president of energy resources policy at the National Association of Manufacturers. "I certainly wouldn't want to limit people's economic opportunities because of a color we put in front of a job."

It's a policy conundrum, and Biden's [Build Back Better](#) plan in a way picks a side by focusing less on a job's color and more on its quality — a living wage, benefits and a safe workplace. In other words, it emphasizes another kind of green: money.

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For Biden, that starts with raising the minimum wage and strengthening unions, such as penalizing companies that interfere with workers' organizing efforts, which could run into resistance from Republicans and the business lobby.

The vast majority of clean energy workers aren't unionized. [Union employment](#) in the solar and wind industries is between 4 percent and 6 percent, close to the national average, compared with upward of 12 percent in natural gas, nuclear and coal. Concerns about wages and benefits are one reason why unions and the left are [divided on climate policy](#).

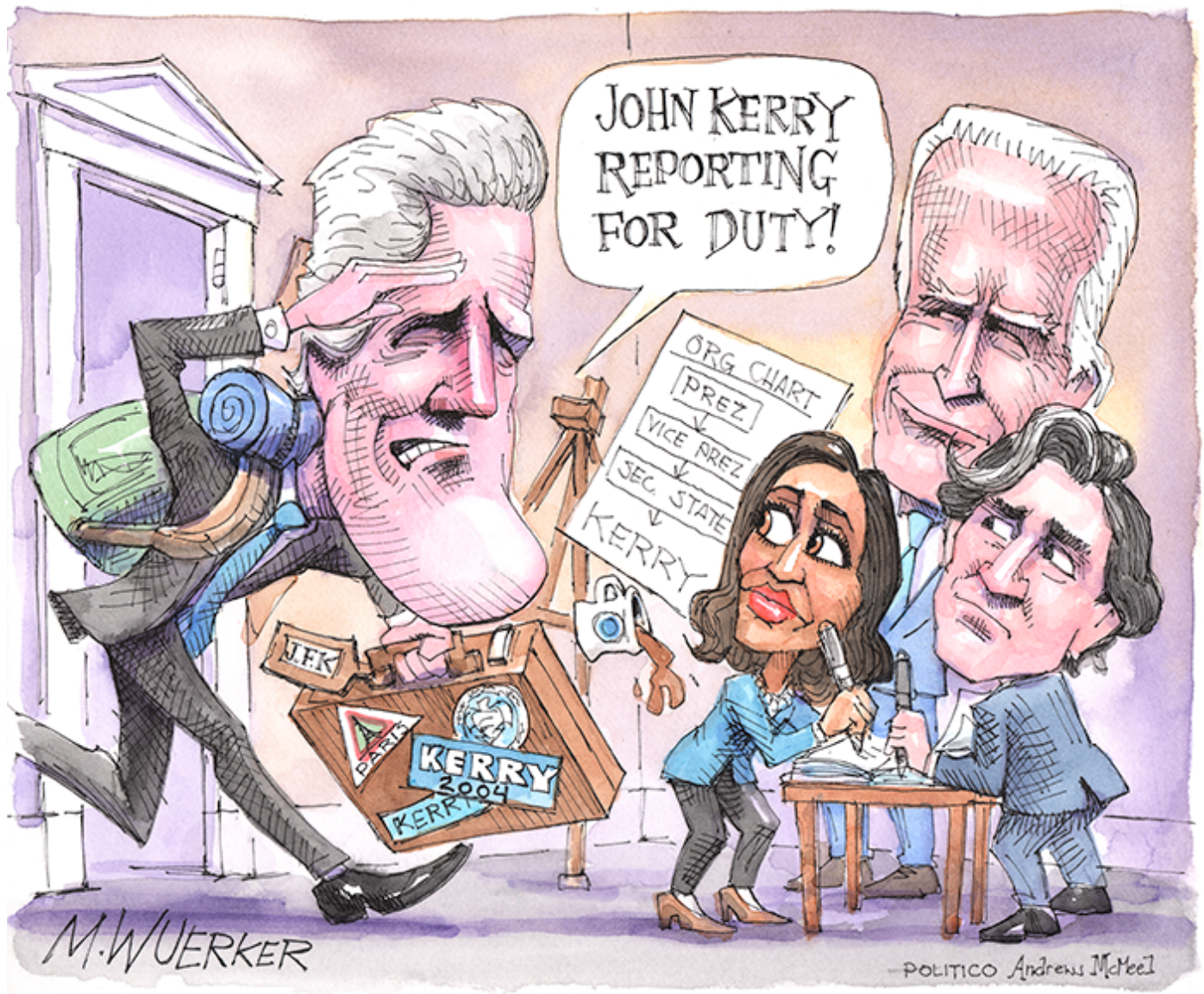
In the end, the upcoming policy fight over sustainability and the workforce might be more about living wages and less about the green economy.

— [Today's report](#) on job openings shows a surprising number of help-wanted signs. "Job openings are still plentiful as the economy sails into the growing pandemic storm," MUFG economist Chris Rupkey writes, "but the nation is not out of the woods yet. Bet on it."

## YOU TELL US

**What else did ARRA get wrong — or right?** Drop us a note at [cboudreau@politico.com](mailto:cboudreau@politico.com) and [lwoellert@politico.com](mailto:lwoellert@politico.com). Find us on Twitter [@ceboudreau](https://twitter.com/ceboudreau) and [@Woellert](https://twitter.com/Woellert). Did someone forward this to you? [Subscribe here](#).

## Transition 2021



Matt Wuerker/POLITICO

**WHO'S IN CHARGE HERE?** John Kerry, Biden's larger-than-life envoy on climate change, is busy building his team and scrambling Washington's org charts.

Sue Biniatz, a longtime State Department career climate official, has accepted a job on Kerry's staff, [POLITICO's Zack Colman reports](#), and Jonathan Pershing, State Department special climate envoy under Obama, could join the team.

The team of about 30 will work out of an office at State. Kerry himself is



expected to land an office in the White House. His newly created seat on the National Security Council will put him in the same room as Biden, Harris and Cabinet secretaries, keeping climate change front and center as the administration makes decisions on foreign policy and national security.

And because his job doesn't require Senate confirmation, he'll be able to hit the ground running on Jan. 20, while [his boss, incoming Secretary of State Antony Blinken](#), waits for his vote in the Senate.

**Quick, before Biden gets here:** In the Trump administration's final days, energy companies stockpiled enough drilling permits for western public lands to keep pumping oil for years, [an Associated Press analysis found](#). Companies submitted more than 3,000 drilling permit applications in a three-month period that included the election, and administration officials approved almost 1,400 drilling applications.

The stockpiling accelerated as Biden was cementing his lead over President Donald Trump in the fall and peaked in December.

## AROUND THE WORLD

**THE ROYAL TREATMENT** — The One Planet biodiversity summit in Paris on Monday delivered some new pledges. His Royal Highness the Prince of Wales, with help from former Apple design guru Jony Ive, issued a call to action to businesses. The royal's [Terra Carta](#) has backing from Bank of America, BP and others.

And 50 countries across six continents, including the U.K., UAE and Chile, promised to work toward a deal to protect 30 percent of the planet's land and ocean by 2030. Not on the list: [Australia](#), Russia and the U.S.

## What We're Reading

- When the **Nipissing First Nation** started a new fishing program, the community was beset by interview requests from researchers who were asking the same questions over and over. The need to understand marginalized communities might actually pose a burden on them. [Wired reports](#) on research from [Florence Ashley](#), a doctoral student at the University of Toronto.
- A new set of scientific studies finds **insect populations suffering “death by a thousand cuts,”** [the Guardian reports](#). “Nature is under siege,” [scientists wrote](#) in the journal Proceedings of the National Academy of Sciences. “Most biologists agree that the world has entered its sixth mass extinction event.”
- Economists at [the New York Fed](#) are trying to untangle the **racial and income disparities** of Covid-19.
- **General Motors** is getting into the delivery business, [CNBC reports](#). The automaker will sell an all-electric van this year and FedEx is its first customer.
- **Today’s good news:** Tampa Electric’s solar farm [lamb cam](#) is back.