

Can a greener economy help solve poverty?

By Steve Berg

Friday, May 30, 2008



Van Jones

Facing up to the twin dilemmas of our times — high energy costs and global warming — will require a new kind of economy: a greener economy. And if this new economy is to be built, shouldn't we take another shot at the poverty problem?

Van Jones thinks we should. "A green economy should connect people who need the jobs most to the jobs that most need to be done," he told an overflow crowd at a breakfast event in St. Paul last week.

Jones, age 39 and a Yale law school grad, is the founder and president of Green for All, a Bay Area-based organization that wants to make sure that the emerging green economy includes those the waning carbon-based system has left behind. His view is that climate change and poverty should be tackled together.

Jones' approach has generated considerable enthusiasm in the Twin Cities, where a Mayors' Initiative on Green Manufacturing is already under way. His stop at a union hall here last week drew a surprising turnout of 150 — including Mayors R.T. Rybak of Minneapolis and Chris Coleman of St. Paul, as well as U.S. Reps. Betty McCollum and Keith Ellison and a half-dozen DFL state legislators.

A poverty/pollution epiphany

Later, over lunch at a Warehouse District restaurant, Jones recalled the moment of his poverty/pollution epiphany. From Oakland's toughest streets, where he worked with troubled youths, he drove often across the bay into affluent Marin County, where the big concern was climate change and clean energy. And it struck him that caring for the Earth's future shouldn't belong only to a liberal elite. The poor have a huge stake.

If kids hanging on street corners could be trained to install insulation, erect solar panels, assemble hybrid buses, operate urban tree farms or do the multitude of other green manufacturing jobs on the horizon, then America would have turned its energy-environmental crisis into a socio-economic opportunity.

"We have unfinished business in this country," he told me. "It's the business of equality and inclusion."

Jones doesn't underestimate the difficulty of that task, however.

The "war on poverty" launched four decades ago failed for a number of reasons, he said. One was that the anti-poverty bureaucracies served mostly to perpetuate themselves rather than help the needy. But a more basic problem was the disappearance of hundreds of thousands of industrial jobs, some lost to automation, others to foreign competition. Those jobs had lifted millions of European immigrants and Appalachian whites out of poverty. By the time African-Americans and newer immigrants were poised to take their turn, the low-pay service economy was all that remained. Now there's another chance.

Certain jobs can be kept at home

Not all of new green manufacturing jobs can be kept at home, he acknowledged. Japan and Germany may continue as leading importers of wind turbines, for example. But Americans can assemble and install them. And millions of other green jobs — in building products, biofuels and transportation — must be done locally.

"It's easier to say than it is to do," Jones said. But the problem stares us squarely in the face. Stagflation has returned — the frustrating combination of high prices and fewer jobs brought on by a big run-up in oil prices. Unlike the late 1970s, however, when OPEC played games with the spigot, this latest energy crisis is real. Cheap oil won't be back. And global warming must be mitigated.

In the midst of these realities, Jones expects a monumental political showdown within the next decade over how to restart economic growth.

One option is to hold fast to the carbon economy. He calls it the "drill, burn and bake the planet" approach. That means, he said, more oil extraction in sensitive areas, more burning of fossil fuels, more deforestation, more planting of crops for fuel, more starvation abroad, more poverty at home and more denial that global warming exists.

'Invest, invent and include'

The other option is the green economy, which he calls the "invest, invent and include" approach. That means taking full account for the costs of carbon in economic decision-making. It also means investing in green technologies and training the poor to perform new green jobs.

Jones concedes that remaking a problem population into a reliable work force carries big costs. But even if you have to spend double to train a guy on the street corner, the long-term savings are huge, he said, especially when you consider the cost of prison and the social costs consumed by the women and children left behind.

"Pay a little now or pay a whole lot later" has become a mantra for the movement.

However inevitable, no orderly transition to a greener economy is likely without a federal policy that limits greenhouse-gas emissions. The Senate will take up that formidable task next week, when it begins debating a bill sponsored by Sens. John Warner, R-Va., and Joe Lieberman, the independent from Connecticut. The bill aims to reduce U.S. global-warming emissions by 66 percent over the next four decades. Greenhouse exhausts from power plants, autos and other polluters would be reduced 2 percent per year between 2012 and 2050 based on 2005 emission levels.

The result would be a massive change in how the U.S. creates, delivers and uses energy. A price on carbon would be imposed. And an array of incentives would be offered for greener technologies.

Opposition from Bush, business

President Bush opposes the bill. Conservatives and some business groups have also objected. The American Enterprise Institute, citing a federal analysis of the bill's economic

impact, estimates a 2.7 percent reduction in gross domestic product (GDP) by 2050. The article, "[How Green Hysteria Will Hit Home](#)," called the bill's emissions targets "absurd and irresponsible."

The Natural Resources Defense Council argues, however, that the cost of doing nothing would be far greater. Citing a Tufts University study, it estimates a 3.6 percent GDP reduction if the current course is followed. That's a \$3.8 trillion annual economic decline by 2050, expressed in 2008 dollars.

Failing to address global warming will carry \$950 billion in water costs, it says, plus \$422 billion for hurricanes, \$360 billion in real-estate losses and \$141 billion in increased energy costs.

The debate in Minnesota is a microcosm of the national disagreement. Margo Thorning, in an article posted on the website of the [Center of the American Experiment](#), estimated that Minnesota's gross state product would decline by as much as \$12.6 billion a year by 2030 if Warner-Lieberman became law. That would mean nearly 75,000 job losses in the state and a decline in the average household income of \$8,200 a year. Electric bills would rise by 153 percent and gasoline prices would increase by 140 percent, she predicted. Meanwhile, the benefits are unknown, she said.



David Foster

Retooling through a green filter

David Foster, director of [Blue Green Alliance](#), a joint project of the Sierra Club and the United Steelworkers, doubts those numbers and says that the consequences of doing nothing would be far worse. Shifting toward a green economy is the only logical response: "Retooling all economic development through a green filter is a good place to start," he said.

Minneapolis Mayor Rybak, who increasingly views his city through an environmental lens, told last week's breakfast gathering that land-use policy will be especially important in fostering a greener economy for Minnesota. Building a green manufacturing plant that requires workers to drive long distances shouldn't be encouraged, he said. "It's not really a green job if you make the job in a remote location."

That's one connection to Van Jones' hope that a greener economy might benefit the poor. The Mayors' Initiative on Green Manufacturing aims to "capture and grow" jobs in Minneapolis and St. Paul by "siting green manufacturing facilities on the two cities' valuable industrial land." Much of that land is — as Jones would say — close to the people who need jobs the most.

Steve Berg, a former Washington, D.C., bureau reporter, national correspondent and editorial writer for the Star Tribune, reports on urban design, transportation and national politics. He can be reached at [sberg \[at\] minnpost \[dot\] com](mailto:sberg@minnpost.com).

ENVIRONMENT | FRI, MAY 30 2008 8:32 AM