



# The clean energy transition needs an era of industrial statesmanship

By David Foster

In 1937, as the Roosevelt administration strove to recover from the second downturn in the Great Depression while positioning the U.S. for a new role in global security, U.S. Steel, then the world's largest corporation, entered into [secret labor negotiations](#) with the Steelworkers Organizing Committee (SWOC), the predecessor of the United Steelworkers of America.

After two months of private meetings between [John L. Lewis, founder of the Committee for Industrial Organizations, and Myron Taylor, chairman of U.S. Steel](#), a simple 10-page agreement was reached that recognized SWOC as the representative of U.S. Steel's 125,000 hourly employees, raised their wages and opened the door to a new era of labor relations in the American economy.

Much has been written about labor history in the U.S. and the role of private sector unions in building the middle class for tens of millions of American families from the 1950s through the 1970s. But little has been written about the role of industrial statesmanship in forging the consensus needed for social change in critical periods of our country's economic development. While some prefer to see social progress solely as the product of protest and confrontation, in reality, conflict ends when visionary change is embraced by multiple parties.

Today we are facing a new era of economic and political challenges, which will require a similar willingness to step away from the status quo and recognize the need to embrace a broader sense of social purpose that provides solutions to the challenges of the clean energy transition.

At a time when our post-World War II economic and political guardrails are fracturing, the resurrection of industrial statesmanship by clean energy business leaders would be an important next step.

Over the last 18 months, Republicans and Democrats in Congress and the Biden administration have passed three pieces of legislation that provide a framework for a new era of industrial statesmanship. But that framework will require the business leadership of the clean energy transition to embrace the idea of worker representation, just as the chairman of U.S. Steel did 86 years ago.

The Infrastructure Investment and Jobs Act (IIJA), the Chips and Science Act and the Inflation Reduction Act (IRA) have, collectively, [directed hundreds of billions of dollars](#) toward supporting the clean energy transition across a wide array of technologies — from renewables to carbon capture, from new transmission to new appliances and from semi-conductors to the circular economy.

All the incentives in these three acts, provided through formula grants to the states, competitive grants with private sector matches, tax credits and loan guarantees, also [encourage or require](#) the recipients to use domestically sourced materials, take advantage of the benefits of project labor agreements with construction unions and provide their operations' employees with the free and fair choice to join a union.

While many of these investments by the federal government encourage the private sector to [embrace these changes](#) by increasing tax credits or adding preference points to grant applicants for agreeing to domestic content, project labor agreements or neutrality provisions, in most cases the law cannot mandate acceptance. Nor could Franklin D. Roosevelt require the chairman of U.S. Steel to engage in negotiations with the SWOC.

Thus, the Biden administration has provided the clean energy sector with the tools to play a pivotal role in reorganizing the social impacts of the energy transition on American society. By requiring applicants to produce a Community Benefits Plan to show how recipients expect their projects to address issues of union representation; access to jobs and job training by underserved communities; legacy pollution; and the loss of jobs in coal mining communities, the Biden administration has provided clean energy businesses with a historic opportunity to play a prominent role.

Just as U.S. Steel's action in 1937 opened the door to prosperity and equality for its 125,000 employees, and eventually, millions of others, so the embrace by the clean energy sector could change the social structure of America in a decarbonized economy.

Already, a few companies have stepped forward. On Dec. 1, 2022, [Mary Barra, CEO of General Motors](#), whose company is a recipient of [Department of Energy funding](#) for its new battery plants, publicly stated that she hoped the employees of Ultium, General Motors's Lordstown, Ohio, battery plant, would vote to be represented by the United Autoworkers. [A week later 92 percent of Ultium's employees voted yes.](#)

In West Virginia, [Sparkz, a start-up battery manufacturer, entered into an agreement with the United Mineworkers](#) to train laid off coal miners for jobs in their new manufacturing plant in Bridgeport. And in Minnesota, [Talon Metals, a nickel mining company](#) that is developing a mine in Tamarack, Minn., and a processing plant in North Dakota signed a neutrality recognition agreement with the United Steelworkers to represent its future employees.

These are examples of the kind of industrial statesmanship that clean energy businesses need to adopt at broad scale. Just as the U.S. Steel decision in 1937 opened the door to wide-scale recognition of labor rights in American society, similar actions by clean energy businesses would turn the tide of inequality in America.

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