In most of the world, May 1 is International Worker's Day. It celebrates the collective struggle of workers for better wages and working conditions. That made me start thinking about the efforts that have been made to unite climate action with the interests of workers. That has been a particular emphasis of the Biden Administration and is reflected in recent spending laws.

From the start of his administration, Biden has linked jobs and workplace issues with climate action.

Soon after taking office, Biden issued an executive order on "Tackling the Climate Crisis at Home and Abroad." Several sections of the order had the phrase "empowering workers" in their titles. At the time, the NY Times reported that Biden "said his agenda would create 'prevailing wage' employment and union jobs for workers to build 1.5 million new energy-efficient homes, to manufacture and install a half-million new electric-vehicle charging stations, and to seal off one million leaking oil and gas wells." In announcing the order, Biden said, "Today is climate day in the White House which means today is jobs day at the White House."

The more recent Inflation Reduction Act provides upwards of $370 billion in incentives for clean energy projects. The incentives are structured to encourage domestic production of various clean tech products. According to Jessie HF Hammerling at the UC Berkeley Labor Center,

"In addition to prioritizing domestic production, the IRA includes strong incentives for employers to pay good wages and benefits. Throughout the law, tax credits for renewable energy and energy efficiency projects are five times higher if work performed by contractors and subcontractors is paid at prevailing wage rates, using registered apprentices and journeymen workers."

The incentives for apprenticeship programs may be especially significant, as Hammerling goes on to explain:

"Apprenticeship programs are industry-driven and industry-funded, long-term, paid training programs. The most well-developed apprenticeship programs are in the building and construction trades, which are typically run by a joint labor-management committee involving unions and employers. Most programs are four to five years and involve both on-the-job and classroom instruction."

The optimistic scenario is that IRA will stimulate exponential growth in the clean energy sector while creating the workforce needed to support further growth. In the process, the labor provisions of the law could improve the lives of millions of Americans, reduce the sense of alienation experienced by many working-class people, and build political support for further climate action.

There are a number of ways this could go wrong. The Republicans are currently during their best to eliminate this boon for American workers. Assuming their effort fails, the most obvious risk is that higher labor costs could drive up the price for clean energy technologies from solar panels to EVs and substantial slow the energy transition. That would have serious repercussions for climate policy. A slower transition would also mean a slower-growing workforce, undermining the goals of the labor provisions themselves.

Thus, the IRA is a major experiment that could produce economic transformation or fizzle out. The result will probably be somewhere in-between, but a lot will turn on exactly where we come out on the spectrum between total success and abject failure.