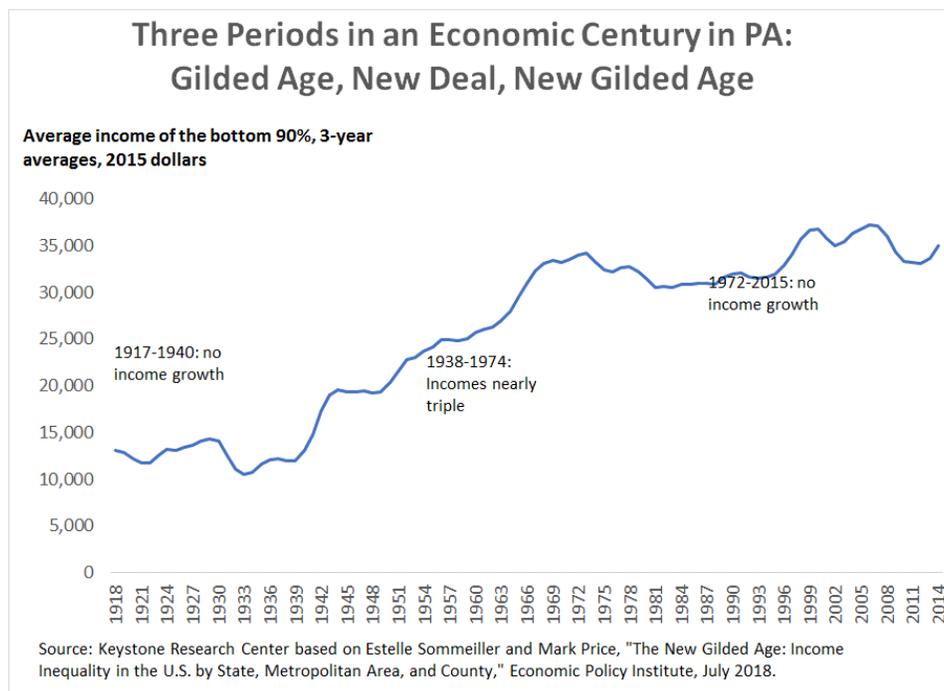


The ReImagine Appalachia Campaign: A New Deal That Works for US

Testimony of Stephen Herzenberg before the Joint Senate and House Democratic Policy Committee on
A People's Budget: The Environment

Thank you for the opportunity to testify before this joint policy committee today. My name is Stephen Herzenberg. I am an economist and the executive director of the Keystone Research Center (KRC), an economic research and policy organization that began operating in 1996 and the mission of which is to promote a more prosperous and equitable Pennsylvania. KRC is also proud to house the Pennsylvania Budget and Policy Center, which leads the We The People Pennsylvania campaign with many great partners. Since our creation by the leadership of Pennsylvania's statewide labor movement, the mission of KRC has always been to define, and elevate, an alternative to the conservative narrative in Pennsylvania politics—and, in so doing, to help persuade more hearts and minds to support policies that promote a Pennsylvania economy and politics that work for all, and the common good. We applaud this joint committee for organizing these hearings on a "People's Budget," and for seeking to offer Pennsylvanians a positive vision and the specific policies in such a budget that would improve people's lives.

I was asked to speak today about the "ReImagine Appalachia" campaign and about its potential economic impact in Pennsylvania. ReImagine is a four-state project focused on the Ohio River Valley spanning SW PA, SE OH, WV, eastern KY and on how to ensure that an aggressive response to climate change can boost economic opportunity and benefit working people. The framing and the messaging of ReImagine reflect its regional origins. The Ohio Valley includes a mix of some places that have faced persistent poverty (much of WV and KY, Greene and Fayette Counties in PA) and other places which thrived in the New Deal but have faced downward mobility since the 1970s (the rest of SW PA much of eastern OH including Youngstown). For all four states, a line graph shows that the inflation-adjusted average income of the bottom 90% (i.e., most of us) has not increased since the 1970s after tripling since the late 1930s (more in KY because of a lower starting point).



Because of its economic history, this region has viewed environmental regulation, and climate change, with deep suspicion. Because of the region’s economic history, the idea of a “Green New Deal” has not resonated, at least initially. Similarly, in this region more than others, many labor leaders interpret the concept of a “just transition” as “an invitation to a funeral.”

Given the economic history and politics of the region, ReImagine Appalachia campaign has approached the issue of climate change in three distinctive and complementary ways.

First, we developed our policy framework using a process aimed at making it resonate and unify people within the region. We received input from over 100 people and organizations within the region—started with a digital convening in March 2020. We surveyed all the opinion and messaging research specific to our region that we could find. The resulting framework, released in July 2020, has three broad buckets: expanding opportunity through public investments, building a 21st century sustainable Appalachia, and rebuilding the middle class (an infographic in this [one-sheet summary](#) of the RA framework shows the framework visually).

- Expanding opportunity through public investments highlights the need to attach labor and community standards to government investment in reducing carbon emissions. Labor standards should ensure good wages and union rights—a sustainable economy should grow the number of good union jobs in our economy. Community standards must ensure that diverse workers can access those good union careers. In addition, we must create equivalent new jobs for coal workers. ReImagine Appalachia is not about creating new jobs that workers don’t want in places they don’t want to move to; it’s about creating good new jobs where they live.
- Building a 21st century sustainable Appalachia drills down into the carbon footprint of the region and spells out the public investments needed to achieve zero net carbon emissions by 2050.
- Rebuilding the middle class, our third bucket, recognizes that most jobs today are not carbon jobs or jobs directly associated with reducing carbon jobs. Most jobs are service jobs, too many of which pay poorly. Thus, a much higher minimum wage and real union rights for all—which allow many low-wage service jobs to be unionized and transformed into middle-class union jobs, like the transformation of manufacturing in the 1930s through 1950s, are needed alongside aggressive climate response to achieve a “New Deal That Works for Us.”

Second, we have highlighted that the investments needed to get to net zero—and detailed in our second bucket—will create hundreds of thousands of good jobs, many of them trades and industrial-type jobs. These are jobs for laborers laying rail, electricians and pipefitters building out a smart grid and universal high-quality broadband, operating engineers repairing the damage from centuries of extraction, boilermakers in combined heat and power plants, machinists and maintenance workers in energy efficient factories of the future, members of the Civilian Conservation Corps planting trees, restoring wetlands, and helping farmers adopt “regenerative agriculture” practices that absorb more carbon. We commissioned state-level studies by the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst to estimate the number of jobs the RA blueprint would create in Ohio, Pennsylvania, and West Virginia, the third of these released earlier today.

The Pennsylvania study, released in late January, estimated that 243,000 jobs would be created in Pennsylvania—and I should underscore that this is *Pennsylvania as a whole*, not just SW PA. The RA summary of the PERI PA study has tables that show job creation in each of the major investment areas in the RA second bucket. The full PERI study—135 dense, data rich pages—has immense detail on the quality and union density of these jobs. The PERI study also estimates job loss for coal workers and estimates the cost of what the United Mine Workers call “true transition”—three years of wage

insurance and full coverage of health and pension benefits for retirees. The general point is clear: even in Pennsylvania, the job creation from aggressive climate response is more than an order of magnitude—well over 10 times—the loss of fossil-fuel jobs.

Third, we have engaged labor unions extensively in the development of our framework and the fleshing out of that framework in white papers (so far on broadband, clean manufacturing, and regenerative agriculture/CCC 2.0, coming in the next months a series on “repairing the damage” and a white paper on community and labor standards). We want RA policies to be as union friendly as we can make them—and we can only achieve that with help from our labor friends. The good news is that a growing number of labor representatives share our view that aggressive climate response can be a jobs bonanza and are on board a broad campaign to ensure that as many of those jobs can be unionized as possible. (One illustration of this is the video that the IBEW local leader from the Harrisburg area, Rob Bair, narrated for the Biden Campaign. Since the election is over, I’m now able to share that link with you: https://youtu.be/CJ-V_WT0uAA.)

Over the next few months, the focus of the RA campaign will be lifting the voice of our region to help shape the climate infrastructure plan expected as the next major piece of legislation after the American Rescue Plan. We will be reaching out to elected officials in the region to encourage them to support a common “ask” for our region—one that will provide the federal investment we need to kick start the creation of a New Deal That Works for US in the Ohio Valley and in Pennsylvania. Right now, we are crafting that common “ask.” So, stay tuned for a knock on your door asking for endorsement and help advocating with the PA Congressional delegation.

Let me close my oral remarks on an optimistic note. Many of us spend a lot of time worrying about division—and the blue-green divide has been one of the deepest and most enduring in Pennsylvania politics. The ReImagine Appalachia campaign, however, has found that an overwhelming majority of people in our region share a common vision of the world they want. Working families and those worried about climate change want an economy with opportunity for all that also nourishes rather than destroys our planet. Women and men, and people of every hue and ethnicity, want hard work to be rewarded again and a way to contribute to the greater good while also putting food on the table and a roof over their head. Young and old want our communities and our region to thrive, and our forest and farmlands, the places people walk, bike, hunt, run, kayak, and find love within and across generations—the places called home—to blossom anew with hope and promise, not suffer from despair and decline. People of every stripe want to claim as never before their democratic birthright to shape the future we all want—and to end the tired tradition of distant corporations and one-percenters stealing political power for their narrow, selfish, and sometimes hateful, ends. If we approach climate response the right way—committed to ensure that it benefits working people—it can be the cause that brings us together to end four decades of conservative rule and to create a better future for us all.

[Some critical links to learn more about ReImagine Appalachia and to stay current on our campaign.

- The website: <https://reimagineappalachia.org/> — this is a good repository of RA material.
- The Facebook page: <https://www.facebook.com/ReImagineAppalachia/> — most RA public events are now streamed on Facebook live; for that reason and because of other posts, this is a good way to
- The blueprint: https://reimagineappalachia.org/wp-content/uploads/2020/09/ReImagineAppalachia_Blueprint_092020.pdf

- The blueprint one-sheet summary with the infographic referred to above: https://reimagineappalachia.org/wp-content/uploads/2020/07/ReimagineAppalachia_Summary.pdf
- The PERI study of the jobs impact of implementing the RA agenda: <https://reimagineappalachia.org/wp-content/uploads/2021/01/Pollin-et-al-PA-Final-Report-1-22-21.pdf>
- The RA summary of the PERI jobs brief: <https://reimagineappalachia.org/wp-content/uploads/2021/01/PA-RA-PERI-brief-1-25-2021-Final.pdf>
- White Papers: scroll down the “Resources page” — <https://reimagineappalachia.org/resources/>
- RA press coverage (which needs updating since late September) – <https://reimagineappalachia.org/press/>. RA has been extensively covered in the press, including a second time this past week in *The Atlantic* because of the potential of our agenda to unite urban and rural areas.
- The Weekly Newsletter: another way to stay current. On the resources page again, but scroll further down: <https://reimagineappalachia.org/resources/>