

**For Immediate Release:** Tuesday, April 7, 2009 **Contact:** Jim Sims, Western Business Roundtable, 303-216-9278

## Groundbreaking Study Puts Real-World Numbers Behind The Promise of "Green Jobs"

Study Finds That Every "Green Job" Created In Spain Resulted In 2.2 Other Jobs Being Destroyed

Washington, D.C. – While some U.S. politicians point to Spain as a model for how government subsidies can create "green jobs," <u>a groundbreaking new study</u> documents that every renewable job created by the Spanish government destroyed an average of 2.2 other jobs. Each "green" megawatt installed in Spain destroyed 5.39 jobs in non-energy sectors, the study found.

Moreover, only one in 10 jobs created in Spain were of a permanent nature, the study found, with two-thirds consisting of temporary jobs in construction, fabrication and installation jobs; one quarter were positions in administration, marketing and projects engineering; and only one of ten was related to more permanent operations and maintenance of renewable power systems.

If U.S. subsidies to renewable producers achieve the same result -- and President Obama has held Spain up as a model for how to subsidize renewables -- the U.S. could lose 6.6 million to 11 million jobs while it creates three million largely temporary "green jobs," the study predicts.

The study was prepared under the direction of Dr. Gabriel Calzada, an economics professor at Juan Carlos University in Madrid.

"Spain's experience (cited by President Obama as a model) reveals with high confidence, by two different methods, that the U.S. should expect a loss of at least 2.2 jobs on average, or about 9 jobs lost for every 4 created, to which we have to add those jobs that non-subsidized investments with the same resources would have created."

"The study's results demonstrate how such 'green jobs' policy clearly hinders Spain's way out of the current economic crisis, even while U.S. politicians insist that rushing into such a scheme will ease their own emergence from the turmoil. ... This study marks the very first time a critical analysis of the actual performance and impact has been made," Dr. Calzada wrote in the study's introduction.

"As President Obama correctly remarked, Spain provides a reference for the establishment of government aid to renewable energy," the study notes. "No other

country has given such broad support to the construction and production of electricity through renewable sources. The arguments for Spain's and Europe's 'green jobs' schemes are the same arguments now made in the U.S., principally that massive public support would produce large numbers of green jobs. The question that this paper answers is 'at what price?'"

The study calculated that, since 2000, Spain spent \$774,000 to create each "green job", including subsidies of more than \$1.3 million per wind industry job. It found that creating those jobs resulted in the destruction of nearly 113,000 jobs elsewhere in the economy, or 2.2 jobs destroyed for every "green job" created. Principally, jobs were lost in the fields of metallurgy, non-metallic mining and food processing, beverage and tobacco.

"The loss of jobs could be greater if you account for the amount of lost industry that moves out of the country due to higher energy prices," Dr., Calzada said recently in an interview with Bloomberg News.

Ironically, as noted recently by the <u>Institute for Energy Research</u>, the U.S. Energy Information Administration (EIA) has calculated that Spain's annual emissions of carbon dioxide have <u>increased by nearly 50 percent since the launch of the subsidized "green</u> jobs" program.

"The price of a comprehensive energy rate, paid by the end consumer in Spain, would have to be increased 31 percent to begin to repay the historic debt generated by this rate deficit mainly produced by the subsidies to renewables, according to Spain's energy regulator. Spanish citizens must therefore cope with either an increase of electricity rates or increased taxes (and public deficit), as will the U.S. if it follows Spain's model," the study found.