



Cap and Trade will Create Unsustainable “Green Jobs”

And Destroy Many More Sustainable Jobs

At his December 3, 2009 Job Summit, Obama made a push to pass cap-and-trade legislation to increase the cost of fossil fuel energy and make a more favorable environment for “green jobs.”¹ His plan is to create jobs by destroying existing jobs and then replacing them with jobs that cannot exist without the government’s help. As Denmark, Germany, and Spain have shown, this works about as well as you would think.

- **According to the Danish think-tank, CEPOS** each wind energy job costs the government \$90,000 to \$140,000 annually in subsidies.²
- **German subsidies for the solar industry** have had a net cost from 2000-2010 of \$73 billion (US\$).
- **In addition**, wind subsidies have cost \$28 billion (US\$).
- **The German government pays out approximately \$240,000 (US\$)** for every solar employee.
- **Similar subsidies would cost the US about half a trillion dollars.**³
- **Spain’s “green jobs” program has resulted in 18 percent unemployment.**
- **For every “green job” created in Spain, 2.2 other jobs were either destroyed or never created.**⁴

The government does not create “green jobs” in addition to existing jobs and the government does not create the wealth necessary to pay for them. The government cannot create jobs or wealth; it only shifts it from one area to another. In this case, Obama seeks to shift money and jobs from efficient fossil fuel intensive jobs, to inefficient “green jobs.”

- **A \$14 billion redistribution of resource will take place from the poor to the rich** under Waxman-Markey, according to The Institute for Energy Research.⁵

Obama will shift these resources by increasing carbon costs for fossil fuel companies. This drives them out of business or forces them to switch to “green” technologies. This will make current jobs less efficient, but not make “green jobs” more efficient. In order to support these inefficient “green jobs,” the government has to subsidize them by taking even more money out of the efficient sectors of the economy.

As a result, we will have a new sector of the economy that is dependent on corporate welfare and we will lose more jobs than we gain.

- The Heritage Foundation estimates that **1.145 million net jobs will be lost** because of Waxman-Markey including any new green jobs created.⁶

¹Koffler, Keith, “Obama Pushes Cap-and-Trade as a Driver of Green Jobs.” *Roll Call*. December 3, 2009.

<http://www.rollcall.com/news/41136-1.html>

²Lieberman, Ben. “Green Job Subsidies Will Destroy Far More Jobs Than They Create.” The Heritage Foundation. October 2, 2009. <http://www.heritage.org/Press/Commentary/ed100209c.cfm>

³“Strike Three: First Spain, Then Denmark, and Now Germany...” Institute for Energy Research. October 19, 2009. <http://www.instituteforenergyresearch.org/2009/10/19/proceed-at-your-own-peril-new-study-critical-of-german-green-experience/>

⁴Lieberman, “Green Job Subsidies Will Destroy Far More Jobs Than They Create.” The Heritage Foundation.

⁵“Blockbuster Study: Working-Class Bears Burden of Cap-and-Trade.” The Institute for Energy Research. September 29, 2009. <http://www.instituteforenergyresearch.org/2009/09/29/blockbuster-study-working-class-bears-burden-of-cap-and-trade/>

⁶Lieberman, “Green Job Subsidies Will Destroy Far More Jobs Than They Create.” The Heritage Foundation.

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