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State Uses Shifting Definitions to Boost Green Job Count

by Brandon Houskeeper

Claim

"By 2020, increase the number of clean energy sector jobs to 25,000 from the 8,400 jobs we had in 2004." *Executive Order 07-02, Washington Climate Change Challenge, February 7, 2007.*

"Washington is one of the nation's largest producers of renewable energy. Gov. Gregoire put the state on track to create 25,000 green collar jobs by 2020 in areas like renewable energy to continue Washington's leadership and create jobs." *"Getting Results for Families in Grays Harbor," Paid for by the People for Chris Gregoire, Governor (D), http://www.chrisgregoire.com, accessed July 1, 2009.*

"More than 47,000 Washington workers have "green jobs," far more than estimated and twice the goal set by state officials for 2020." *"Gregoire outlines green-jobs plan," by Bert Caldwell, The Spokesman Review, January 29, 2009.*

"On the jobs side, by way of example, in our state, we naively set a goal in 2007 of 25,000 green collar jobs by 2020. Today, with our robust community and technical college system with programs specifically designed to support more green jobs, we already have more than 47,000." *Letter from Governor Gregoire to the Washington House Delegation on June 22, 2009, regarding HJ 2454.*

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Facts

The combination of a faltering economy and overall concern for the environment has led many policymakers, and others, to call for a shift in Washington toward the creation of green jobs and a new green economy.

Proponents already claim success, and argue for further policies to create green jobs. They claim Washington has created more than 47,000 new green jobs since 2007.

Governor Christine Gregoire has used the job creation claim when testifying before the U.S. Senate on green economics, as well as in efforts to support local, regional and federal cap-and-trade policies.

But is the claims that green jobs are "growing much faster than predicted"[1] true? No. The reality shows that the claims about green jobs are misleading or meaningless.

Background

In 2007 Governor Gregoire issued Executive Order 07-02, the "Washington Climate Change Challenge," which set a goal of creating 25,000 *new* green jobs by 2020.[2]

[1] "Statement of Governor Chris Gregoire State of Washington," submitted written testimony before the Senate Environmental and Public Works Committee, July 21, 2009.
[2] "Washington Climate Change Challenge," by Governor Christine Gregoire, Executive Order 07-02, Feb, 7, 2007.

In 2005, a state study estimated there were approximately 8,400 green jobs in Washington.[3] After the Order, the state conducted another study and announced in 2009 that more than 47,000 green jobs had already been created in Washington.[4]

Key to understanding the difference in these green jobs numbers is to examine how green jobs are being defined.

Defining Green Jobs

The 2005 report sought to count existing jobs in the renewable energy and energy efficiency industries, as well as renewable and smart energy industries. It was an update of an earlier jobs report from 1998, which marked the first attempt to count green jobs. The 2005 report was, "almost entirely quantitative, with a far greater emphasis on building an accurate, thorough database of industry organizations and analyzing those data," compared to the 1998 report which was, "primarily a qualitative study that relied on in-depth interviews with more than 50 people from industry companies, associations, academia, nonprofit organizations, and government agencies."[5]

Despite the difference of methodologies, both reports defined green jobs by identifying specific industries. The industries were identified and defined in the report as:

> Energy efficiency – "is an unstructured collection of researchers, designers, engineers, manufacturers, construction companies, advocacy and policy groups, regulators, and retailers who focus on processes and products that use energy more wisely in current practices,"[6]
>
> Renewable energy – "energy sources that do not rely on fossil fuels or large scale hydropower, and includes solar, wind, biomass, geothermal, fuel cell, and small scale hydro."[7]

However, the 2005 report expanded the number of jobs counted because it added a new industry, smart energy. The report defined smart energy as:

> "...the application of digital technology, advanced materials, and other innovations to the energy network — the addition of electronics and "intelligence" to the generation, distribution, and consumption of electricity."[8]

In the 2005 report, organizations working in any of the identified industries were assumed to be part of the green economy. The report did not attempt to count individual jobs. Routine office workers, like secretaries, were therefore counted as green jobs.

The report counted both public and private employers. The 2005 report was intended to provide an "assessment of the size, health, and characteristics of Washington's clean energy industry to

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[3] "A 2005 Look at the Renewable Energy, Energy Efficiency, and Smart Energy Industries in Washington State," by Catherine Suter, Washington State Department of Community Trade and Economic Development, 2005.
[4] "2008 Washington State Green Economy Jobs," by Karen T. Lee, Greg Weeks Ph.D., and Mary Ayala Ph.D., Washington State Employment Security Department, January 2009.
[5] "A 2005 Look at the Renewable Energy, Energy Efficiency, and Smart Energy Industries in Washington State," by Catherine Suter, Washington State Department of Community Trade and Economic Development, 2005.
[6] Ibid.
[7] Ibid.
[8] Ibid.

help guide state… policy as the state's energy needs grow."[9]

In 2008 the Legislature required the state to, "develop a defined list of terms, consistent with current workforce and economic development terms, associated with green economy industries and jobs…," and "conduct labor market research to analyze the current labor market and projected job growth in the green economy, the current and projected recruitment and skill requirement of green industry employers, the wage and benefits ranges of jobs within green economy industries, and the education and training requirements of entry-level and incumbent workers in those industries."[10]

The 2008 report, written by the Washington State Employment Security Department, used a different method of counting green jobs. The Department sent a survey to a random sample of 17,000 employers. The employers were chosen based on the Department's "expert judgment" of whether an employer was engaged in a green-economy activity.

Unlike the 2005 report, the 2008 report was not based on previous studies or on existing definitions of green jobs. In fact, the 2008 report says its established its own, new definition:

> "The green economy is rooted in the development and use of products and services that promote environmental protection and energy security. It is composed of industries and businesses engaged in; energy efficiency, renewable energy, preventing and reducing pollution, and mitigating or cleaning up pollution. Green jobs promote environmental protection and energy security."[11]

The 2008 report's definition of green jobs was much more expansive than the one used in previous studies. The 2008 report counted as "green" such jobs as:

- Roofers,
- Food Batchmakers,
- Firefighters,
- Loan officers,
- Earth drillers (but not for oil and gas).

Report Findings – The Results:

Not surprisingly, changing the definition of "green jobs" drastically changes the number of green jobs that are counted.

For instance, the 2005 report, using a narrower definition, found 8,373 green jobs:

> "In 2004, Washington State had 241 organizations in its clean energy industries, composed of the renewable energy, energy efficiency, and smart energy industries. They employed 8,373 people at an average wage of $60,000, for a total of over $500 million in wages. Their total revenues were $2.1 billion. These organizations include private businesses, association groups, non-profit interest groups, private and public utilities, and government programs. Ninety-three of the organizations worked exclusively in energy efficiency, 49 work exclusively in renewable energy, 22 exclusively in smart energy, and

[9] Ibid.
[10] E2SHB 2815 Final Bill Report, www.leg.wa.gov
[11] "2008 Washington State Green Economy Jobs," by Karen T. Lee, Greg Weeks Ph.D., and Mary Ayala Ph.D., Washington State Employment Security Department, January 2009.

67 in a combination (10 organizations did not identify their industry)."[12]

Yet the 2005 report does not say jobs were created by state policies; it was merely an assessment of the industries in the state. The 2005 report acknowledges that not all these jobs were new, saying that in 1998 "renewable and efficiency industries were already vital to the state, with almost $1 billion in annual sales and sustaining more than 3,800 jobs."[13]

In contrast, the 2008 study counted 47,000 green jobs, in industries like energy efficiency, renewable energy, preventing or reducing pollution and the mitigation and cleanup of pollution. The report also said about 13 percent of the green jobs were part-time, and that the earning potential of green employment had a wide range based on education, training and skills. The report said the median annual earnings for the construction industry, identified as the largest sector of green jobs, ranged from a $40,000 to $55,000, and that agriculture, which accounted for twenty percent of green jobs, had a annual median income of $20,000 to $21,000.

Like the 2005 report, the 2008 study recognized that many of the green jobs were not new:

> "Green jobs are not necessarily new jobs, but often traditional jobs in industries and companies that are adapting to new markets and opportunities available in a clean energy economy."[14]

The 2008 report acknowledged that none of the jobs it counted as "green" involved new titles or unique job descriptions:

> "Although employers identified many different occupational titles, there were no new or unique job titles identified by employers…the fundamental work performed by employees in these green jobs has not changed substantially such that employers believe that new occupational titles are necessary."[15]

Costs

The state's claim that Washington has created more than 47,000 green jobs is misleading. The purported increase in the number of green jobs is not from the creation of new jobs, it is a result of broadening the official definition of what makes an existing job "green."

The manipulation of definitions to achieve preferred outcomes is a common device in policy research. In an academic setting such manipulation may cause scandal, but have little impact on citizens in general. When used to guide public policy, however, shifting definitions can impose real and unnecessary costs on the public.

The blind promotion of green jobs often comes at the cost of economic realities. For example, Nuclear, hydro and other perceived "non-green" energy sources produce more power per worker than so-called "renewable" alternatives. Moving from efficient to inefficient energy means more people are needed to do the same amount of work. It is akin to banning tractors in order to increase farm jobs. The number of jobs increases, but they pay poorly and society as a whole suffers.

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[12] "A 2005 Look at the Renewable Energy, Energy Efficiency, and Smart Energy Industries in Washington State," by Catherine Suter, Washington State Department of Community Trade and Economic Development, 2005.
[13] Ibid.
[14] "2008 Washington State Green Economy Jobs," by Karen T. Lee, Greg Weeks Ph.D., and Mary Ayala Ph.D., Washington State Employment Security Department, January 2009.
[15] Ibid.

A recent report from a noted Spanish economist makes this point. He found that government policies to create green jobs in Spain, "resulted in the destruction of nearly 110,500 jobs elsewhere in the economy, or 2.2 jobs destroyed for every 'green job' created."[16]

Simply relabeling existing jobs as "green" falsifies the record of current policies and deeply misleads policymakers. The tactic imposes untold costs on the existing economy and promotes public policies that are unproven and ultimately harmful to society and the environment.

[16] "Study of the effects on employment of public aid to renewable energy sources," by Gabriel Calzada Alvarez, Universidad Rey Juan Carlos, March 2009.