

If it sounds too good to be true, it probably is

The High Cost of “Green Jobs” and Green Energy

Green jobs. Politicians, activists, and green energy entrepreneurs promise they will revitalize the economy, banish unemployment, free the United States from dependency on foreign oil, and make us all happier, healthier, and richer. But only if, advocates quickly note, the federal government makes a big enough commitment—in the form of mandates, regulations, and subsidies.

It sounds too good to be true. And it is. In *The False Promise of Green Energy*, economic and legal scholars Andrew Morriss, William T. Bogart, Roger E. Meiners, and Andrew Dorchak show how “the concrete results of following these policies will be a decline in living standards around the globe, including for the world’s poorest; changes in lifestyle that Americans do not want; and a weakening of the technological progress that market forces have delivered, preventing us from finding real solutions to the real problems we face.”

Many of those lifestyle changes will come from suddenly spending far more on energy than we’d like. Green technologies mean diverting production from cheap sources, such as coal and oil, to more expensive, highly subsidized ones, like wind and solar. These price spikes won’t be limited to our electricity bills either, the authors argue. “Anything that increases the price of energy will also increase the price of goods that use energy indirectly.”

The better solution to improving America’s energy economy, the book shows, is to let the market work by putting power in the hands of consumers. But “many environmental pressure groups don’t want to leave conservation to individuals, preferring government mandates to change energy use.” In other words, green-job proponents know they’re pushing a bad product. Rather than allow the market to expose the bad economics of green energy, they’d use the power of government to force expensive and unnecessary transformation.

“To a large extent the choice we face on greening the economy is whether we will

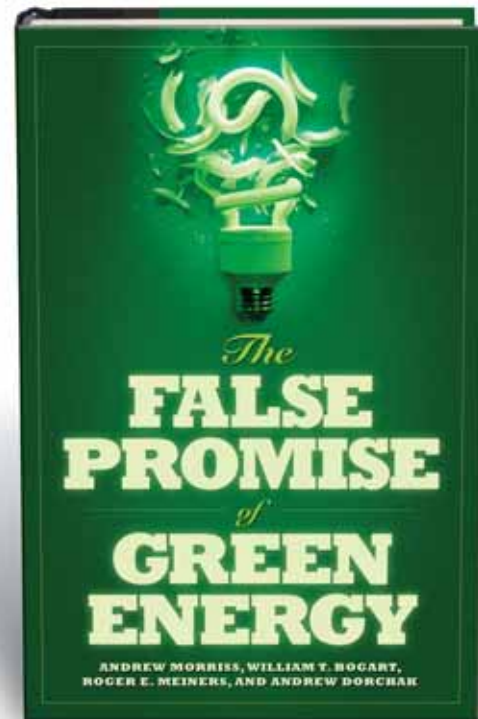
continue to rely on people and firms responding to price signals received in the market, or whether we will supplant those signals with decisions made by politicians and bureaucrats in Washington, D.C.,” the authors write. This latter strategy brings considerable risk. Morriss, Bogart, Meiners, and Dorchak argue that when government chooses technologies, it often fails for three reasons. First, governments are insulated from market signals. Second, firms reorient away from producing quality, cost-efficient products and

“This concise book dispels a number of myths and leads to the realization that wind power and solar power, long touted as effective power sources, are neither cheap nor ‘green.’”

— ROBERT L. BRADLEY JR.,
Founder & CEO, Institute
for Energy Research

toward consuming government largesse. Third, government decisionmakers are only responsible for what happens between now and the next election, meaning they are unlikely to take long-term costs into account.

The False Promise of Green Energy carefully analyzes the arguments for subsidies and regulation. The authors address the trouble in defining just what a green job is: “Highly credible sources, such as the Bureau of Labor Statistics and the Spe-



cialist in Labor Economics at the Congressional Research Service, confirm that there is no coherent definition of a green job.” They look at the impact of green policies on trade, personal transportation, and mass transit. They expose the economic fallacies behind green jobs claims and debunk the idea that a top-down greening program will stimulate the economy. And they offer solutions, with a focus on incremental change.

“Our current mix of energy technologies is deeply embedded within our society and our economy. We need to focus on how to improve the reliability and environmental impact of our energy system, not propose massive change,” the authors write. There’s even a place for government, they admit. Rather than subsidies and regulation, however, governments can promote a more secure energy future by distributing information and setting standards in their role as consumers. ■

Visit www.cato.org/store or call 800-767-1241 to get your copy of *The False Promise of Green Energy* today; \$24.95 hardback.