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TITLE: Climate change and employment in Australia, what history says

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I was looking at the ABS website the other day and I couldn't find data on green jobs anywhere. I have to confess I don't even know what they are. Planting trees sounds pretty green, but what about when the trees aren't native? Installing insulation seems to be a widely accepted green job but what about the factory jobs that make the insulation? What about the construction jobs that built the factory? Let's call them green too. Why not?

Tackling climate change is all about reducing emissions as quickly as we can. Creating green jobs is about keeping unemployment down. The second is an important goal but Australia's unemployment rate has gone up and down for a hundred years. This volatility is called the business cycle and it's not clear what it has to do with the need to tackle climate change.

The main argument seems to be that we can't tackle climate change until we have figured out where all the people who might lose their jobs would work. This is a nice idea, but let's be honest—it's not how the world works. Recent history provides all the proof we need.

Let's start with employment in coal mining. According to the ABS, which has quite good data on non-green jobs, employment in coal mining fell from 30,400 employees in 1989 to 16,500 in 1999. So in one decade, employment in the coal industry fell by more than half. Apparently, when the introduction of labour-saving technologies wreaks havoc on regional communities we don't care but if we are tackling climate change it's quite a different story.

'Ah, but that was due to market forces', I hear you say. 'The difference with the CPRS is it's the introduction of government policy that will cause the job losses. Responsible governments would never introduce policy that would cause job losses.' Yeah, right.

Let's start small. The introduction of National Competition Policy (NCP) and the associated privatisations and contracting out resulted in the direct destruction of tens of thousands of jobs. This was not an unintended consequence; it was the specific aim of the policy. According to the Electricity Supply Association, employment in electricity generation in Victoria alone fell from 9,382 employees in 1994 to 5,420 in 1998. That's 4,000 workers in four years and at the time the unemployment rate in Australia was substantially higher than it is today.

The impacts of NCP were small compared to the longer-term devastation of the manufacturing industry associated with 20 years of tariff reductions and the pursuit of free trade. Hundreds of thousands of people lost their jobs in the search for a level playing field but, of course, these job losses were not seen as a barrier to the pursuit of this policy agenda. On the contrary, the language was that of 'freeing up' unproductive labour for employment in other areas of the economy. At the time, it was not seen to be necessary, or even possible, to forecast where these 'freed up' workers would end up.

And then we get to the big one, the recession we had to have. In the fight against rising inflation and rising imports, it was deemed necessary to drive interest rates so high that more than one million people lost their jobs. This was not just Paul Keating's folly; Treasury was right behind the approach. We had to break the back of inflationary pressure even if it meant breaking the backs of many Australian families.

The point is not that unemployment is fun, useful or desirable. On the contrary, it is destructive, wasteful and inequitable. But it is important to analyse the past in order to understand what is really going on in the current debate around mining jobs, green jobs and con jobs.

First, many of the industry groups, which are expressing concern about job losses, are crying crocodile tears to impress their workers. They were unconcerned in the past and they will be unconcerned in the future. Nobody should think for a minute that, if some new labour-saving technology were to be invented tomorrow, industries wouldn't install it at the expense of their regional workforces.

Second, while transformation costs jobs and creates jobs, the process has never been, and never will be, a simultaneous one. The issue is how generous we are to those who lose out and how much assistance we give them to retrain.

Third, while we may have preferences for where we would like people to work, the fact is technological change and behavioural change are so rapid it is naïve, if not pointless, to be declarative about our vision for the 'green jobs' of the future. Imagine, for example, how far off the mark economists would have been if they'd had a go at forecasting jobs related to the internet in 1990; or how wrong forecasts made in 1980 of the numbers of people to be employed in the mobile-phone industry would have been.

Technologies that have not even been invented yet will employ hundreds of thousands of people by 2050. Will they be green jobs? Who knows and who cares. The singular challenge for those interested in tackling climate change is to reduce the output of highly-emitting industries. The singular challenge for those interested in looking after the unemployed is to ensure that there are generous benefits and meaningful assistance provided to those who are looking for work.

While it may seem appealing to wait until we know where the new jobs are going to be before we start moving away from the jobs the atmosphere can no longer support, developing such a 'plan' is a fool's errand. The fact is we did not wait until we knew where photo development lab workers would be reemployed before we embraced the digital camera. And we should not wait until we know where every worker will be working in 2020 before we start tackling climate change.

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