

Can the Low-Carbon Transition Energize Labor Markets? Evidence from Wind Electricity Investments in the U.S

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Most western countries have made commitments or enacted policies aiming to transform their economies to become carbon-neutral by 2050. Many of the proposed policies to reduce carbon emissions are also expected to serve as engines of job creation and local economic development. While low-carbon transition policies continue to be debated and proposed, none have been implemented for a long enough period of time to permit an empirical evaluation of their impact.

This paper uses the natural experiment provided by the rapid deployment of wind electricity projects in the United States over the period 2000-2019 to shed light on whether the low-carbon transition can deliver long-lasting and high-quality jobs. We compile detailed data on the location and operation date of 55,000 wind turbines, combined with county-level data on employment and earnings to estimate the impact of wind projects on employment rates and earnings. The empirical analysis points to a small, but durable positive effect of wind electricity investments on local labor market outcomes. Overall, the results suggest that the deployment of 100 GW of wind electricity production capacity over the last two decades created close to 150,000 jobs.