

Green Manufacturing Over Petrochemicals in Pennsylvania: More Jobs, Wiser Investment

While the Shell ethane cracker under construction in Beaver County has been touted as an economic boon and job creator, doubling down on toxic industries won't fix the region's economic woes. Rather, it will foreclose opportunities for long-term, sustainable growth through green energy manufacturing.

As the national economy teeters on the brink of collapse amidst the pandemic, many communities and regions had already been left behind by the slow and largely jobless recovery of the previous decade. Despite Pennsylvania's aggressive embrace of fracking as a driver of economic growth, fracking jobs remain scarce and temporary. Even before the latest oil price collapse, frackers were faltering.¹ Despite obvious weaknesses, a wave of new petrochemical facilities like Shell's Beaver County ethane cracker promise to buoy demand for fracking and revitalize the region.²

Uneven, Inequitable and Unsustainable Growth

During the last decade, sluggish economic recovery brought small raises for the lowest-income workers (and large raises for the rich), and many struggled to find good-paying work.³ Despite strong GDP growth, Americans remained trapped in cycles of short-term, no-benefit jobs.⁴ Nearly 80 percent of job growth in Western Pennsylvania has been in the typically low-wage service sector.⁵

Rather than investing in infrastructure and long-term growth, local governments cut high-publicity deals for short-term infusions of construction jobs — like Pennsylvania's \$1.65 billion giveaway for Shell's mega-petrochemical complex.⁶ These handouts create jobs for a lucky few, but growth alone does not reduce unemployment. In fact, data from 2010 to 2018 demonstrated that improvement in the employment rate in Pennsylvanian counties was not determined by GDP growth.⁷ Counties with strong growth did not necessarily see a faster reduction in unemployment.⁸

Pennsylvania Needs Shared Prosperity, Not Unequal Growth

Pennsylvania has a long track record of using taxpayer money to lure rich multinational corporations. And rising corporate power and inequality are at the core of Pennsylvania's struggles.⁹

Tax breaks for multinational petrochemical corporations will increase inequality at public expense. These subsidies could facilitate growth without creating jobs. Job growth is determined by macroeconomic factors like innovation and inequality, whereas local growth distributes jobs rather than creating them.¹⁰ Without macroeconomic improvements, local hiring may be offset by an influx of out-of-state workers or restricted to a narrow, lucky few — both common phenomena in the fossil fuel and petrochemical sectors.¹¹ Existing petrochemical zones face significant unemployment. For example, Port Arthur, Texas has a developed petrochemical industry and an unemployment rate twice as high as the state average.¹²

Shell is spending billions of dollars to create hundreds of jobs

The unprecedented spending on Shell's ethane cracker was sold using absurd job promises that have ranged anywhere from 20,000 to 6,000 — the latter of which Shell admits will be the more likely amount of people employed during peak construction.¹³ In the long term, it will only create about 600 permanent jobs.¹⁴ Moreover, Shell's jobs require extensive credentials and an average of five years of relevant experience.¹⁵

Despite Governor Wolf's claim that the construction jobs would go to Pennsylvanians, construction may primarily benefit out-of-state workers.¹⁶ The Shell plant is being built by Bechtel, a multinational corporation that does most of its own construction and prefers to work through pre-existing (rather than local) relationships.¹⁷

Contrarily, attracting a comparably-sized investment in solar and/or wind manufacturing, for example, would employ around 16,500.¹⁸

Conclusion: Invest in Green Energy to Invest in Communities

Pennsylvania is well-suited for wind, solar and energy efficiency manufacturing. The Rust Belt is emerging as a national leader in wind manufacturing, and solar manufacturing is already prominent in the region.¹⁹ But let's be real: Subsidies and tax breaks alone are unlikely to attract manufacturers.²⁰

The most effective way to ensure the transition to a green economy is through a large-scale buildout of publicly-owned renewable electricity. This should include a comprehensive, New Deal-scale green public works program that guarantees employment for fossil fuel workers who would bear a disproportionate economic brunt of decar-

bonization. The program must prioritize the procurement of American-made renewable energy and energy-efficient equipment, materials and appliances.

In the interim, state, county and local governments could help foster a green jobs renaissance by implementing their own green public works programs. Community-labor partnerships should be established to recruit and train workers from disadvantaged communities. And fully-funded, high-quality job training is needed to ensure that green jobs provide career opportunities, including fully-funded fair and just transition programs for fossil fuel and petrochemical workers.

*For more in-depth information see Food & Water Watch's publication, **Cracked: The Case For Green Jobs Over Petrochemicals In Pennsylvania.***

Endnotes

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