Twitter Thread by Sean Casten

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Expect to see a lot more stories like this. But let's also use this to have a more sophisticated conversation about why the rising tide of cheaper, cleaner energy - like all prior energy transitions - doesn't necessarily lift all boats. Brief thread:

1/ First to state the obvious: the domestic fossil fuel industry in the US wouldn't exist without massive subsidies. $650B/year according to the IMF. https://t.co/sZbnh1G5Qw

2/ That in turn means that the transition to cleaner, cheaper energy is delayed by those market distortions. Taking away the subsidies is smart economic and environmental policy. It is FANTASTIC that @POTUS is doing so.

3/ But it is paternalistic and naive to assume that workers in those displaced industries will have an easy transition. Knowing how to run an oil rig is a highly specialized, highly skilled job. Gaining that skill set takes time and is geographically specific

4/ The fact that there will be economic gains in other sectors doesn't imply that a 55 year old who planned to work for another 10 years can simply take a correspondence course in thin film deposition and move to the solar industry.

5/ Moreover, the transition from dirty to clean energy will - much like the transition from muscle- to fossil- power boost economic productivity. e.g., create more GDP per labor hour.

6/ That is also a great thing. But it is also disruptive to labor markets. Doubling labor productivity MIGHT mean you get paid twice as much. More typically, it means that half of your co-workers are now superfluous.

7/ To be clear, every wave of Schumpeterian disruption in the past has created more jobs than it destroyed as whole new industries were created and there is no reason to expect this to be different.

8/ But that point about general labor markets is not applicable to specific individuals. The automation of agriculture made our food cheaper and created whole new industries. But the 2nd half of Ma Joad's life was still a lot worse than the 1st.

9/ So let us all embrace and accelerate this transition to clean energy. But let's not hand-wave the pain away. Embrace the rising tide. Then take caution to help out those boats that aren't lifting. /fin