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The truth about Spain's pain

SPAIN'S government has been one of the most active supporters of renewable technologies in the world, but the decision has been controversial. Has it really been the disaster some suggest?

The debate about government stimuli for clean energy in the US and Australia has been coloured by a study by Professor Gabriel Calzada Alvarez of the Universidad Rey Juan Carlos in Spain, which suggests Spain's generous feed-in tariffs had terrible results.

The essential findings of the study are that in the past 10 years only 52,200 direct and indirect jobs have been created by government aid for the renewable industry at a cost of €571,138 (\$1m) each — including €1m for each wind job.

What's more, the report contends the policy has caused the loss of 110,000 jobs elsewhere.

On that basis, it says the US could expect to destroy 11 million jobs of its own if it goes ahead with its own green jobs program.

The Spanish government's response to the report has been less well reported. Spain's Climate Change Minister, Teresa Ribera Rodriguez, wrote to Henry Waxman, co-sponsor of the US bill, to express astonishment anyone in the US was taking Alvarez seriously.

She said Alvarez's figure of 52,200 direct and indirect jobs was less than a third of official figures. Data from the Ministry of Industry and Trade revealed 73,900 direct jobs, while ISRAS-CCOO, a labour union institute, estimated 89,000 direct jobs and 99,861 indirect jobs, and forecast 270,000 direct jobs by 2020.

She described Alvarez's thesis as based on a simplistic, reductionist and short-term view of the problem. It ignored the benefits of lowering carbon emissions and of boosting the energy security of a country that had few fossil fuel resources on its own and was dependent on foreign supplies.

She said the Spanish government saw its renewable energy policy, which was based mostly on generous feed-in tariffs, as a successful and essential part of its strategy to fight the economic recession. She noted that Spain's electricity prices were below the EU average.

Much has been made of Spain's unemployment rate of around 18 per cent, but this fails to take into account that its jobless rate stood at 25 per cent before the renewable energy policy was introduced, and that most economists in Spain point to the housing industry's spectacular boom and bust as the primary cause of the gyrations in the jobless queues.

Alvarez, it turns out, is an avowed free marketer who does not believe in human-caused climate change. He is the founder of Fundacion Juan de Marana, which argues against taxes of all kinds and is also a founding member of the Prague Group, which argues against human-induced climate change. According to the US-based Media Matters, he was a speaker at the Heartland Institute, where Australia's Senator Steve Fielding recently formed his views on climate change.

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