



# Why Responsible Legislators Should Support Good Jobs and Strong Safeguards for Workers and Communities

Responsible legislators – like responsible business leaders – must consider the overall costs and benefits of actions they take.

Applying that approach demonstrates that in order to create sustainable jobs and healthy communities, we need strong safeguards for all corporations to follow.

**Safeguards ensure that the public interest is protected.** As Tom Donohue, head of the U.S. Chamber of Commerce explained, a corporate CEO's responsibility is not to create jobs but "to return a reasonable

return to their investors."<sup>1</sup> It takes public oversight to make corporations give priority to good jobs, clean air and water, worker and consumer safety, equal opportunity, and other essential protections.

**Safeguards protect responsible corporations from being undercut.**

Responsible companies need to know they won't lose business by respecting workers, consumers, and the environment. Otherwise, competition becomes a race to the bottom, based not on creativity and efficiency but on cutting corners at the public's expense.

## **Up to 570,000 American jobs will be created over the next two decades as a direct result of the vehicle fuel economy standards proposed by the Obama administration.**

### **Safeguards create millions of jobs.**

New jobs are being created to generate cleaner energy; make schools, buildings, and homes more energy efficient; make industries more environmentally sustainable; and clean up past sources of pollution. For example, proposed Clean Air Act safeguards will create 1.5 million jobs updating and upgrading power plants.<sup>2</sup>

The Bush administration estimated that exports of environmental equipment to other countries support 1.6 million jobs in the U.S.<sup>3</sup>

Up to 570,000 American jobs will be created over the next two decades as a direct result of the vehicle fuel economy standards proposed by the Obama administration – some to design and produce more efficient cars, and others because consumers ultimately will save \$61 billion per year that will support other jobs instead of being shipped overseas to buy oil.<sup>4</sup>

By contrast, weak safeguards or enforcement undermine job creation opportunities. As former Republican Congressman Sherwood Boehlert has pointed out, the United States auto industry was allowed to keep making polluting and energy inefficient cars for many years while manufacturers from other countries saw the future and captured a large share of the market, leading to huge U.S. job losses.<sup>5</sup>

**Safeguards keep corporations from shifting their own costs to innocent victims.** If corporations are allowed to cut corners, the rest of us end up paying the cost, whether it's lost jobs, damaged health, or other losses. For example, investigations reveal that the BP oil disaster in the Gulf was not an accident

but followed years of management short cuts made possible by a lack of public oversight. Now, workers, small businesses, homeowners, and other residents must pay the price.<sup>6</sup>

**Safeguards control overall costs by emphasizing prevention.** We all know the principle that preventing a disease is much cheaper than treating it. Consider, for example, the billions Americans are spending to clean up toxic waste dumps and other sites that never should have been allowed to begin with.<sup>7</sup>





## A recent study found that high-hazard industries receiving random state OSHA inspections saved 26 percent on workers' compensation in the following four years – equal to \$6 billion nationwide.

A report mandated by Congress found that the benefits of the Clean Air Act Amendments of 1990 were \$1.3 trillion in 2010, or 25 times the costs. For the year 2010, the Clean Air Act was found to have saved more than 160,000 lives; avoided more than 100,000 hospital visits; prevented millions of cases of respiratory illnesses, including asthma and bronchitis; and prevented 13.2 million lost work days and 3.2 million lost school days.<sup>8</sup>

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**Safeguards are almost never the cause of job loss.** Throughout history, corporate CEOs have claimed that any new safeguard or attempt to make them pay their share would result in job losses. They said that about building codes, toxic dumping rules, laws prohibiting exploitation of children as workers, and much more. But as the Cry Wolf Project has shown, those claims virtually never turn out to be true.<sup>10</sup>

In 2007, the Bush administration began asking corporations to report large-scale layoffs (50 or more employees) that, in management's opinion, were caused by "government regulations/intervention". Even under this corporate-controlled reporting system, only three out of every thousand of these large layoffs were reported to be due to regulation.<sup>11</sup>



Pollution abatement represents less than half of one percent of the cost of U.S. manufacturing.<sup>12</sup> Repeated studies have shown that compliance with environmental safeguards costs less than two percent of the value of shipments by the most polluting industries.<sup>13</sup>

The fact is that when corporations move jobs out of our state, it's for other reasons. Mostly, they move work to other countries because they can pay workers a tenth of the wage level or less and take advantage of trade agreements like NAFTA.<sup>14</sup>

In those rare cases where there is job loss in corporations that failed to keep their operations safe or environmentally sustainable, workers deserve a "just transition." This means they should suffer no loss in their standard of living for a reasonable period, receiving full wage replacement, health insurance, and job training until they find comparable employment.

Since 1986, the **New Jersey Work Environment Council (WEC)** has united union members and other working people, community groups, and environmentalists in New Jersey to stand up to corporate special interests and to fight for safe, secure jobs and a healthy, sustainable environment. Working with our partners and policy makers WEC has:

- **Won the strongest state public policies in the nation** to ensure indoor air quality in our public schools and public workplaces and for safety and security at facilities using highly hazardous chemicals. Won strong state protections for whistleblowers and to prevent violence and unsafe lifting for patients and health providers in hospitals and nursing homes; and won controls on diesel pollution and other hazards that particularly affect working people and people of color.
- **Trained many thousands of workers and plant neighbors** on our right to know about toxic chemicals and other hazards. WEC sponsored the nation's first labor-environment workshops to address climate change and "green chemistry."
- **Provided campaign and technical consulting assistance** to hundreds of organizations confronting serious workplace and environmental dangers.
- **Alerted the public through the media to critical safety and health concerns**, such as childhood exposure to toxic substances and the consequences of chemical accidents.

**For more information about WEC, please contact:**

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## Endnotes

- 1 Quoted in Dana Milbank, "Big Business Is Back in Business," *Washington Post*, January 12, 2011.
- 2 Dr. James Heintz, "New Jobs-Cleaner Air: Employment Effects under Planned Changes to EPA's Air Pollution Rules," Political Economy Research Institute, University of Massachusetts, Amherst, February 2011.
- 3 [www.epa.gov/oar/caa/Clean\\_Air\\_Act\\_40th\\_Highlights.pdf](http://www.epa.gov/oar/caa/Clean_Air_Act_40th_Highlights.pdf)
- 4 BlueGreen Alliance, "Gearing Up: Smart Standards Create Good Jobs Building Cleaner Cars," The Alliance, June 26, 2012.
- 5 Quoted in James Lardner, "Job killing regulations?" [www.remappingdebate.org](http://www.remappingdebate.org), January 25, 2011.
- 6 Loren C. Steffy, *Drowning in Oil*, McGraw Hill, 2011.
- 7 U.S. PIRG, "Taxpayers Pay to Clean Up After Polluters at Nation's Toxic Waste Sites," U.S. PIRG, April 13, 2006.
- 8 Environmental Protection Agency, "The Benefits and Costs of the Clean Air Act," EPA, 2010.
- 9 David I. Levine, Michael W. Toffel, and Matthew S. Johnson. "Randomized Government Safety Inspections Reduce Worker Injuries with No Detectable Job Loss," *Science*, May 18, 2012.
- 10 [www.CryWolfProject.org](http://www.CryWolfProject.org)
- 11 US Bureau of Labor Statistics, "Extended Mass Layoffs in 2009," December 2010, Report 1025, Table 6, available at: [www.stats.bls.gov/mls/mlsreport1025.pdf](http://www.stats.bls.gov/mls/mlsreport1025.pdf)
- 12 U.S. Census Bureau, "Pollution Abatement Costs and Expenditures: 2005," 2008.
- 13 Testimony of Prof. Sidney A. Shapiro, Hearing on Impact of Regulations on U.S. Manufacturing, 109th Congress, April 12, 2005.
- 14 Kevin O. Gallagher, "Free Trade and the Environment: Mexico, NAFTA, and Beyond," *Stanford Law and Politics*, 2004.