

The Honorable Doc Hastings (R-WA)
1203 Longworth House Office Building
Washington, DC 20515
United States of America

Madrid, Tuesday May 12, 2009

RE: President Obama's Green Recovery Plan and the Spanish Experience

Dear Congressman Hastings:

In the past weeks, there has been considerable debate in the United States regarding the job creating potential of the green recovery plans of the new Administration focusing on the recent experiences of Spain. We were surprised to learn that one of the principle pieces of evidence used by opponents of President Obama's green recovery program is a deeply flawed report from a little known Spanish research institute funded in part by the oil industry. We write to you to inform you of the problems of using information in this report and ask that after learning the facts you correct the record about green jobs in Spain.

Why this attention on Spain? President Obama has, of course, used Spain as an example of a leading country in renewable energy, and has praised President Zapatero's leadership in this field. Today, in the global economy, domestic political struggles are becoming global, and debates exist using examples from both sides of the Atlantic. Yet, if international examples are to be used as the point of comparison in domestic discussions, let us at least have a fair discussion based on facts and scientific rigor.

When policy debates go global and rely on information from a foreign source, it is often difficult to assess its credibility. By any measure Professor Calzada's report cited by you and the Heritage Foundation is not reliable or credible. Moreover, Professor Calzada is not an eminent scholar from a renowned Spanish think tank, as the American press has been led to believe, but rather a virtually unknown figure who works for a small research institute with clear links to the energy industry and the extreme right-wing of the Spanish Conservative Party.

Second, any serious debate should be based on an unbiased assessment of available scientific evidence. The aforementioned report clearly fails this crucial test. Professor Calzada tries to find a long-term trend, but only cites employment data for the last year during Spain's serious recession. He argues that solar energy has destroyed 15,000 jobs in the last year, but neglects to cite official figures showing an increase in this job sector of about 500% in the preceding three years. The loss he refers to is thus nothing more than a minor downturn in an economy that is troubled by the recent economic crisis.

Professor Calzada also compares subsidized with non-subsidized sectors and conventional sources of energies with renewable energies. This is a report which fails to meet even the minimum standards of academic integrity. But worst of all, Professor Calzada's report ignores – or hides - the positive figures in net employment creation of other renewable energy sectors, such as windmills, where Spain has truly become a world leader.

Official figures from the Spanish Ministry of Labour prove that the sector of renewable energies has created 175,000 jobs, 82% of which are high-quality jobs. While representing only one percent of the country's labor force, the sector is so productive that it already generates 20% of the electricity consumed by Spanish households and companies. The

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official projections from ISTAS (Syndicated Institute for labor, environment and health) also shows that this sector is set to create 270,000 more jobs in Spain by 2020. If this trend were to hold true in the US economy, which is more than ten times larger than that of Spain, this suggests the creation of over 5 million clean energy jobs in just ten years. Today, this may seem a distant reality, but if Spain can achieve these results we have no doubt that the US can too. The new Administration should be commended for its ambition, and we in Spain would be more than happy to support their leadership with our modest experience.

Third, and finally, constructive debates should be about the future and not about the past. The IDEAS Foundation recently convened a group of experts from the United States, Europe and Spain to produce an energy roadmap for 2050. The final report will be released in two weeks, but in advance of its publication we can already predict that a viable carbon-free and nuclear-free economy in Spain is achievable by 2050. Based on 100 per cent renewable energies, this is a goal that is entirely compatible with a highly productive market economy.

We are at the dawn of a new era. More jobs can be created and more welfare enjoyed if only we work together to transform the way in which we produce and consume. Progress is about coping with change, creating opportunities and solving the problems of the future. The green recovery strategy provides us with a unique opportunity to solve two problems at the same time. We are living through a third industrial revolution. The policies and visions of leaders such as President Obama, Prime Minister Zapatero of Spain, and President Lula of Brazil combine the fight against climate change with the stimulus necessary to trigger economic growth. Americans should not view this simply as a matter of hope, but *as a tested policy response based on evidence of earlier successes from across the globe*. If the US rises to this challenge, it can lead the world in the creation of green jobs and renewable energy. It would be a shame for Americans to miss this opportunity.

Yours sincerely,



Jesús Caldera
Vice-President, IDEAS Foundation
Former Minister for Public Works



Carlos Mulas-Granados
Executive Director, IDEAS Foundation
Former Economic Advisor to Prime
Minister Zapatero of Spain

Copy:

Congressman Henry Waxman (D-CA)
Chairman, House Committee on Energy and Commerce

Congressman Joe Barton (R-TX)
Ranking Member, House Committee on Energy and Commerce

Congresswoman Nancy Pelosi (D-CA)
Speaker of the House of Representatives

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