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New Report: Chemical Policy Reform Creates Jobs, Drives Innovation

Economic Study Shows Shifting a Fifth of Plastics Production to Bioplastics Could Create More than 100,000 Jobs; New Markets in Sustainable Chemistry Enable Chemical Industry to Remain Competitive in Global Economy that Requires Cleaner, Safer Production

WASHINGTON, D.C. (May 12, 2011) A new study released today shows, for the first time, that federal chemical policy reform can support job creation in the U.S. chemical industry while protecting public health and the environment. The study, produced by the Political Economy Research Institute (PERI) and commissioned by the BlueGreen Alliance, shows that innovation in sustainable chemistry can reverse the industry's job shedding trend in a market that increasingly requires cleaner, safer production.

The new report — *The Economic Benefits of a Green Chemical Industry in the United States: Renewing Manufacturing Jobs While Protecting Health and the Environment* — demonstrates that the U.S. chemical industry shed 300,000 jobs since 1992, despite production increasing by 4 percent per year. Under the current scenario, the industry stands to lose approximately 230,000 jobs in the next 20 years. But contrary to arguments that chemical policy reform will cost jobs and stifle innovation, the report demonstrates that innovation in sustainable chemistry presents new opportunities to reverse the job shedding trend. For example, if 20 percent of current production were to shift from petrochemical-based plastics to bio-based plastics, 104,000 additional jobs could be created in the U.S. economy.

“This report charts a different course to update and revitalize an industry so important to our security,” said Leo W. Gerard, International President of the United Steelworkers (USW), which represents some 30,000 chemical workers in North America. “Instead of our members losing quality jobs in the chemical industry and accepting the myth that policy reform will somehow cost more jobs, TSCA reform will create sustainable, good-paying jobs while protecting the health of workers and the environment by encouraging investment in education, technology and research.”

The Economic Benefits of a Green Chemical Industry argues that the U.S. chemical industry has relied on cost cutting to remain profitable, which has eliminated American jobs, while under-investing in innovation. The

industry spends just 1.5 percent of sales on research and development, compared to 3.4 percent for the manufacturing sector as a whole. By taking clear steps toward sustainable production, spurred by chemical policy reform like the Safe Chemicals Act of 2011, the U.S. chemical industry will become more competitive by: lowering costs for the industry and downstream users, ensuring access to important global markets, reducing waste by using inputs more efficiently, curtailing future cost pressures from non-renewable fossil-fuel inputs, meeting demands from consumers for safer products, protecting shareholder value, and encouraging research and development of innovative products.

“This study shows that an effective regulatory environment will support the chemical industry’s ability to take advantage of new markets in sustainable chemistry,” said James Heintz, Associate Director of the Political Economy Research Institute. “Either we can continue with weak and ineffective regulation — continuing to produce potentially hazardous chemicals while manufacturing jobs disappear — or we can move toward disclosure, regulation, and sustainability; encourage innovation; create stability for businesses and investors; and build new markets for safe and sustainable chemicals.”

The report makes three recommendations to build a stronger chemicals industry. First, it recommends reforming TSCA to create an effective new regulatory environment that reduces hazards and supports innovation and competitiveness. The second recommendation is to implement complementary policies to promote innovation, commercialization, and the development of human resources to create a greener and safer chemical industry. Finally, it recommends disseminating environmental and health-related information on the chemical industry as widely as possible to improve the choices available to consumers, workers, downstream users, and investors and to mobilize investment in emerging opportunities.

“The prevalence of toxic chemicals in our everyday lives threatens public health and the environment,” said Frances Beinecke, President of the Natural Resources Defense Council, a partner in the BlueGreen Alliance. “Chemical policy reform will ensure that the Environmental Protection Agency has the power to protect people from dangerous chemicals.”

“The United States is searching for answers to our unemployment crisis and this report — demonstrating the job-creating potential of chemical policy reform — shows that embracing sustainable chemistry provides just the opportunity our economy needs, while protecting the health of our people and our environment,” said BlueGreen Alliance Executive Director David Foster.

About the BlueGreen Alliance

The BlueGreen Alliance is a national partnership of labor unions and environmental organizations dedicated to expanding the

number and quality of jobs in the green economy. Launched in 2006, the strategic partnership now brings together ten major U.S. labor unions and four of America's most influential environmental organizations and unites 14 million members and supporters in pursuit of good jobs, a clean environment and a green economy. Visit www.bluegreenalliance.org.

About PERI

The Political Economy Research Institute is an independent unit of the University of Massachusetts, Amherst. Since its founding in 1998, PERI has become a leading source of research and policy initiatives on issues of clean-energy economics, globalization, unemployment, financial market instability, central bank policy, living wages and decent work. The guiding ethos of PERI is to do rigorous academic research that is broadly accessible, directly engaged with crucial economic policy issues, and maintains an abiding commitment to egalitarian values. Visit www.peri.umass.edu.