

Unconventional Gas and Jobs

Optimistic Guesswork

To make predictions about job creation requires making heroic assumptions. What is estimated by the geologists about the gas in place is taken and then a % of that is taken for the amount of gas that is technically recoverable. A far smaller proportion is then considered to be commercially recoverable – perhaps 2%. This depends on future gas prices and how much extraction costs will be. You then use the experience of places like the USA to estimate how many jobs might be involved to construct and operate the number of wells and well pads that would be needed to get out the estimate of the commercially recoverable gas. All of this is little more than educated guess work.

Figures like this typically show considerable *optimism bias* and, as the US experience shows, are often later subject to dramatic reductions. The initial hype is employed to raise capital, to convince government and communities. Companies have to exude optimism about all the fabulous benefits otherwise people will back off with their money and support when they begin to consider the downside...

The Studies

There are now 4 studies that have tried to predict the number of jobs that unconventional gas might create across the whole country. The studies add together direct employment + indirect employment (supply chain jobs) with induced employment (when workers spend their income and thus generate more jobs).

- *Regeneris* commissioned by Cuadrilla – mid range 5,600- high range 6,550 FTEs pa over a 6 to 11 year period (80 well pads)
- *Institute of Directors* which predicted 74,000 jobs
- *AMEC* on DECC website – between 16,000 to 32,000 jobs at the high level activity scenario
- *Ernst and Young* which predicted 64,000 jobs
- Jobs are typically short term from 4 to 9 years
- Only 17% of jobs have so far gone to local people – in hotels, haulage and security work – most of the rest go to highly skilled gas engineers who come and then go...



Fracking in Britain could create just a THIRD of the jobs Cameron predicted, energy experts warn ministers

- Prime Minister has claimed shale gas industry could create 74,000 jobs
- Experts working for energy department warn real figure could be 24,000
- 'New jobs might only last 4-9 years with few opportunities for local people'
- Environmental campaigners are strongly opposed to fracking

By MATT CHORLEY, MAILONLINE POLITICAL EDITOR
PUBLISHED: 06:46, 16 October 2013 | UPDATED: 11:53, 16 October 2013

The Jobs that are lost

What the snake oil salesmen never talk about when they try to sell us the case for unconventional gas are the jobs that could be lost.

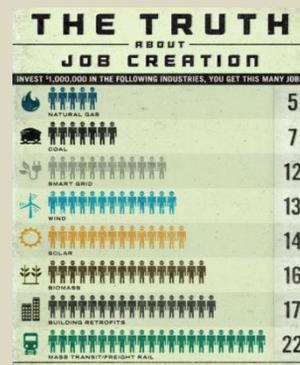
Developing a gas field is not easily compatible with other uses for land – all that water and air contamination, pipelines, flares, heavy good traffic and 24/7 activity does not mix well with other economic activities like farming or leisure activities. Who wants to go camping or taking a day trip out into a gas field or go to a wildlife area intersected by a pipeline corridor? Who will trust food from an organic farm when there is an adjacent fracking well pad? Who wants to drink beer made with water contaminated by flow back water?



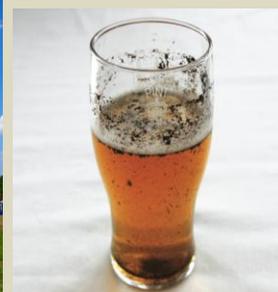
Alternative Energy Strategies would create jobs too

Alternative energy options (renewables and energy conservation) would generate more jobs for the same investment – over 2 X in Uni of Mass. Amherst studies

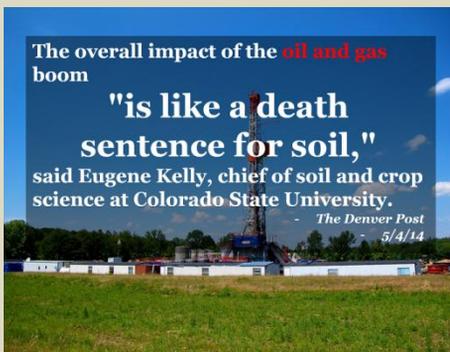
Fracking may delay and disrupt the inevitable transition to a new Green Economy paradigm....including transition to 'green chemicals' (based on plant feedstocks)



US study on Job Creation from Green Development



Many brewers in the USA and Germany have opposed the fracking industry because of the threat to clean water



Farming jobs are also threatened