Is saving energy bad for the economic growth and employment?

In the past, the use of new energy sources has substantially contributed to the economic expansion: windmills in the Middle Age, coal during the industrial revolution, etc. Energy consumption and growth have been concomitant for decades. On the opposite, the oil crisis in the seventies have triggered economic downturns and mass unemployment. As France just passed a bill with a goal to halve its energy consumption, there may be concerns that this reduction hinders the country economic growth and increases the unemployment rate. But what are the actual economical impacts of such an energy policy?

In reality, many assessments in France and the rest of the world show that saving energy creates jobs. The main reason is simple: an energy saving policy contributes to replacing (often imported) energy by local activity. Through insulating dwellings, jobs in the building sector are created while less is spent on imported heating fuels.

As an illustration, a national energy saving scenario such as the 2030-2050 energy outlook of ADEME (the French Energy Agency) is estimated to generate 330,000 jobs (Callonec et al., 2014).

Public policies aiming at reducing energy use often have other benefits on the economy: increasing the purchasing power of families, improving business competitiveness, etc. As regards the overall impact of these policies on the growth of GDP – an indicator whose relevance can be questioned, studies conclude on a small impact, most often positive.