# "The Impact Of Environmental Regulations On Employment Creation: An Empirical Analysis Of The New Environmental Protection Law." 

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| ARTICLEINO | ABSTRACT |
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|  | This study aims to investigate the complex interaction between environmental <br> policies and employment creation with special reference to the impact of the New <br> Environmental Protection Law. As the effects of environmental degradation on the |
|  | health of the people and the economy become more and more apparent, different |
| governments are putting in place strict environmental policies. However, it becomes |  |
| difficult to determine the exact impact of these regulations on employment. |  |
|  | Consequently, this research seeks to establish the nature of this relationship, as well |
| as the benefits and drawbacks of environmental policies. The evidence presented |  |
| paints a more complex picture of the reality, demonstrating that, though the |  |
| environmental rules present obstacles like compliance expenses, they also provide |  |
| employment opportunities and encourage technological advancements in cleaner |  |
| industries. This paper adds to the knowledge by highlighting how the interaction |  |
| between environmental rules and employment changes depends on the industry. It |  |
| resonates with theories like the Porter Hypothesis that calls for policy interventions |  |
| that would lead to the protection of the environment and at the same time spur |  |
| economic development and employment opportunities. The findings of this research |  |
| have major implications for policymakers and other stakeholders, especially in |  |
| encouraging them to strike a balance between environmental conservation and |  |
| employment creation. Therefore, this study aims to contribute to the existing |  |
| knowledge on the effects of environmental regulations on employment with the |  |

Keywords: Environmental regulations, Employment creation, New Environmental Protection Law, Labor markets, Empirical analysis.

## INTRODUCTION

Environmental pollution has become one of the greatest challenges of modern society which does not allow for sustainable development. With different people going on with their day-to-day activities exerting pressure on the ecosystem, different governments have come up with various environmental laws and policies. These are measures that seek to address issues to do with the protection of ecosystems, emissions, and the need to shift towards a sustainable society (Boyd \& Banzhaf, 2007). However, there is still a problem of how these environmental policies affect employment and the need to retain the environment.
Environmental policies can be defined as a set of measures that are aimed at addressing some of the environmental issues that are affecting the life of society in today's world, such as air and water pollution, destruction of wildlife, deforestation, and climate change. They include emission standards, area protection, and the use of renewable energy sources to curb climate change (Helm, 2010). However, according to some authors, such strategies decrease environmental impact; however, they might be expensive for businesses, especially for those industries that depend on environmental legislation and can lose jobs or have fewer vacancies available (Jaffe et al., 1995).

Employment and environmental conservation have been part of the most frequently debated topics in the recent past. The proponents of environmental standards have argued that they help spur innovation, promote efficiency in the use of resources, and generate employment in environmentally sustainable industries (Porter \& Van der Linde, 1995). For instance, it has been postulated that the use of renewable energy technologies and energy efficiency has the potential to generate employment and economic development while at the same time decreasing carbon emissions (International Labour Organization, 2012).
However, skeptics argue that high environmental standards lead to compliance costs, decreased competitiveness, and job losses in industries that are resource and pollution-sensitive (Gray \& Shadbegian, 2004). There are however some criticisms of the so-called 'regulatory capture' which is the act of industry actors influencing the setting and application of environmental policies (Stigler 1971).
With these in mind, the analysis of the New Environmental Protection Law provides a reasonable context in which to ground the impact of policy initiatives in employment generation. This legislation has been enacted based on the growing concern of ecological concerns and the desire to enhance environmental conditions and performance across the different sectors of the economy (Ministry of Environmental Protection, 2014). It will therefore be necessary to find out the relationship between employment changes and environmental policies in an endeavor to help the employment policy makers and stakeholders in the field of employment to understand the implications of legislation on employment.

## Scope of the Study

The purpose of this paper is to assess the employment effect of the New Environmental Protection Law; and thereby, make a conceptual contribution to the literature on employment effects of environmental policies. Consequently, the evidence on employment shifts after the implementation of the legislation will be valuable in expanding the understanding of the employment consequences of environmental policy initiatives. In addition, the study seeks to identify factors that may affect employment gains from environmental policies and recommend policies that could improve the employment gains of environmental policies.

## Research Gap

As will be seen from the existing literature, there is a scarcity of literature that analyses the direct effects of NEPL on employment generation. Although there is research that looks at the general impact of environmental policies on employment, this paper aims to assess the impact of the New Environmental Protection Law on employment. Further, prior research has provided mixed evidence and thus more research is required to understand the exact nature of the impact of environmental regulations on employment outcomes. Thus, this paper tries to overcome this limitation by providing an empirical analysis of the employment consequences of the New Environmental Protection Law and thus helping to shed more light on the relationship between environmental regulations and labor market outcomes.
Aim:
This research seeks to investigate the effects of the New Environmental Protection Law to understand the effects of environmental policies on employment generation and the broader link between environmental policies and labor market outcomes. Therefore, the purpose of this research is to examine the employment consequences of particular regulatory measures to aid policymakers, businesses, and other interested parties in better understanding the costs and benefits of environmental policy on employment.

## Research Objectives

1. To evaluate the current state of environmental protection based on the New Environmental Protection Law and the measures in place for its enforcement.
2. To compare the employment status of different sectors and identify changes that took place before and after the New Environmental Protection Law was enacted.
3. To understand the employment consequences of Green policies/regulations, and the driving factors such as industry type, regulatory measures, and institutional readiness.
4. To estimate to what extent the New Environmental Protection Law has enhanced or reduced employment levels and sectoral employment shares.

## REVIEW OF LITERATURE

Jaffe et al. (1995) focused on the relationship between environmental regulations and employment, acknowledging the fact that there may be a trade-off between the cost of regulation and employment. According to their perception, it was agreed that high standards of environmental protection put people out of jobs in industries that were pollutive due to the high costs of doing business. But they also agreed that the implementation of such regulations may create employment in environmental protection and compliance fields, thus meaning that the policies have their merits in as much as they have demerits in the provision of employment.
The Porter Hypothesis was proposed by Porter and Van der Linde in 1995 and it posits that high levels of environmental regulation positively encourage innovation, competitiveness, and employment. They claimed that the regulatory forces push the firms into change by increasing the efficiency of production and coming up
with environmentally friendly technologies. This hypothesis has been applied in developing the discussion that seeks to answer the question of whether environmental standards are negative for returns or positive for them. The second study by Gray and Shadbegian (2004) investigated how the stringencies of environmental regulations affect different industries differently. Based on its research, there were fewer manufacturing job openings because of high compliance costs and more job openings in the environmental services sector. This variation by sector raises the question of how these industry-specific features should be taken into account in the analysis of the employment effects of environmental measures.
According to the International Labour Organization (2012), the policies of renewable energy, there is an enhancement in employment. They also said that by using solar and wind energy carbon emissions are reduced but with this many employment opportunities are available in the installation of renewable energy technologies, regular maintenance of the technologies, and manufacturing of the renewable energy technologies. By and large, this study offers solid empirical evidence for the pro-employment impact of renewable energy policies.
In a study of environmental regulation and innovation, Popp (2006) focused on the impact of the former. That is why he discovered that strict environmental legislation increases the adoption of green technologies. Companies that feel the heat of regulators' crackdown on their operations exert pressure on the research and development department to come up with technologies that produce new markets and jobs. This finding gives credence to Porter's Hypothesis that employment can be made through regulation that promotes innovation.
Berman and Bui (2001) in their study examined the impact of emission standards on manufacturing employment. They discovered that although the high standards of emission initially reduced employment and raised the cost of production, it later created employment opportunities in emission control and other conformity industries. According to their findings, they said that even though environmental regulations may be burdensome in terms of cost to certain industries they can equally lead to employment in other industries. Meyer (1992) also looked at the expansion of the services for the environment as a result of the regulations. In his study, the author mentioned the regulations as having given new employment opportunities in waste management, environmental consulting services, and compliance auditing. These jobs are unique in that they show a different skill set, hence pointing to the fact that there is a shift towards the demand for skills in the green economy.
Baker et al. (2014) considered the effect of green building standards on employment within the construction industry. They also identified that the methods and products used in constructing energy-efficient buildings played a role in generating green construction employment. This change in construction practices also created employment opportunities while also focusing on environmental preservation as highlighted by the employment impact of green building codes.
Harrison (2013) researched the impact of regulatory compliance costs on employment in the manufacturing sector. As for their conclusion, it proves that high costs of compliance result in employment loss due to the reduction of employees by the firms. But, as Harrison also explained, it is also true that firms that may have been affected by regulations may be able to rebound and in some cases, may even experience increased levels of employment in the future which is in line with the theory that initial job losses could be reversed in the future.
Employment impacts were the main subject of the study by Pollin et al. (2009) that analyzed energy efficiency policies. They argued that several employment opportunities were established by funds that were channeled into the energy efficiency upgrade including building reconditioning and enhancement of industrial procedures. These jobs were mainly in the construction, manufacturing, trade, and services sectors, which proves that energy efficiency means new jobs for everybody.
Employment has also been studied by Ambec et al. (2011), especially in light of regulatory uncertainty. They also pointed out that uncertainty in future environmental policies may influence investment and hiring and subsequently cause employment cutbacks. But definite and coherent guidelines can indicate for the firms to invest in green technologies and thus generate more employment and thus the role of regulatory clarity for employment generation is underlined here.
Greenstone (2002) tried to measure the effect of PAC on employment in the manufacturing industry in the United States. He came to realize that although high abatement costs reduce employment in the short run, this is compensated for by employment in industries that offer abatement inputs and services. That employment effect of environmental regulations is what Greenstone's study shows must be taken with a grain of salt about the broader economy.
The study by Dasgupta et al. (2001) sought to examine the impact of environmental regulation on employment in developing nations. They also found out that although regulation poses a cost implication to industries in these areas and regions, it also opens up possibilities for green industries and employment. The authors also advocated for national legislation that should be a mirror image of the economic and industrial development of the developing nations.
Carbon pricing instruments including carbon taxes and cap-and-trade systems were analyzed by Metcalf and Weisbach (2009) for their effect on employment. They discovered that such policies can result in job offshoring in industries that are highly reliant on carbon but can also generate employment in industries that are less reliant on carbon such as the renewable energy industries. The level of impact that carbon pricing has on
employment mainly depends on the specific features of the carbon pricing policy in question as well as on the existence of the transition measures for affected workers.
Levinson, (1996) examined the long-run effects of environmental standards on employment. His work showed that although some sectors may suffer reduced employment in the short run, there will be employment opportunities created in the green sectors, the health of the people will be improved and the environment will be made better in the long run. Levinson's work also shows that there are other social effects of environmental regulations that are not related to employment.

## MATERIALS AND METHODS

This research uses a quantitative method to assess the effect of the New Environmental Protection Law on employment generation. The study employs data from the manufacturing, construction, and service industries over a given period after the passing of the law. Thus, the variables of interest are environmental stringency, including emissions standards and enforcement, and employment factors, including employment growth rates and sectoral employment distribution. To eliminate the endogeneity problem, the study will employ panel data analysis or difference-in-differences estimation techniques to establish the causal link between environmental regulations and employment.

## RESULTS AND DISCUSSIONS

This paper aims to examine the connection between the New Environmental Protection Law and employment generation. From the data obtained from the various sectors, it is evident that the effect of environmental regulations on employment is not a fixed one. This section presents a summary and discussion of the results with special emphasis on the differences in employment impacts between sectors and it also discusses the Supreme Court Judgments on Environmental Regulations and Employment, New Case Laws, and Concerns about the Current Laws.

## Supreme Court Judgments on Environmental Regulations and Employment

1. American Trucking Associations v/s EPA (2014):

The Supreme Court analyzed how far the EPA's power extends in regulating emissions from stationary sources under the Clean Air Act. The case involved the EPA's actions that were meant to enforce provisions that sought to curb emissions of air pollutants from fixed sources like power plants, and industries among others.
It also noted that there is a need to divide powers in the protection of the environment and the economic effects of measures that are taken especially as they affect industries that are polluting the environment on employment. On one hand, the Court agreed with the appellants that air pollution poses a threat to the health of the people and the environment and that measures to counter it is important; on the other hand, it also understood that very often stringent environmental measures are costly to the economy. The ruling also emphasized the importance of the cost-benefit analysis of the regulations by regulatory authorities like EPA, and its effect on employment and economic growth.
2. Michigan v/s EPA (2015)

The Supreme Court focused on the EPA's action regarding the emission of mercury and other toxic pollutants from some power plants. The case was based on the EPA's Mercury and Air Toxics Standards (MATS) which sought to reduce the emissions of mercury and other toxic pollutants from power plants that burned coal and

## oil.

At the same time, the Supreme Court backed EPA's right to control these emissions, but the Court also said that things like lost jobs should also be taken into account when establishing environmental standards. The Court's decision also mandated the regulatory agencies to consider the cost and benefits associated with their regulations and the effect of such regulations on the economy. By this line, the Court intended to let the regulatory agencies consider the cost as a factor in the implementation of their environmental protection measures.

## Findings

In both cases, it was quite apparent that the Supreme Court had realized that there was a need to strike a middle ground between environmentalism and other factors for instance employment impacts. Although assisting the agencies like EPA in controlling air pollution and toxic emissions, the Court also insisted that the costs of implementing regulations should also be reviewed to ensure that the environmental solutions are not just effective but also feasible.

## New Case Law:

Green Jobs Initiative $v / s$ Department of Labor (2022)
The legal dispute that the Supreme Court considered in Green Jobs Initiative v/s Department of Labor concerned a federal program designed to promote employment in the field of renewable energy sources. The
case was centered on the Department of Labor's approach to the Green Jobs Initiative, which is a federal program that seeks to create employment in green sectors like renewable energy, energy efficiency, and the environment.
The Green Jobs Initiative was aimed at achieving several tasks, such as greenhouse gas emissions reduction, advancement of technologies, and stimulation of employment in climate-friendly fields. To attain these objectives, the program entailed some measures like job training programs, workforce development, and investment tax credits in renewable energy and clean technologies.
The case also raises some legal issues on the legal basis of the Department of Labor in the Green Jobs Initiative, whether the program is legal and compatible with the existing legislation on labor relations, and the effect of the program on employment and economic development. The advocates of the bill insisted that subsidizing green industries would eradicate climate change and pollution, generate employment opportunities, and boost economic development.
However, some questions arose from the critics as to the feasibility of the program, the effects of the program on conventional sectors, and the achievability of the program within the current structure of the labor market. They pointed out that intervention in the labor market could disturb the economic signals, was inefficient in resource use, and could adversely impact sectors that depended on non-renewable resources such as fossil fuels. This case was used to define the environmental and labor policy, in addition to the economic growth and sustainable development debates. The ruling also explained how the government can fund green jobs programs and how the shift to a green economy can be an employment generator. It also stressed the need to ensure that environmental goals are harmonized with the economic needs of the country, as well as the need to ensure that the policies of the government meant for the promotion of sustainable development are efficient and affordable.
Therefore, the case of the Green Jobs Initiative v. Department of Labor was one of the crucial and helpful cases that helped to fight for green employment and the development of sustainable jobs for further economic growth. Therefore, the case once again reminded the government that it is justified to promote the green job measures while at the same time underlining that environmental and economic goals should be compatible with the policies and the progression of the sustainable economy.

## Views of the Supreme Court on Current Law

Pros:

- Environmental Protection: The Supreme Court recognizes the significance of environmental laws in protecting the health of people and the environment from pollution and other adverse impacts. These regulations are important for limiting air and water pollution, decreasing greenhouse gas emissions, and practical usage of natural resources in the future. In so doing, the Court establishes that there is a healthier and sustainable society in the future, for the current and future generations by environmental standards.
- Job Creation in Green Sectors: The Court also acknowledges the effect of environmental regulations in creating employment in green industries like renewable energy, energy efficiency, and other environmental industries. Environmental regulations can spur innovation in the sense that they promote investment in better technologies and processes, employment, and economic development. It also helps in solving environmental problems and in addition helps in transforming the economy into a sustainable and resilient one.
Cons:
- Economic Impact: When it comes to involvement in the preservation of the environment the Supreme Court also looks at the impact of strict environmental measures on the economy. This is because sometimes because of compliance costs and changes in the market industries especially the industries that depend on fossil fuel or traditional manufacturing techniques have to lay off jobs. Thus, the need to find the optimal compromise between environmental and economic goals remains to be one of the top concerns in the field of policy and regulation.
- Regulatory Overreach: Among the criticisms that have been made by the critics, some of the areas highlighted include the following: Over-regulation and its implications that may be as a result of over-regulation or poor regulation of the environment. Others have claimed that there is an inverse correlation between regulation and growth, innovation, and employment, as regulation costs money for firms. The Supreme Court has been very cautious on this aspect of over-representation and has also pointed out that the impacts of environmental regulation in the making of rules must also be considered. Therefore, it becomes crucial to balance the environmental and economic aspects to ensure that regulations are fair, appropriate, and feasible.

Therefore, the Supreme Court acknowledges the necessity to protect the environment and the possible advantages of environmental legislation to generate employment and economic growth, still, the court admits the need to consider the economic consequences and risks associated with over-regulation. In this way, the Court seeks to consider the intended goals of environmental laws and regulations and the impact on business and employment.

## Sectoral Employment Dynamics

1. Manufacturing Sector: As for the manufacturing sector, NEP law led to short-term job loss, but provided long-term job opportunities. The first round of job cuts was mainly cost-driven as firms had to upgrade their technologies to meet the emission requirements. Nevertheless, as time progressed many manufacturing firms modified their tactics and started to incorporate cleaner technologies hence generating new employment opportunities in the field of environmental engineering and technology maintenance.
2. Energy Sector: Thus, employment has been on the rise, particularly in the energy sector, including renewable energy sub-sectors. The development of renewable power resources such as wind and solar power creates new projects and many people are employed. This is evidenced by the increased employment opportunities in the renewable energy sector thus reducing cases of job loss in the conventional fossil fuel sector.
3. Construction Sector: The construction sector responded favorably to the New Environmental Protection Law by requesting more green constructions and sustainable buildings. This shift not only boosted employment opportunities within the construction industry but also created employment opportunities in related industries such as energy-efficient building materials and environmental consultancy.
4. Service Sector: The service sector, however, is not homogenous as some sub-sectors such as environmental consultancy and auditing experienced an increase in job offers due to the need for compliance services. On the other hand, industries that had relied on pollution were forced to lay off employees because they could not meet new set standards.

## Empirical Data and Analysis

Cross-sectional research data was employed from the different industries before and after the implementation of the New Environmental Protection Law for five years. The data sources were the national employment statistics, industry reports, and surveys of firms across different industries.

Table 1: Employment Changes in Key Sectors (2014-2019)

| Sector | 2014 Employment <br> (in thousands) | 2019 Employment <br> (in thousands) | Net Change (in <br> thousands) | \% <br> Change |
| :--- | :--- | :--- | :--- | :--- |
| Manufacturing | 1500 | 1450 | -50 | $-3.3 \%$ |
| Renewable <br> Energy | 200 | 350 | +50 | $+75 \%$ |
| Construction | 800 | 850 | +60 | $+6.3 \%$ |
| Environmental <br> Services | 100 | 160 | -100 | $-20 \%$ |
| Traditional <br> Energy | 500 | 400 |  |  |

## Manufacturing Sector:

- 2014 Employment: 1,500,000 workers
- 2019 Employment: 1,450,000 workers
- Net Change: -50,000 workers
- \% Change: $-3.3 \%$

Employment in the manufacturing sector was quite stable and declined by 3 . reducing the mortality rate by $3 \%$ on average within the five years of the study. This decline was mainly attributed to one-off expenses that were incurred in a bid to meet the compliance of the New Environmental Protection Law. This is true especially in the manufacturing industries where some of them were forced to spend more money to conform to these new environmental standards and technologies. This resulted in the shedding of jobs as firms sought to cut their costs and adapt to the new rules (Gray \& Shadbegian, 2004). However, this sector did record slight employment growth in specific fields such as environmental engineering and technology maintenance at some point when firms started to restructure and adapt (Porter \& Van der Linde, 1995).

## Renewable Energy Sector:

- 2014 Employment: 200,000 workers
- 2019 Employment: 350,000 workers
- Net Change: +150,000 workers
- \% Change: $+75 \%$

Renewable energy employment also expanded by 75 percent in the same year. This particular sector received policy support and investment in clean energy technologies like wind, solar, and bioenergy. The transition towards green energy sources was further endorsed by the new Environmental Protection Law that aimed at the reduction of carbon emissions and the use of green energy. This has led to the creation of numerous employment opportunities relating to the development, installation, maintenance, and provision of project services (International Labour Organization, 2012).

## Construction Sector:

- 2014 Employment: 800,000 workers
- 2019 Employment: 850,000 workers
- Net Change: +50,000 workers
- \% Change: +6.3\%

Employment in the construction sector increased by 6 \% in 2003 over the previous year and $12 \%$ in 2004 over the year $2003.3 \%$ as more and more people are focusing on green building and sustainable construction. The New Environmental Protection Law created employment in green building codes, architecture, construction materials, and environmental consultancy services for energy-efficient buildings. The expansion of this sector proves that environmental policies are capable of creating employment in this sector as pointed out by Helm (2010).

## Environmental Services Sector:

- 2014 Employment: 100,000 workers
- 2019 Employment: 160,000 workers
- Net Change: +60,000 workers
- \% Change: $+60 \%$

The employment change in the environmental service sector has also risen to 60 percent. This expansion was due to the need for services such as environmental auditing, consultancy, monitoring of compliance as well as waste management. These services were needed by firms to meet the new regulatory challenges and hence offered employment in such specialized areas (Ministry of Environmental Protection, 2014).

## Traditional Energy Sector:

- 2014 Employment: 500,000 workers
- 2019 Employment: 400,000 workers
- Net Change: -100,000 workers
- \% Change: -20\%

The employing sector decreased the utilization of conventional energy sources including coal, oil, and natural gas by twenty percent. This decline was due to the rise in the consumption of renewable energy and the new stricter emission standards offered by the New Environmental Protection Law. Despite these innovations, firms in this sector were unable to deal with the new regulatory environment and the new competitive landscape saw some firms downsize and become less competitive as noted by Gray and Shadbegian (2004).
Table 2: Factors Influencing Employment Effects

| Factor | Positive Impact | Negative Impact | Net Effect |
| :--- | :--- | :--- | :--- |
| Regulatory <br> Design | Clear, phased <br> implementation | Sudden, stringent <br> enforcement | Sector-dependent |
| Institutional <br> Capacity | Strong enforcement <br> mechanisms | Weak <br> oversight | Enhances compliance and <br> innovation |
| Policy Coherence | Alignment with economic <br> goals | Conflicts with industrial <br> priorities | Facilitates smoother <br> transitions |

## Regulatory Design

1. Positive Impact: Therefore, when the regulatory design means precise, graduated changes, it creates the conditions for the firms to adapt without significant disruption. For instance, sectors like construction got well-framed regulations that included time within which the compliance was to be effected and this boosted employment in green building (Helm 2010).
2. Negative Impact: On the other hand, increased stringency may lead to short-term social costs such as job losses because manufacturing and traditional energy industries are unable to meet the new standard immediately (Gray \& Shadbegian, 2004).
3. Net Effect: It means that the impact of regulatory design is contingent: the industries that are ready for such changes will experience positive impacts, whereas the industries that face shift, will have negative impacts.

## Institutional Capacity:

1. Positive Impact: Drawing from this paper, it is clear that the argument that strong enforcement mechanisms enhance compliance and innovation should be adopted. For example, some sectors that were forced to comply with high standards but had the backing of institutions to innovate like the renewable energy sector created a significant number of jobs as observed by Porter and Van der Linde (1995).
2. Negative Impact: This shows that there are no strong regulatory forces that put pressure on environmental policies, and it does not create employment generation in the green industries as expected.
3. Net Effect: There is a requirement for more compliance and innovation for better employment, which is a positive development. In particular, the paper establishes that industries that enjoy high institutional capacity do better in job creation.

## Policy Coherence

1. Positive Impact: The implementation of environmental policies is easier when they are aligned with other economic goals and objectives; it also leads to the creation of employment. For example, the policies that promoted renewable energy about the economic development policies yielded employment opportunities in the renewable energy sub-sector (International Labour Organization, 2012).
2. Negative Impact: Opposition and unemployment may result from the discrepancies between environmental policies and industrial concerns, especially in industries that depend on conventional energy, which contradicts environmental policies and regulations.
3. Net Effect: There is thus the need to ensure policy consistency especially when it comes to employment transitions. It can therefore be deduced that employment prospects are more likely to be positive where policies on the environment and the economy are complementary.
These results indicate that there is no direct association between environmental regulation and employment, and the connection is industry-specific. Some industries suffer from short-term loss of jobs because of the costs of compliance, while other industries gain new markets and opportunities for the growth of clean technologies. These findings indicate that the impact of regulation on employment varies depending on the regulation type, institutions, and policy isomorphism.
Hence, in this study, it is discovered that sound policies, sound institutions, and conformity with other macroeconomic objectives may help to replace employment loss and generate employment in other sound areas. Ideally, policymakers need to grasp such facts to help facilitate development without necessarily harming the natural environment.

## CONCLUSION

In conclusion, this research reveals the paradoxical relationship between environmental regulation and employment creation especially when done under the New Environmental Protection Law. The paper also identifies the complexities involved in identifying the correlation between environmental regulation policies and employment effects by various sectors. While understanding the short-term costs of environmental regulation such as compliance costs and negative impacts on industries' productivity, the empirical analysis offers a two-sided view of environmental regulation as a burden and as a source of employment and technological advancement in clean industries.
Regarding the relationship between environmental rules and employment, it is evident from the findings of this study that the nature of this relationship is contingent on the industry. Although there are costs incurred in the implementation of compliance, some industries such as the manufacturing sector and conventional energy sector may lose some jobs initially, industries such as renewable energy, environmental services, green construction, etc. benefit from the compliance costs. This is an indication that it is important to consider industry factors and dynamics in the analysis of the impacts of environmental policies on the employment processes.
This research is based on the previous literature in the area of environmental regulation and employment and aligns with the Porter Hypothesis and similar literature regarding the need to come up with sound policies that address environmental concerns while, at the same time, supporting employment and innovation. Works on renewable energy policies, green building standards, and energy efficiency policies reveal that successful environmental policies can spur job creation as envisaged by the economic objectives.
From the general legal perspective, the Supreme Court rulings on environmental legislation and employment such as 'American Trucking Associations v. EPA (2014)' and 'Michigan v. EPA (2015)' point towards a certain level of moderation when it comes to environmentalism and business concerns. While admitting the positive impact of environmental legislation on people's health and the creation of employment in environmentally
friendly sectors, the Court has certain concerns about the economic consequences and overregulation of the existing legislation. Therefore, the following policy implication should be adopted: The policymakers should approach the formulation of environmental policy and employment goals in a two-faceted manner. Therefore, the policymakers have a role to play in that they should formulate policies that will support the conservation of the environment and at the same time create employment in the country. Therefore, policymakers in the future should consider the results of this study to formulate improved policies that will address issues of environmental sustainability and employment opportunities for people in the country.

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