Regulators should give some thought to issues of labor mobility, which may be smaller than economists have assumed. Recent studies show that people who lost manufacturing jobs due to competition from China often failed to get new jobs in other places or sectors of the economy. Regulation can also cause some individual to lose their jobs, even though others may gain new jobs. In other words, even if there are jobs elsewhere, coal miners may not be in a position to get them.

That's something that should concern us, because the human cost of unemployment is high. Indeed, studies by psychologists show that amputations cause less permanent psychological harm than long-term unemployment.

That being said, it's not easy to know whether or how to take this into account. One complication is that employment in manufacturing has been going down since its height after World War II, and more so in recent years due to Chinese competition. Coal mining employment has also declined due technological change in the industry and to shifts to other energy sources (especially natural gas). So even if a regulation causes a worker to lose his or her job in a given year, there's a good chance that jobs would have been lost soon after.

Putting that complication aside, there's also a normative problem. If the regulatory process is operating correctly, the jobs are being lost because the harms they impose on other people are greater than the product's benefits. It's tough for a coal miner to lose his or her job, but it's also tough for someone to die prematurely due to particulate pollution.

In addition, these days regulations generally have to pass a cost-benefit analysis, meaning that the activity in question was economically inefficient. In a capitalist society, we are more or less committed to the idea that economically inefficient activities should be discontinued so that resources can shift to somewhere else. If we're liberals, we may try to deal with the collateral harm through jobs programs, unemployment benefits, and retraining. if we're conservatives, we may just say that's the cost of economic progress. Either way, we usually don't try to keep inefficient businesses afloat to save jobs, and efforts to do so generally end up working badly.

These are all reasons for being cautious about considering job loss as a separate factor outside the normal cost-benefit analysis. However, that doesn't necessarily mean that regulators should ignore employment effects entirely. Nor, as a practical matter, are they actually likely to do so given the political sensitivity of the issue.

The best solution would be to expand programs to help the unemployed generally. But to the extent that isn’t feasible for practical or political reasons, it seems that localized unemployment impacts have a legitimate role in regulatory policy, although a limited one.