



Climate change mitigation policies and social justice in Europe

An exploration of potential
conflicts and synergies

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Low Carbon Vehicles

- **Road transport is second most important source of greenhouse gas emissions in the EU**
- **Emission trends show a continuing – rapid - increase**
- **Passenger cars are responsible for +/- 12% of EU emissions (EC 2007)**
- **Initial 4-step EU strategy to tackle carbon emissions from transport :**
 - voluntary agreement with car manufacturers
 - fuel economy labelling scheme
 - CO2 monitoring mechanism for cars
 - incorporation of CO2 emissions as an objective of future transport tax reforms

Mandatory fleet average fuel economy

- **Consequence of lack of progress with voluntary agreement, Reg 443/2009 introduces a mandatory emission target on the level of the car manufacturers' fleets; i.e. 130gCO₂/km**
- **Gradual phase-in: 65% of new fleets in 2012, 100% in 2015**
- **(Stricter targets after 2015 : 95gCO₂/km in 2020)**
- **Fines levied for non-attained target on car manufacturers (€95 par gCO₂/km in excess of target x number of new passenger cars); i.e. combination of mandatory efficiency standards and negative incentives linked to fuel consumption**

Policy instrument and evaluation

			<i>Mandatory fleet average fuel economy</i>
Distributional justice	1	Price of essential goods	0
	2	Cost of domestic energy services	0
	3	Transport costs	0
	4	Employment effects	?
	5	Labour market transition / restructuring	?
Fair access	6	Health	+
	7	Consumer access to information	+
	8	Citizenship	0
	9	Gender equality, non-discrimination, equal treatment	0
Environmental justice	10	Distribution of climate policy cost	0
	11	Distribution of environmental quality	0
	12	Companies' environmental responsibility	+
Intra- and Inter-generational justice	13	Sustainability of public finances	0
	14	Inter-generational ecological debt	+

Energy taxation – carbon taxation

- **Introducing a price signal for energy consumption, i.e. CO₂ emissions stemming from energy consumption**
- **Current EU-directive in preparation (but currently on hold) as part of 'green tax package'**
- **Principle : impose levy of €0,03 par kg of CO₂ emissions from heating and motor fuels (applying the EU-ETS emission factors)**
- **Electricity to be exempted (as covered by EU-ETS scheme); biomass/biofuels to be exempted; exemption for proactive businesses (if outside EU-ETS scheme)**
- **Complementary to the EU-ETS scheme, covering together up to 97% of EU emissions from energy consumption**

Carbon tax : the case of France

- Carbon tax ('Contribution Climat-Energie') currently submitted to final discussion in France
- Principle (still under discussion): levy of €17 per t/CO₂ on fossil fuel consumption (i.e. diesel, petrol, gas, domestic fuel oil, coal), i.e. +/- 50% of EU-target (€30 per t/CO₂)
- Electricity production exempted; sensitive sectors (agriculture, fisheries...) exempted. Complementary to the EU-ETS
- Estimation of average yearly costs per household: €74 via transport and heating
- Lump-sum compensations as income tax reduction, €46 per household per year + €10 per dependant household member (€61+ €10 if area not covered by public transport)

Policy instrument and evaluation

			<i>Carbon tax in France</i>
Distributional justice	1	Price of essential goods	-
	2	Cost of domestic energy services	-
	3	Transport costs	-
	4	Employment effects	?
	5	Labour market transition / restructuring	?
Fair access	6	Health	+
	7	Consumer access to information	0
	8	Citizenship	+/?
	9	Gender equality, non-discrimination, equal treatment	-
Environmental justice	10	Distribution of climate policy cost	- -
	11	Distribution of environmental quality	0
	12	Companies' environmental responsibility	0
Intra- and Inter-generational justice	13	Sustainability of public finances	+
	14	Inter-generational ecological debt	+