

Implementing the European Green Deal

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Successful climate policy hinges on at least three main pillars. First, an effective global framework, such as a harmonized cap-and-trade system possibly implemented via climate clubs. Second, a rich set of primarily national and subnational integrated policy measures to enable enterprises and households a quick and smooth net-zero transition, and a societal consciousness developing the aspiring mode for such a transition. While the other two keynotes do address elements of the first and third of these, Steininger’s contribution will focus on the second one, preparing the detailed policy setting to incentivize and enable the net-zero transition.

Breaking down regional emission reduction targets and the implied carbon budget, such as the EU Green Deal 55% emission reduction target to its subsidiary entities, the Member States can follow different equity principles. Comparing their application shows that European Member States would experience a broader range of individual country targets when principles beyond the so far used GDP/capita were applied, integrating equality and responsibility concerns beyond the capability dimension highlighted thus far.

Within Member States’ preparations, a framework for incentivizing inversion, integration and innovation towards net-zero is essential. Inversion reverses the search for solutions to start with the ultimate aim of wellbeing, opening the floor to more pathbreaking solutions, e.g., when access is the ultimate need, the design of spatial planning is fundamental beyond the supply of public transport and improving the emission efficiency of vehicles. Integration bridges the various elements in our societal system; remaining with the example of access, it supplies hubs for switching from one mode to the other. Innovation throughout the value chain of production allows for completely new approaches. We will explore net-zero examples of the circular economy (Carbon to Product Austria, C2PAT), of the transport sector (how to close the Paris gap) and renewable energy supply.

Finally, a macroeconomic evaluation of Austria’s switch to the Green Deal Fit for 55 path shows potential economic benefits, especially in the post-Covid period, but also identifies the core prerequisites for the successful implementation of such a pathway.