

Climate Change and "Going Green"

The EU has committed to creating a sustainable, climate neutral economy by 2050. The European Green Deal aims to cut net greenhouse gas (e.g., carbon dioxide and nitrogen oxide) emissions to zero, restore biodiversity, and remake the agricultural sector to ensure a safe and sustainable food supply from farm to fork. However, creating a sustainable economy will have costs. Maintaining economic growth while reducing intensive natural resource (e.g., fossil fuels, water) use requires major investments, some workers will be at risk of losing their jobs, and consumers may have to pay more for certain goods and services.

At the same time, developing a sustainable economy offers opportunities. Investing in "green" technologies should ultimately lead to new industries and firms that offer higher-skilled, better paying jobs. Making buildings, cities, and farms efficient and sustainable should make economies more productive. Moreover, mitigating climate change and pollution will reduce the long-term costs associated with extreme weather events and preventable illnesses. How can the EU best use the policy tools available to it to ensure that the green transition results in a stronger economy?

But what is...?

A **sustainable economy** is an optimal business environment for sustainable growth, job creation and innovation that is created through coherence between industrial, environmental, climate and energy policy. (<https://rb.gy/g7ual>)

Climate neutrality occurs when an economy has net-zero greenhouse gas emissions. (<https://rb.gy/c3c6f>)

Biodiversity describes the variety of life on Earth, starting from the diversity of genes to species to all the different ecosystems existing. For life on Earth to thrive, diversity is essential, and is important to secure our livelihood. (<https://rb.gy/t57qt>)

The European Green Deal: the set of policies aimed at transforming the EU into a modern, resource-efficient, and competitive clean economy. Including: 1) no net greenhouse gas emissions by 2050, 2) economic growth decoupled from resource use, and 3) no person and no place left behind. (<https://rb.gy/yf98n>)

Competitiveness refers to the ability of a country to sell its exports based on whether it can produce the right things for the right price and quality to the ability of a country to sell its exports to others based on whether it can produce the right things for the right price and the right quality.

- 1 Who is best suited to making environment policy - national governments within the EU or the EU itself? What role should the EU play? How should the public sector interact with the private sector to promote new green technologies and ensure that the economy is sustainable?
- 2 What are the biggest environmental challenges facing your chosen country? How could climate change, pollution, and habitat loss negatively affect the economy and society?
- 3 How can countries balance the costs of making their economies more sustainable with the environmental benefits from becoming green? How should we measure the costs and benefits?
- 4 What is an externality? Provide some examples of environmental externalities. Who should be responsible in paying for such externalities?
- 5 Many traditional industries and jobs will be at risk from the transition to a more sustainable economy. What, if anything, should be done to protect them? How can we encourage the growth of new jobs in future and clean industries? Is there a way to prevent polluting industries from simply moving abroad and then importing goods with a high carbon content?
- 6 How can private investment be encouraged to support environmentally sustainable activities? What are green bonds? How can we tell whether an investment (and the good or service it produces) will be "green?"
- 7 What is competitiveness, and has your country's competitiveness suffered as a result of stricter environmental regulations than its trading partners?
- 8 What impact can the effects of climate change on economic output and growth?

