

The ETS scheme, which charges for air pollution per tonne of emissions, has so far been applied to industry, and the price has been more than affordable, as the EU gave its industry free quotas that allowed European industries to transfer emissions savings to countries like Africa and beyond and they get money for keeping European air clean. In the Green Plan for Europe, the ETS scheme still has a key place, but according to its revision, points will now be charged everywhere, including on emissions generated by shipping and road transport as well as heating fuels. It remains “a key instrument that helps the EU achieve the goal of reducing greenhouse gas emissions by half from 1990, with a deadline of 2030”, the draft said. The price of carbon points this year has come closer to the market, or rather, the real social price of pollution than ever before. The new draft envisages a so-called linear reduction factor, which if we understand well, actually means that the price of carbon emissions will be able to increase given the overall social impact. The novelty is that the toll is extended to the mentioned ship and road traffic and heating. The social policy of Frans Timmermans, the European Commissioner for Climate Change, also exists in this new law. Just as greens are not overly happy with the trade-offs outlined in the new scheme (for example quotas for the chemical industry, especially for agricultural fertilizers), so we cannot be happy with this law, but it would be unfair to say that the social dimension does not exist. According to Timmermans’ plan, “at least 50 percent of the income generated by the ETS for transport and buildings would have to be redistributed to low-income households.” As in all European regulations, there is a loophole from which Member States can easily get out, and this is the reason for dissatisfaction, and the loophole in the law says: “EU countries are free to decide how to use the money generated by the scheme, without guarantees households receive support for their heating or transportation needs.”

Also, Poland has reiterated its standard objection: the social impact of rising fuel prices and heating prices will disproportionately affect the poor. If the member states decide too freely on how to invest the funds earned by charging carbon points and do not invest in e.g. thermal insulation of the homes of energy-poor citizens, low-income households will not dare or simply will not have where to invest meager incomes in climate “upgrades”. It therefore seems to Poland that this law will have a disproportionate effect on the taxation of energy-poor citizens. The same problem worries France, whose representatives in the EU parliament point out that such a revision of the ETS scheme represents “a huge political risk and does not bring much in terms of reducing emissions.” Namely, such a policy was adopted by France a couple of years ago and it resulted in a revolt of the inhabitants and a movement of yellow vests.

Although they do not exist for citizens, protection measures as usual exist for European industry trying to compete with Chinese, so they will still have some carbon privileges. Recall, earlier this year, Parliament voted to maintain free CO₂ quotas for industries covered by the upcoming EU customs border. The change was supported by industry associations, including the steel group Eurofer, the chemical association CEFIC, the cement association Cembureau and Fertilizers Europe, which asked lawmakers to ensure that EU border policy “coexists with the current free allocation system”, according to Euractiv. This approach may not be sustainable in the long run, as it unnecessarily risks protests against climate policies across Europe. The success of European climate policies will be exactly as much as the population accepts them. Judging by the protests against the price of electricity in Bulgaria in 2013 and the recent yellow vests in France, the citizens of the Union will not allow them to bear the price of pollution, since they did not even cause it.

Source: bilten.org