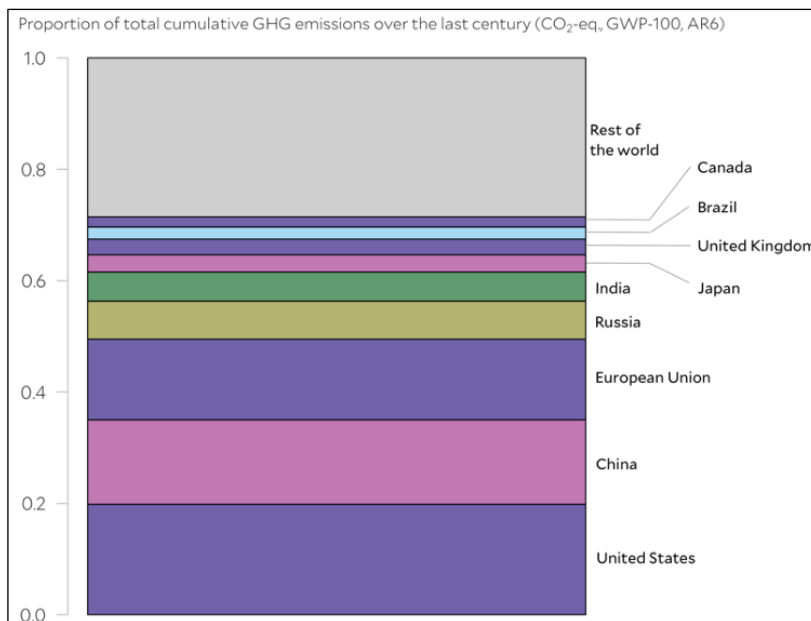


10. Effects of green transition policy interventions on environmental sustainability and social wellbeing in EU countries and in 24 selected countries in the Global South

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Source: Environmental Performance Index (EPI) 2024, Yale Center for Environmental Law & Policy.

Summary

This case study will investigate how increasing environmental policy stringency (EPSI) in Europe may influence social inequality and sustainability outcomes both within the EU and in selected countries of the Global South. While the European Union is accelerating its transition toward a low-carbon economy through measures such as carbon taxes and emissions trading schemes, theoretical and preliminary empirical evidence suggests that such policies may have unintended socio-economic consequences, particularly for lower-income groups.

The research will assess whether stricter environmental policies are associated with changes in income inequality across EU member states, and the extent to which redistributive mechanisms mitigate these effects. It will also explore how these environmental policies affect economic and environmental outcomes in the Global South, including the potential relocation of carbon-intensive industries from the EU to these regions.

This case study will examine *social impacts* related to *injustice* and *inequality* (redistribution of costs and benefits), *governance/policy effectiveness*, and *economic resilience*. By combining macroeconomic data with indicators of environmental and social well-being, the case aims to generate insights into the trade-offs and synergies between environmental sustainability, social justice, and global equity in the context of the green transition.

This dual-region approach will contribute to a deeper understanding of how green transition policies shape not only local but also global socio-economic structures, informing strategies for a more just and inclusive transition.

Key data points

- Global carbon policies grew from 72 laws in 1997 to over 1500 by 2018.
- The EU's at-risk-of-poverty rate (anchored to 2019) fell from 16.5% in 2019 to 14.3% in 2023, with major drops in Bulgaria, Romania, and Poland. In contrast, increases were recorded in Germany, Finland, France, and Slovakia.
- The global top 1% of emitters are responsible for more emissions than the entire bottom half of the world's population.

Share of CO2 emissions embedded in trade, 2022

