

THE EUROPEAN GREEN DEAL - A NEW WAY OF ENVIRONMENTAL RESPONSIBILITY

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ABSTRACT: *In recent years, the growing effects of climate change have increased the awareness level of the imminent and rapid development of the phenomenon worldwide. Climate change acts asymmetrically, the global population feeling its effects differently on sensitive aspects such as public health or the citizens' quality of life. At the same time, the costs and opportunities caused by the transition to decarbonization can create differences of opinion between the world states. For Europe the main goal of the European Green Deal is to become the first climate-neutral continent by 2050. This will enable the European Union to move towards its climate goals in a fair, cost-effective and competitive way. In this paper we have tried to analyze the ways in which the EU can achieve the objectives of the European Green Deal, as well as the ways in which Romania can move from the linear economy to the circular economy. Circularity is not the just the main way to save the planet's limited resources, but also an essential means of decarbonizing the economy. The circular economy is essential for combating global warming. Undoubtedly, therefore the circular economy is an important pillar of the European Green Deal.*

Keywords: *Green Deal, Environment, Linear Economy, Circular Economy, Quality of Life*

JEL Classification: *O44, Q50, Q58*

1. INTRODUCTION

The atmosphere is warming and the climate is increasing changing from one year to another. Of the eight million species of plants and animals on the planet, we risk losing one million. Forests and oceans are increasingly polluted and devastated.

The European Green Deal proposes a response to these challenges. It sets out a new growth strategy aimed at transforming the EU into an equitable and prosperous society with a modern, competitive and resource-efficient economy, with no net greenhouse gas emissions in 2050 and in which economic growth is decoupled from the use of resources.

The Pact also aims to protect, conserve and strengthen the EU's natural capital, as well as to protect the health and well-being of its citizens against environmental risks and impacts. At the same time, the transition must be equitable and favourable to inclusive; it must put people first and pay attention to the regions, industries and workers who will face the greatest

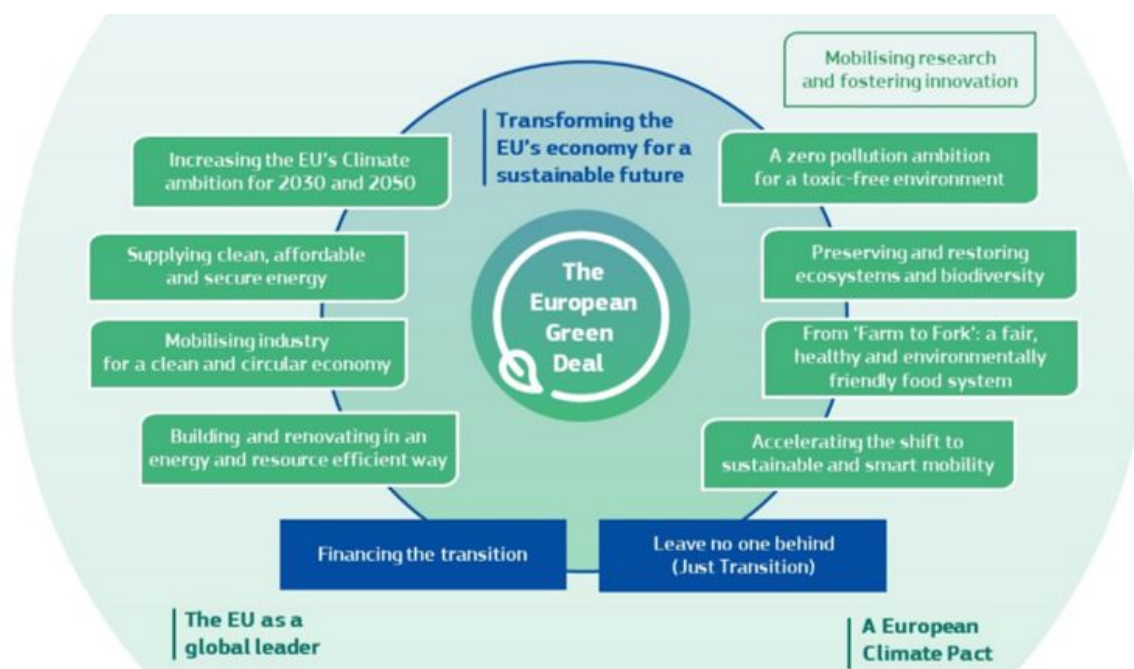
difficulties. Because it will bring substantial changes, the active participation of citizens and their confidence in the transition have a paramount importance, if EU wants that policies to work and be accepted. It is necessary a new pact to bring Europe's citizens together, in their full diversity, and for national, regional, local authorities, civil society and industry to work closely with EU institutions and advisory bodies.

2. THE TRANSITION TO A GREEN ECONOMY: EUROPEAN GREEN DEAL

The EU has the collective capacity to transform its economy and society in order to put them on a more sustainable path. The EU can rely on its world leader advantages regarding the climate and environmental measures, consumer protection and workers' rights. Achieving additional emission reductions is a challenge. This step will require massive public investments and increased efforts to direct private capital towards climate and environmental actions, while avoiding the continuation of unsustainable practices. The EU must be at the forefront of coordinating international efforts to create a coherent financial system that supports the identification of sustainable solutions. These initial investments also represent an opportunity for Europe to embark decisively on a new path of sustainable and inclusive growth. The European Green Deal will accelerate and support the necessary transition in all sectors [1].

The European Green Deal was published by the European Commission on 11 December 2019 and sets out the guidelines for the various European policies for the next 5 years. The European Green Deal is the EU's most ambitious project in terms of allocated budget, with a total of €1 trillion. The document is linked to a number of legislative and non-legislative initiatives in multiple areas, such as the environment, climate change, energy, industry, transport, agriculture, digitalisation and the financial sector.

Figure 1. European Green Deal



Source: <https://www.interregeurope.eu>

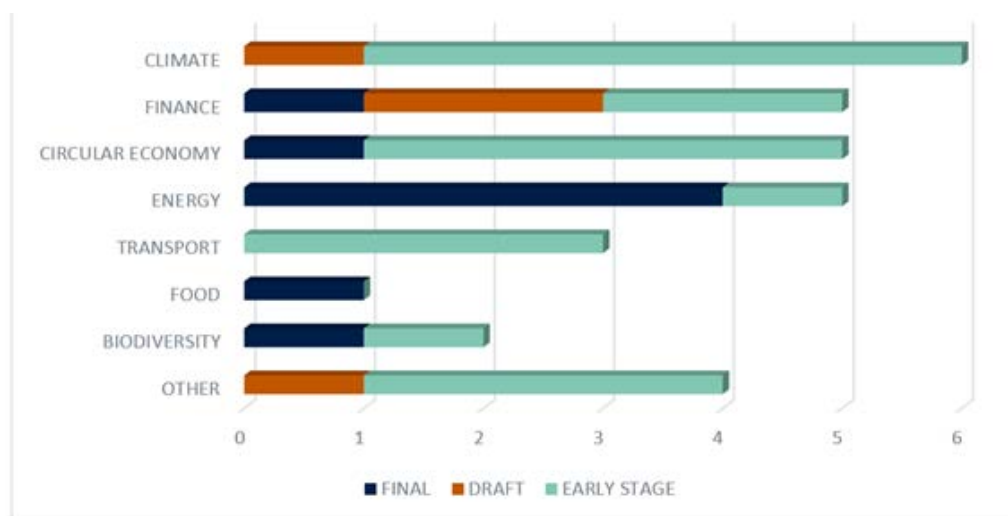
The ambitious environmental goals of the Pact will not be achieved through Europe's isolated efforts. The determinants of climate change and biodiversity decline are the same at global level and are not limited to national borders. The EU can leverage its influence, expertise

and financial resources to engage its neighbours and partners on this sustainable path. The EU will continue to be at the forefront of international efforts in this regard and wants to forge alliances with countries that share the same vision, while recognizing the need to maintain security of supply and competitiveness, even when other states do not want to take a stand [5].

The European Green Deal is an integral part of the Commission's strategy for implementing the 2030 Agenda of the United Nations and the Sustainable Development Goals. In order to implement the European Green Deal, it is necessary to rethink clean energy supply policies in all economic and industrial sectors, along the production and consumption chain, for large-scale infrastructure projects in the transport, food and agriculture, construction, taxation and social benefits sectors. In order to achieve these goals, it is essential to give a greater value on the protection and restoration of natural ecosystems, the sustainable use of resources and the improvement of human health. Precisely in these areas is imperative to make a profound change, which can be extremely beneficial to the EU's economy, society and the natural environment. The EU should also promote and invest in the necessary digital transformation and its related tools, as these are key drivers of change.

Although all these areas of action are closely interlinked and mutually reinforcing, a special attention will need to be paid to possible trade-offs between economic, social and environmental objectives. The European Green Deal will consistently use all the policy levers at its disposal: regulation and standardization, investments and innovation, national reforms, dialogue with the social partners and international cooperation.

Figure 2. Number of Green Deal legislative and policy initiatives, by topic



Source: <https://www.lexology.com>

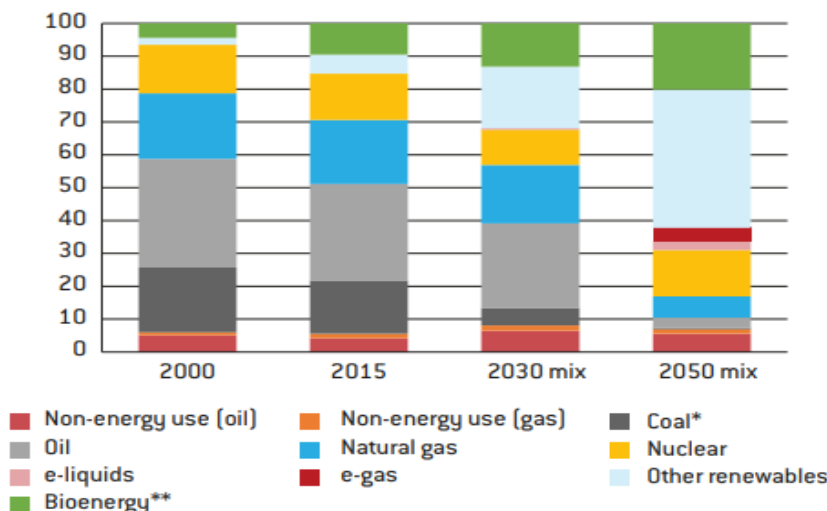
The new measures will not be enough to meet the objectives of the European Green Deal. In addition to launching new initiatives, the Commission is working with Member States to intensify EU efforts to ensure compliance with and effective implementation of current legislation and policies relevant to the Green Deal [7].

3. THE MAIN OBJECTIVES OF THE EUROPEAN GREEN DEAL

Through the European Green Deal, the European Commission aims to reduce greenhouse gas emissions by at least 55% by 2030, and by 2050 it intends to eliminate them, making Europe the first climate-neutral continent. The aim of this pact is to involve citizens with the authorities in order to remove the harmful effects of global warming, to protect the natural environment and to protect citizens against environmental risks. The European Climate

Law by 2050 is a key element of this Pact, being a cross-cutting legislative proposal with immediate effect on existing European legislation and, respectively, on all sectors [8].

Figure 3. EU energy mix evolution - 55 percent lower emission in 2030 compared to 1990 and climate neutrality in 2050



Source: <https://thecoalhub.com/?report-presentation=the-geopolitics-of-the-european-green-deal>

The policy of reducing emissions is considering the following aspects at a global level: global warming - in the absence of a reducing polluting emissions policy, the temperature will increase by 1.1 degrees C and 6.4 degrees C during this century; the impact of climate change - global warming is responsible for floods, droughts, precipitations and extreme heat, fires, the disappearance of glaciers; the cost of action versus the cost of inaction - the fight against climate change costs 1% of global GDP each year, and the cost could rise to 20% in the absence of Member States actions; adaptation to climate change - the methods of adaptation to climate change are: water rationalization, crop rotation and drought resistance, and the most expensive ones involve the relocation of people from low coastal areas [3].

The European Green Deal is a roadmap for the steps which European Commission takes into account in order to facilitate the achievement of the climate neutrality goal. The transition to this goal will generate important opportunities, including from the perspective of the economic growth potential, new business models and new markets, new jobs creation and technological development. Future-oriented research, development and innovation policies will play a key role.

At the same time, the climate neutrality goal is a challenge, involving substantial costs for all Member States. In this regard, it is necessary to ensure an implementation framework that facilitates a fair transition process, both economically and socially, taking into account the different national circumstances of the Member States.

The pact contains a total of 47 actions and includes legislative proposals, strategies and action plans, financial instruments and non-legislative initiatives covering a variety of sectors: climate, energy, environment, industry, agriculture, transport, trade, etc. Under this "explosion" of actions, the European bureaucratic machinery will be subject to a maximum capacity exercise, given that over 50% of the actions had a deadline of 2020 [5].

The European Commission considers that the European Union needs a new growth strategy, one that is efficient from the point of view of resources use. Thus, the main objectives of the European Green Deal are that by 2050 the European Union will stop emitting greenhouse gases, economic growth will be decoupled from the use of resources and no person and no

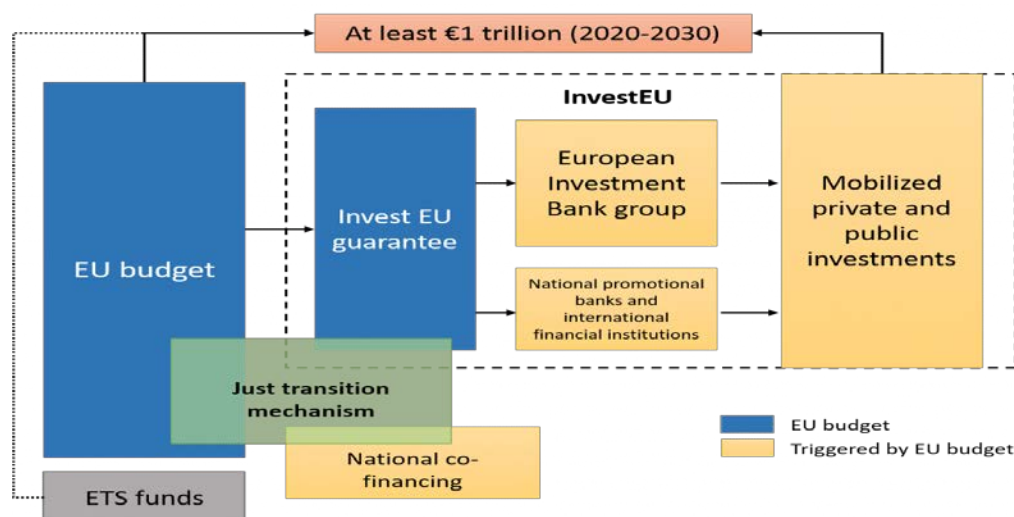
place will be left behind. In the European Green Deal are established the following actions in all economic sectors: investment in green technologies, support for innovation in the industrial sector, the introduction of less polluting, cheaper and healthier forms of private and public transport, the decarbonisation of the energy sector, improving the energy efficiency of buildings, collaborating with international partners to improve global environmental standards. The pact also focuses on replacing old jobs in polluted regions with new and better paid jobs for both seniors and young people. People will have to specialize and acquire new skills to take on new jobs.

4. SUSTAINABLE EUROPE INVESTMENT PLAN

One of the modalities in which the European Green Deal (EGD) intends to achieve the 2050 targets is through financial measures. Therefore, the effectiveness of the Pact will be measured in relation to its ability to mobilize funding dedicated to climate change. EGD intends to approach this financial dimension, inter alia, through investments, mobilizing public and private funds, devoting part of the EU budget to climate actions, providing support through the European Investment Bank. The Commission has adopted the European Green Deal Investment Plan, which is the investment pillar of EGD's. According to the Commission, the investment plan was designed to rise EU funding and create a favourable framework to facilitate and stimulate public and private investments necessary for the transition to a climate-neutral, green, competitive and inclusive economy. Funding refers to the mobilization of at least EUR 1 trillion in sustainable investments over the next decade [2].

The EU will provide financial support and technical assistance to help those most affected by the transition to the green economy. With the help of the Just Transition Mechanism, European countries which are moving to the green economy will be able to access funds of at least 1 trillion euros in the period 2021-2027 in the most affected regions.

Figure 4. Sustainable Europe Investment Plan



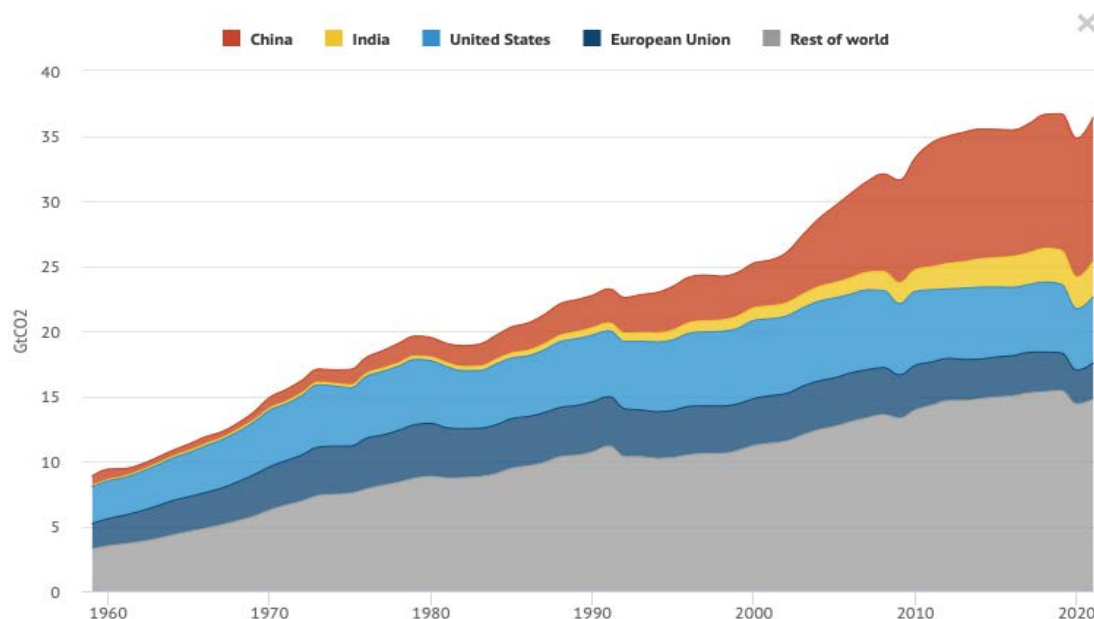
Source: <https://ec.europa.eu>

EU Member States can access the funds allocated to the Just Transition Mechanism through the Just Transition Platform. This platform supports EU countries and regions to make the transition in an equitable way. It consists in a single access point and a single technical support service and provides comprehensive technical and advisory support. Authorities and beneficiaries can access it to find all the information about the funds they need, including opportunities, relevant updates to specific rules or sectorial initiatives. [4]

Just transition territorial plans define the territories in which the Just Transition Fund will be used. The identification of these territories is realized through a dialogue with the Commission. These plans outline the challenges in each territory, as well as the development needs and objectives to be met by 2030. They identify the types of operations envisaged and specify the governance mechanisms. The approval of just transition territorial plans paves the way for specific funding under the other two pillars of the Just Transition Mechanism.

In terms of carbon dioxide emissions, the European Union is a major player on the world map.

Figure 5. Global CO2 emissions by region, 1959-2021



Source: <https://www.weforum.org/agenda/2021/>

The support will be available to all Member States, with a focus on the regions with the highest CO2 emissions or those where most jobs depend on fossil fuels. For this, Member States may draw up just transition territorial plans (for the period up to 2030), identifying the territories that should receive the most support. Plans should also indicate optimal solutions to social, economic and environmental challenges [9].

The Just Transition Mechanism will protect Member States and regions that are heavily dependent on fossil fuels and high CO2 industries, individuals and organizations because it will: facilitate employment opportunities in new and transition sectors; provide opportunities for retraining; improve the energy efficiency of homes; invest in combating energy poverty; facilitate access to clean, consistent and affordable energy; support the transition to low-CO2 technologies and economic diversification based on job-and resilient investments to the effects of climate change; create attractive conditions for public and private investors; facilitate access to loans and financial support; invest in setting up new businesses, SMEs and start-ups; invest in research and innovation; support the transition to much less CO2-emitting activities that are resilient to the effects of climate change; create new jobs in the green economy; invest in public and sustainable transport; invest in renewable energy sources; improve digital connectivity; provide affordable loans to local public authorities; improve energy infrastructure, district heating systems and transport networks [4].

According to the Commission, a combination of funds provided by the European Union budget and public and private investments will mobilize at least €1 trillion over the next decade: climate and environment spending from the EU budget will provide €502 billion in

2021-2030, which will trigger an additional €114 billion in national co-financing for climate and environment; the InvestEU fund will mobilize around EUR 279 billion in private and public climate and environmental investments over the period 2021-2030, providing a European Union budget guarantee to reduce the risk of financing and investment operations; the just transition mechanism will include funding from the European Union budget, co-financing from the Member State, as well as contributions from InvestEU and the European Investment Bank to reach EUR 100 billion in investments to be mobilized in the period 2021-2027; The innovation and modernization funds, which are part of the European Union budget, are partly funded by revenues from the auctioning of carbon allowances under the emissions trading scheme and will provide at least €25 billion for the European Union's transition to climate neutrality.

5. CONCLUSIONS

The Just Transition Mechanism ("Just Transition") is a key tool to ensure that the transition to a climate-neutral economy takes place in the right way, without leaving anyone behind. While all regions will need funding under the plan, the Just Transition provides specific support to help mobilize EUR 100 billion in the period 2021-2027, in the most affected regions, to improve the socio-economic impact of transition. The Just Transition will create the investments needed to help workers and communities that build on the fossil fuel value chain [6].

The Commission will also provide technical assistance to Member States and investors on an equitable transition platform - the Just Transition platform. The Commission will assist Member States in unlocking available support through the Just Transition Mechanism.

The EU's long-term budget for the next seven years will support the green transition. 30% of the programs in the multiannual financial framework 2021-2027, covering EUR 2 trillion, and the NextGenerationEU program are intended to support climate action; 37% of the EUR 723.8 billion (in current prices) of the Recovery and Resilience Mechanism, which will fund Member States' national recovery programs under NextGenerationEU, is allocated to climate action [6].

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