

Climate change, poverty and a just transition

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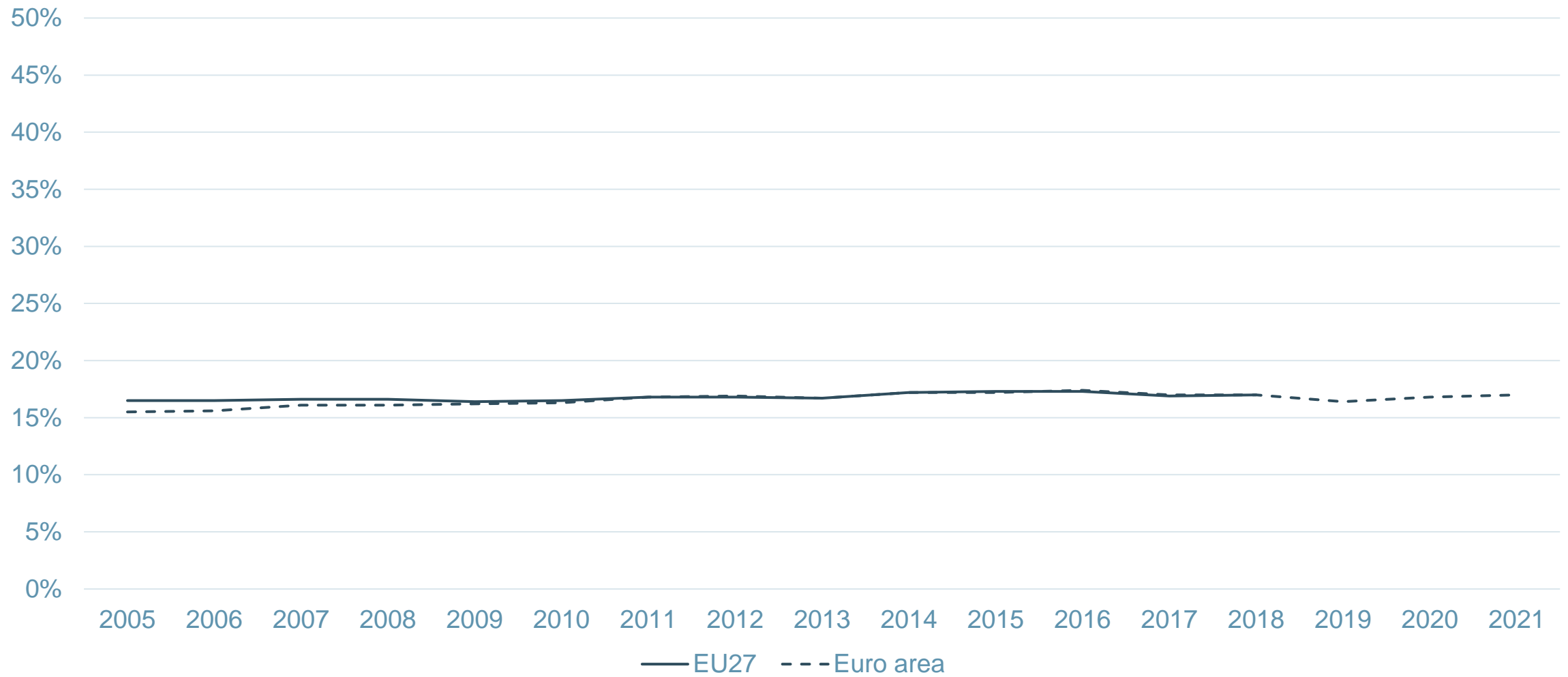
The Cargo Bike Lifestyle



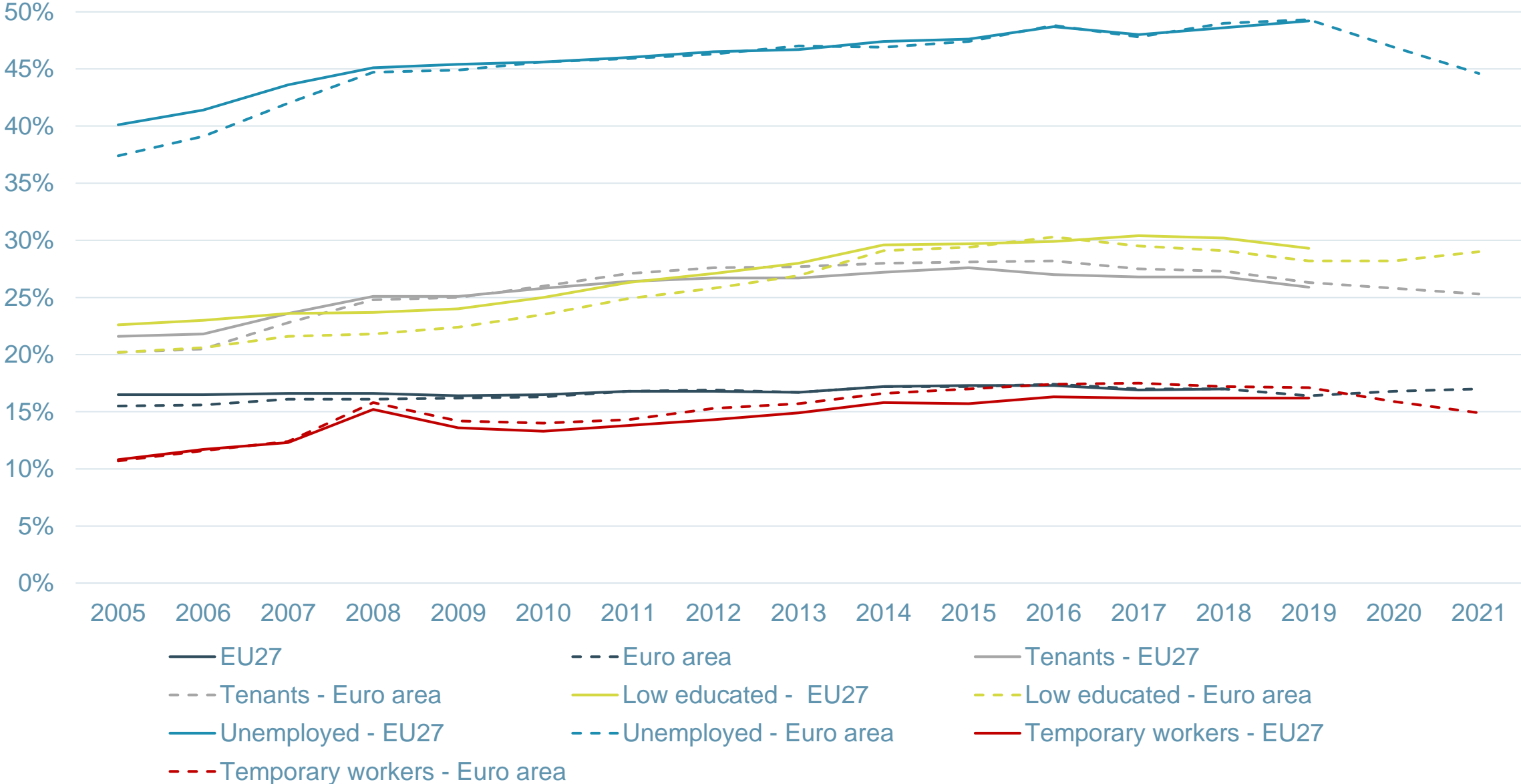
The Cargo Bike Lifestyle...not for everyone



Social divides in Europe: monetary poverty

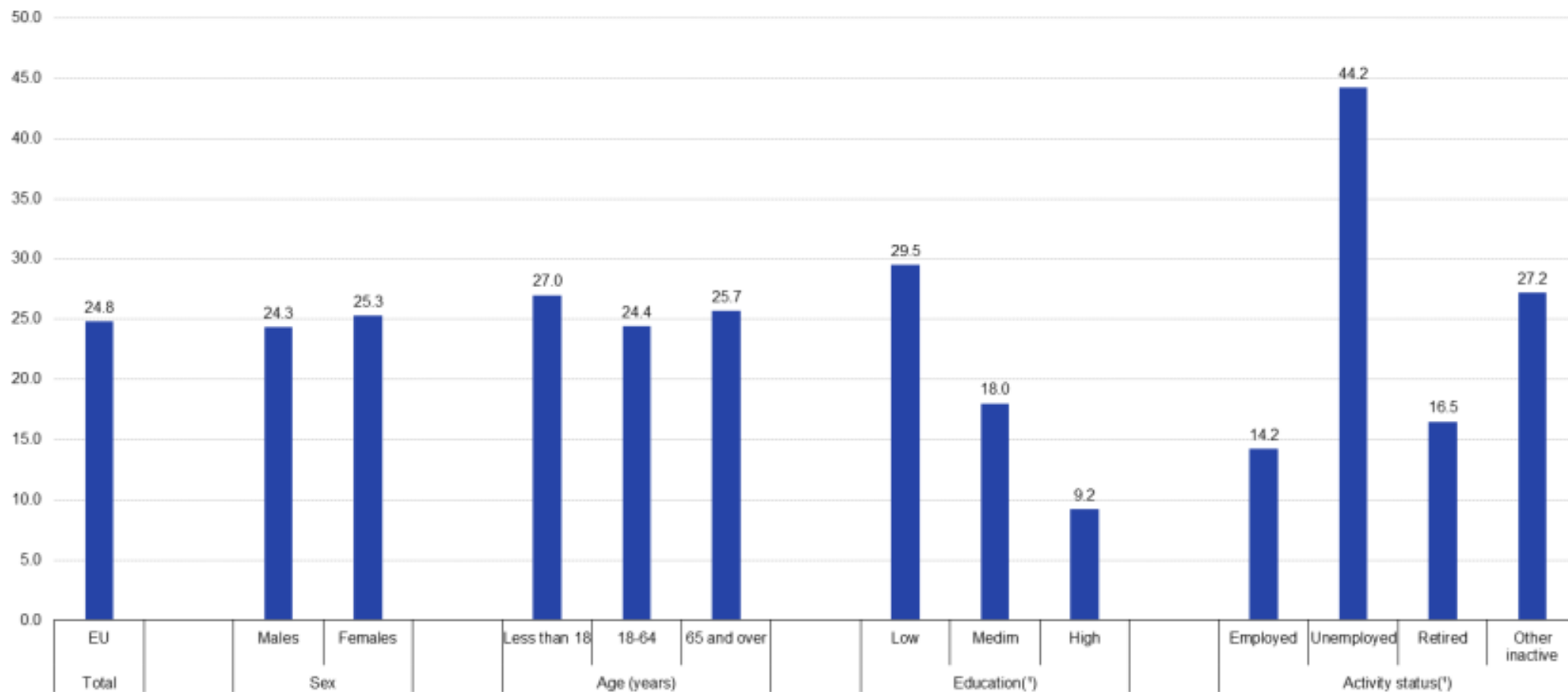


Social divides in Europe: monetary poverty



Share of population considered to be subjectively poor, analysed by socio-economic characteristics, EU, 2022

(%)



(*) Population aged 18 years and over

Source: Eurostat (online data codes: ilc_sbip01, ilc_sbip02, ilc_sbip03)

eurostat

While social divides are increasing... how to attain climate targets?

It is *not only* about reducing luxury consumption

- Around two-thirds of global GHG emissions are directly and indirectly linked to household consumption
 - Reducing household emissions will be crucial to attain EU emission targets
 - While there are significant inequalities in the distribution of emission across households, only about 5% of the EU households conform to climate targets (*Ivanova & Wood, 2020*)
 - Carbon-intensive household sectors: food, travel, dwellings, energy
- It is about how we eat, how we move from one place to another, how we live and heat our homes
- Requires deep and fast transformation of our societies
- This risks hurting poorer households most

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- While inequalities are vast and top 1% household emit much more than the bottom 50% in the EU, the share of their income going to food, housing and heating is much higher
 - Price hikes will affect poorer households the most, and they are less able to invest themselves in energy-efficiency
 - Air travel is a luxury for higher income households, but for land travel it is more complicated
 - Food and cars are not only social and economic but also cultural issues: lifestyles and identities

Support for climate policies... What public support?

- consistent pattern across different policy areas and high income countries: infrastructural investment and subsidies in most cases more popular than regulation and taxation or removal of subsidies
- food-related policies particularly unpopular
- carbon tax and taxing the rich most supported funding sources of green infrastructure investments

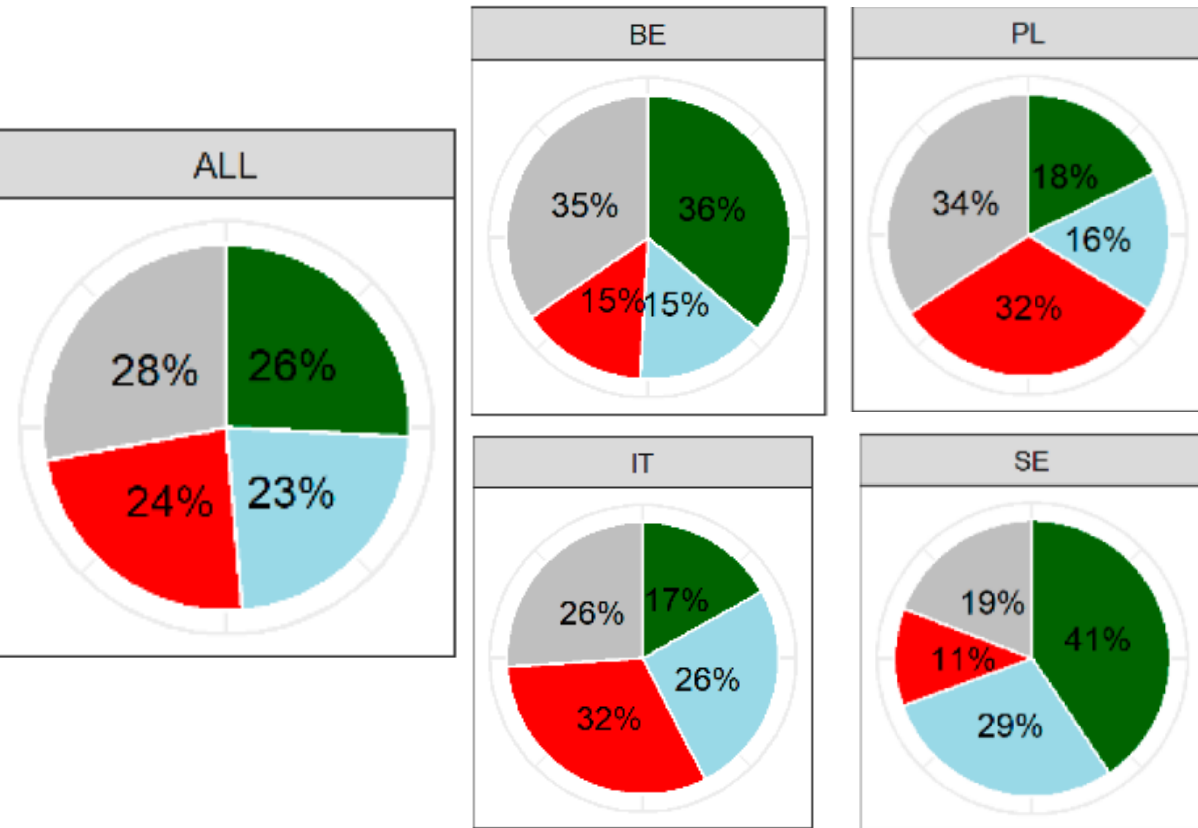
	DK	FR	DE	IT	PL	ES	UK
main policies							
green infra	53	57	42	78	58	71	54
ban on combustion-engine cars	41	28	32	54	44	54	45
carbon tax with cash transfers	30	29	28	47	36	44	34
transport policies							
ban on polluting cars in city centres	66	57	50	76	61	64	65
ban on combustion-engine cars + alternative available	42	42	41	58	48	57	52
flying tax	60	46	53	41	44	44	46
energy policies							
subsidies to low-carbon technology	67	56	64	79	75	73	65
mandatory + subsidised insulation of buildings	70	64	60	73	72	71	70
tax on fossil fuels	43	31	31	38	27	39	38
food policies							
sub on organic local veggies	59	52	56	71	73	65	49
ban of intensive cattle farming	31	55	49	64	44	43	50
removal of subsidies for cattle farming	32	28	38	42	34	42	37
high carbon tax on cattle products	31	29	40	37	30	31	31

Source: Dechezleprêtre et al., 2022

The key conundrum for a just transition: public support for social and climate policies follows social divides

- Environmental and social policies tend to have different public support bases, which is likely to further deepen existing social divides if competition for public resources intensifies (*Otto & Gugushvili, 2020*)

What public support?



	Environmental devotee	Welfare enthusiast	Eco-social supporter	Eco-social sceptics
Gender (f)	+	+	+	<i>reference</i>
Age	-	+		
Education	+	-	+	
Domicile	+		+	
Income	+	-		
Egalitarianism	+	+	+	
Trust	+	-	+	
Political affiliation		+	+	

What is particularly important for public support of climate policies?

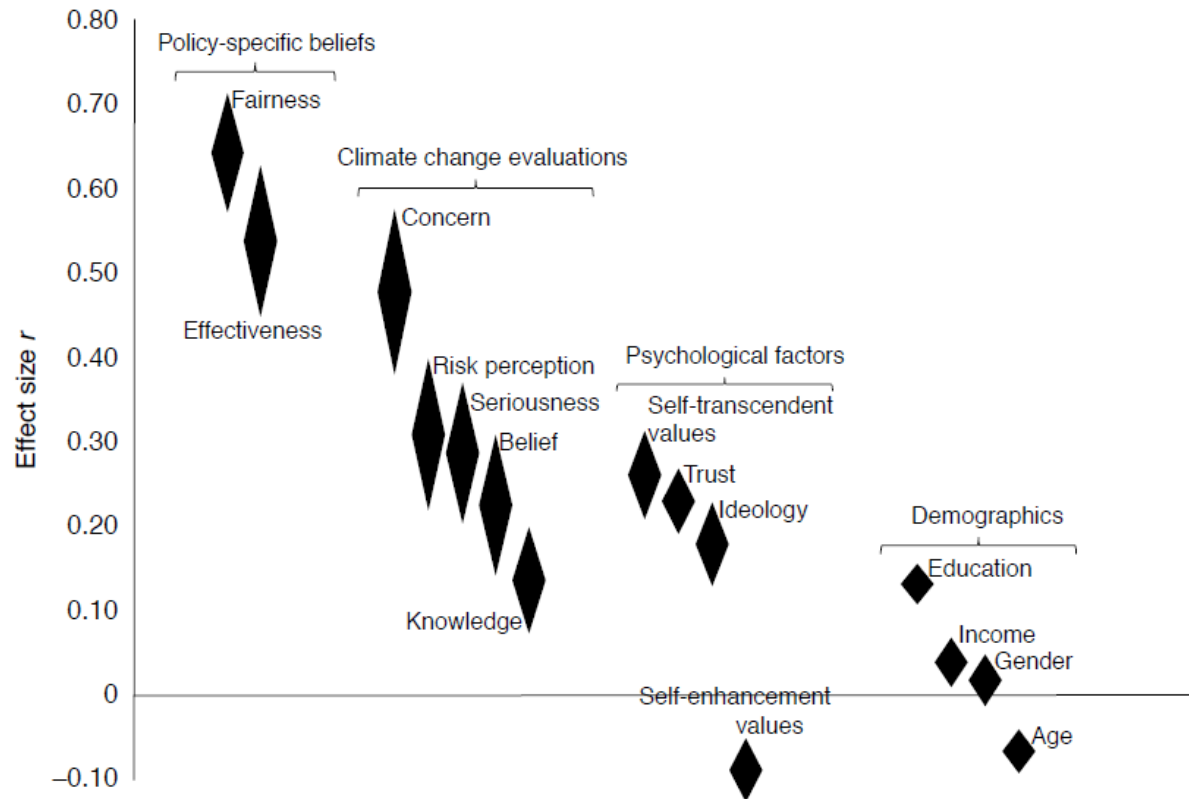


Fig. 1 Visual summary of the relationship between determinants and public opinion about climate change taxes and laws

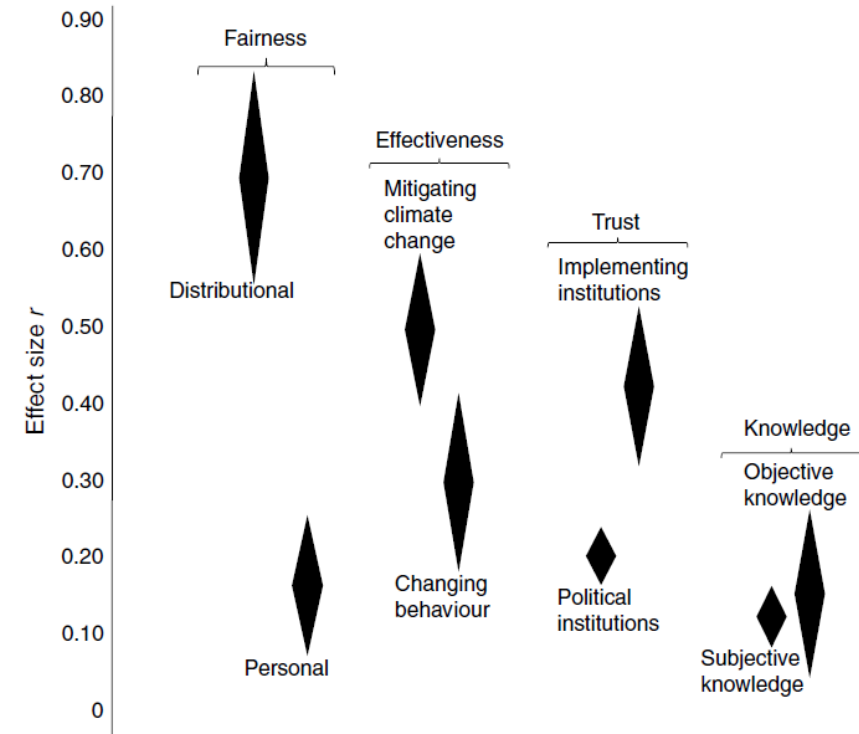


Fig. 2 Relationship between sub-types of determinants and public opinion about climate change taxes and laws

Opposition against climate policies is strongly related to 'fossil fuel dependency'. As long as there are no affordable and accessible alternatives available for living, heating, and transport, broad public support for strong climate policies will be low.

➤ OECD research, see chapter five in Dechezleprêtre et al., 2022

The Cargo Bike Lifestyle...not for everyone



The cargo bike lifestyle and the mitigation potential of consumption

- “For transport, the options with the highest mitigation potential include living car-free, shifting to a battery electric vehicle, and reducing flying by a long return flight with a median reduction potential of more than 1.7 tCO₂eq/cap.
- In the context of food, the highest carbon savings come from dietary changes, particularly an adoption of vegan diet with an average and median mitigation potential of 0.9 and 0.8 tCO₂eq/cap, respectively.
- Shifting to renewable electricity and refurbishment and renovation are the options with the highest mitigation potential in the housing domain, with medians at 1.6 and 0.9 tCO₂eq/cap, respectively.”

(Ivanova et al., 2020)

This is where we are

- Poorer households are not responsible for climate change, but are affected more strongly by its consequences ('fossil fuel dependency')
- Climate policies that garner sufficient popular support are often inaccessible to poorer household or outright affect them negatively while benefiting richer households ('subsidies')
- This risks further increasing existing social divides and polarization, and reduces support amongst poorer households for necessary policies ('fairness')
- It is also a matter of 'voice': having the feeling that one is heard
- Just transition: "leaving no one behind" ?



“The poor stay poor,
the rich get rich
That’s how it goes,
Everybody knows.”

(Leonard Cohen – ‘Everybody Knows’)



“There is a crack,
a crack in everything,
That’s how the light gets in”

(Leonard Cohen – ‘Anthem’)

Leaving no one behind

1. Make polluters pay and redistribute the revenues to increase fairness and avoid poorest households being affected negatively
→ Social climate fund
2. Give more to who needs more: strengthen European welfare states
→ European pillar of social rights, child guarantee, minimum income recommendation
3. Invest into integrated eco-social policies: win-win by providing alternatives
→ Public housing, circular economy, infrastructure works
4. Co-develop and co-evaluate policy measures with all stakeholders in an inclusive way
→ Increase trust and voice