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Environmental Justice

Understanding the distribution of the costs and benefits of environmental policy

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Introduction – how to share costs

- Background: sharing costs and benefits in a growing economy (gradual and continuous improvement of living conditions)
- Environmental transition: a completely different context → stagnation/post-growth.
  - stranding assets (potentially €2500bn/year worldwide)
  - sustainability
  - unprofitable investments

→ **Sharing costs! Macroeconomic model of loss**

Much more difficult

- **Financing**: acceptance of tax, balance of accounts. End of the consensus to allocate part of the production surplus to protecting everyone
- **Trade-offs and acceptance**: complicated to rethink solidarity (sharing a cake that shrinks every year)
- No **narrative** behind transition / no trajectory of well-being → no political traction

1) Who will be the most impacted by environmental policies?

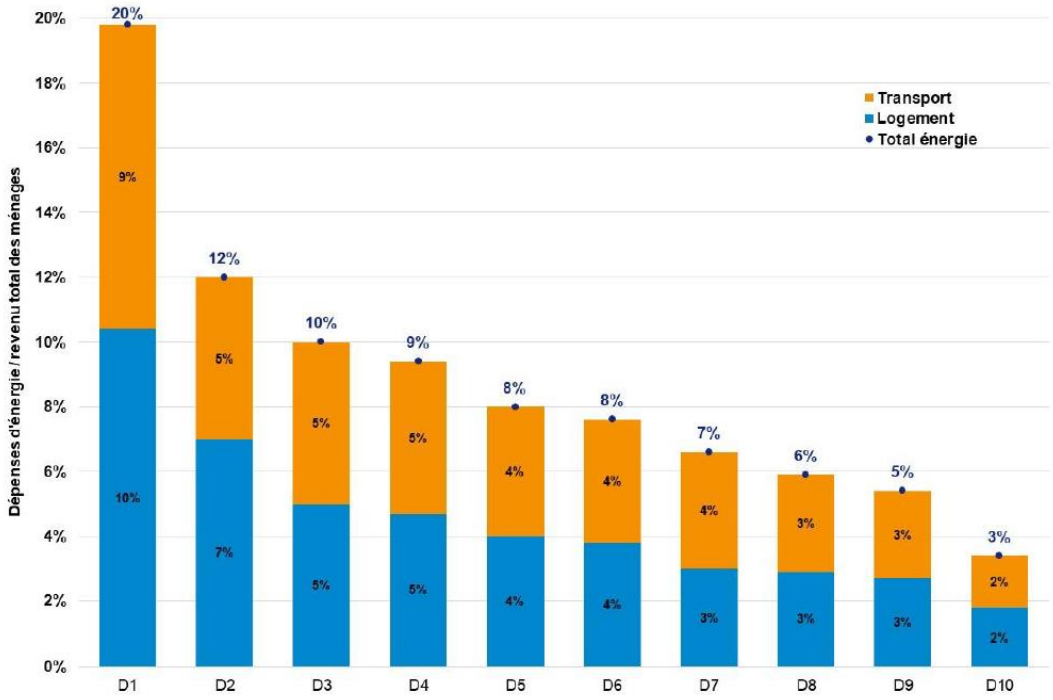
1. Direct impact

Energy effort ratio (weight of the energy bill on income)

Dependence on fossil fuels (with no obvious alternative nor change in behavior)

- Sparsely populated areas
- Young people, using more transport (plane, car)
- Wood and oil heating

Household energy effort ratio for housing and transport in 2019



Source : CGDD, modèle Prometheus sur la base de l'enquête nationale logement 2013 (Insee) et de l'enquête nationale transports et déplacements 2008 (SDES) ; Crédits : CGDD.

1) Who will be the most impacted by environmental policies?

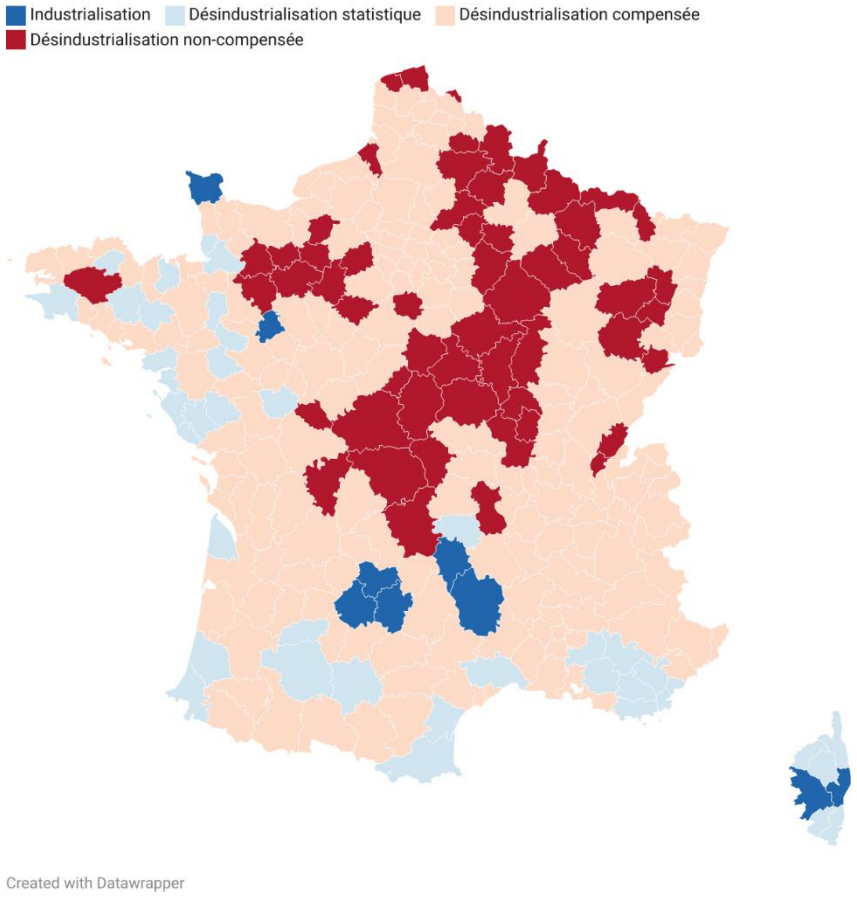
2. Indirect impacts

Price impacts (those who are highly dependent on high-carbon goods)

Employment impacts (significant reallocation of jobs between sectors, particularly from 'brown' to 'green')

- Polarization (engineers, construction workers vs. middle skilled workers)
- Uncertainty about localization and training
- Historically: there is no perfect transition

Geography of deindustrialisation in France - 1998-2019



2) Who can adapt his/her behavior?

Unevenly distributed

- Lock-in phenomenon (consumption due to past investments): location, distance to work
- Effort rate (renovation of home, car, heating)
- Feeling of inequal sacrifice

Table 3: Gross cost of the climate transition for typical households

Operation	Gross investment (€)	Effort rate (annual) Very-low-income households (D1–D2)	Effort rate (annual) Middle class (D4–D5)
Home energy-retrofitting	24,000	146% (6%)	82% (3%)
Change of heating vector	13,000	79% (3%)	44% (2%)
Purchase of an electric vehicle	35,000	213% (13%)	120% (8%)

→ **Who should be supported?**

E.g. : heat pumps

€205bn (€45bn fuel oil, €160bn gas)

€40bn to subsidize the 30% poorest households

2) Who can adapt his/her behavior?

Stranded assets and unviable model: looking at the farmers' protests (2024)

Farmers as a social group? Upper categories (close to craftsmen, shopkeepers, company directors or even executives), others upper categories of the working classes (**working class with assets**, owners of their own means of production).

Productivism to earn a decent income (model focused on the main idea of production, maximum development of inputs and mechanization)

- rush to productivity
- anxiety of market uncertainties
- emergence of standards that run against past investments
- social and generational demands for agricultural change

= socially inacceptable positions (see the excess of farm suicides as an indicator of a collective social malaise)

Inability to adapt

→ don't have the means to accelerate change
→ are subject to standards that move faster than they do
→ angry at the trade unions who were supposed to plan the necessary transformation for them

3) Who will accept to adapt his/her behavior?

Sociological factors

- Practices that reflect consumer norms and symbols specific to each social group

- **Private car:** symbol of individualism, consumer culture, appetite for mobility and urban sprawl + factor of disctinction. E.g. Yellowvest movement
  - starting point (fuel costs, the 80 km/h speed limit)
  - point of tension (the denial of the existence of profound differences between the aspirations and real possibilities of reducing car use for certain categories of households)
  - spatial and temporal context (the constraints of difficult daily journeys)
  - place of demonstration and social gathering (roundabouts)

- **Red meat**: cf. Maurice Halbwachs, very socially marked consumption.
  → 14kg working class households per person, 12kg executives, 10kg farming households

→ **How can we help?**
→ Standards, taxes, subsidies? Reversal of symbols

4) Rethinking environmental fairness

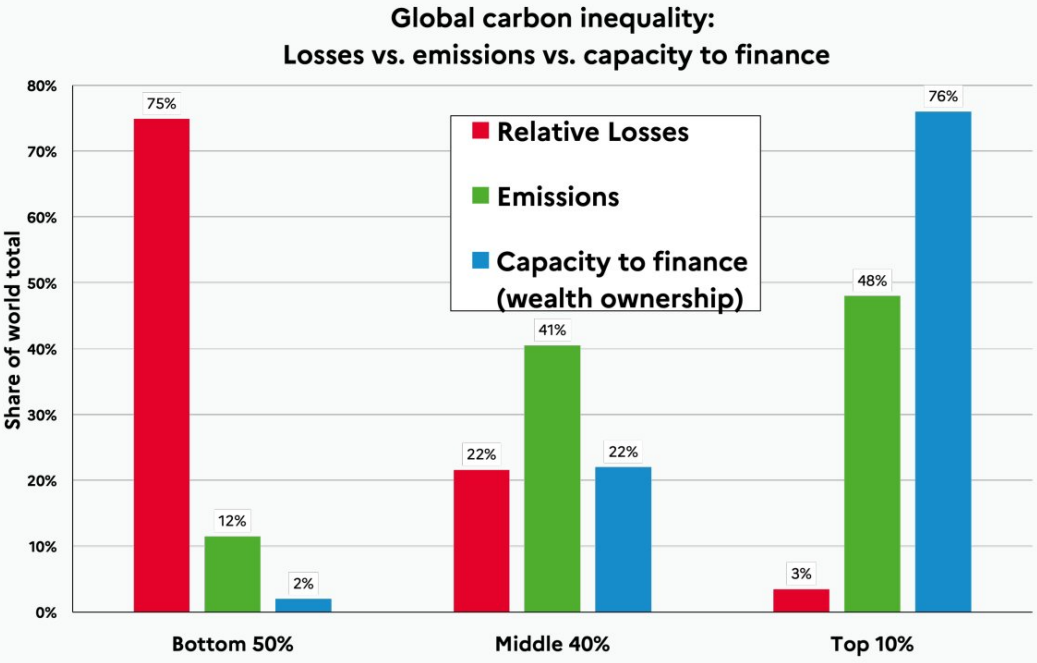


Figure A: Global climate inequality: relative losses, emissions and capacity to finance

Notes: Relative income losses due to climate change, vs. greenhouse gases emissions vs. wealth ownership. See Figure 29 for methodological details and how to read this graph.

Today, the French debate is limited and confined to the price signal and its compensations

→ ignores the social formation of the feeling of inequity

→ cf. the Yellowvest movement, not against ecology but against the failure to share the burden of effort and sacrifice

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Thank you for your attention