

ICE

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KYOTO PROTOCOL: THE IMPERFECT BALANCE BETWEEN ENVIRONMENT AND COMPETITIVENESS

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CISCAR MARTÍNEZ, Juan Carlos and SORIA RAMÍREZ, Antonio

Modelling and regulating greenhouse gas emission rights trading in Europe

Abstract: This paper contains a discussion of a series of quantitative analyses of the advantages of establishing a European market, as opposed to isolated domestic markets, for greenhouse gas (GHG) emissions in the context of European climate change policy. The chief characteristics of the directive that created the European market for GHG emission rights are also explained and analyzed.

Key words: climate change, environmental policy, EU, Kyoto Protocol.

JEL Classification: Q52.

COLLADO CURIEL, Juan Carlos

Emission reduction costs. Sectoral simulations with a dynamic, intersectoral model (MIDE) for the Spanish economy

Abstract: The present paper is a report of the aggregated and sectoral results of a number of different alternative scenarios in which a tax is levied on an industry or series of industries. The amount of this tax, one billion euros, is equivalent to the cost to Spain of reducing emissions to meet Kyoto Protocol requirements. The industries (electric power, steel, cement, ceramic materials, paper pulp and gasoline) used in the model are the ones affected by the European Emissions Trading Directive. The costs of reducing emissions are entered as a tax to ascertain the impact of these costs for the industries involved, both in the aggregate and individually. This shows how the adverse effects on macroeconomic variables (GDP, employment, inflation, exports and imports) can be minimized depending on which industry/ies is/are affected. The sectoral impact of the various scenarios is also analyzed. Scenario specification makes it possible, for the intents and purposes of comparison, to distinguish the impact by the industries listed in the Directive, although in actual fact the costs will be distributed across all of them.

Key words: environmental policy, climate change, sectoral analysis, Spain.

JEL Classification: Q51, Q52.

GÍJÓN VON KLEIST, Rodolfo

Effects of the Kyoto Protocol and the Emissions Trading Directive on the Spanish productive sector

Abstract: This article contains a brief review of the objectives of the Kyoto Protocol and an enumeration of some of the difficulties it poses. The review is followed by an analysis of the

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advantages and disadvantages for Spain of complying with Kyoto objectives, along with the problems that may derive from emissions rights trading and the associated National Allocation Plan. Finally, the commitments that should be adopted after 2012 are discussed.

Key words: environment, climate change, productive system, Kyoto Protocol, Spain.

JEL Classification: Q52.

GONZÁLEZ DIEGO, Carlos L.

The National Plan for Emission Rights Allocation, 2005-2007: implications for Spanish industry

Abstract: The author reviews the impact of the approval of Spain's 2005-2007 National Emission Rights Allocation Plan on the country's manufacturing industry. The initial status of greenhouse gas emissions beginning in 1990 —figures used in the protocol— is compared to the latest data available for the period 2000-2002, taken as the reference for the national plan. The analysis includes a description of the methodology used to determine allocation by industry and the allocation of emissions rights by facility, as well as the measures required to reduce excess industrial emissions. Finally, reference is made to the need to maintain the competitiveness of the industries affected.

Key words: environmental policy, climate change, Kyoto Protocol, Spain.

JEL Classification: Q52.

NIETO SAINZ, Joaquín

Climate change and the Kyoto Protocol: effects on employment, health and the environment

Abstract: Climate change, the major environmental threat facing the planet, is now a reality: scientists predict an increase in the present century in mean global temperatures of from 1.4 to 5.8 degrees, along with its corollaries: rise in sea level, lower rainfall, scantier water resources and intensification of extreme meteorological phenomena. The Mediterranean and therefore Spain will be among the areas most deeply impacted.

Key words: climate change, environment, employment, health, economic and social cohesion, costs.

JEL Classification: Q51.

RAMOS GOROSTIZA, Teresa

The role of carbon funds in Spanish strategy for using Kyoto Protocol flexible mechanisms: internationalization opportunities for Spanish enterprise

Abstract: The role of carbon funds as tools for using Kyoto Protocol flexible mechanisms to obtain reductions in greenhouse gas emissions is discussed in this paper. The Spanish Government pursues a dual objective with its participation in and creation of carbon funds managed by multilateral institutions: on the one hand, to contribute to Spanish compliance with climate change commitments, reducing the risk of individual use of flexible mechanisms; and on the other, to encourage Spanish companies to participate in the implementation of projects undertaken in the context of such carbon funds, thereby affording national enterprise an excellent opportunity to intensify its international influence.

Key words: environmental policy, climate change, enterprises, Spain, Kyoto Protocol.

JEL Classification: Q56, Q58.

RUBIO DE URQUÍA, Javier

International climate change negotiation

Abstract: Combating climate change is not a short- or medium-term challenge. In light of the characteristics of this phenomenon, treating it calls for an ongoing effort and involves articulating many different policies and measures. In addition, close international co-operation is needed to formulate a global response to the problem. The clearest proof that this is a long-range challenge that must be broached in successive phases can be found in the process of international negotiations leading up to the adoption of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. Therefore, a description of this process provides insight into the time scale of the problem as well as a better understanding of the approach adopted to solve it, the underlying principles, the objectives defined, the difficulties encountered together with the solutions arbitrated to overcome them and the work still outstanding.

Key words: environmental policy, climate change, multilateral agreements, Kyoto Protocol.

JEL Classification: F01, Q51.

SERRANO LEAL, Cristina

Net budgetary balances and equity in Community budgets. Keys for budgetary negotiation

Abstract: With the culmination of EMU, the net balance debate has acquired relevance in the context of the EU budget, as new criticism is levelled against the present system and

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the principle of «fair returns» revived. The existence of net contributors and net recipients has implications for the debate on the future of the Community budget, its size and distribution by headings and policies. The present article contains a discussion of the concept of and methodology for calculating net budgetary balances, analyzing their economic and political significance and exploring the application of the ideals of distributive justice to the specific case of Community finances.

Key words: community budget, budgetary balance, income redistribution, EU.

JEL Classification: F01, H61, H87.

STOW, Bill

The United Kingdom's Climate Change Programme

Abstract: In the international debate on climate change, 2005 promises to be a decisive year for, on the one hand, the entry into force of the Kyoto Protocol that makes its objectives legally binding on all the contracting parties; and on the other, the first meeting of adherent countries to be held late in the year. In the United Kingdom, in addition, the results of the evaluation of the nation-wide Climate Change Programme will shape future provisions on greenhouse and carbon dioxide gas emissions reductions in the country. Moreover, the UK will preside the G-8 and the EU during 2005, with presidencies that will stress the importance of global action and international co-operation when addressing this issue.

Key words: climate change, environmental protection, Kyoto Protocol, United Kingdom.

JEL Classification: Q54, Q58.

VELA ORTIZ, Sergio

Theoretical framework of the Emissions Trading Directive

Abstract: Emissions trading arose in the EU as part of the policies to combat climate change implemented by many countries, particularly in respect of the United Nations and driven by the Kyoto Protocol. These measures are the result of considering the climate change problem as an undesired effect of human activity or, in more economic terms, a market failure in the form of a negative externality. The need to confront this problem is the more important where Governments define sustainable development as an ultimate aim, not only economically, but environmentally and socially speaking as well. Nonetheless, a debate has arisen in both the scientific and economic domains on the magnitude and effects of climate change that merits analysis.

Key words: sustainable development, environmental policy, climate change, externalities, theoretical analysis.

JEL Classification: K32, Q28.