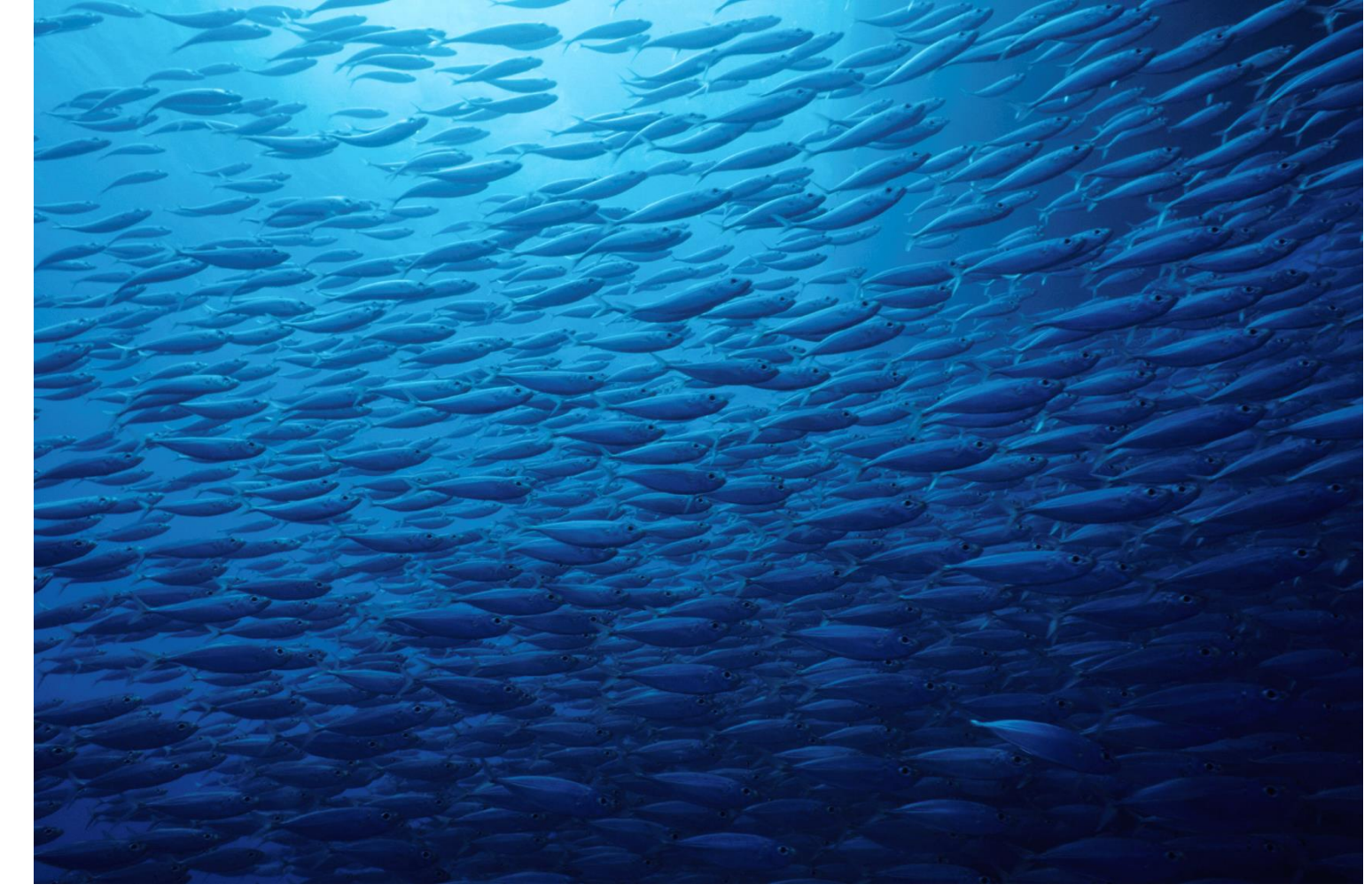




Social impact assessment results

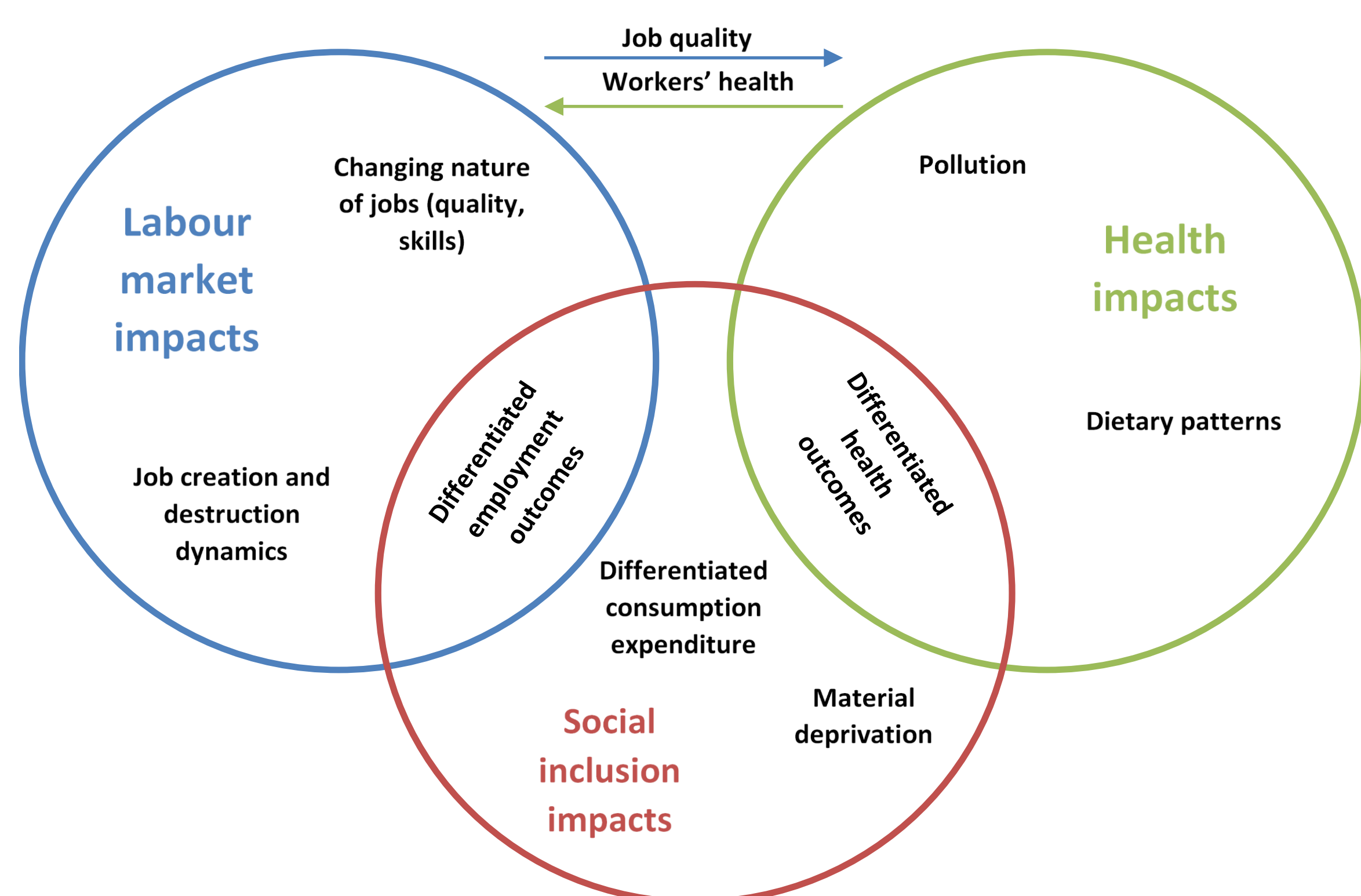
We present the key results of qualitative social impact assessment of DYNAMIX policy mixes. It focused on three areas affected by the decoupling policies: labour market, health, and social inclusion. We present several horizontal social challenges that decoupling policies are facing, together with some suggestions for further improvements of proposed measures.

Conceptual framework

Three types of key social impacts were selected for in-depth analysis:

- **labour market impacts** (worker reallocation through job creation and destruction, changing job quality and innovations in the workplace),
- **health impacts** (both related to pollution and the socio-economic environment),
- **social inclusion impacts** (including greater equality or inequality).

The links between the three types of impacts were also taken into account, especially a significant distributive dimension in both labour market and health impacts.



Discussion

Policy mixes under consideration to a large extent reflect key social issues:

- inclusiveness of the taxation system (green fiscal reform),
- new skill formation,
- promoting sustainable and cheap alternatives to the resource-intensive consumption,
- decreasing environmental and health externalities through taxation and command and control measures.

Their introduction will probably lead to challenges in terms of social inclusion and reallocation of workers, while bringing significant benefits in terms of public health.

Policy mixes can be further tailored to minimise social costs and ease the transition period:

- avoiding policy instrument overlaps (double taxation, overregulation risks) which increase the transition costs,
- providing sustainable alternatives to current consumption patterns in the low-income neighborhoods,
- assisting regions which are currently dependent on the resource-intensive sectors,
- ensuring that measures which support the transition on labour market are voluntary both for persons employed and employers.

The transition challenges should always be compared with the risks of inaction, which in longer term are likely to lead to even higher, perhaps uncontrollable social costs.

Key results

Health

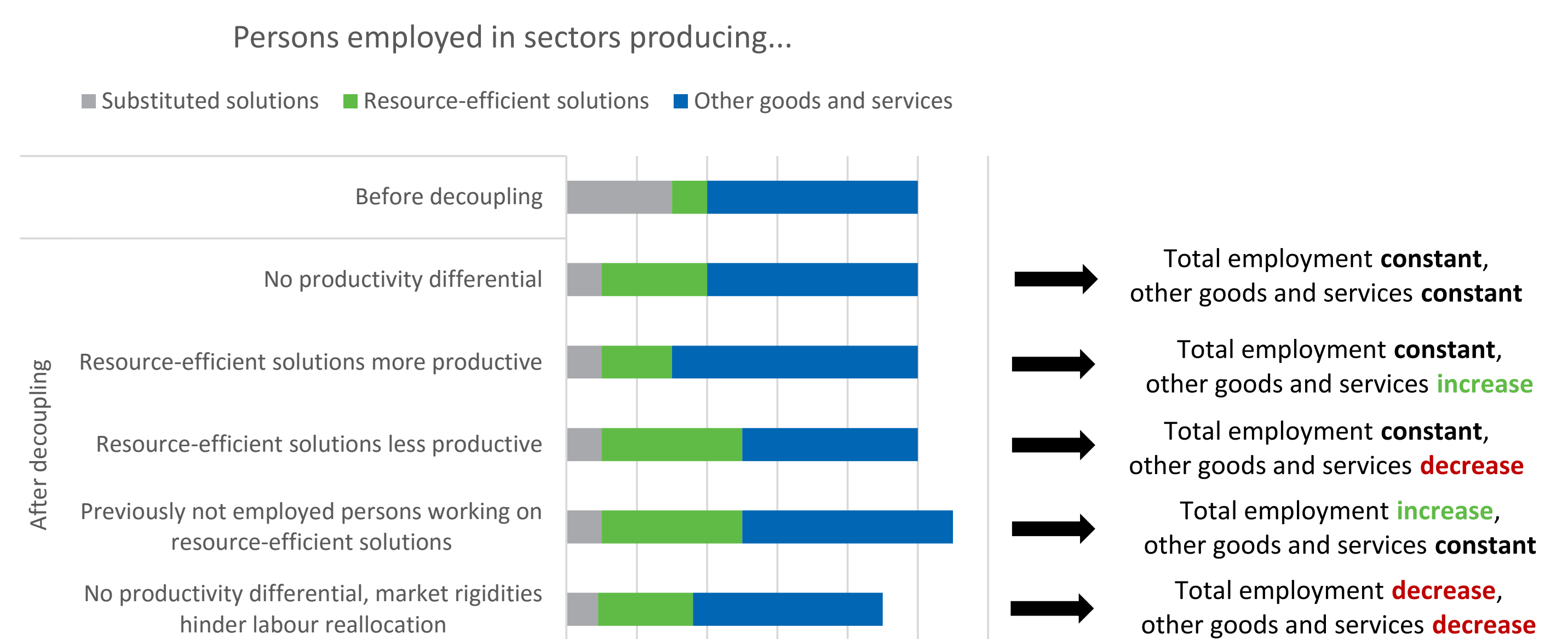
- Policies limit both resource use and pollution in the short run, potential trade-offs in the long run
- Potential for win-win dietary changes (environmental + health benefits)

Social inclusion

- Low-income households face higher pollution and are more vulnerable to resource shocks
- Low-income households spend less than average on resource-intensive consumption, but the share of such goods and services (e.g. food, energy) is higher → resource taxation and regulatory measures are regressive by default

Labour market

- Taking into account macroeconomic impacts → no significant net job creation; key process – reallocation of workers away from resource-inefficient solutions
- In the long run, labour productivity impacts are crucial



References

Policy mix description:

Ekvall, T. et al. 2015. Development of DYNAMIX Policy Mixes – Deliverable D4.2. Gothenburg, Sweden: IVL.

Qualitative social impact assessment results:

Bukowski, M. et al. (2015). Report on qualitative assessment of social impacts. DYNAMIX project deliverable D 5.3. Warsaw, Poland: WISE.

<http://dynamix-project.eu/results>

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