THE IMPACT OF THE DISPARITY OF CLIMATE OBJECTIVES IN THE EU: ADVANTAGES AND DISAVANTAGES

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Abstract: In this paper we aim to analyze the advantages and disadvantages of the mismatch of climate neutrality objectives in order to understand the effects of this phenomenon on the efficiency of the climate transition. We will examine how mismatch can affect national policies, technological innovation and international collaboration, stressing the importance of a balance between flexibility and coordination. Divergences in the implementation of climate neutrality objectives within the European Union bring both opportunities and challenges to the region's economy. While some member states may benefit from increased flexibility in meeting targets, particularly those that depend on fossil fuels, this approach risks fragmenting the EU's internal market by generating inefficiencies, disparities in competition and a slower transition to renewable energy sources, thus undermining the Union's position as a global leader in climate action. The lack of a link between the targets could also exacerbate regional inequalities, with less developed regions having difficulty complying with ambitious climate requirements. However, certain sectors could temporarily take advantage of this flexibility, thus having more time to adapt to stricter regulations.

Keywords: climate change, advantages/disadvantages, economic impact, economic inequality.

Introduction

Climate neutrality is one of the most relevant global goals of the XXI century, being crucial to restricting global warming to 1.5°C, according to the Paris Agreement. This involves striking a balance between greenhouse gas emissions from human activities and the ability of ecosystems to absorb them. However, achieving this goal requires a coordinated effort, both at international level and between various economic sectors and institutions.

Economic and social diversity among EU member states complicates the implementation of a uniform environmental policy. Some countries have advanced to the adoption of emission reduction measures, while others continue to depend on polluting industries and fossil fuels, leading to different transition rates. The absence of clear coordination between member states on climate neutrality targets brings both benefits and challenges to the EU economy. As each state defines its own climate policies and emission reduction targets without strict alignment, there is a lack of coherence in their approaches to climate neutrality.

Each member state has the possibility to address the ecological transition according to its own needs and resources, thus benefiting from increased flexibility. However, the lack of correlation between these objectives can lead to fragmentation of the single market, the emergence of economic and social inequalities between countries, and finally, at a diminished capacity of the EU to meet global climate targets.

Reducing greenhouse gas emissions, promoting the circular economy and making Europe the first climate-neutral continent by 2050 is the biggest challenge for the EU.

EU targets are ambitious and require a high degree of coordination between member states, each with different levels of economic development, access to energy resources and infrastructure which may make it harder to implement common measures and lead to

differences in the pace of green technologies. On the other hand, these objectives create economic and social opportunities to increase investment in renewable energy, research and innovation, create green jobs and improve the quality of life for European citizens. Thus, the EU is committed to coordinating its member states in a unitary effort to achieve climate neutrality by 2050, given the major impact that climate change has on both the European economy and the global environment. Failure to meet these climate targets can have negative consequences for the EU economy, from financial losses to declining competitiveness in critical industries.

The importance of harmonizing climate neutrality targets in the EU under the conditions of mismatches

The non-correlation of climate neutrality objectives refers to the absence of a unitary framework that aligns the targets set by different countries, regions or industrial sectors. Every actor involved has the freedom to set their own goals, often influenced by internal priorities, available resources or other constraints. In the European Union, although there are common policies such as the European Green Pact, member states can adopt different paces in implementing measures to achieve climate neutrality.

Synchronising climate neutrality targets between member states is essential to facilitate the effective transition of the EU towards a green economy and to meet ambitious targets set to reduce gas emissions greenhouse effect (GHG). A common approach not only guarantees a fair distribution of resources and responsibilities, but also contributes to increased efficiency in the implementation of the necessary measures. The importance of coordination can be assessed from several perspectives, according to table no. 1:

Table no. 1: The importance of harmonizing climate neutrality objectives in the EU in the face of non-correlation

Preventing fragmentation of the single market	Ensure regulatory coherence to keep the single market functioning. Reduces trade barriers and additional costs for European companies.
Strengthening the EU's position as a global leader	Enables the EU to have a unified and influential voice in international climate policies. Maintain the EU as a global model in setting environmental standards.
Reducing the risk of "carbon leakage"	Limits the relocation of polluting industries to states with less stringent regulations. Supports a fair framework for emissions reduction efforts.
Reducing economic and social disparities	Ensures a fair transition, reducing gaps between EU regions. Provides support for regions more vulnerable to market changes.
Improving energy security	Supports common investments in renewable energy, reducing dependence on fossil fuels. Contributes to the stability of sustainable energy supply.
Maximizing efficiency and reducing transition costs	It allows an optimized use of resources through coordination. Reduces transition costs, accelerating the achievement of climate neutrality objectives.

Source: data processed by authors

The lack of correlation of climate neutrality objectives between EU Member States can bring numerous economic and structural benefits to various regions, in particular due to the flexibility and adaptability it offers. Each member state can adapt its pace and ecological transition strategies according to its economic, social and industrial specifics, by applying climate measures and policies according to its economic structure, degree of development and dependence on traditional industries. This flexibility can lessen the economic pressure on regions that rely on polluting industries, facilitating a gradual and efficient adaptation to new environmental demands. Such an approach can encourage innovation, because states will be motivated to develop their own solutions for the ecological transition, generating a variety of practices that can be implemented in other areas of the EU.

However, the non-correlation of climate neutrality objectives between member states can have negative repercussions on the EU economy. Divergences in environmental policies can lead to fragmentation of the European single market, as varying standards and regulations between countries can create trade barriers and diminish the competitiveness of companies in states that implement stricter measures. In addition, countries that have not made sufficient progress in adopting green policies risk being left behind in the competition to attract investments and sustainable technologies, which could widen economic and social disparities between EU regions. Also, the absence of a unified strategy may reduce the EU's ability to achieve its global climate neutrality goals and assert itself as an international leader in climate technologies and policies.

Advantages/disadvantages of non-correlation of climate neutrality objectives

The advantages for the EU economy, generated by the non-correlation of climate neutrality objectives, can be varied and are frequently analyzed in relation to the maintenance of short-term competitiveness, the reduction of immediate costs and flexibility in the formulation of economic and industrial policies. In the table no. 2 we present the main advantages of the non-correlation of climate neutrality objectives:

Table no. 2: The advantages of not linking climate neutrality targets

Advantage	Description
Flexibility in approach	It allows each country or sector to set its own targets, adapted to the resources, the level of development and the specific climate.
Accelerating local action	Some entities can take faster and more ambitious action without depending on international consensus.
Adaptability to context	The non-unitary approach facilitates the adjustment of objectives according to local geopolitical, economic or social factors.
Diversity in solutions	Stimulates innovation by promoting varied solutions tailored to the specific needs and conditions of each region.
Avoiding political blockages	In the absence of a need for international consensus, actors can progress individually without being affected by conflicts between stakeholders.

Source: data processed by authors

The benefits of the mismatch of climate neutrality targets at EU level create the opportunity for a more adapted, innovative and efficient climate transition at local level. However, these advantages need to be balanced with coordination measures in order to prevent fragmentation or disparities between member states.

Table no. 3: The impact of the advantages of non-correlation of neutrality objectives climate at EU level

Aspect	Advantages	Disadvantages
Industrial competitiveness	Low costs for traditional industries. Possibility to maintain global competitiveness.	Risk of losing long-term investment in green innovations. Delaying the green transition can reduce long-term competitiveness.
Transition flexibility	Allows a more gradual implementation of green technologies. Reduces the economic risk associated with rapid changes.	Risk of loss of technological advantage over other regions that invest rapidly in sustainable technologies
Protection of jobs	Stability in carbon-intensive dependent regions. Reduction of social economic shocks.	Jobs in carbon-intensive industries could be more vulnerable in the long run due to global demand for decarbonisation.
Energy security	Continued use of domestic fossil resources to reduce dependence on costly imports in the short term.	Increasing long-term risk due to dependence on unsustainable resources. Vulnerability to fossil fuel price fluctuations.
Costs of regulation	Reducing tax pressure on companies. Financial resources available for other development investments.	Reducing tax pressure on companies. Financial resources are available for other development investments.

Source: data processed by authors

Failure to match climate neutrality objectives in the EU brings both considerable advantages and disadvantages, highlighting the complexities of the ecological transition that must harmonise economic, social and environmental interests. On the one hand, a number of disadvantages and risks can arise between EU Member States that affect the economic and social cohesion of the EU, as well as the ability to meet established climate targets. On the other hand, the flexibility offered by this mismatch could encourage innovation and economic adaptation in a way that prevents major economic shocks, allowing each state to manage its own path towards a green economy. The main disadvantages of this mismatch are shown in the table no. 4 :

Table no. 4: Disadvantages of climate neutrality targets mismatch

Disadvantage	Description

Fragmentation of the single market	Divergențe în standarde și reglementări care creează obstacole comerciale. Apariția unei piețe neomogene pentru produsele verzi.
Loss of global advantage	Delaying the ecological transition, losing economic opportunities. Weakening the EU's position as a leader in international environmental policies.
Risck of „carbon leakage”	Relocation of polluting industries to countries with more permissive regulations. Competitive disadvantage for states with strict environmental measures.
Economic and social disparities	Unequal development between states, widening economic gaps. Vulnerability of regions without technological adaptation to global market requirements for green products.
Increased long-term costs	Negative effect on the environment and gas emissions. Higher future costs for adaptation to climate change.
Energy vulnerability	Dependence on unsustainable fossil resources, exposure to price fluctuations. Reducing energy security and economic instability.

Source: data processed by authors

The flexibility granted to member countries facilitates a gradual adaptation, thus providing the time needed to protect jobs and mitigate economic risks. It helps to preserve competitiveness in some traditional sectors and guarantees short-term energy stability by harnessing available fossil resources.

The absence of coordination between member states creates various risks, such as fragmentation of the single market, increasing economic disparities between EU regions and weakening the EU's position as a global leader in green innovations and long-term energy security. In addition, the risk of „carbon leakage” compromises climate progress, as emissions from certain states can cancel efforts made by other member states. In the short term, the mismatch of climate neutrality objectives with industrial policy can contribute to competitiveness by keeping costs low, protecting jobs and providing flexibility in the technological transition. However, it is essential to have a long-term vision that emphasises sustainable innovations, incentivising industries to gradually take green action in line with EU climate objectives.

Conclusions

The issue of the advantages and disadvantages of climate neutrality mismatches highlights a fragile balance between the need to have a common vision to achieve EU environmental objectives and the essential flexibility to respond to diversity economic of the member states. This issue highlights the complexity of a green transition that is fair and efficient for all EU members, and the importance of a framework that not only ensures sustainable development, but also the EU's economic cohesion and global competitiveness.

Implementation of the objective of significant reduction of greenhouse gas emissions and a transition to a green economy in a union of member states with different levels of economic development, industrial capacities and energy resources pose significant challenges to the coordination of efforts. Thus, a mismatch of climate objectives and policies is found

between member states, which produces both advantages and disadvantages for the EU economy.

At the same time, in order to ensure a just and efficient transition to climate neutrality, coordination between member states is essential, while ensuring the necessary flexibility to address the specificities of each economy. By adopting a common strategy, the EU can amplify the effects of its climate measures, support fair economic growth in all member states and become a global leader in the fight against climate change. Effective coordination not only improves the efficiency and fairness of the transition process, but also helps to strengthen the EU's role as an example of sustainable development and international collaboration. Collaboration on climate neutrality objectives between EU member states is therefore crucial to ensure an efficient, fair and sustainable transition to a green economy.

Therefore, the mismatch of climate neutrality objectives can bring both benefits (through adaptability) and risks (through inefficiency), being an essential element to analyse in the context of global climate policies.

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