

Comment on EU climate and energy package

The most developed EU countries which are now the main contributors to the climate and energy package, have built their economic power through industrial activity. Decades ago their economies relied on heavy industry with coal as predominant fuel. In the year 1951, six countries including France, West Germany, Italy, Belgium, the Netherlands and Luxembourg formed the union called The European Coal and Steel Community (ECSC). The ECSC which then transformed into European Union, was the first international organization based on supranational principles and was through the establishment of a common market for coal and steel, intended to expand the economies, increase employment, and raise the standard of living. Among others, the aims of the Schuman Declaration that created the ECSC was to revitalise the whole European economy through coal and steel sector, transform Europe by a *'step by step'* process leading to the unification of Europe democratically, unifying two political blocks separated by the Iron Curtain. Presently, when the discussion within European Community revolves around the climate and energy package, setting up an 80% carbon dioxide reduction till the year 2050, among others, the same well developed Western European countries seem to mitigate the contribution of coal in their recovery from post-war reality. Old members of ECSC achieved their economic goals and nowadays try to appoint new ones not looking at consequences for economies of Central and Eastern European countries, which made considerable efforts to fulfill obligations imposed by European authorities in order to converge more with today's European standards.

After the 2nd World War, due to political reasons, the development of Central and Eastern European countries remained slower, in relation to Western European countries. Even today the disproportion in terms of economic output is significant. The average Gross Domestic Product per capita for wealthy EU Member states (EU-17) is around 29 000 €. The level of GDP is about 3 times higher than it is in Central and Eastern European countries including Bulgaria, Czech republic, Estonia, Lithuania, Latvia, Hungary, Poland, Romania, Slovenia, Slovakia where the average GDP is 9 500 € per capita.

Imposing the framework, presented in the package, being forced by developed EU countries, would result in marginalization of the EU newcomers. The EU was established in order to eliminate the differences in terms of economic development between Member States but it seems that the cohesion policy will never be achieved, and differences inside

EU will never be leveled. Less developed countries should be granted such circumstances which would favor and accelerate the pace of economic growth in order to catch up with wealthy EU countries. The attempt to implement climate and energy package undermines these assumptions. Western European countries want to put an end to cheap resources (i.e. coal) usage on the basis of which they formerly built their economic power. Therefore, it is suggested that before making any decision concerning the shape of energy and climate framework which would be binding and applicable in EU countries, all Member States should be on the equal footing in terms of economic development. The current approach of developed Member States, results in lack of level playing field towards EU newcomers.

Another problem worth mentioning is the fact that in comparison to the World's top CO₂ emitters the EU's share in global CO₂ output is rather modest (10-13%). The EU which insists on CO₂ reduction is standing alone against other countries, especially China, India, The United State which are not interested in contributing to the reduction of emissions. Trying to solve what is the real reason behind the EU's climate and energy framework it becomes more and more clear that this is the policy which secures the interests of well developed EU countries. For example, favoritism of atomic energy is beneficial for economies, which would be able to export its nuclear technologies. EU States which do not possess coal reserves would be more eager to lobby in favor of wind turbine producers. If developed EU countries want to implement zero-emission policy they are free to do so but on their own territories. They should not impose their will on less developed EU countries as they are unable to influence China, India and United States on this particular matter.

Additionally, I would like to point out that European Commission's recent interference in ETS is not without significance for all EU Member States. These actions will cause a significant increase in prices of CO₂ emissions. The increase of prices of emissions allowances will have an impact on all sectors of EU's industry making it less competitive in relation to industries outside EU. Back-loading artificially increases the prices of emissions. **The attempt to change the rules of ETS** undermines trust for the emission trading framework and in consequence **damages trustworthiness of EU legislation**. Within Polish economy, back-loading causes losses for the budget which impacts negatively on the investment in RES, deepens the recession, damages competitiveness of high energy consuming industries.