

Pluralist Simulation Game

„ReadyFor55 – Economic policy on the way to climate neutrality“



Scenario

We are at a pivotal moment in the world's response to the climate and biodiversity emergencies and we are the last generation that can still act in time. This decade is a make-or-break moment for delivering on our commitments under the Paris Agreement, in the interest of the health, wellbeing and prosperity of all. The EU has led by example in setting ambitious targets for reducing net emissions by at least 55% by 2030 compared to 1990 and for being the first climate neutral continent by 2050. These goals are no longer aspirations or ambitions but obligations laid down in the first European Climate Law that create new opportunities for innovation, investment and jobs.

„Fit for 55“: delivering the EU's 2030 Climate Target on the way to climate neutrality

Starting Position

In recent years, the effects of man-made climate change have become increasingly evident. Researchers from the Intergovernmental Panel on Climate Change predict that global warming of 1.5 and 2°C will be exceeded before the end of this century if there are no drastic reductions in emissions of carbon dioxide and other greenhouse gases in the coming decades.

In view of the advancing climate crisis, the European Union (EU) has set itself the goal of being the first climate-neutral continent by 2050. As a first intermediate step, net greenhouse gas emissions are to be reduced by 55% by 2030 compared to 1990 levels. The 55% target is set as a binding target for individual member countries to contribute to achieving this goal. Emissions of carbon dioxide, the primary driver of global warming, come primarily from the combustion of fossil fuels. Therefore, policy measures to achieve climate neutrality focus primarily on decarbonisation, i.e., the avoidance of carbon emissions.

Pluraland

Pluraland is a medium-sized member state of the EU. With a GDP share of about two-thirds, services are by far the largest economic sector in Pluraland, while the industrial sector is about half as large. Agriculture is almost non-existent here. Pluraland has comparatively high unemployment, with a rate of 12 %. In addition, the country's debt is relatively high by EU standards, at around 100 % of GDP.

The current government in Pluraland is made up of two parties: the conservative Klassik party and the new collective party called Neo. While "Klassik" has a more liberal economic orientation, "Neo" also brings progressive and green views to the government. The two parties have joined forces to stand up to a diverse opposition: a populist right-wing party, a social democratic party, a communist party and a citizens' party.

ReadyFor55

Pluraland's economy is considered one of the most emissions-intensive in the EU. Pluraland must also play its part in the EU's 2030 target, and the government has decided to reduce greenhouse

gas emissions by 55% compared to 1990, in line with the European target. Decarbonizing the economy requires massive structural change. To this end, a package of measures called "ReadyFor55" is now to be developed to accompany this structural change. However, the emissions-dependent economy in particular, as well as the tense social situation with high unemployment, are making the necessary transformations more difficult.

Decarbonisation is a major challenge for Pluraland and its residents. Various interest groups are speaking out to discuss the origin of the budget and the broad direction of the investment strategy. The *Government's* goals and its promises to its electorate are recovery through growth and stability, to be balanced with environmental sustainability. *PluraBusiness*, the representation of businesses in Pluraland, stands for a climate policy that does not jeopardize growth and competitiveness. The representation of workers in Pluraland, *LabourAssembly*, advocates for a transformation that promotes social justice and acceptance among the population. The feminist advocacy group *GenderEquality* seeks to bring attention to the gender dimension of climate policy and advocates for economic policies that focus on care. The primary goal of *EconomicJustice* is to fight economic inequality, which has its roots in the capitalist mode of production. The lobby group *EcoAssociation* advocates that the conservation of natural resources should be the focus of economic activity in the future.

There is a consensus among lobby groups that something must be done about climate change and that government spending and investments should also be made for this purpose. After long negotiations, agreement has already been reached on the size of the budget: €100 billion has been set. One fifth of this budget will be taken over by the EU - but only if 50 % of the agreed budget flows into public-private partnership projects. The remainder of the budget will have to be financed from state funds, which will be countered in particular by the high national debt and the massive burden of social spending due to unemployment.

The government of Pluraland is aware that the necessary climate policy as well as the accompanying economic and social policy measures represent a major challenge for the population of Pluraland. It is even possible that the cohesion of society is at stake if individual groups do not feel sufficiently heard. Therefore, it has decided to make the policy measures the subject of a broad, inclusive process and has invited a number of civil society groups to develop proposals in order to shape them. Since there is not much time left to implement the goals by 2030, the process is to take place in two steps: a **Crisis Summit** and a **Future Conference**.

Round 1: The Crisis Summit

The negotiations at the crisis summit will focus primarily on shaping the investment strategy. For the crisis summit, the lobby organisations are drawing up proposals on where this money, which is needed for decarbonisation, should come from.

In preparation for the crisis summit, all lobby groups publish a **policy paper**. In this policy paper, the budget allocation is to be explained and justified with arguments. In addition to the role of investments and price mechanisms in decarbonisation, a desirable and promising investment strategy will be proposed: How much money should go to which sectors? What criteria should be used to allocate money to companies? Another important question of the summit is that of social security. After all, many people will be directly or indirectly affected by structural change. In

addition to financial redistribution mechanisms, what a new structure of the economy should look like in the future is crucial to the social question. Where should existing jobs be retained, where should new jobs be created, and who should create them? What demands should the new jobs meet (competitiveness, fair pay, gender justice, consumption reduction, 4-day week, etc.)? (How) are workers supported in the transition to their new jobs? And (how) are consumers relieved from the effects of higher prices?

Runde 2: The Future Conference

The second round, the Future Conference, will focus on a long-term perspective. The lobby groups first work out how, from their perspective, the economic system should be structured in the future. Should capitalist mechanisms continue to form the basis of economic policy structural decisions in Pluraland - or would other forms such as (ecological) state socialism, market socialism or commonism be better suited to address the current problems?

At Future Conference on the one hand general questions are discussed: How should the economic system as a whole be aligned? What are the overriding goals? But on the other hand - and above all - questions about the concrete design are to be answered: How should ownership structures be structured? What role does money play? And how should a separation into a public and a private sphere, and into a productive and a reproductive sphere be designed?

At the end of the Future Conference, a joint final resolution is to be adopted by consensus of all participating groups. Will this succeed - and what visions of the future will the conference be able to create for the people of Pluraland and the entire globe?