

Fiscal expansion as decarbonization policy? The case of South Korea

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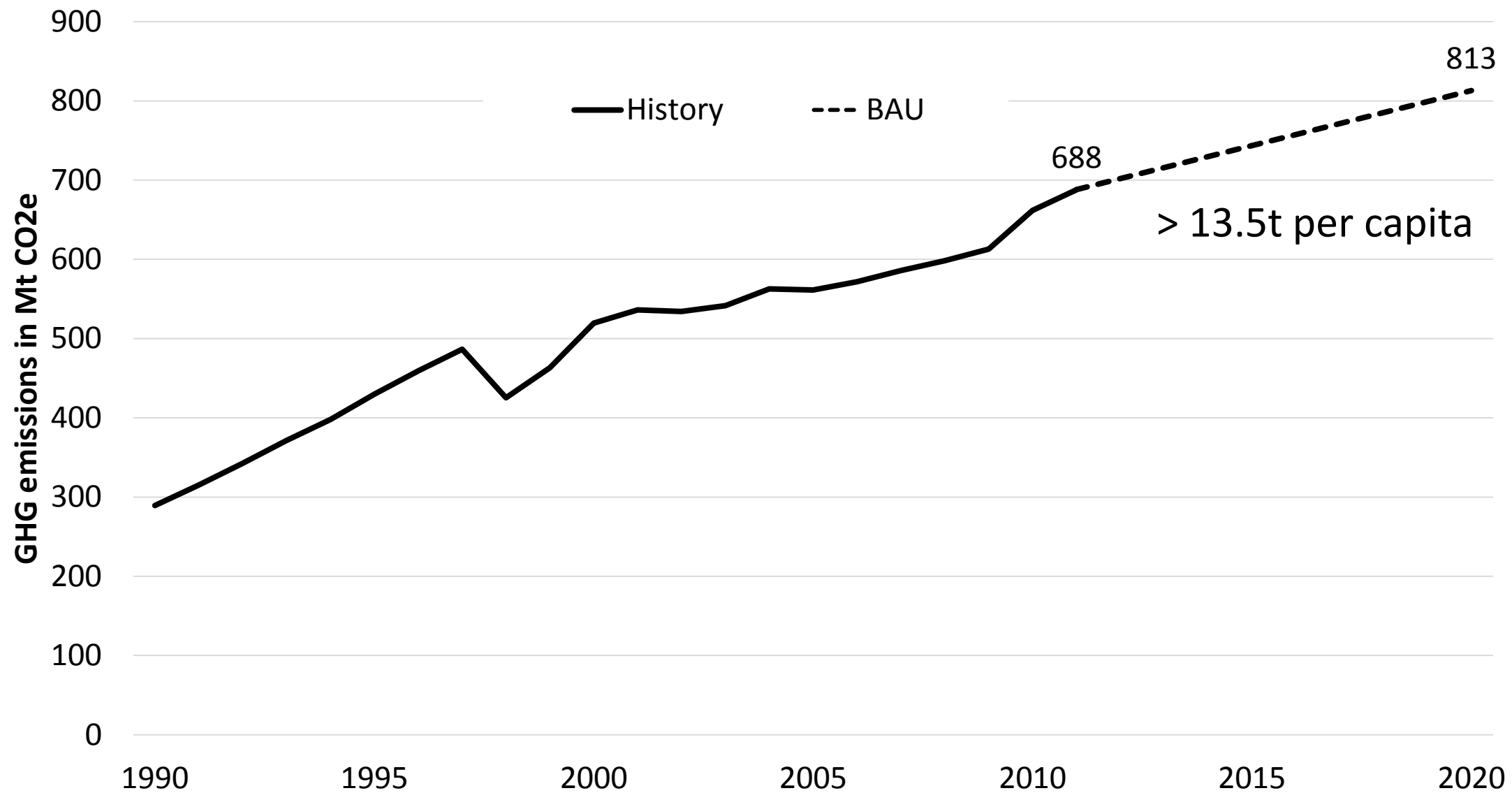
What is the motivation for decarbonization in South Korea?

97% 1%

non-Annex I
&
OECD

energy-intensive
industry





NATIONAL GREEN GROWTH STRATEGY

Based on vision formulated by President Lee Myung-bak in 2008

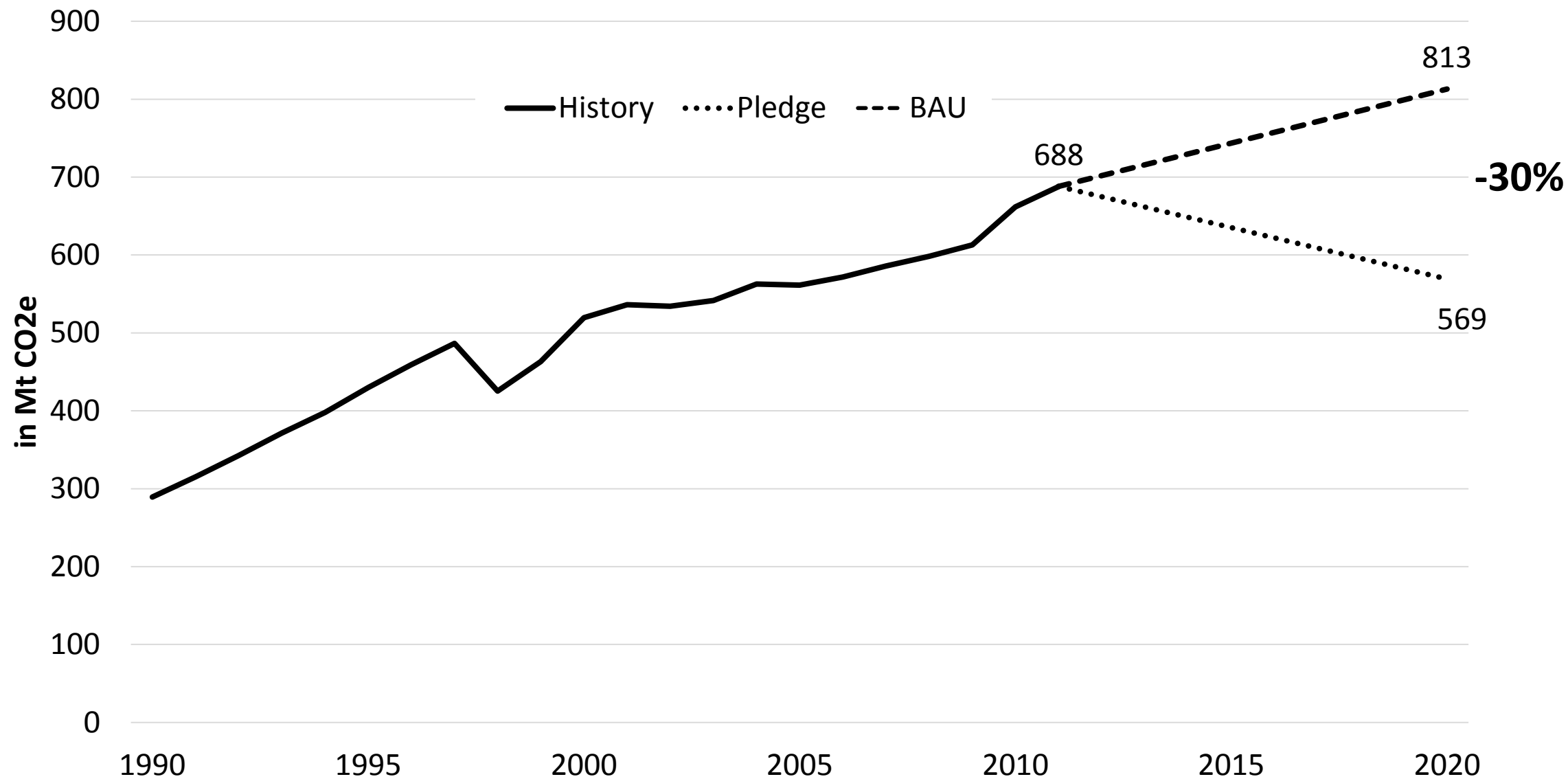
Framework Act

Five Year Plan & Stimulus package

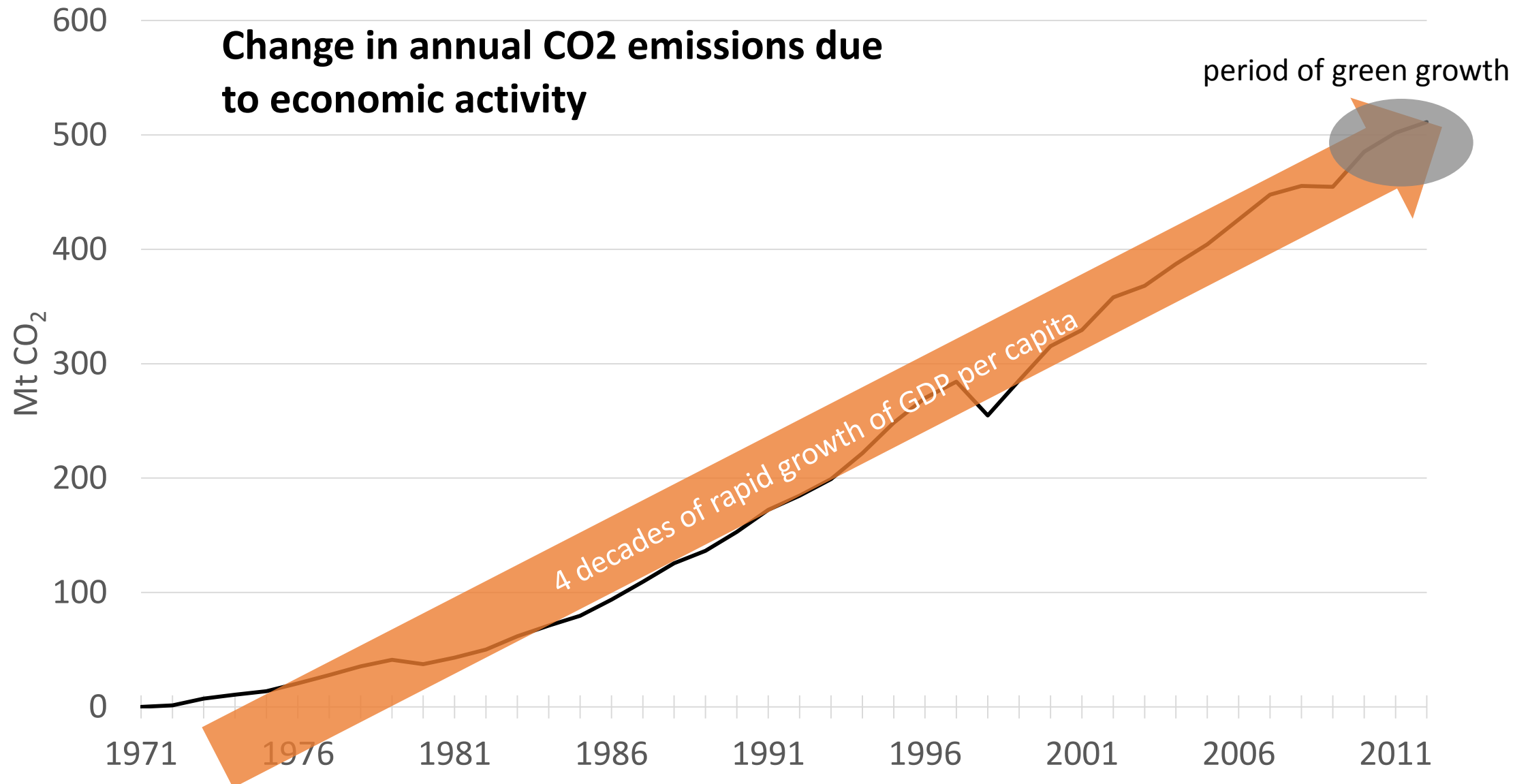
First objective in all documents: Decarbonization



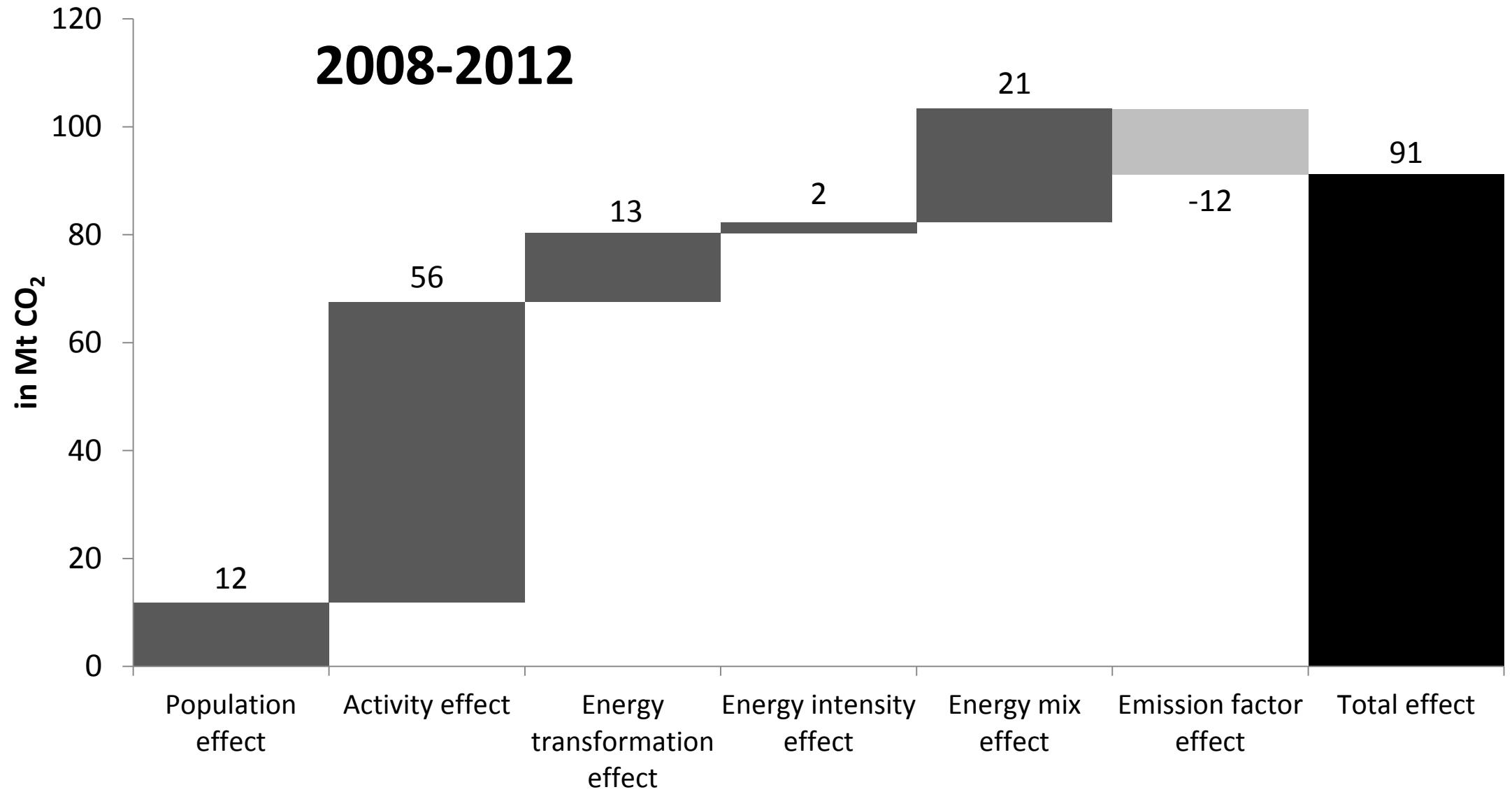
Implementation (2009-2013) focused on **fiscal expansion**



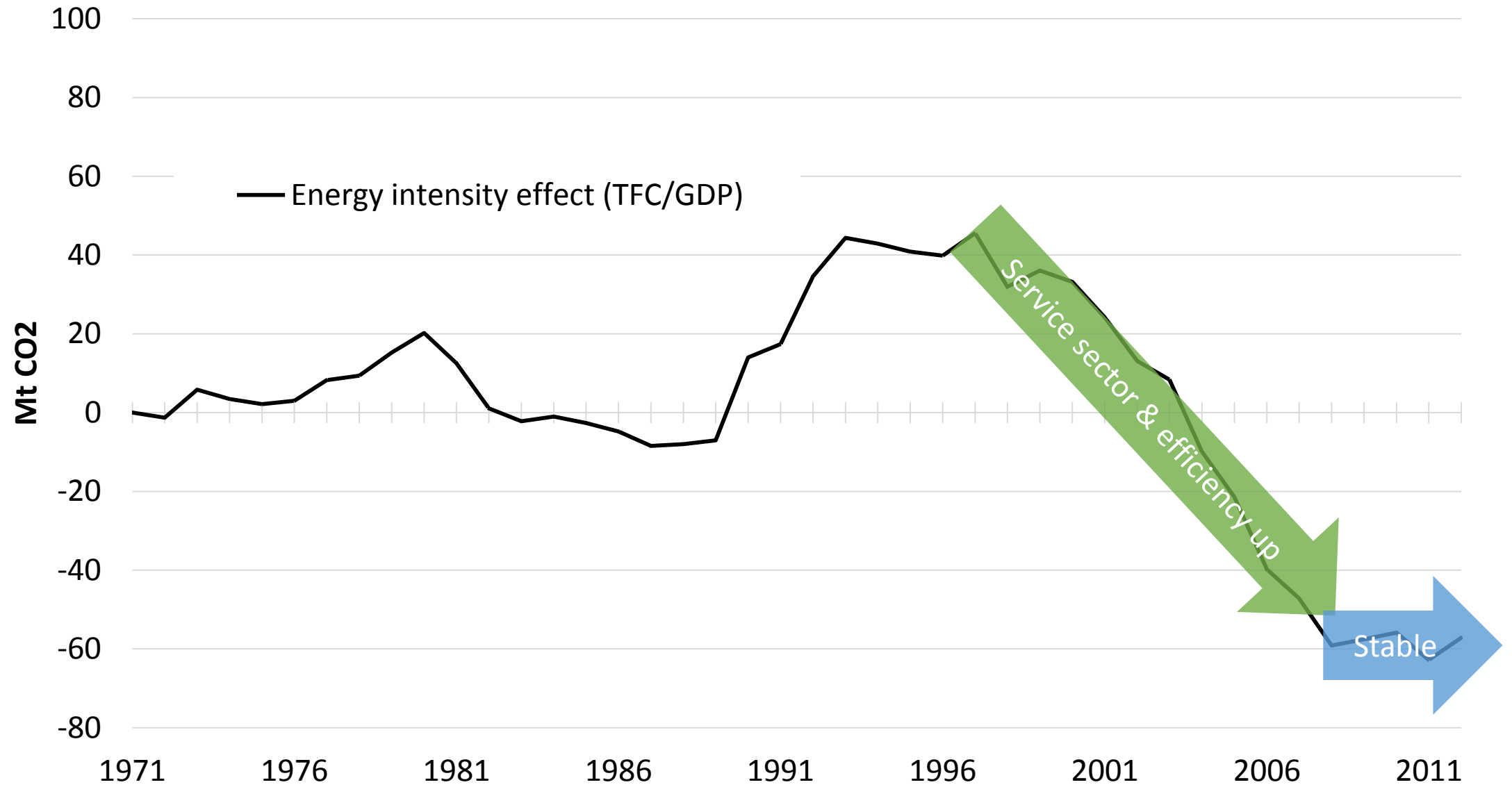
Is green fiscal expansion a suitable tool for reaching short to mid-term decarbonization targets?

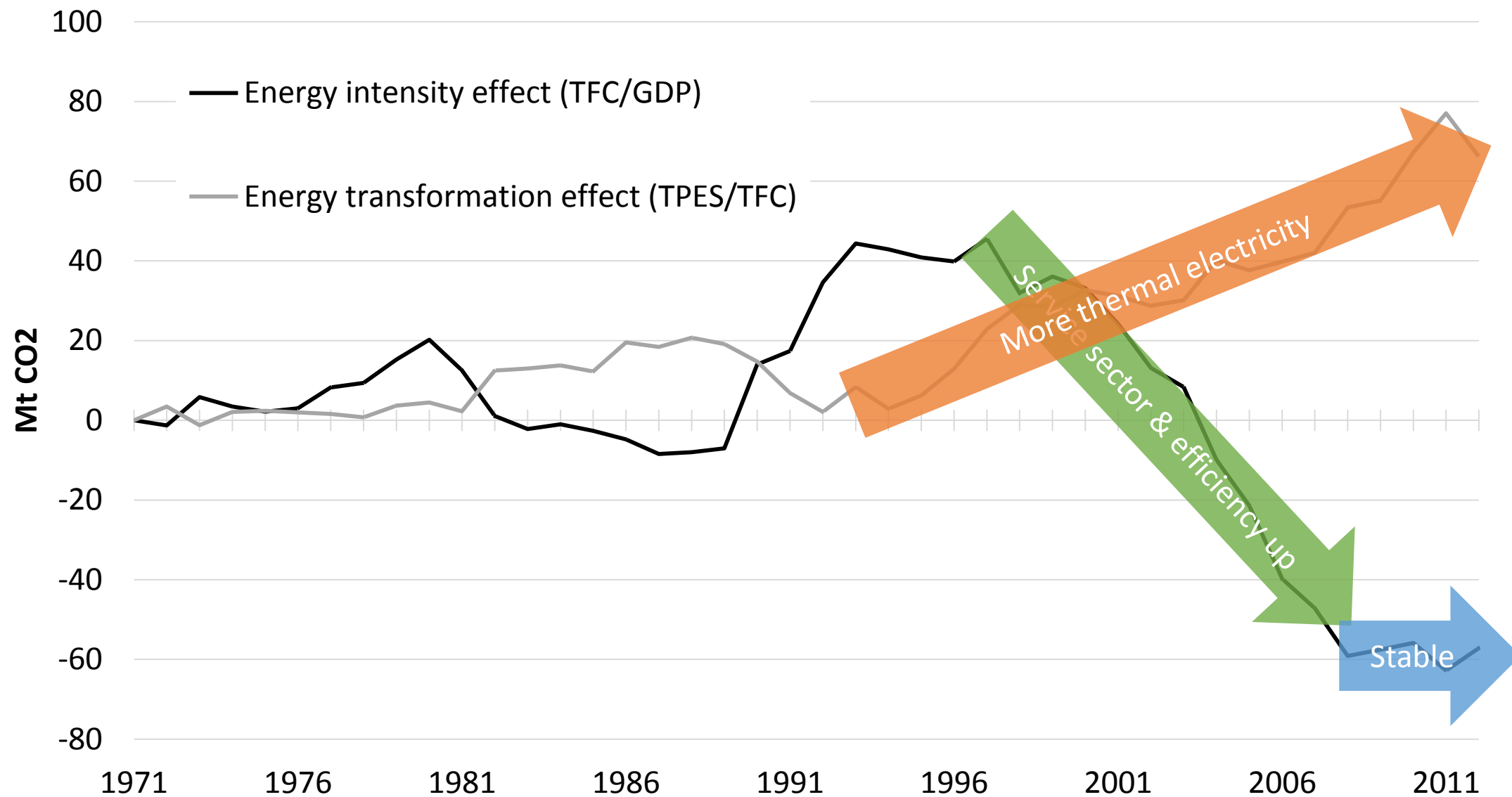


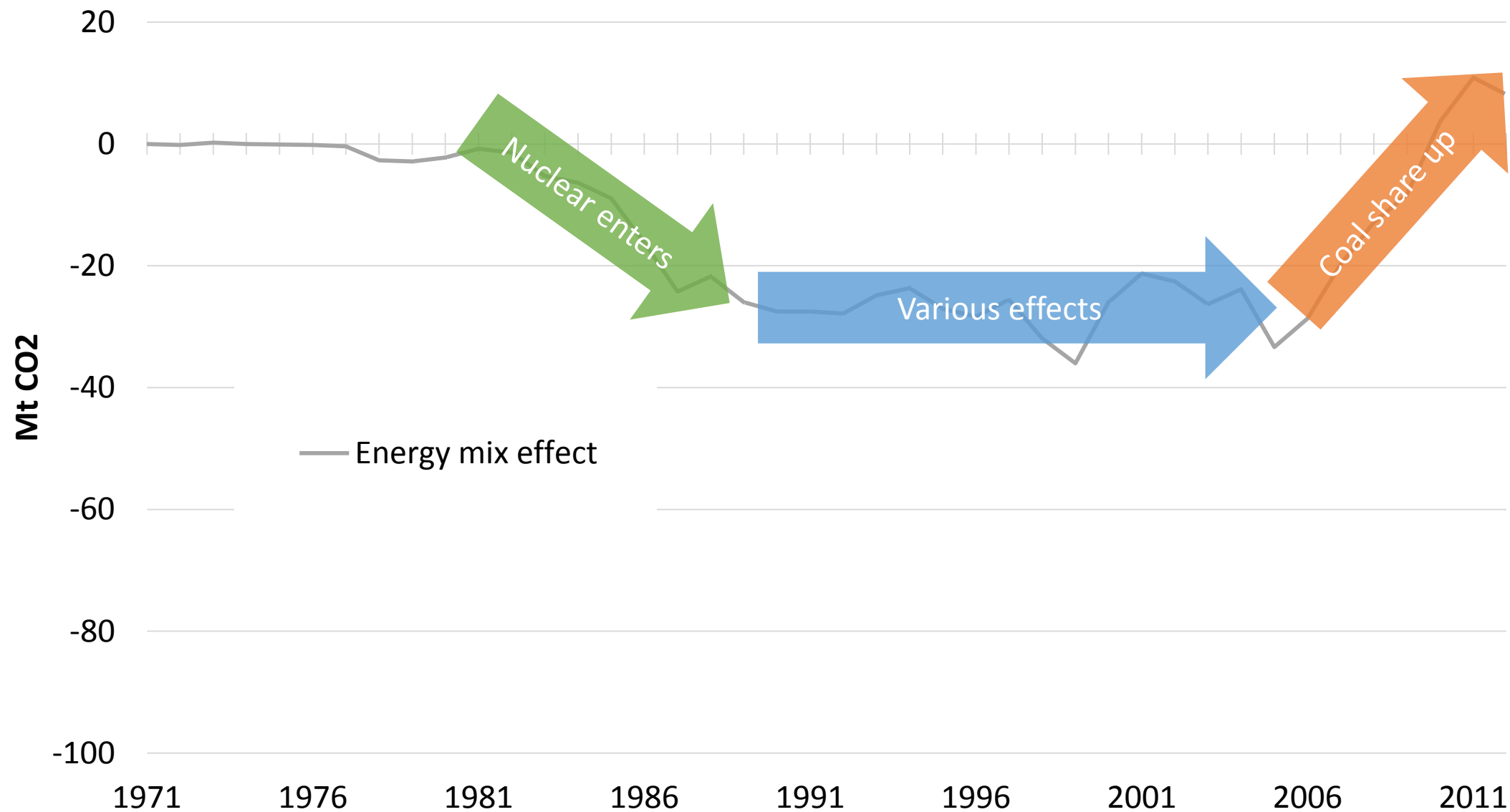
Has fiscal expansion been compensated for by improvements in energy intensity or carbon intensity of energy?

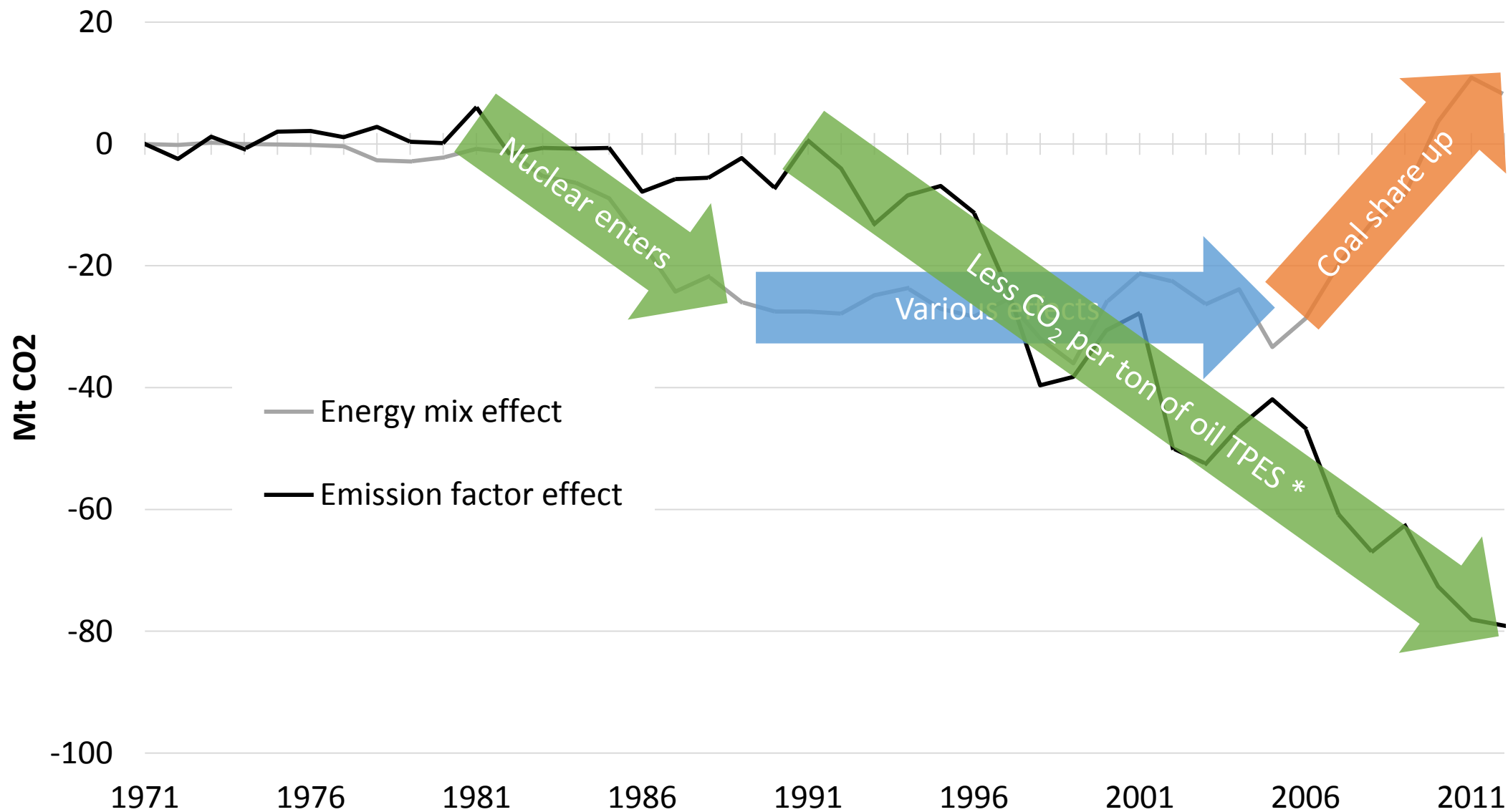


Are the short-term trends possibly an improvement compared to long-term trends?

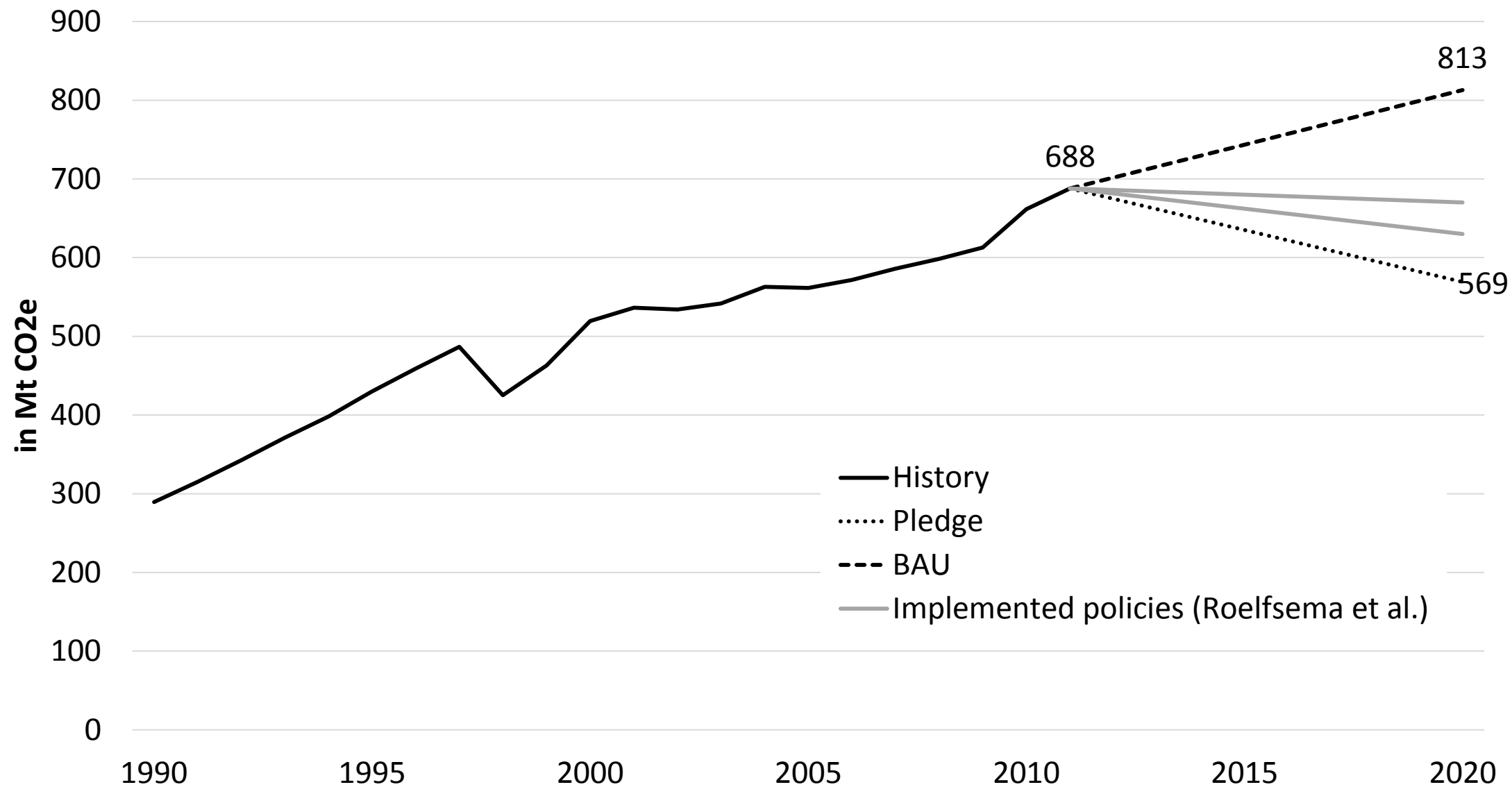








Has green fiscal expansion put Korea on track
for reaching the 2020 emissions target?



Why does green fiscal expansion not seem to be a suitable tool for short to mid-term decarbonization?

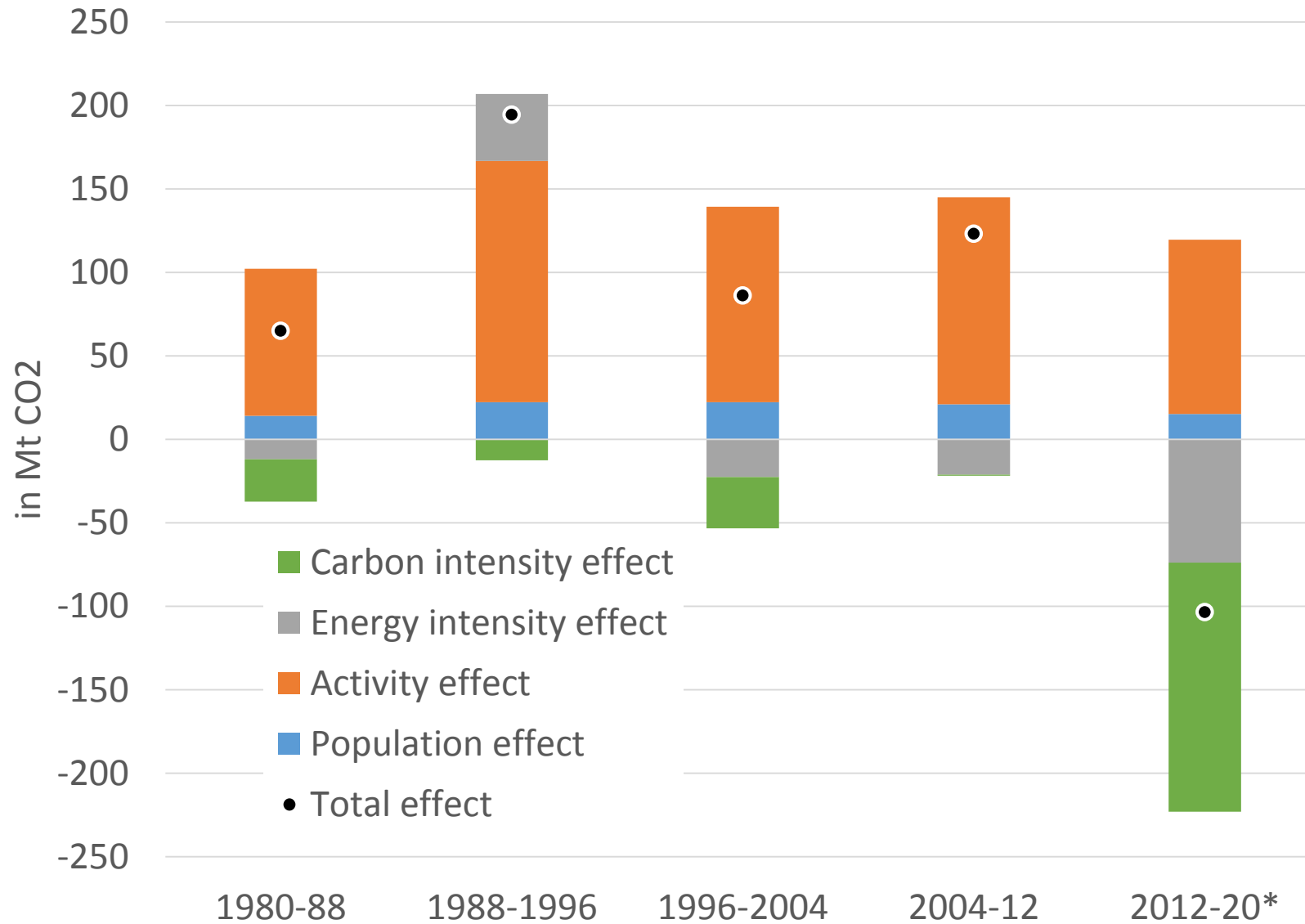
A large share of green expansion was not relevant for decarbonization

Some effects might not be visible, yet (esp. related to R&D spending)

Fiscal expansion triggers additional GDP growth

Success of decarbonization largely depends on other policies

The ambition level of supportive policies has not been high enough



Key policy factors:

- Ecological tax reform
- Incentives for efficient cars
- Market pricing of electricity
- Emissions trading scheme
- Dev. of nuclear capacity?

Thanks for your attention!

“On setting a goal, I believe we should aim a somewhat ideal number, and try hard to make it real.”

President Lee Myung-bak (2008)