Technical change, competitiveness, and employment

Summary

Throughout the last decades, persistent unemployment and low economic growth have emerged as structural features in many European countries. Additionally, climate change and resource depletion represent some new cost burdens on the already strained economies of these countries. Despite the claims of the European Union on the promising role of environmentally-friendly technologies in prompting international competitiveness, fostering job creation, and kick-starting a sustainable growth path, a clear macroeconomic assessment of the issue at stake is still missing. This project intends to fill that gap.

Environmental innovation has numerous direct and indirect effects on demand, growth and employment. Due to the scarcity of data, the research uses new modelling and simulation techniques to investigate these effects. In particular, an increase in productivity in the less polluting sectors and an increase in the quality of environmentally friendly products are introduced and compared. The main goal is to identify the most suitable instruments for reducing emissions while sustaining growth and employment.