



Universität  
Basel

## Research Project

### Impact of climate policy on firms and the labor market in Germany

#### Project funded by own resources

**Project title** Impact of climate policy on firms and the labor market in Germany

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#### Organisation / Research unit

Departement Wirtschaftswissenschaften / Public Economics / Public Finance (Hintermann)

**Project start** 01.02.2020

**Probable end** 31.12.2023

**Status** Completed

The project deals with the impact of climate policies on companies and the German labour market. Using official micro-data, the analysis aims to identify the causal impacts of changes in electricity costs on economic performance and employment. Since most climate policies ultimately are related to an increase in electricity prices, this question is essential in assessing the impact of climate policy on economic and labour market outcomes. The effects of electricity prices are investigated both along the intensive and the extensive margin, with a particular focus on the German manufacturing sector. Exploiting variation in regulated electricity network charges at spatial discontinuities and over time, several research questions are addressed: (1) How do electricity prices affect energy use and associated CO2 emissions? (2) How do electricity prices affect economic performance and labour market outcomes? (3) How does electricity price variation affect plant openings and closures? The project thereby assesses the economic vulnerability of specific regions as well as industrial sectors in Germany to changing electricity costs over time and across space.

#### Financed by

Other funds

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