

# **Inflation, energy prices and tax policy: Effects on consumption and welfare**

## **3rd (LIS)<sup>2</sup>ER workshop on Policies to Fight Inequality**

**December 1<sup>st</sup> and 2<sup>nd</sup>, 2022**

Inflation has recently reached levels that have not been seen in many industrialized countries for decades. Spikes in energy prices, notably, raised concern about the livelihoods of families living on a tight budget. In this context, the 2022 (LIS)<sup>2</sup>ER workshop on policies to fight inequality—organized annually by the LIS Cross-national Data Center and LISER—aims to discuss research on inequality and distributive impacts of exposure to price variations. Emerging research on ‘inflation inequality’ has revealed the unequal exposure of households to price variations by income level, and notably a double pain with low income households facing higher inflation than high income households. However, knowledge remains limited as traditional measurement of inflation typically assumes that all agents face the same set of prices and detailed analysis requires fine-grain data. Vulnerability to price variations may also be linked to other dimensions such as gender, occupation or age.

Memories of the ‘yellow vest’ movement which grew out of frustration with earlier rises in fuel prices testify of the potential social and political upheavals related to the evolution of the costs of living. While it may be difficult for monetary policy to address these distributive concerns, fiscal policy could be of help. There is therefore interest in researching the effectiveness of different forms of fiscal policy responses (e.g., VAT adjustments of specific types of goods, income tax responses, targeted or universal transfers, etc.), particularly from an inequality perspective. Finally, while the current surge in inflation may perhaps be short-lived, addressing climate change is likely to impact energy prices in the long run and the distributive impacts of price variations and green taxation will determine the social acceptability and success of the transition. Against this backdrop, the workshop aims to offer a forum to discuss novel research and insights on these questions and provide scholars with an opportunity to meet and exchange ideas.

### **Organizing Committee**

Teresa Munzi (LIS) - Eugenio Peluso (LISER) - Petra Sauer (LIS, LISER) - Denisa Sologon / Jules Linden (LISER) - Philippe Van Kerm (LISER, University of Luxembourg)



## Tentative programme

Thursday, 1<sup>st</sup> December 2022

Maison des Sciences Humaines, Conference room, 1<sup>st</sup> floor

- 12:30 – 13:30**      **Welcome Lunch & Registration**
- 13:30 – 13:45**      **Introduction by Aline Muller (LISER) and Peter Lanjouw (LIS)**
- 13:45 - 14:30**      **The uneven impact of inflation across European households: who is paying more?**  
Davide Villani (EC Joint Research Centre, Seville)
- 14:30 - 15:15**      **Pro-rich inflation, redistribution and CO2 emissions**  
Eren Gürer (Middle East Technical University)
- 15:15 – 15:35**      **Coffee break**
- 15:35 - 16:20**      **Environmental policy and the energy crisis in the UK**  
Peter Levell (Institute for Fiscal Studies, London)
- 16:20 -17:05**      **The distributional impact and effectiveness of EU-wide carbon taxation - a high resolution comparative analysis across 5 countries**  
Jules Linden (LISER), Cathal O'Donoghue (LISER, NUI Galway)
- 17:05 – 17:30**      **Coffee break**
- 17:30 – 18:15**      **The distribution of household greenhouse gas emissions according to income and wealth: an exploratory analysis**  
Gerlinde Verbist (University of Antwerp)
- 18:15 – 19:00**      **Balancing Social and Ecological Goals: Redistributive Options for Carbon Pricing in an Ecological Tax Reform**  
Claudia Kettner-Marx (WIFO, Vienna)

Friday, 2<sup>nd</sup> December 2022

Maison des Sciences Humaines, Conference room, 1st floor

- 09:15 – 10:00**      **Welfare and distributional impact of soaring prices in Europe**  
Denisa Sologon (LISER), Cathal O'Donoghue (LISER, NUI Galway)
- 10:00 – 10:45**      **The Redistributive Effects of Inflation and Government Interventions:  
a microsimulation analysis for Italy**  
Nicola Curci (Bank of Italy)
- 10:45 – 11:00**      **Coffee break**
- 11:00 – 11:45**      **Measuring and comparing consumption inequality between France  
and the US**  
Sylvérie Herbert (Banque de France)
- 11:45 – 12:30**      **The Heterogeneous Impact of Inflation on Households' Balance Sheets**  
Clodomiro Ferreira (Bank of Spain)
- 12:30 – 13:30**      **Lunch break**
- 13:30 – 15:00**      **Roundtable on policy implications**  
Chair: Margit Schratzenstaller (WIFO, Vienna)  
Serge Allegrezza (STATEC Luxembourg)

*[Other participants to be confirmed]*