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Bundesverband der grünen Wirtschaft

THE EIGHTH GLOBAL CONFERENCE ON ENVIRONMENTAL TAXATION

POLICY DESIGN, PUBLIC CHOICE AND GOVERNANCE

WORKSHOP 6:

Policy Proposals for a Low-Carbon Future

Efficiency in energy-consumption by sustainable tax-policy

Introduction of the organisation and the speaker



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UNTERNEHMENSGRÜN e.V.

The federation of the green economy in Germany
founded 1992

Headquarter in Berlin

>250 company-members

Networking with the
„Entrepreneurs Verts“ (France)
and the „Grüne Wirtschaft“
(Austria)

- **Jan-Karsten Meier**, *1956
- Dipl.-Wirtschaftsing.
- Consultant
- Since 20 years Managing Director in the industry of building and building-materials
- Member of the board of UnternehmensGrün
- Advisory board-member of the federal Department of Environment (1998-2005)

principles of markets



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- 1) The price of energy decides over their efficiency of use!
- 2) The price of labour decides over their efficiency of use!



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In 1998 for parties like the Social-Democrats or the Greens, which were believing in the „omnipotence of state and budget“ a real cultural shock...

Adult education program“ in economy



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For „5.- DM per litre fuel!“ was the Green´s demand 1993 (with the result of defeat in the next elections)

1994: The DIW in an exclusive study by order of Greenpeace:

- The conversion of the tax-system into more ecological aspects will promote the protection of climate.
- Within 10 years more than 330.000 new jobs will be created.

1998: The RWI feared that companies with high energy-consumption will leave Germany for ever.

1998: Chancellor Schröder pinned himself (in the biggest newspaper „Bild“) down to at most 0,06 DM per litre fuel.

co-Tax „light“



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At least this was done:

28 Mrd.€ p.a. tax yield on oil and gas will be used unchanged for maintenance and building of roads.

Additional 18 Mrd.€ p.a. of „Ecotax“ lower the extra-charge on wages for the national pension scheme institution up to 1,7 percentage-points.

„On the quiet“ additional 4-5 Mrd.€ p.a. extra-charge on electrical energy is imposed to support renewable energies and linked power and heat engineering.

The industry can reduce this extra-charges by a rather intricate proceedings (to keep the unnecessary customs officers busy...)

Market economy and the weakness of public finance



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Even the political opponents do not want to miss these tax after changing the government!

Why?

The furtive hope of the inventors of the ecotax is becoming true: The politicians never will abolish a gushing source of money!

The entry in an „ecological system of taxation“ is a success!

enefits



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Lower extra-charges on wages will create an increasing comparative advantage for Germany versus his neighboring countries.

The pressure of rationalisation (Human resources vs. mechanization) is decreasing.

The new tax and the rise in prices of energy worldwide supports innovations in generation of energy and in increasing efficiency.

These innovations are creating a measurable push of employment (200.000 up to 400.000 new jobs) and measurable savings of energy.

Germany is one of the market leaders in systems of generating renewable energy.

The increase of prices for transportation supports a re-regionalization of markets.

isadvantages



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The tax does not distinguish between different kinds of energy and their pollutants (f.i. hard coal and lignite are not be taxed so far!)

The process to get money back is too complicated for small and midsize companies.

On a long-term basis there is no increasing pressure for efficiency by the tax

Outlook and demands



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Depending on the pollution coal has to be included.

Increasing prices for heating-energy will force more insulation of buildings.

Renewable energy has to be exempted.

Increasing tax will force innovations.

Decreasing exemptions for companies.

Harmonization on european level!



- **Thank you for listening!**
- **Some further questions?**