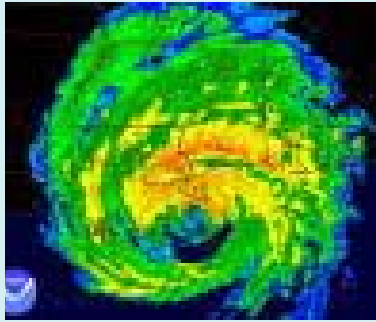


Katrina destroyed the dykes of New Orleans...



**.. how many
more Katrinas do
we need, until
the walls of
ignorance and
indifference are
overcome?**

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German Ecotax Reform and Japan – Exhibit 67

**So let's not behave like the famous three monkeys
of the Toshogu Shrine!**



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German Ecotax Reform and Japan – Exhibit 68

ありがとうございます

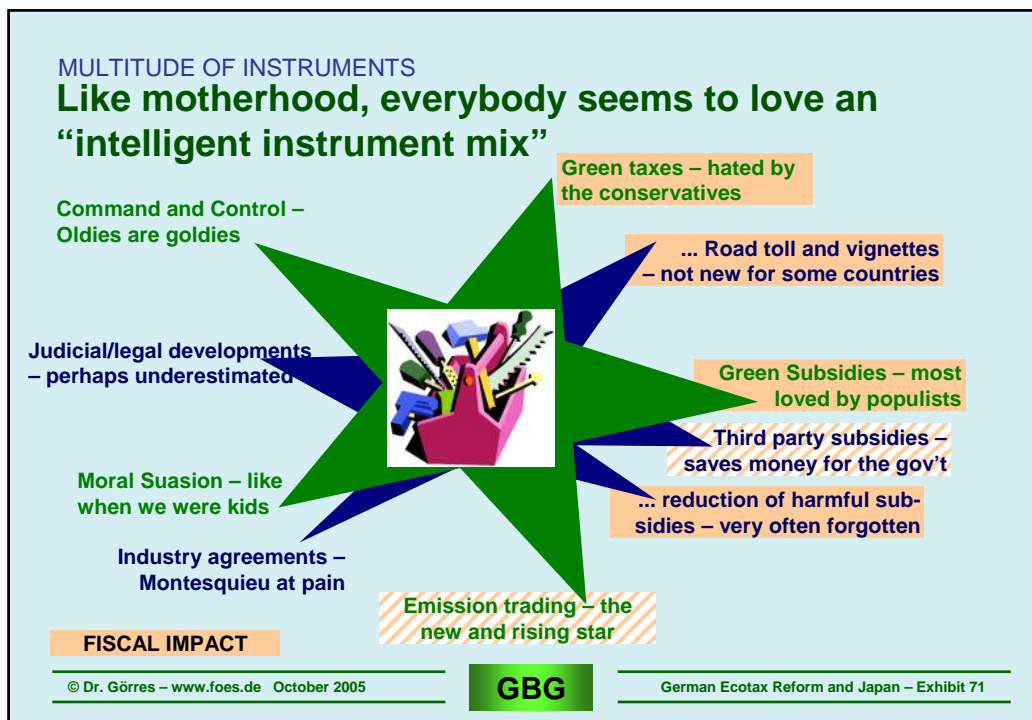
CONTENT OF THIS PRESENTATION

We've come to our next topic:

- Executive Summary/ Introducing Green Budget
- The challenge ahead – from bathtub to bathtub
- Germany's point of departure in comparison
- *Red-Green Ecotax Reform: facts and figures*
- Some lessons from the German ETR debate

This part
was usually
not shown

- A global perspective – epilogue with monkeys



- ERRORS ABOUT INSTRUMENT CHOICE
- In all countries, you meet with the same errors in the instrument debate**
- **Dramatic problem underestimation:**
Scope of environmental problem and action deficit is ignored
 - **Coase’s Curse (or McDonald’s menu illusion):**
Some people still believe in the freedom of choice!
 - **Tinbergen versus “Singapore Lesson”:** We usually need several instruments, even for one and the same problem
 - **Oversight of visible and invisible harmful subsidies:**
In most countries, billions of Euros or Dollars subsidize traffic, energy consumption etc.
(e.g., German cities subsidize parking areas of shop owners)
 - **Underestimated fiscal and social costs of green subsidies:**
Some people still believe in free lunches (for good causes)
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- German Ecotax Reform and Japan – Exhibit 72

THE "MENU ILLUSION" OF INSTRUMENT CHOICE

A lot of people think about ecological policy choices like eating out in a nice restaurant



**The bitter truth is:
Even if we combine all
known instruments, we
cannot be sure if we
will prevent a Climate
Crisis!**

**Which mix of
instruments?**

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**I always believed in Tinbergen until I met a charming
lady from Singapore...**



**Nobel Laureate
Jan Tinbergen:
„you need at
least as many
instruments as
targets“**

**Lady from
Singapore:
„use as many
instruments as
you can possibly
think of to fight
traffic“**

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