

German ecotax met with similar attitudes as in other countries...

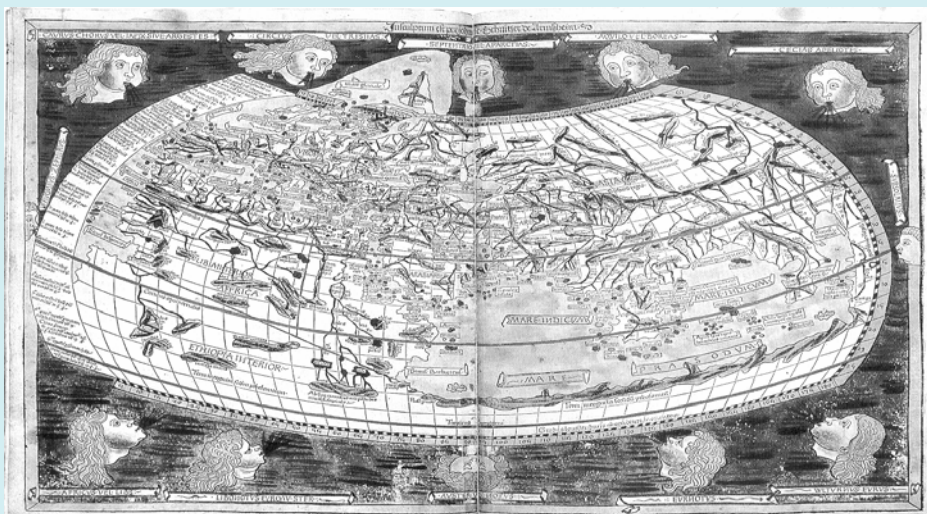
- ***“Mas vale un diablo conocido que un angel por conocer”***

(Spanish Proverb – better a known devil than an unknown angel)

- ***“Dear God, make me chaste, but not right away”***

(Saint Augustine as a young man)

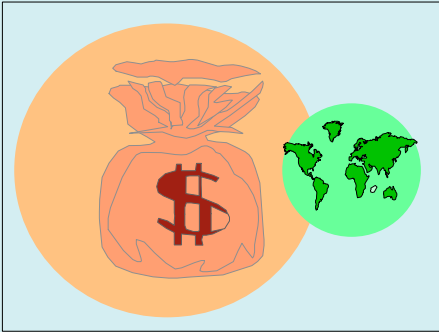
Until Galileo, people believed the earth to be a disk



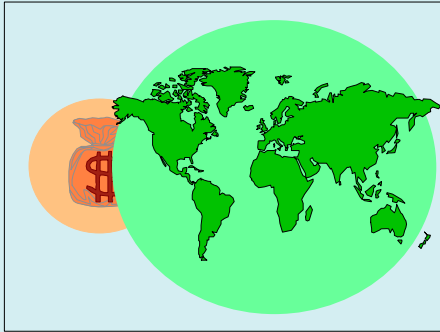
COMPETING VIEWS OF THE WORLD

For today's "Ecological Ptolemaians", the economy still constitutes the center of the world...

View of "Ecological Ptolemaians"



In Truth: Economy only Subsystem



Brecht's Galilei: "Do we have to assume, that what is large revolves around what is small, or is it not rather the other way round?"

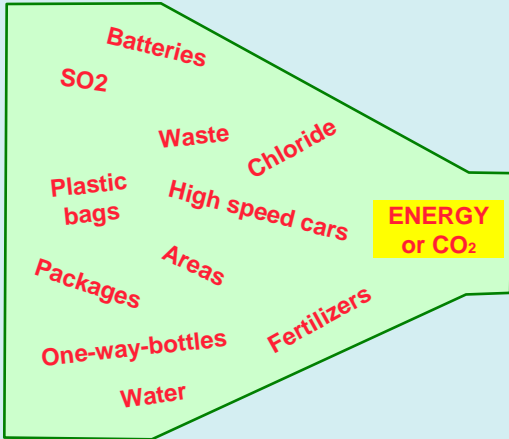
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German Ecotax Reform and Japan – Exhibit 43

German ETR debate was part of a widespread consensus throughout Europe

1970/80ies:
Wild array of Ecotax proposals



Early 1990ies:
EU-wide consensus emerges

- **Concentration on energy/CO₂:**
not 150 different ecotax candidates!
- **Careful escalation/ no shocks:**
Slow, but steady growth, 3-5% p.a.
- **Concrete blueprints:**
detailed macroeconomic models (i.e. DIW/FÖS in Germany)
- **100% Budget neutrality:**
No rise in tax quota – no gain for State
- **Shifting of tax burden:**
From labour to nature
- **Export protection**
for energy intensive branches
- **European and global dimension**
of ecotax debate and reform

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German Ecotax Reform and Japan – Exhibit 44