

WHAT CONTRIBUTION TO THE FIGHT AGAINST CLIMATE CHANGE ?

The subject, the **carbon tax**, was by no means a simple issue. We wanted to avoid two pitfalls:

- First, we did not restrict ourselves to current news or a simplistic extension;
- On the other hand, we did not want to fall in a panel discussion, focusing solely on issues involving taxation or environmental.

Léo Dayan³ has risen to that challenge: **balancing local experiences, research and innovative proposals and strategic policy**. His remarkable speech sets the tone for future meetings and encourages us to continue this level of ambition.

It must first recall the news of the tax arising on the 'Grenelle de l' Environment' in France in 2007, being then the subject of a report headed by Michel Rocard and now announced by the government - 17 euros per ton of carbon, after many hesitations ... the current cost of ton of carbon being 9 euros on the market for pollution rights.

Its operation is complicated because a variable rate will apply according to the place of residence of households (urban-rural). For the poorest households, the tax will be refunded in the form of a green check, for others it will immediately be paid as the taxes on income.

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Léo Dayan

I. THE LIMITS OF THE CARBON TAX

Above all, we must situate this tax and its principles in a broader context of climate issues and the global economy that enters into an era of knowledge economy. This step back is necessary for the understanding of the limits of the carbon tax.

Is Climatic change the only major problem?

Perhaps this question we must address issues of sustainability. Scientists are not sure that global warming, taken alone, is an issue of choice. The CO₂ could protect us against sunlight. The retroactive risks and induced imbalances are also to be taken into account.

With the carbon tax, we focus on one aspect - that of global warming itself is not the subject of a scientific consensus -, at the expense of equally critical environmental issues: for example, biodiversity and social issues, for example the fight against poverty.

The carbon tax is not the product of an overall or holistic thinking. If we consider sustainable development as a maxim "think global, act local", the carbon tax as it is currently thought by the French government is already in contradiction with this assertion.

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Its application is already the subject of much negotiation and exceptions with truckers, fishermen, farmers, companies already involved in the market for pollution rights, etc.. Global thinking would seek instead to act on the matter and wastes, on the one hand, in order to reduce the quantity and, secondly, to master them qualitatively. Indeed it is the practical requirement of "sustainability".

However, this tax completely misses the challenges of knowledge economy whose effects in a competitive environment are to increase the flows and stocks of materials and wastes by the new product. We must start with what exists now: it must for example take into account of such discussions on an eco tax, in the life cycle of increasingly limited of a consumption good because of competition through innovation.

Then, the questioning would be very different. We will ask how can we create value without increasing the flow of material, matter, and wastes?

The design of the soup

But today our policies do not pose such questions even though there are examples from large multinationals such as in smaller populations.

For example, Interface, the world leader in the design and production of carpet tiles, no longer sells carpets, she praises. This company remanufactured new products with wastes. It is typically and simply the industrialization of a knowledge of the people shortage. Just as the cooking of the Polish grandmother who uses the remnants of the previous day to prepare a new soup. It is the design of the soup. It meets daily to the only pertinent question in an economy of sustainability: how to make something new with the old.

The questioning of labor productivity for the benefit of the productivity of natural resources

Any modern economy is based on the assumption of labor productivity. But today we must reverse the way: there are the technologies that reduce the removal of material and wastes which must be favored. It is the productivity of natural resources and quality of information, which constitute the pillar of a sustainable economic model.

Switzerland has since 2008 introduced a tax on fuels (oil, gas, coal) in order to meet the Kyoto agreements. The originality of the redistribution of tax to towards households is that it proceeds through health insurance companies and businesses, depending on their payroll. Companies pledging to reduce their emissions can receive exemptions. The tax is lowered or increased depending on whether the downward trend is observed or not.

A carbon tax inefficient for the environment and socially unjust

Why in France the same path was not followed? With this tax it is not acting on employment nor on reducing emissions, individual behaviors do not change easily. A tax would be painful for a household if one hopes to change his behavior. And it cannot be because it is unfair:

- First, electricity is not affected, which will result ultimately in penalizing households that use or will use electric heating. Indeed, electricity can not remain at a historically low price, especially if the use of electric cars grows. In 5-6 years, we might encounter a sharp rise in energy prices as demand may shift massively from fossil to the nuclear energy.
- Second, this tax is pretty useful for social classes whose income is high. Studies show that these groups have the most ability to change their behavior.

However, if we want sustainability, we must be going through forms of positive discrimination and adopt solutions that are not geographically, socially and nationally identical for all. For example, China is the first CO₂ emitter country, but one of the last if we think in rates issued per capita. From the point of view, the solution given is not the same.

II. WHAT ECO-TAX FOR A SOCIETY TO SUSTAINABILITY?

We must first starting from local-based initiatives – it is matter of the importance of territory for being able to draw the outlines of a sustainable economic globalization.

The Phillips Eco Enterprise Center (PEEC)

Residents of the slum of Phillips in Minneapolis mobilized to fight against this project from the municipality to implement a recycling center in their area, by proposing an alternative plan: The Phillips Eco Enterprise Center (PEEC). He has been active since 2000 and was directed by the 'Green Institute'.

This project builds on local initiatives from the 1990s which were to trade with used building materials but reusable and available free of charge. In this activity, after repairing, about 60% of materials are sold on this site, 30% go to the store, and 10%, non-reusable, are buried in a responsible manner. Here we find all the ingredients of sustainability :

- A part of the partnership project: local residents, environmentalists, builders, professionals of business development, architects, engineers, banks, construction experts, tenants associations, researchers and students.
- A combination of an economic and profitable, social (integration into employment, recognition of skills of the poor, dignity) and creativity. We are here in the economy of the sustainable knowledge. This project, now famous, will even be provided a model for the construction of a large commercial center in Bombay.

Eco Industrial Park Kalunborg Denmark

The success of this industrial complex based on its ability to use the productive process of each company located in the park (refinery, sulfuric acid plant, power plant, heating) so that the wastes produced by one are useful to another. For example, residues of the power plant running on coal, which are used to the pharmaceutical company.

This project has also been possible because the entrepreneurs were originally friends. This echoes there to the importance of cooperation required by the knowledge economy; for a tax service dealing with technologies of renewable and reusable.

It is expected that the tax system encourages such innovation. It must encourage "éco links". The principle is simple: resources used for some are used to produce by other.

Recall that a property should be considered sustainable when there is zero levy on non-renewable materials and zero waste.

Then, a tax policy should:

- Encourage cooperation between actors within the competition itself.
- Command trends to substitute polluting capital for nonpolluting capital or work, employment. Companies will then take advantage of using workers and sustainable technologies

Obstacles to the set up of an eco-taxation on polluting capital in France.

But it is not a pure coincidence that it is ultimately the principle of a carbon tax that has been accepted. For as it has been imagined, the carbon tax does not affect the development of large French groups. More generally in France, employer's organizations are still largely conservative and they are not

ready to shake up the center of gravity of economic power. This explains why environmental sustainability is very little scope by economic actors.

The fee should cover the real actors of pollution, not households. It is a bad signal. Eco tax must be on polluting capital and must be accompanied by a tax-free employment

III. DISCUSSION

What attitude to tax the polluting capital?

We must first define a rate of employers' social contribution rate and the eco-tax on capital pollutant in order to balance the social accounts.

If France is the only one to apply this tax, is there not a risk for national competitiveness?

All Chinese products taxed at the border could help creating a fund given back to China for its future investments in sustainable technologies.

This is not a return to autarky. Although ultimately the economy of eco-links helps to bring the supply areas closer of areas of consumption, because a tax on imports would encourage relocation strategies.

Does this taxation system reinforces inequality between countries?

All countries do not have the same advantages. It may therefore seem unfair to tax imports; unless the resources resulting of this tax are reinjected in the form of investments in sustainable technologies. Is culture the 4th pillar of sustainable development?

Sustainability has forgotten the cultural pillar. That's why western countries face so many difficulties in teaching the message of sustainability towards developing countries like China and India.

Could a reduction in payroll taxes benefit really to employment?

The relationship is not mechanical but when you look at the two main problems faced by SME managers in France, taxation and bureaucracy come and rank first. This tax would encourage small business activity and employment. Example: in tourism 99% of SMEs.

What governance for sustainability?

The Earth Summit in Johannesburg is indicative of the cultural differences between French NGOs and Anglo-Saxon ones, the latter being much more open to dialogue, including with the private sector. The 'Grenelle de l' Environment' Forum, also criticized as it is, is a real break from this point of view. For the first time the politic leaders have sought advice from the "civil society", the civilian producers of knowledge.

"In 20 years, we have gone from the image of the dreamer to the partner."

Taxation of households was really a bad signal? Should we abandon the principle of action on individual behavior?

The Judeo-Christian continues to blame individuals. Proponents of sustainable development are often the first victims of the punishment they want to impose. This speech is very present in Germany. It can be especially dramatic if discouraged, for example, to go fly as it is the rule within a German NGO. However, the meeting of cultures is an integral part of sustainability: the fight against CO₂ emissions should be subject to priorities in the targets. It must not be forgotten that there are also many other pollutants with far more adverse effects on health, such as mercury, or on nature and environment, etc...