

## PRESENTATION

Speech  
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# Economic Implications of the German Ecological Tax Reform

TimeLoc

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Warsaw

Poland

Helen Lückge

While Germany has introduced a comprehensive ecological tax reform (ETR) in 1999, Poland has taken only first steps into this direction. In order to intensify the exchange between German and Polish experts from politics, research and NGOs, the Polish Ministry of the Environment together with the German Ministry of the Environment organised a workshop in Warsaw during which the design of the German ecological tax reform and its implications were discussed. Helen Lückge, Fellow at Ecologic, presented the economic implications of the German ETR.

In Germany, the ecologic tax reform is supposed to fulfil a double dividend. Apart from reducing CO<sub>2</sub>-emissions, the reduction of ancillary wage costs and the creation of new jobs lies within the focus of the German ETR. At the same time, negative impacts of the ETR on the competitiveness of German industries shall be prevented. In order to assess if these objectives have been met, Helen Lückge illustrated some specific aspects of the German ETR:

- Impact on economic growth: different channels through which GDP is influenced and total impact,
- Impact on employment: effect of reduced ancillary wage costs,
- distributional impacts between economic sectors and private households,
- impacts of the German ETR on specific businesses.

Based on this information on economic impacts of the German ETR,

the [presentation](#) [1] [pdf, 935 KB, English] tried to answer the question if the German ETR has been able to fulfil its objectives. As the ETR has led both to a reduction of CO2-emissions and a reduction of ancillary wage costs and thus to the creation of new jobs, the objective of the double dividend has clearly been achieved. Through several exemptions and special rules, it was also possible to prevent a loss of competitiveness of German industries. However, these exemptions and special rules reduced the steering effect of the ETR and with it the ecological effectiveness of the tax reform.

The discussion with workshop participants showed that specific parts of the German ETR could theoretically be transferred to Poland. The Polish participants however stressed that experience from other Member States with energy taxes needs to be considered as well when the specific design of a new energy tax for Poland were to be discussed. It also became clear that the German ETR has a considerable potential for further development so that the dialogue between Germany and Poland could also bring along new insights for the German side.

#### **Further links:**

- Ecologic Project: [Effects of Germany's Ecological Tax Reform](#): [2]
- Ecologic Project: [Empirical results from ecological motivated energy taxes in Europe](#) [3]
- Ecologic Project: [Capacity Building in the New Member States on further climate change action](#) [4] (post-2012)
- [Green Budget Germany](#) [5]
- [Environmental Policy Research Centre, FFU](#) [6]

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#### **Links**

[1] [https://www.ecologic.eu/download/vortrag/2006/lueckge\\_economic\\_aspects\\_etr.pdf](https://www.ecologic.eu/download/vortrag/2006/lueckge_economic_aspects_etr.pdf)

[2] <https://www.ecologic.eu/1156>

[3] <https://www.ecologic.eu/1901>

[4] <https://www.ecologic.eu/1317>

[5] <http://www.eco-tax.info/>

[6] [http://www.fu-berlin.de/ffu/ffu\\_e/index.htm](http://www.fu-berlin.de/ffu/ffu_e/index.htm)