

## **Case study of how climate change reductions could be *justly* achieved**

Governments have recognised that **renewable energy** is desirable to combat climate change. Currently in UK they fund subsidy schemes - organisations such as Energy Trust or Green Energy Centre, but the uptake is relatively slow, resulting in small percentage savings. **‘Solar’ (photoelectric) cells for low voltage power are useful in audio, computers and lighting, growth areas driving demand for electricity, but the break-even period is about 15 years or longer with the current level of subsidy. If the subsidy was increased by 50%, making payback period shorter i.e. 7.5 years, this would dramatically increase uptake. The market would then innovate and prices would come down through competition. But governments are short of funds to initiate such growth by a subsidy increase (as they are for sustainable transport such as mass transit rail<sup>1</sup>). Meanwhile future energy and resources shortages loom towards crisis. Yet the opportunity exists for investment in future ‘free’ energy if a fair way of achieving the subsidy could be found.**

The **currency advantage** (a new term described separately) might allow this to be derived from international trade in imports. The advantage has driven the more profitable import sector and caused the decline of home-based industry. **Some of those profits could be taxed and allocated equally between producer and consumer nation direct to environmental, educational and resource sustainability projects. If such a tax were devised it could operate like VAT and might be named ETI (Environmental Tax on Imports).** Adjusting international trade in this way partly solves the problem that there is no reflection internationally of tax structures that exist at the national level. **It would have MINIMAL EFFECT ON EXISTING PRODUCTION. From where else can sufficient funds be allocated towards climate change and sea level rise?** To tax those that benefit from cargo traffic and cause increased congestion and emissions should be seen as fair enough.

If the above trade adjustment was adopted, ‘less developed’ nations would also have access to the funds needed to counter climate change. At present harmful releases into the atmosphere accelerate climate change, affecting us all. Yet wealthier countries with the means to research have yet to make significant impact on their emissions. The rapid industrialization and urbanization of previously more self-contained and sustainable economies therefore becomes a global problem to be managed in order to educate for sustainability, understanding the future costs of increased pollution and consumption. The need is to invest to restrict fossil fuel based energy usage and other non-renewable resource use.

**To conclude: Solar cells could have a role in reducing such pollution. A very bold step is essential to turn more funds to counter CO<sub>2</sub> releases especially for poorer nations, but also for the more ‘developed’ nations. Europe in particular must take the lead in piloting, promoting and investing in this way.**

Why not ring for a leaflet and speak to Ian Greenwood ? +44 (0)121 449 0278

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<sup>1</sup> In addition to the above example, the same funding adjustment could contribute to mass rapid transit and rail thereby reducing congestion and pollution in smaller cities. Up to now rail systems have been provided mainly for the advantage of the wealthier cities (heavier usage and better funding). The economic cost for smaller cities has not included such factors as congestion, pollution, sea level rise and the resource needs of future generations. With the growing pressure on resources (and over climate change) forward planning has now become necessary. Solar cell provision would be one step of progress towards reducing energy costs, better rail provision would be another.