

## Carbon Pricing & Cross-Cutting Policies

Q7: What further opportunities exist within our taxation system, beyond measures already implemented and planned, to promote emissions reductions, either on an economy-wide basis, or in specific sectors?

**Feasta: the Foundation for the Economics of Sustainability:**

We have concerns about the effectiveness in terms of climate change mitigation of Ireland's current carbon taxation policy, and therefore propose an alternative approach to taxing carbon that includes directly limiting the fossil fuel supply through regulation, while providing substantial financial assistance to the vulnerable (the 'Cap and Share' system). This is described in our response to question 9 below.

An additional levy could be charged on 'luxury' uses of fossil fuels, e.g. on first class flight tickets and high-emissions luxury vehicle sales and rentals.

More generally, as the Commission for Taxation and Welfare has recently pointed out<sup>[1]</sup>, 'the balance of taxation needs to shift away from taxes on labour and towards taxes on capital, wealth and consumption' if we are to achieve a sustainable future economy.

So-called 'commons-based taxation' would encourage the judicious use of resources while avoiding the socially regressive effects of income tax and some forms of VAT. One example of this commons-based taxation is a Financial Transactions Tax (FTT), which could provide significant financial support for decarbonisation, for example by helping to fund the national retrofitting programme. The Robin Hood Campaign estimates that revenue of approximately €320 to €360 million a year could be raised if an FTT were introduced that followed European Commission guidelines.

Another important commons-based tax is Site Value Tax (SVT), which, if implemented in parallel with other measures, could help to ease the pressure on the housing market in Ireland by discouraging speculation and property hoarding, and thus indirectly make the energy transition more affordable for a majority of people.

If SVT were to replace the existing Local Property Tax (LPT), this would also have a more direct climate benefit: it would eliminate the existing (and unintended) tax penalty for home improvements such as retrofitting, which increase the value of property and therefore risk increasing the amount of LPT that is payable.

1. Report of the Commission on Taxation and Welfare, September 2022, p xxiii

Q8: Further to recent reforms to Ireland's green budgeting and public procurement policies, are there any additional measures that could be taken to integrate climate considerations into these policy frameworks?

**Feasta: the Foundation for the Economics of Sustainability:**

'Community Wealth Building' (CWB) measures have a strong potential to support climate mitigation and adaptation, particularly if they are combined with the fossil fuel phase-out programme described below in our response to question 9. CWB encourages investments in the local economy

by large 'anchor' institutions such as hospitals or universities, helping to build resilience to economic shocks[2] (including shocks arising from climate disruption), generating employment, and reducing the climate impact of economic activity by shortening supply chains.

2. <https://democracycollaborative.org/>. <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

Q9: Are there any significant cross-cutting gaps not previously discussed in Climate Action Plan 21 that need to be addressed?

**[REDACTED], Feasta: the Foundation for the Economics of Sustainability:**

As mentioned above, we are concerned that the existing combination of carbon taxation and sectoral emissions regulations cannot guarantee delivery of the required emissions reductions within a short enough timeframe. Given that we are in an emergency situation with regard to emissions reduction, we believe these programmes need to be combined with a hard limit and phase-out system for the fossil fuel supply (Cap and Share). This will also help to support Ireland's energy security by providing a clear, managed framework for ending our current dependency on fossil fuels.

In addition to the strong environmental benefits of placing a quantitative limit on fossil fuel extraction and imports, there are also significant economic and political benefits, as described in a 2018 paper in the journal *Climatic Change*[3]:

"Restrictive supply-side policy instruments (targeting fossil fuels) have numerous characteristic economic and political advantages over otherwise similar restrictive demand-side instruments (targeting greenhouse gases). Economic advantages include low administrative and transaction costs, higher abatement certainty (due to the relative ease of monitoring, reporting and verification), comprehensive within-sector coverage, some advantageous price/efficiency effects, the mitigation of infrastructure "lock-in" risks, and mitigation of the "green paradox". Political advantages include the superior potential to mobilise public support for supply-side policies, the conduciveness of supply-side policies to international policy cooperation, and the potential to bring different segments of the fossil fuel industry into a coalition supportive of such policies. In light of these attributes, restrictive supply-side policies squarely belong in the climate policy "toolkit"."

Ireland's membership of the recently-formed Beyond Oil and Gas Alliance (BOGA) is a welcome move, as BOGA members have committed to a phase-out of their gas and oil production in line with the Paris Agreement. However, BOGA currently includes neither coal nor imports of fossil fuels. It will need to expand its scope so as to include coal and imports, and obviously also expand its membership, if it is to have a significant impact on global emissions.

We also strongly believe that any revenue generated from the sale of fossil fuel permits within a system that limits the supply of fossil fuel should be distributed in a way that directly helps to protect the vulnerable from rising energy prices, and that supports international climate justice[4]. One possibility would be for the EU-27 to form a 'Cap and Share' partnership with a group of Global South countries in order to phase out fossil fuel production equitably[5]. Such a partnership could also be integrated with BOGA[6].

3. <https://link.springer.com/article/10.1007/s10584-018-2162-x>

4. <https://www.feasta.org/category/documents/projects/cap-and-share/>

5. This proposal is described in these two position papers:

<https://www.feasta.org/2020/10/15/balancing-with-a-doughnut-feasta-position-paper-on-the-revision-of-the-european-commissions-energy-taxation-directive/>

<https://www.feasta.org/wp-content/uploads/2020/10/Feasta-CBAM-position-paper.pdf>

6. In October 2022, Feasta will be publishing a proposal that will explore the potential for BOGA to be expanded into a much larger global partnership to phase out fossil fuel production in a socially just way.

Q10: Are there any other cross-cutting issues that should be considered in the development of the 2023 Climate Action Plan?

**Feasta: the Foundation for the Economics of Sustainability:**

As the European Environmental Agency has pointed out, 'it is unlikely that a long-lasting, absolute decoupling of economic growth from environmental pressures and impacts can be achieved at the global scale; therefore, societies need to rethink what is meant by growth and progress and their meaning for global sustainability.' [7]

There is clearly an urgent need for a change in overall vision about the kind of economy we wish to achieve, and for a reorienting of our economic goals.

Ireland is now developing a Wellbeing Framework [8] which is intended to provide a clearer indicator of how progress is being made in different areas, including climate and other environmental indicators, along with measures of social and economic wellbeing. The Framework's more holistic approach to measuring progress is a step in the right direction. However, the Framework also currently has some serious flaws. For example, while it does not directly include GDP growth as a goal, it does make the closely-related assumption that increases in income and wealth are absolute goods in themselves.

Similarly, the European Green Deal - which is, of course, a central focus of the Irish Climate Action Plan - is being framed as a 'new growth strategy'.

Conversely, for the first time, the IPCC's 2022 Summary for Policymakers includes the concept of 'sufficiency'. A footnote explains that 'sufficiency policies are a set of measures and daily practices that avoid demand for energy, materials, land and water while delivering human wellbeing for all within planetary boundaries' [9].

The IPCC's 2022 Working Group reports also contain multiple references to 'degrowth' and 'post-growth' thinking, which explore the potential for a future economy to function adequately and meet societal needs without continuous expansion. The IPCC Working Group II report on impacts, adaptation and vulnerability includes a reference to Cap and Share in this regard [10].

The IPCC's 2022 Working Group III report states that 'several studies find that only a GDP non-growth/degrowth or post-growth approach allow to reach [sic] climate stabilization below 2°C' (p3-86). In this vein, a 2021 Nature Communications paper [11], entitled '1.5 °C degrowth scenarios suggest the need for new mitigation pathways' discusses the potential effects on climate mitigation

of so-called 'degrowth scenarios' in which stringent climate mitigation measures lead to a decline in overall economic output. The paper concludes that degrowth scenarios 'minimize many key risks for feasibility and sustainability compared to technology-driven pathways, such as the reliance on high energy-GDP decoupling, large-scale carbon dioxide removal and large-scale and high-speed renewable energy transformation.'

Nonetheless, the future economic scenario modeling that is included in the IPCC reports still assumes that there will be continual economic growth going forward. It is important to note that this emphasis on economic growth in the modelled scenarios does not by any means reflect a consensus among economists, and that the extremely labour and resource-intensive requirements for submitting possible scenarios to the IPCC makes it virtually impossible for teams with alternative economic scenarios to be able to submit them for consideration[12]. This is highly problematic, both in terms of scientific rigour and, equally, of climate justice.

So why is there such a strong focus on GDP growth in policy circles? The European Environmental Agency has summed up the reasons why policymakers and politicians tend to wish to prioritise economic expansion[13]:

'Employment levels and tax revenues are...closely linked to growth in GDP. If GDP is shrinking, it would therefore be highly disruptive and have major implications for the financing of the welfare state, public health and education, and social justice. It could also make it very hard to finance public debt or the investments needed to achieve sustainability transitions.'

Thankfully, this connection between economic expansion, financial stability and decent employment is not set in stone, and it can be changed. A group of organisations in Europe and elsewhere, including Feasta, are researching ways to enable the economy to deliver positive (and vital) social and environmental outcomes in circumstances where aggregate GDP expansion may no longer be possible. Feasta's goal, shared with our colleagues, is to help create a 'wellbeing economy' where societal and ecological needs can be fully respected and both humans and nature can thrive. The economist Kate Raworth's Economic Doughnut model represents this type of economy visually as a 'safe and just space for humanity'. Links to our publications and those of our colleagues are included below.

A final, but important, additional challenge with regard to decarbonisation is that a number of international trade treaties, particularly the Energy Charter Treaty, create a strong financial disincentive for profit-seeking companies to adopt genuinely climate-supportive practices and also cast a regulatory chill over governments' attempts to rein in environmentally damaging behaviour by companies. These treaties need to be reworked.

Here is a summary of our recommendations on reorienting the economy so as to ease expansionist pressure, support decarbonisation and promote societal and economic wellbeing (listed in no particular order[14]):

- Reforms in taxation policy, including the introduction of a Site Value Tax on built property in order to curb speculation on property values and rent inflation and to enable a reduction of taxes on labour, and the elimination of VAT on the labour and materials for retrofitting houses
- An expansion of derelict housing restoration and retrofitting programmes in rural areas of Ireland to help provide affordable and social housing, helping to relieve the housing crisis and freeing up

- Strong support for progressive reforms within enterprises, acknowledging the vital roles of social enterprises, purpose-led business and employee ownership in a flourishing and resilient economy.
- The provision of stakeholder banking, such as mutual and public banking, along with Community Wealth Building procurement policies that help to stimulate local production.
- Interventions on unsustainable debt in Ireland, including some farm business debt, through debt restructuring and place-based debt-for-equity swaps, using a governance framework that guarantees that farmland will be preserved as farmland in perpetuity and is affordable for farmers to lease.
- Systemic interventions on debt at the Eurozone level to help to stabilise the value of over-commodified assets, including housing
- The introduction of a Universal Basic Income of €250 per week for all adult residents of Ireland, along with a strengthened 'social wage' including improved social services

Increasing support for producer-driven initiatives to improve farmers' share of the value chain. (Further information on this can be found [here](#) and [here](#).)

- Improving our measurements and level of oversight on overall wellbeing in Ireland, including our measurements of economic progress, by upgrading and rigorously applying the new Wellbeing Framework to all areas of government policy, and by appointing an Irish Commissioner for Future Generations.
- Changes to EU-level law to formally recognise the wellbeing economy as a core goal of the EU and clarify that GDP growth is no longer a priority in itself.
- The withdrawal of Ireland, as a matter of urgency, from the international Energy Charter Treaty.
- the withdrawal of the EU bloc from any trade deals which include Investor-State Dispute Settlement clauses (which have a similar effect to the ECT's 'dispute resolution' function)

For further information and explanations about these recommendations, please refer to the following publications by Feasta:

Feasta submission to the Citizens' Assembly on Biodiversity Loss (September 2022. The appendix contains a discussion and critique of the Wellbeing Framework.):

<https://www.feasta.org/2022/09/09/feasta-submission-to-the-citizens-assembly-on-biodiversity/>

Feasta submission on enterprise policy in Ireland (July 2022):

<https://www.feasta.org/2022/08/02/submission-on-enterprise-policy-in-ireland/>

Land, Labour, Housing, Money, Farms: Moving the economic goalposts of Irish agriculture (Discussion paper, May 2022): <https://www.feasta.org/2022/05/18/land-labour-housing-money-farms-moving-the-economic-goalposts-of-irish-agriculture/>

Feasta submission to the Commission on Taxation and Welfare (January 2022):

<https://www.feasta.org/2022/01/22/submission-to-the-irish-commission-on-taxation-and-welfare/>

Feasta submission on the European Commission's economic framework review (December 2021): <https://www.feasta.org/2021/12/31/feasta-submission-on-the-european-commissions-economic-framework-review/>

Feasta submission on the draft National Risk Assessment Plan for Ireland (September 2021): <https://www.feasta.org/2021/09/14/submission-on-the-draft-national-risk-assessment-plan-for-ireland/>

Feasta's Beyond GDP project: <https://www.feasta.org/beyond-%2520gdp-new-approaches-to-measuring-well-being/>

Feasta's Theory of Change, which includes an overview of the interconnected measures that we believe to be necessary to achieve a wellbeing economy: <https://www.feasta.org/theory-of-change/>

Other organisations and individuals who are working in this area include:

The (global) Wellbeing Economy Alliance (WEAll). WEAll's goal is 'to transform the economic system into one that delivers social justice on a healthy planet'. Feasta recently partnered with Social Justice Ireland, Cultivate, the European Health Futures Forum, The Derry Playhouse and QUB School of Law to form a Wellbeing Economy Hub for the island of Ireland, as part of WEAll (described above). Further information on the Hub, and its mailing list subscription link, can be found at <http://www.weall.org/ireland>

The Zoe Institute, e.g. "Policy Pathways towards 1.5 Degree Lifestyles"

University of Leeds: 'The UK's Path to a Doughnut-Shaped Recovery', Stratford B. and O'Neill DW

The European Environmental Bureau's Economic Transition working group, including

'Towards a wellbeing economy that serves people and nature,' EEB and Oxfam Germany, 2021

The Centre for the Understanding of Sustainable Prosperity

The Swiss Academic Society for Environmental Research and Ecology

Community Wealth Building organisations: CLES in the UK and Democracy Collaborative in the USA

ARC2020's work, including on improving farmers' share of the for value chain

Doughnut Economics by Kate Raworth, 2017 Random House. This book includes a clearly-written chapter on the potential for business activity to help regenerate biodiversity.

The Economics of Arrival: Ideas for a Grown-Up Economy by Katherine Trebeck and Jeremy Williams, Bristol University press, 2019

The work of Peter Barnes, including his most recent book Ours: The Case for Universal Property: <https://peter-barnes.org>

Common Wealth Dividends: History and Theory by Brent Ranalli, Palgrave 2021

## References

7. <https://www.eea.europa.eu/publications/growth-without-economic-growth>

8. [https://merrionstreet.ie/en/news-room/releases/publication\\_of\\_the\\_second\\_report\\_on\\_irelands\\_well-being\\_framework\\_and\\_analysis\\_of\\_the\\_well-being\\_dashboard.html](https://merrionstreet.ie/en/news-room/releases/publication_of_the_second_report_on_irelands_well-being_framework_and_analysis_of_the_well-being_dashboard.html)
9. IPCC Working Group 3 summary for Policymakers, SPM-41
10. Impacts, Adaptation and Vulnerability;  
[https://report.ipcc.ch/ar6wg2/pdf/IPCC\\_AR6\\_WGII\\_FinalDraft\\_FullReport.pdf](https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_FullReport.pdf) Chapter 1 p67
11. <https://www.nature.com/articles/s41467-021-22884-9>
12. <https://www.rosalux.de/en/news/id/46631/its-a-very-western-vision-of-the-world>
13. <https://www.eea.europa.eu/publications/growth-without-economic-growth>
14. [https://www.tni.org/files/publication-downloads/one\\_treaty\\_to\\_rule\\_them\\_all.pdf](https://www.tni.org/files/publication-downloads/one_treaty_to_rule_them_all.pdf)

## Public Sector

Q73: What opportunities exist for the public sector to step up its climate ambition?

**[REDACTED]** Feasta: the Foundation for the Economics of Sustainability:

As mentioned in Section 1, the Public Sector could have a major and positive impact on the wider economy by using Community Wealth Building measures in the many 'anchor institutions' which it owns and manages across the country, including hospitals, universities and museums. Indeed, Community Wealth Building is relevant to most of the questions raised in this section.

An overview of Community Wealth Building can be found here: <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

## Enterprise, Waste & Circular Economy

Q26: What measures should be taken to address the risks that climate change poses for enterprise?

**[REDACTED]** Feasta: the Foundation for the Economics of Sustainability:

The measures listed in our submission on enterprise would also help to strengthen the resilience of Irish enterprises when faced with extreme weather events and supply chain shocks brought about by climate disruption.

## Electricity

Q11: What options are available to increase the penetration of renewable electricity beyond the up to 80% committed to in Climate Action Plan 2023?

**[REDACTED]** Feasta: the Foundation for the Economics of Sustainability:

If a hard and diminishing cap was imposed on fossil fuel imports to Ireland (or, better yet, the EU), as proposed in our answer to question 9, this would automatically spur increased investment in renewable energy and would guarantee its eventual domination of the electricity market.



Q15: What other opportunities exist to support the decarbonisation of the electricity sector?

**[REDACTED] Feasta: the Foundation for the Economics of Sustainability:**

Strong State support for community-owned energy is absolutely vital to encouraging local 'buy-in'.

It is important to bear in mind that overall energy use will need to shrink considerably if we are to shift to a renewables-only economy, and there will also be a need to adapt to the intermittency - not just hourly, but also seasonal - of renewable energy[15].

It would therefore be advisable to take a sufficiency-and-efficiency-based approach to the provision of electricity[16].

15. <https://www.feasta.org/2019/06/08/propaganda-for-renewables-a-critique-of-a-report-by-oil-change-international>

16. <https://www.lowtechmagazine.com/2018/01/how-much-energy-do-we-need.html>

## Transport

Q47: Is the level of transformation required of our transport behaviour patterns well understood and what more can be done to demonstrate the benefits of modal shift? How can the overall impact of wider decarbonisation measures be measured most effectively (e.g. capturing wellbeing impacts, health impacts, liveability, permeability, etc.)?

**[REDACTED] Feasta: the Foundation for the Economics of Sustainability:**

Evidence - including the experience of 2020 - suggests that an essential part of the mix in decarbonising transport is to reduce the overall amount of transport that is taking place (along with enabling modal shifts and improving the energy efficiency of transportation).

The extent to which this is understood is unclear. There seems to be an erroneous belief, in some circles, that the existing transport fleet can simply be electrified and then continue in more-or-less the same way as before.

A diminishing hard cap on fossil fuel imports would send a strong signal to the transport sector in favour of emissions-light transport and reductions in overall transport.

In the commercial sector, decarbonisation could be helped along by promoting measures that shorten supply chains and diversifying local economies, such as Community Wealth Building. Obviously, some freight transport will continue to be necessary; wherever possible we recommend taking this off the roads and reducing its speed.

Expanding the capacity of Iarnród Éireann Freight should help to reduce emissions. It may also be worth investigating the possibility of a revival of inland waterways for the transportation of some goods, as is being proposed in the UK:  
[http://www.britishwaterways.co.uk/media/documents/publications/Freight\\_on\\_our\\_waterways.pdf](http://www.britishwaterways.co.uk/media/documents/publications/Freight_on_our_waterways.pdf)

People can be helped to make good choices regarding transport by educating extensively in the MAPS approach -- minimise, active, public, shared car if possible (electric for preference); single-passenger car: <https://earthbound.report/2021/05/13/maps-a-mnemonic-for-sustainable-transport/>

Please refer also to our list of resources in Question 10, on reorientating overall economic objectives away from GDP growth.

Q58: What are the key elements of a just transition in transport? Are there certain cohorts that should be given exemptions / insulated from potential increased costs?

**Feasta: the Foundation for the Economics of Sustainability:**

Extensive public consultation is needed in order to achieve optimal public transport development. For example, public transport routes and schedules should be geared to not only meet the needs of people following a 'conventional' work schedule, but also people with variable work/care patterns requiring multiple short trips (to shops, schools, children's leisure activities, etc.) at different times in the day.

Q60: What other opportunities exist to support the decarbonisation of the Transport sector?

**Feasta: the Foundation for the Economics of Sustainability:**

Encouraging telecommuting wherever possible.

A considerable increase in the funding of the rail sector.

As suggested above, improved infrastructure and facilities for pedestrians and bicycles, including improved bicycle parking facilities.

Increased financial support for the purchase of regular bicycles and e-bikes.

As explained in section 10, changes to the banking and taxation systems, along with the withdrawal of Ireland and the EU from environmentally-harmful trade treaties, would ease the pressure on the economy to keep expanding regardless of the social and environmental damage this might cause. The transport sector is particularly strongly affected by this growth imperative.

## Agriculture & LULUCF

Q69: What other opportunities exist to support the decarbonisation of the agriculture, land-use and marine sectors?

**Feasta: the Foundation for the Economics of Sustainability:**

Our September 2022 submission to the Citizens' Assembly on Biodiversity Loss makes a series of recommendations to ease expansionist pressure in agriculture in Ireland (which overlap with the recommendations in our answer to question 10 above): <https://www.feasta.org/2022/09/09/feasta-submission-to-the-citizens-assembly-on-biodiversity/>

These are explained in more detail in a May 2022 paper on cross-sectoral economic measures, 'Land, Labour, Housing, Money, Farms: Moving the economic goalposts of Irish agriculture' : <https://www.feasta.org/2022/05/18/land-labour-housing-money-farms-moving-the-economic-goalposts-of-irish-agriculture/>

## Marine Environment

Q69: What other opportunities exist to support the decarbonisation of the agriculture, land-use and marine sectors?

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## Research & Innovation

Q92: Have you identified any research and innovation gaps which need to be addressed? If so, how can these gaps best be addressed?

**██████████** Feasta: the Foundation for the Economics of Sustainability:

There is a big gap in research on ecological economics.

As mentioned above, the current economic models that are referenced by the IPCC provide a highly distorted picture of the true state of the economy, as they are based on problematic assumptions about the relationship between the economy and the biosphere, and about the possibility of infinite GDP growth. Future climate scenarios which do not assume infinite GDP growth are currently excluded from IPCC reports because the process for submitting scenarios is very labour and resource intensive, and the teams working on non-growth-dependent scenarios tend to be extremely under-resourced.

On the national level in Ireland (as in many other countries), State funding is heavily skewed towards 'mainstream' economic research, as though this reflected a scientifically-grounded consensus in economic thinking - which is far from being the case. Again, this research makes many problematic assumptions.

This is not to question the general competence or intentions of those doing the economic research, but rather to point out that they are building their research on shaky ground. In this time of climate and biodiversity emergency, a more heterodox approach to economics is urgently needed.