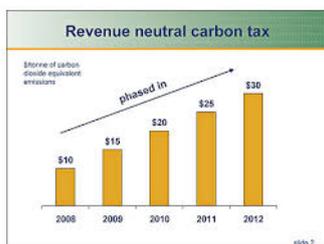


[Why a carbon tax would work](#) [1]

Written by [Tim Worstall](#) [2] | Wednesday 20 November 2013



Yes, yes, I know, I become ever more tedious on this subject. Yet it still is true that if we are to believe that climate change is happening, that it is indeed something we must do about and further, that it is us causing the problem, then the answer is a carbon tax at that social cost of carbon emissions (more accurately, CO₂-e).

[Why](#) [3]?

Two-thirds of Britons are expecting to cut back on heating their home this winter, with more 25 to 34 year-olds likely to turn down the thermostat than pensioners. A new report last night claimed 32 per cent of people will "definitely" turn down the heating or switch off lights over the coming weeks in a bid to save money. A further 35 per cent will "probably" act. Some 88 per cent of households classified among those struggling with the rising cost of living fear they will have no choice but to use less gas or electricity.

Because when prices change people change their consumption habits. Given that this is what we want to happen, consumption habits to change, therefore we want to change prices.

Now I'm aware that many reject the basic layout, that there is a problem that we are causing that something should be done about. But please, let us leave that aside for a moment: think of this as a logical construct, not necessarily a description of the true world around us. Those who do accept that trio of assertions should therefore be in favour of a carbon tax. And yet that is not the consensus among those who do accept those three postulates. And for the life of me I cannot understand why. It is, after all, the main finding of the Stern Review, the very review that is waved around in support of the argument that we do have a problem that we should do something about.

All I can really come up with is the idea that people don't like something so simple as a solution. They'd prefer to witter on about an *ecodammerung* rather than find that there is a simple and cheap solution.

For a proper carbon tax in the UK would indeed be a cheap solution. As I've pointed out before the UK's emissions are of the order of 500 million tonnes a year. Stern says the tax should be \$80 a tonne, or perhaps £50 a tonne. £ 25 billion a year in emissions taxes. And when you add up the extra fuel duty from the escalator, landfill tax, air passenger duty and so on, we're already paying such an amount in those emissions taxes.

So, actually, we're done, finished, the UK has, as far as the Stern Review is concerned, already put into

place the solution to climate change. We can declare victory and go home.

As I say the only reason I can think of that this isn't what we're doing is that there are far too many people invested in the idea that this is a complicated and difficult problem that needs their special skills and jobs to solve, rather than being one that we have already dealt with.

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