

# New Era. New Plan. A Fiscal Strategy for an Inclusive, Circular Economy

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## Why did we select this study?

It is important to realize that the main area of income for governments is related to taxing labour and much less to the use of scarce resources. We can ask whether we put the correct incentives and focus. Do we want to burden labour and employability and not so much the consumption of scarce materials? When we would have a pricing system for externalities, like carbon emissions, we can reduce other taxes, like those on labour. Why would any country be against the fact that people want to find a job? Shouldn't governments tax the things that we don't want to be used abundantly?

## Key insights

This report suggest a fiscal strategy to shift from overconsumption to (re-)use of goods and from fossil dependency to low-carbon solutions. Tax reform can play an important role in stimulating the transition to a circular, sharing city. The evidence-driven simulations presented in this report of the Ex'tax Project suggest that shifting taxes from labour to consumption and natural resources will result in more growth, more employment, and a smaller environmental footprint. The report provides evidence to support green tax reform and concrete policy action.



## Reference

Groothuis, F. (2016). New era. New plan. Europe. A Fiscal Strategy For an Inclusive, Circular Economy. Retrieved from: <http://www.neweranewplan.com/wp-content/uploads/2016/12/New-Era-New-Plan-Europe-Extax-Report-DEF.compressed.pdf>

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