

THE DESIGN OF CARBON AND BROAD-BASED ENERGY TAXES IN EUROPEAN COUNTRIES

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TABLE OF CONTENTS

Introduction	31
I. The History of Energy Taxation in Europe.....	32
II. The Use of Energy and Carbon Taxes for Environmental Policy	36
III. Taxation of Transport Fuels in EU Member States.....	38
IV. How Have the Energy and Carbon Taxes Levied on Non-Transport Energy Products Developed Over Time?.....	42
A. Denmark.....	44
B. Germany.....	47
C. Sweden.....	50
D. The United Kingdom	53
Summary and Conclusion	55
Appendix.....	57

INTRODUCTION

Since the early 1990s, economic instruments in environmental policy have become an increasingly widespread trend in Europe. These policies began in the Scandinavian states and soon moved to other European countries. An increase in environmental awareness and mounting pressure on the environment culminated in the adoption of new economic instruments and tools, specifically energy and carbon taxes. This development came together with the understanding that economic instruments should be seen as complements to the traditional command-and-control measures.

Part I of this article discusses that, contrary to popular belief, energy taxes have been used for almost a century and are far from a new phenomenon. This section also reviews the most recent development of the

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