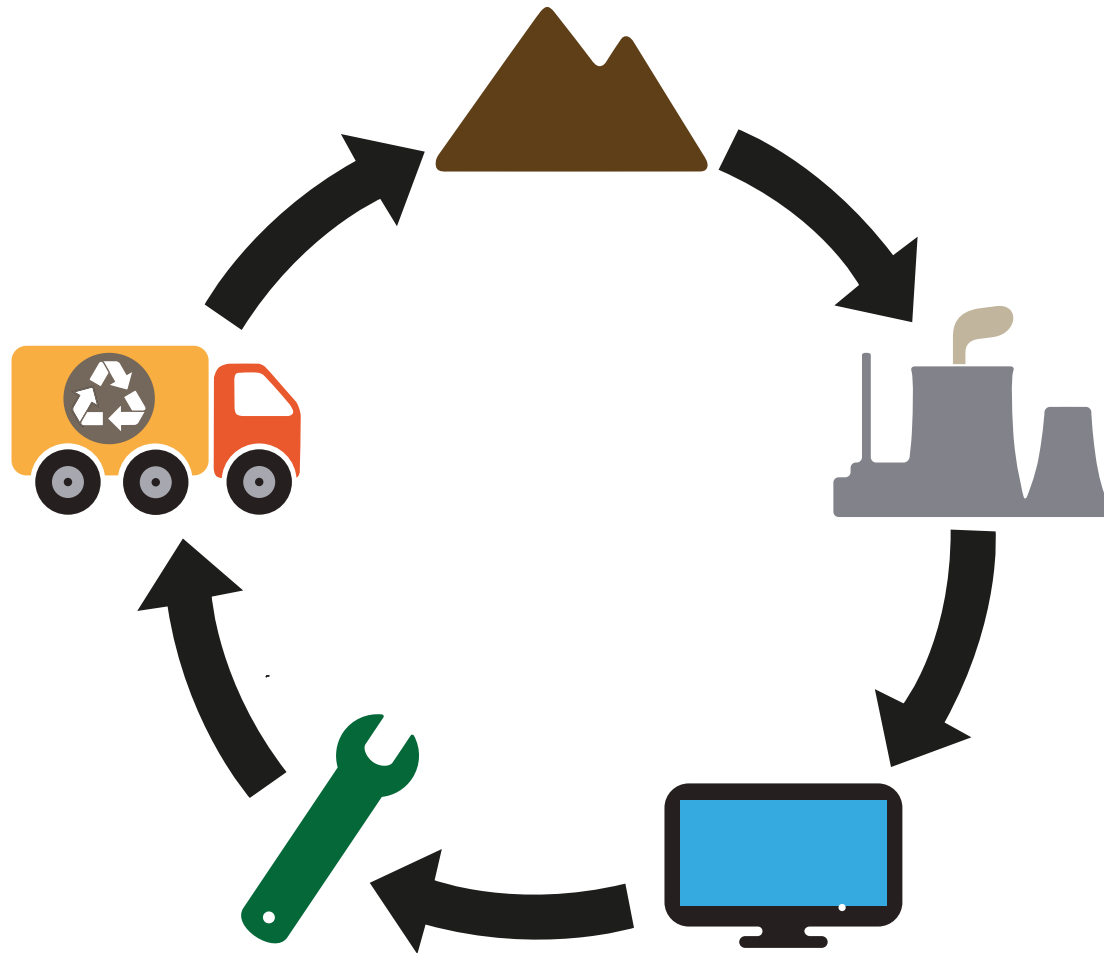


# Ex'tax & the human factor of the circular economy

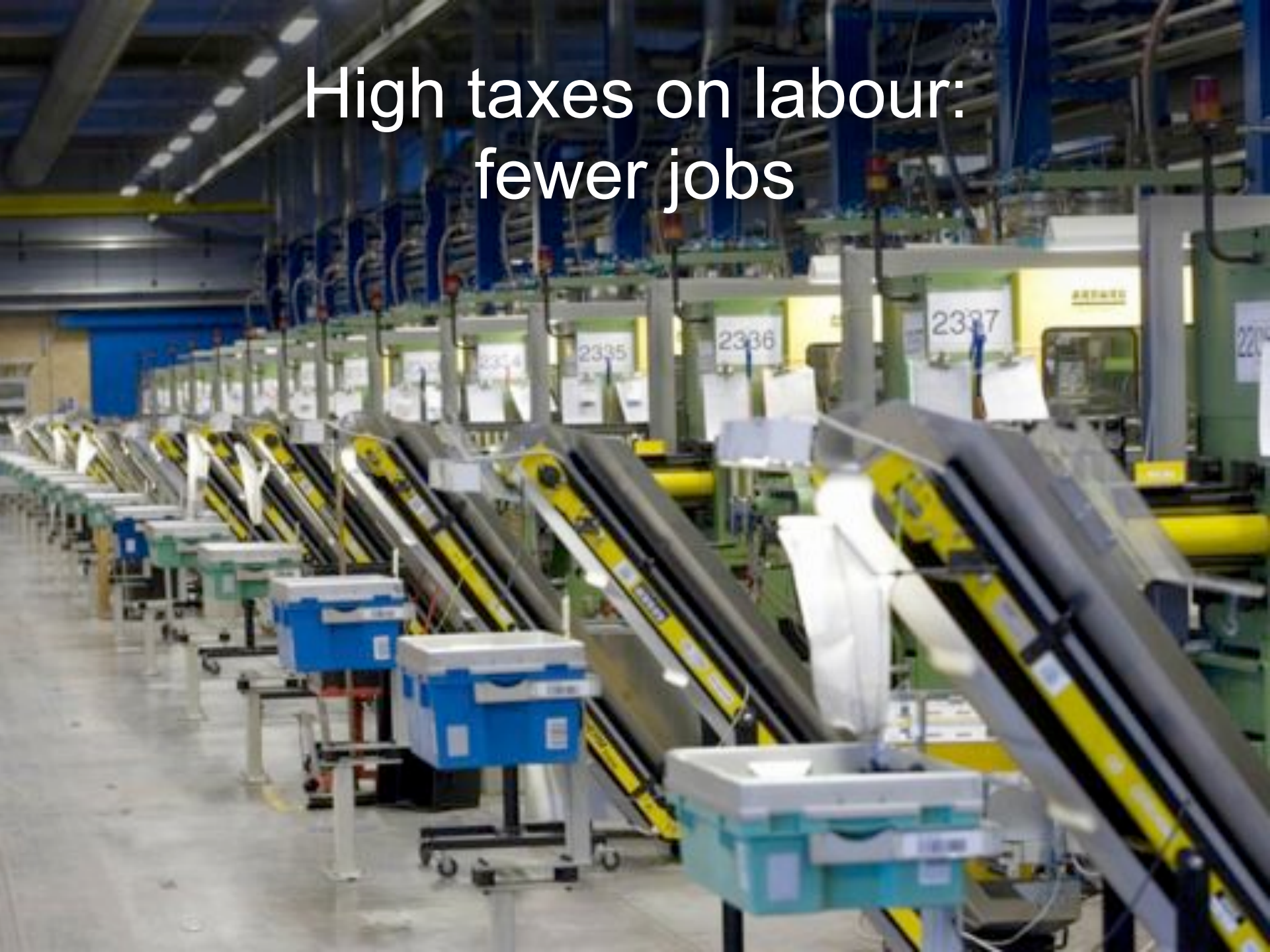


Femke Groothuis | Wavemaker | The Ex'tax Project

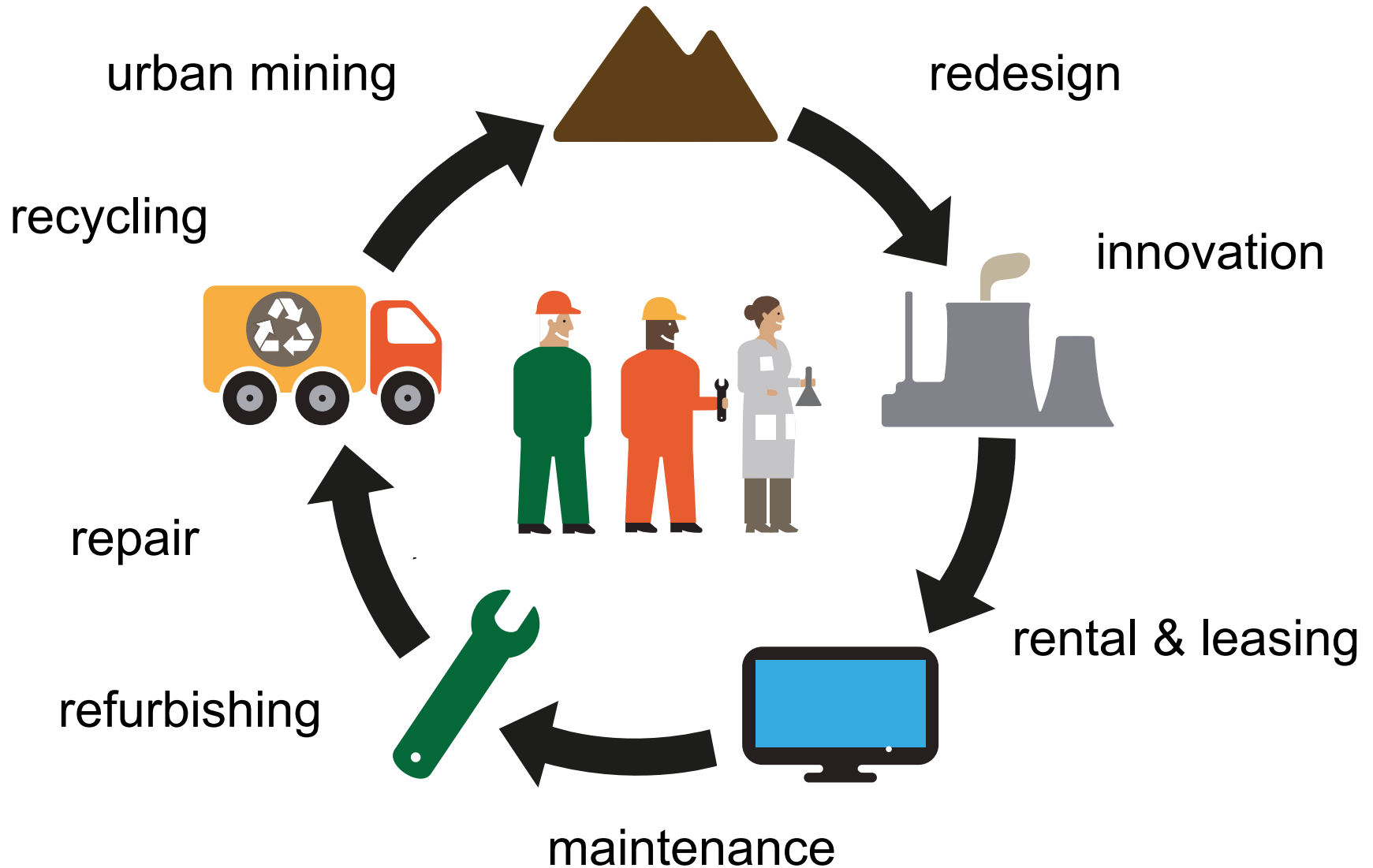
# Closing the Loop



High taxes on labour:  
fewer jobs



# Labour intensive



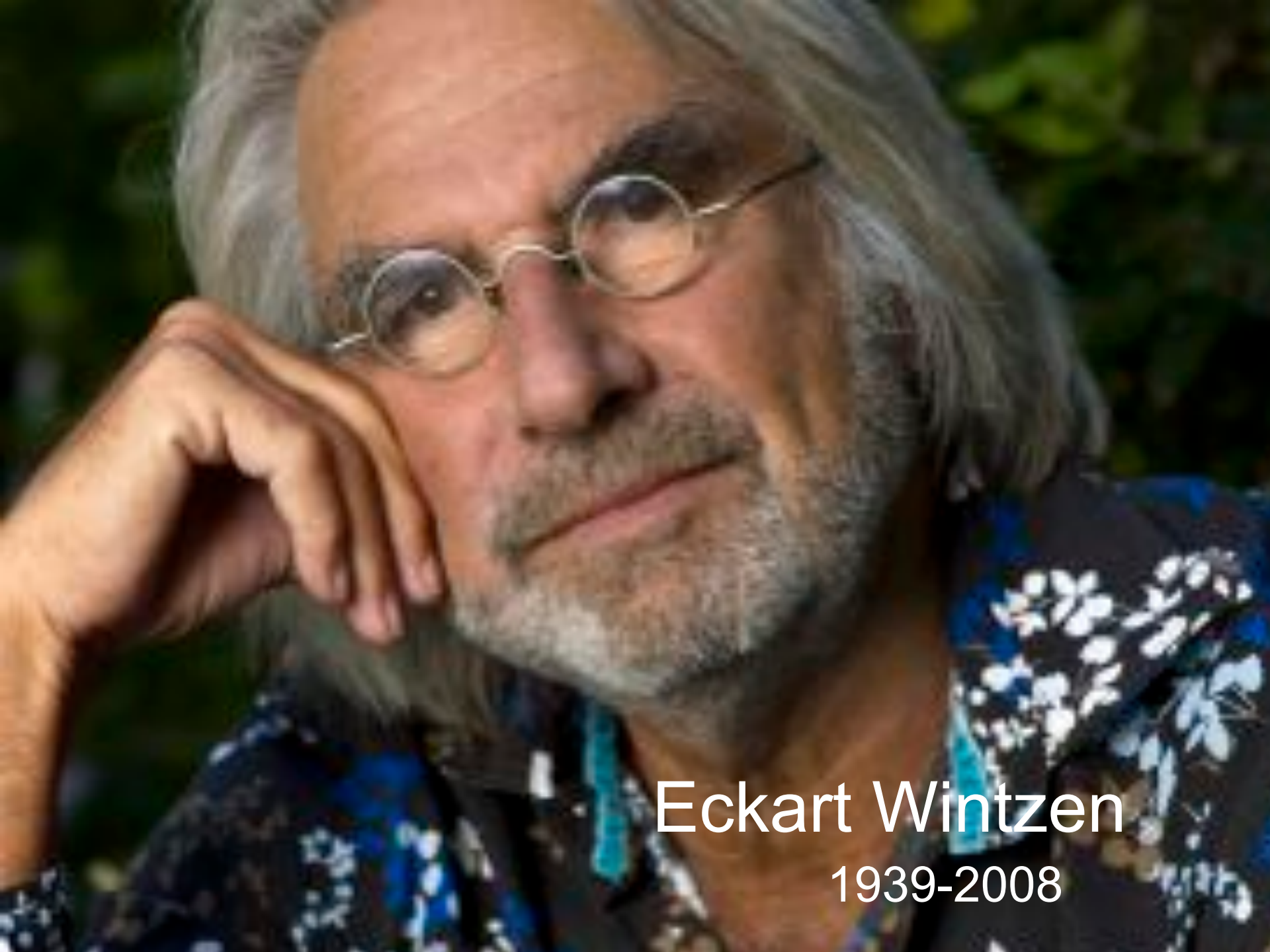


A high-angle, wide shot of a busy shipping container yard. The foreground and middle ground are filled with numerous stacks of intermodal containers in various colors, including blue, red, orange, and white. Some containers have logos like 'PSA' and 'OOCL' visible. In the background, several large yellow gantry cranes are positioned over the stacks. The sky is not visible, as the containers and cranes fill the frame. The overall scene conveys a sense of large-scale industrial activity and logistics.

Low taxes on resources:  
unrestrained use







Eckart Wintzen

1939-2008

# Eckart Wintzen on Ex'tax

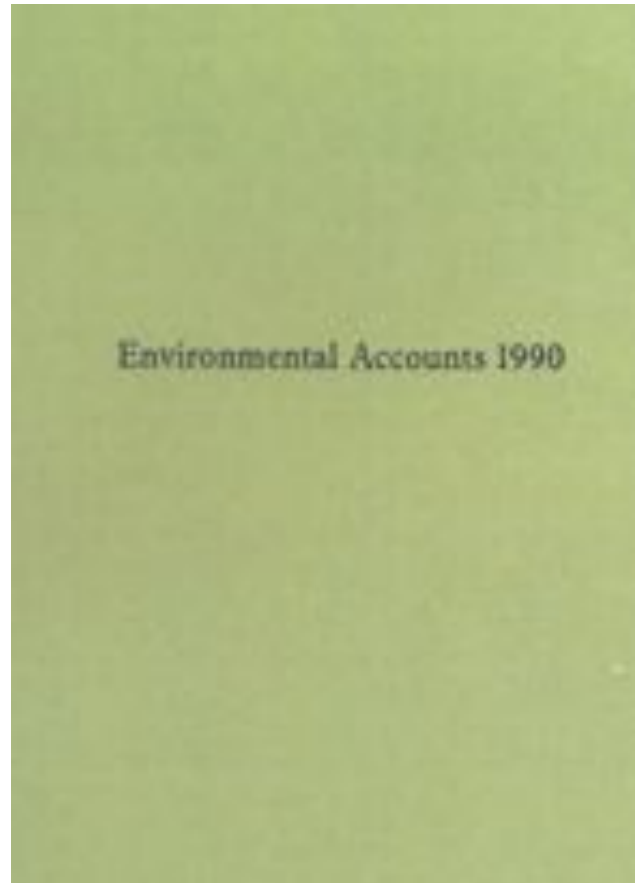
[video]



# Three steps to a Sustainable Free Market Economy, E. Wintzen

1. *‘Ecological bookkeeping’*
2. *Taxing resources, not labour*
3. *Repairing ecological damage*

# 1990 Integrated Report



# ‘Cost of environmental effects’

*Such as:*

- *Carbon emissions (€ 45/t)*
- *Water treatment waste (€ 225/t)*

1990: BSO/Origin Integrated Report

1996: Ex'tent Green Venture Capital

2009: The Ex'tax Project

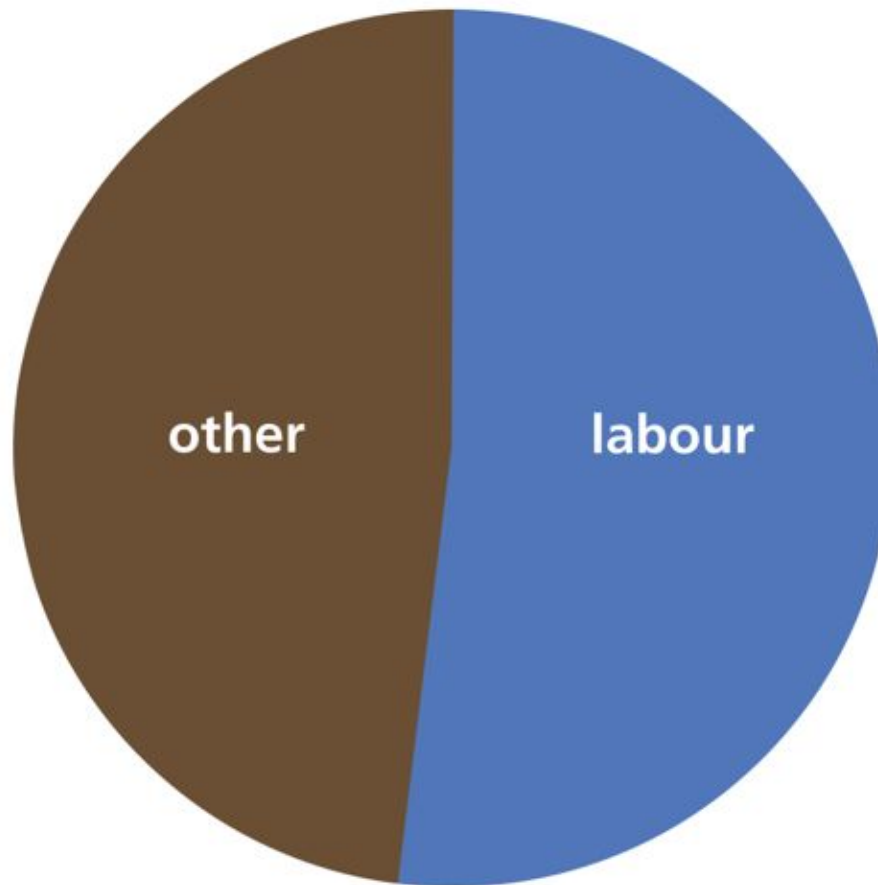


Taxation is  
the 'business model'  
of governments

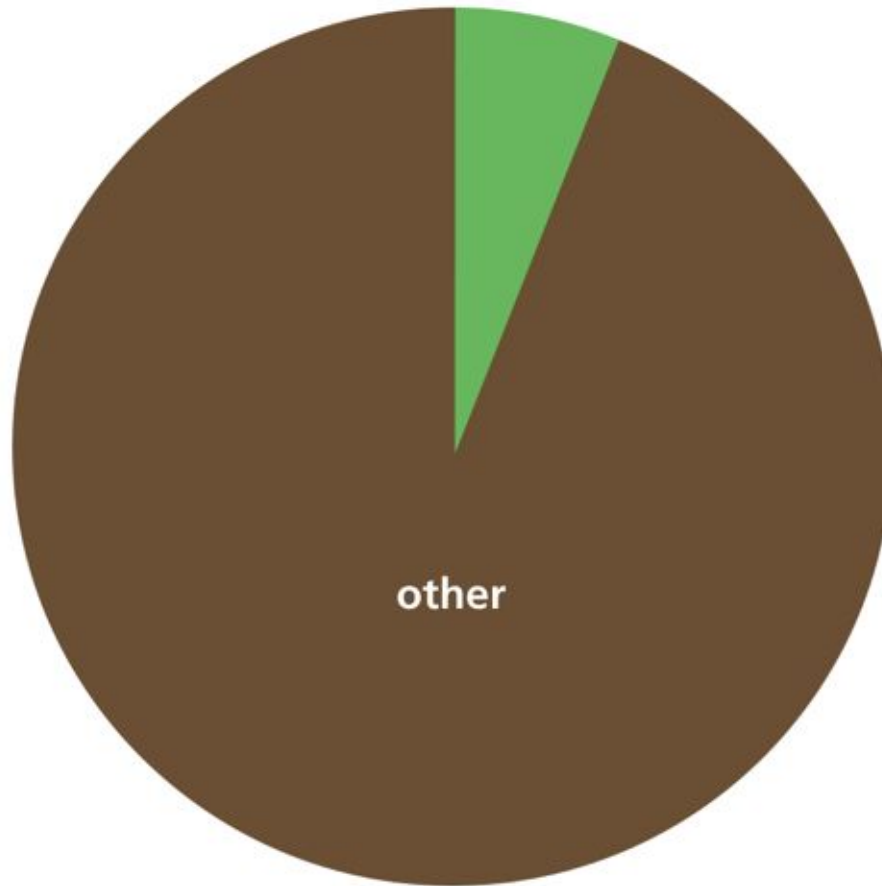
# € 4.9 trillion in taxes per year (2011)



# 51% on labour

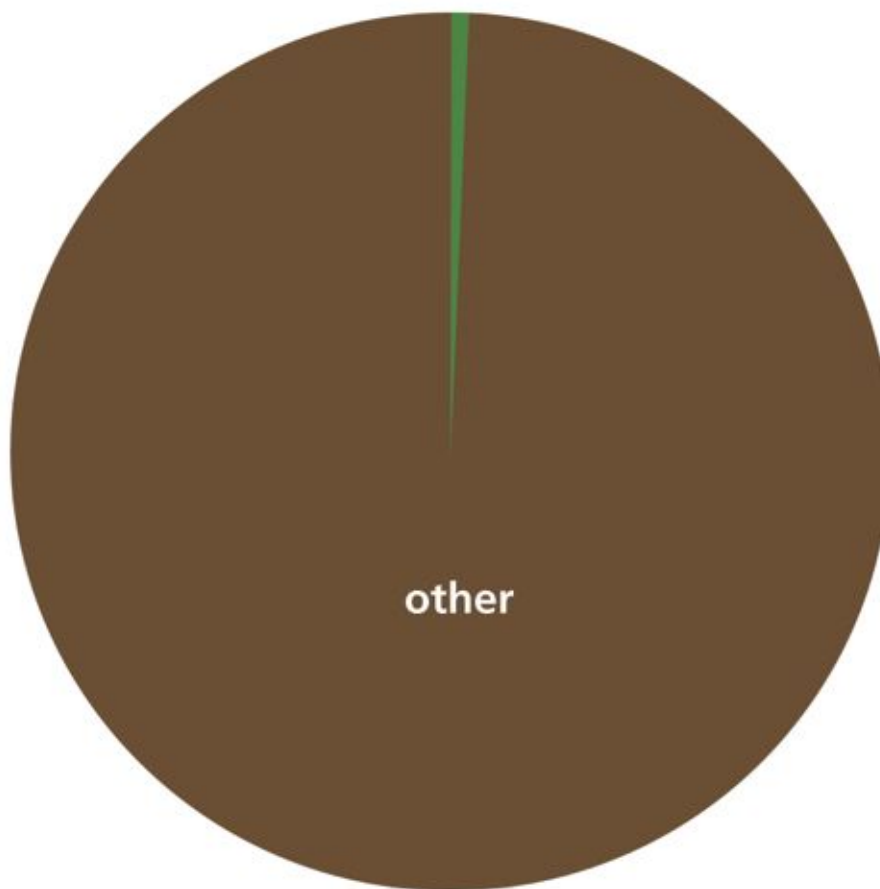


# 6% 'green' taxes





# 0.3% metals, minerals, fish, water



*'Efficiency' has become  
a synonym for  
'fewer employees'*

- Eckart Wintzen

# 700.000 unemployed (NL)



# > 4 million dependent on social security (NL)



2010 CBS



# > 26 million Europeans unemployed



“600 million jobs needed  
worldwide” (ILO)




Abundance of *human* resources,  
scarcity of *natural* resources.

# 700 million people in 43 countries suffer from water scarcity

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## International Decade for Action 'WATER FOR LIFE' 2005-2015

United Nations  
Department of Economic  
and Social Affairs  
(UNDESA)



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[Water for Life Decade](#)>>Water scarcity

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[Integrated Water Resources Management](#)

[Transboundary waters](#)

### Water scarcity

Water scarcity already affects every continent. Around **1.2 billion** people, or almost one-fifth of the world's population, live in areas of physical scarcity, and 500 million people are approaching this situation. Another 1.6 billion people, or almost one quarter of the world's population, face economic water shortage (where countries lack the necessary infrastructure to take water from rivers and aquifers).

Water scarcity is among the main problems to be faced by many societies and the World in the XXIst century. Water use has been growing at more than twice the rate of population increase in the last century, and, although there is no global water scarcity as such, an increasing number of regions are chronically short of water.

Water scarcity is both a natural and a human-made phenomenon. There is enough freshwater on the planet for six billion people but it is distributed unevenly and too much of it is wasted, polluted and unsustainably managed.





# 3.2 million deaths from air pollution (2010)

**TIME**  
**Science & Space**

Magazine | Video | LIFE | Boston Bombing

NEWSFEED | U.S. | POLITICS | WORLD | BUSINESS | TECH | HEALTH | **SCIENCE** | ENTERTAINMENT | STYLE

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**Pencils Festival**  
BUY YOUR TICKETS HERE  
*Gloria Estefan joins the line-up*  
SATURDAY, AUGUST 31  


**Ecocentric**  
All things green, from conservation to Capitol Hill

**Unbreathable: Air Pollution Becomes a Major Global Killer**

By Bryan Walsh | Dec. 20, 2012 | 11 Comments

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The economic growth that many nations in Asia and increasingly Africa have experienced over the past couple of decades has transformed hundreds of millions of lives — almost entirely for the better. But there's a byproduct to that growth, one that's visible — or sometimes less than visible — in the smoggy, smelly skies above cities like Beijing, New Delhi and Jakarta. Thanks to new cars and power plants, air pollution is bad and getting worse in much of the world, and it's taking a major toll on global health.





RECOMMEND

# Prosperity dependent on natural resources



# One iPhone requires 46 elements



# European Commission: 'high supply risk'

- |               |                  |               |
|---------------|------------------|---------------|
| 1. Antimony   | 13. Gadolinium   | 25. Holmium   |
| 2. Beryllium  | 14. Lanthanum    | 26. Samarium  |
| 3. Gallium    | 15. Terbium      | 27. Yttrium   |
| 4. Germanium  | 16. Lutetium     | 28. Europium  |
| 5. Magnesium  | 17. Praseodymium | 29. Scandium  |
| 6. Tungsten   | 18. Thulium      | 30. Iridium   |
| 7. Cobalt     | 19. Cerium       | 31. Platinum  |
| 8. Graphite   | 20. Promethium   | 32. Rhodium   |
| 9. Niobium    | 21. Neodymium    | 33. Ruthenium |
| 10. Indium    | 22. Dysprosium   | 34. Osmium    |
| 11. Fluorspar | 23. Ytterbium    | 35. Palladium |
| 12. Tantalum  | 24. Erbium       |               |





PC printed wiring boards:  
more gold than the richest ores  
in South-Africa (Umicore)



# Recycling is labour-intensive



A large, chaotic pile of electronic waste (e-waste) under a clear blue sky. The waste includes various types of computer monitors, keyboards, and other electronic components, many of which are broken and scattered. A person wearing a white shirt and a dark cap is visible in the upper left background, standing near the top of the waste pile. The text "220.000 tons of electronic waste shipped from EU to West-Afrika (2009 UNEP)" is overlaid in white on the image.

220.000 tons of electronic waste  
shipped from EU to West-Afrika  
(2009 UNEP)



*The tax system  
is a barrier for business  
to hire more people and  
save resources.*

# The Ex'tax effect



**sensible use of resources**



**more jobs & services**

# Yes but...

- Politically feasible?
- Stable government income?

Bad for business?



Lower labour costs:  
repair & maintenance services

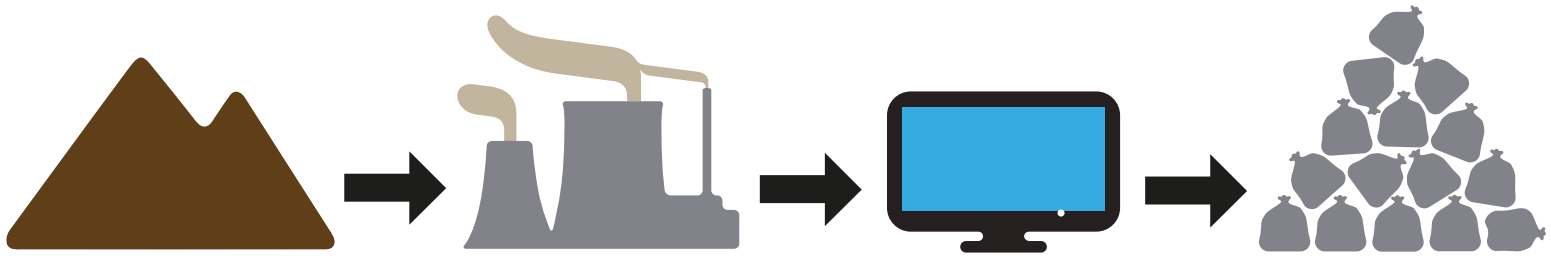




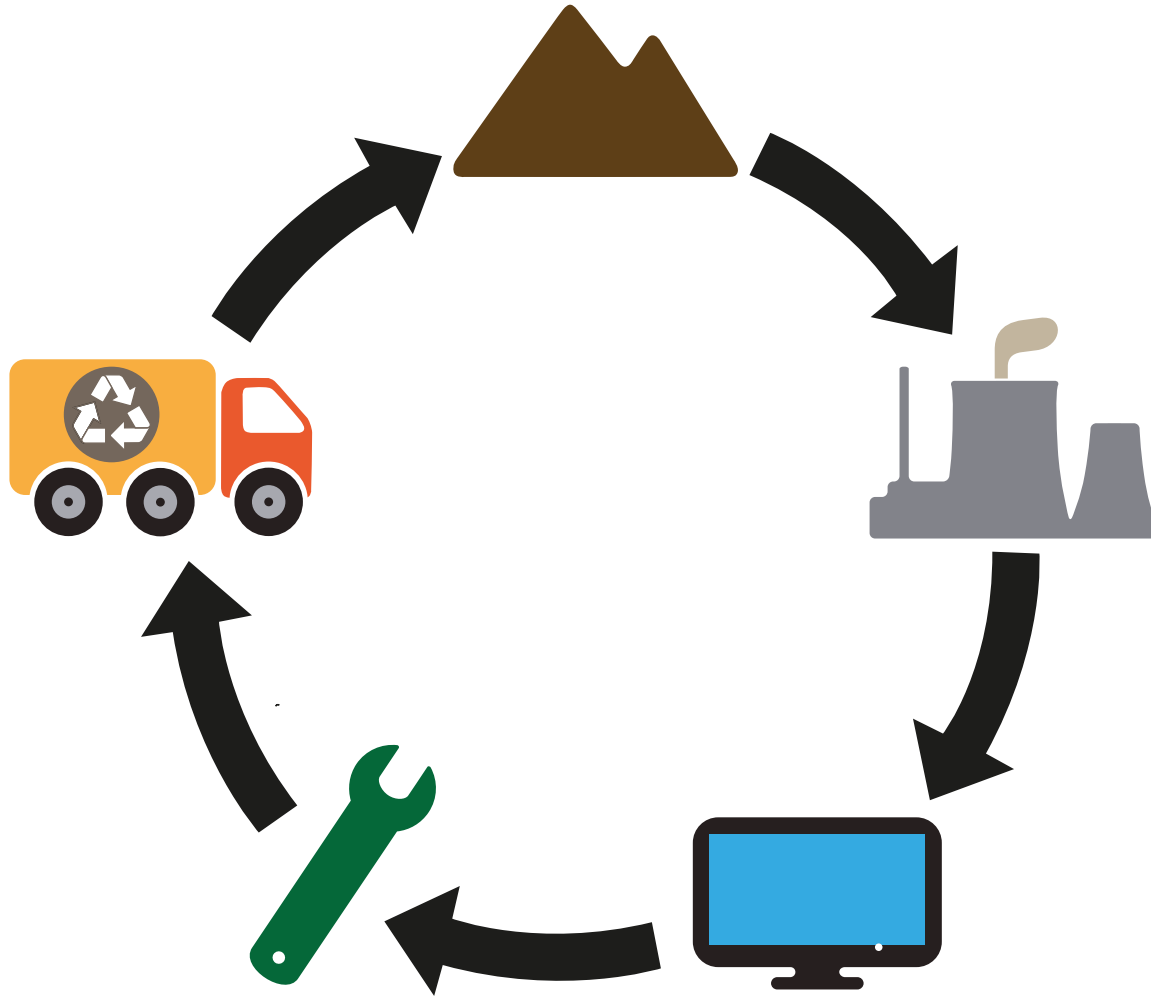


Lower labour costs:  
recycling

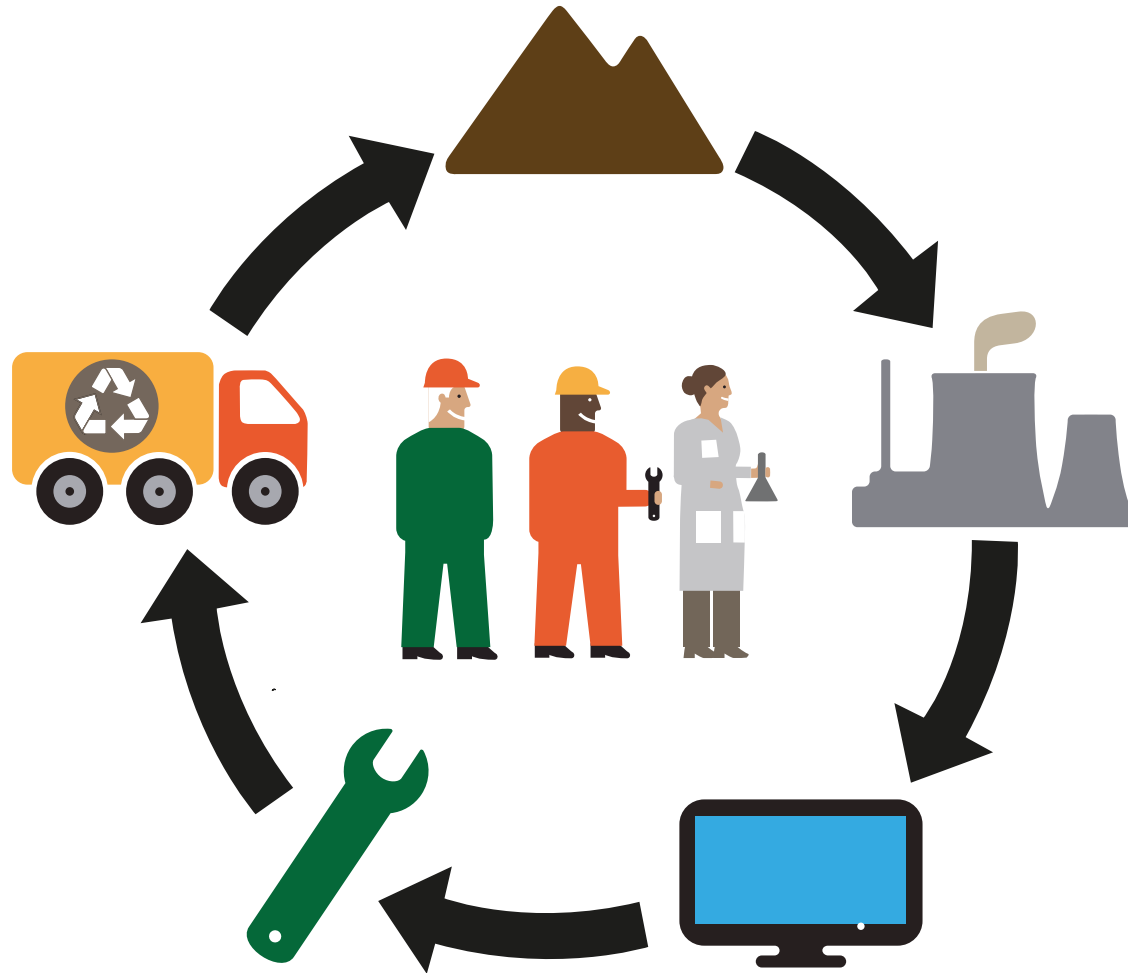
# From linear



# To circular



# Growth based on human resources instead of natural resources











# Tapping into the abundance of human talents

- Manpower
- Craftsmanship
- Attention
- Ingenuity



**tax resources,  
not labour**



# Disney, Microsoft, Shell opt for self-imposed carbon emissions taxes

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## Resource efficiency hub

From Guardian Sustainable Business

### Disney, Microsoft and Shell opt for self-imposed carbon emissions taxes

Where governments have failed to act, some big firms have taken matters into their own hands

Marc Gunther  
Guardian Professional, Tuesday 26 March 2013 17:18 GMT  
[Jump to comments \(1\)](#)

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Share 36  
Email

Resource efficiency - what are the hot topics? As we launch our resource efficiency content hub we'd like to know what you would like us to cover. Post your ideas in the comment feed or tell us on twitter @GuardianSustBiz 7 comments



# The Ex'tax Project Foundation

- Initiated 2009
- Effective coalitions & practical tools

**EX'TAX**

tax resources,  
not labour

# The Ex'tax mission

*Changing the rules of the game:*

A fundamental, budget-neutral  
and fair shift in taxation  
from labour to natural resources.

# Ex'tax Roadmap

TOWARDS A CIRCULAR ECONOMY





# Deloitte, EY, KPMG, PwC on Ex'tax





tax on labour down

### Income tax

Rates

Deductions

Exemptions

Allowances

### Social contributions

Employer

Self-employed

Employee

Non-employed

### Corporate income tax

Rates

Deductions

Exemptions

Allowances

### VAT

Rates

Deductions

Exemptions

Allowances

### Various



tax on resources up

### Water

Water extraction

Water use

Water pollution

Water footprint

### Fossil fuels

Gasoline

Coal

Oil

Shale gas

LPG

Mineral oils

Natural gas

Kerosene

### Metals/minerals

Rare Earth Metals

Platinum Group Metals

Other metals

Salt

Phosphate

### Ecosystem services

Flood control

Biodiversity loss

Water filtration

Genetic resources

Carbon sequestration

Pollination

Prevention of erosion

Recreational value

### Air pollution

CO<sub>2</sub>

Methane

NO<sub>x</sub>

Fluorine compounds

SO<sub>2</sub>

Particulate matter

### Food production

Soy

Fertilizer

Rice

Pesticides

Meat

Manure

Palm oil

Irrigation

### Traffic

Road traffic

Air traffic

Traffic congestion

Air freight

Road transport

Plane tickets

Maritime transport

Noise

### Building materials

Sand

Clay

Gravel

Crushed rock

Wood

### Waste

Electronic waste

Soil waste

Sludge

Nuclear waste

### Energy

Electricity

Gas

Biomass

Nuclear

Wind energy

Tidal energy

Solar energy

### VAT

Rates

Exemptions

Deductions

Allowances

### Various

Land use





### Income tax

Rules

Deductions

Exemptions

Allowances

### Social contributions

Employer

Self-employed

Employee

Non-employed

### Corporate income tax

Rules

Deductions

Exemptions

Allowances

### VAT

Rules

Deductions

Exemptions

Allowances

### Various



tax on resources up

### Water

Water extraction

Water use

Water pollution

Water footprint

### Fossil fuels

Gasoline

Coal

Diesel

Shale gas

LPG

Mineral oils

Natural gas

Kerosene

### Metals/minerals

Rare Earth Metals

Platinum Group Metals

Other metals

Sulfur

Phosphate

### Ecosystem services

Flood control

Biodiversity loss

Water filtration

Genetic resources

Carbon sequestration

Pollination

Prevention of erosion

Recreational values

### Air pollution

CO<sub>2</sub>

Methane

NO<sub>x</sub>

Fluorine compounds

SO<sub>2</sub>

Particulate matter

### Food production

Soy

Pork/beef

Fish

Pesticides

Meat

Manure

Fertilizer

Irrigation

### Traffic

Road traffic

Air traffic

Traffic congestion

Air freight

Road transport

Plane tickets

Maritime transport

ferries

### Building materials

Sand

Clay

Gravel

Crushed rock

Wood

### Waste

Electronic waste

Solid waste

Sludge

Nuclear waste

### Energy

Electricity

Gas

Biomass

Nuclear

Wind energy

Tidal energy

Solar energy

### VAT

Rules

Deductions

Exemptions

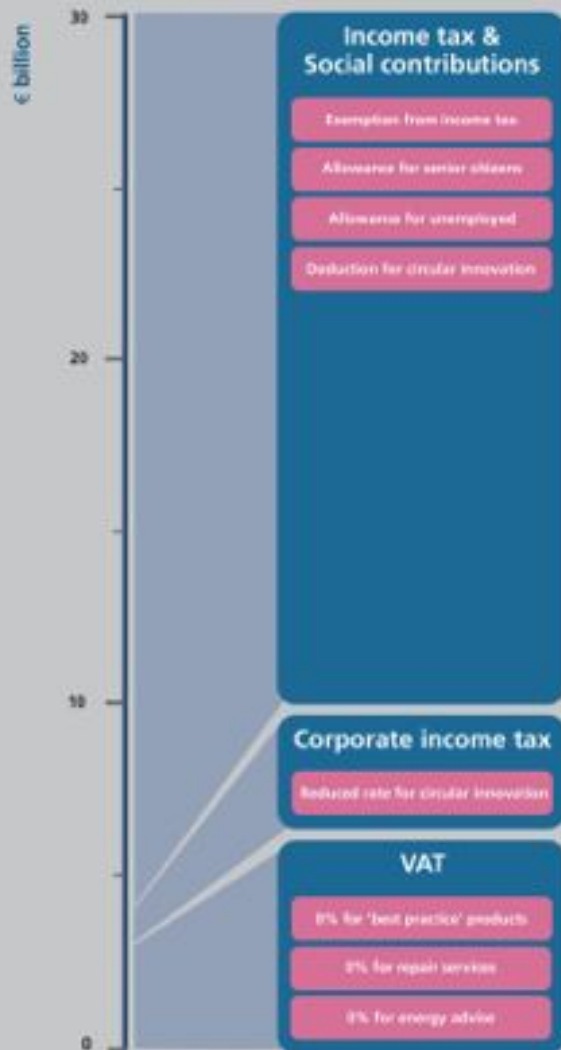
Allowances

### Various

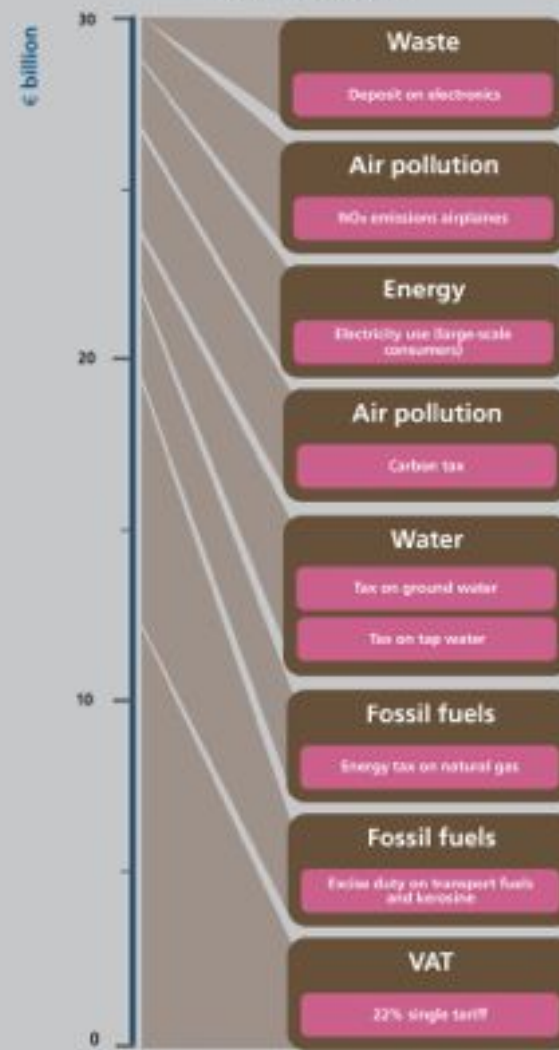
Land use



- € 30 billion in total\*



+ € 30 billion in total\*



\*Indicative

# WBCSD & Ex'tax research

*The evolution of business models  
driven by Ex'tax*



# Scarcity of natural resources





An aerial photograph showing a vast, dense crowd of people from above. The individuals are packed closely together, creating a mosaic of various colors from their clothing. The text "Abundance of human resources" is superimposed in white, sans-serif font across the upper portion of the image.

Abundance of human resources



Ex'tax is a precondition for  
sustainable prosperity



# We welcome your support and expertise

- Share via social media
- Improve knowledge on business cases
- Mobilise the business community & government

*Effects for your business?*

tax resources,  
not labour

**EX'TAX**

# We welcome your support and expertise



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