



**“Identifying the causal effect of carbon taxes –
An evaluation of the UK climate change levy”**

ENERGY AND CLIMATE EXCHANGE

**with
Ralf Martin,
London School of Economics**

**28 September 2009, 12:45 sandwiches, 13:-14:00 seminar
at Bruegel, Rue de la Charité, 33, Brussels**

In 2001 the UK government introduced as part of its efforts to curb greenhouse gas emissions (GHG) the UK Climate Change Levy, a tax on energy consumption for businesses. Ralf Martin will present a study (with Laure B. de Preux and Ulrich Wagner) which provides the first evaluation of this policy using representative firm level data for UK manufacturing. It is an opportunity to identify better the causal effect of the tax and disentangle it from other factors that might have influenced firm performance at the time. Results suggest that the levy significantly reduced energy consumption while not having had negative effects on employment or productivity of firms. The study also finds a positive effect of the tax on innovative (patenting) activity of firms. The meeting will be chaired by Bruegel Senior fellow, **Reinhilde Veugelers**.

Dr Ralf Martin is a British Academy Postdoctoral Research Fellow at the Centre for Economic Performance of the London School of Economics. He is also involved in *Centre for Climate Change Economics and Policy* at LSE. His research interests cover climate change, productivity and innovation.

The Bruegel Energy and Climate Exchange (ECE) is a discussion forum for professionals, academics, policy-makers, business, NGOs, selected members of the press and other interested parties in the field. Participation is by invitation only, please contact Matt Dann at matt.dann@bruegel.org if you wish to add someone to the invitation list.

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