

The Columnist

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Save energy by cutting advertising

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The environmental impact of advertising and the ways to navigate it

Advertising is a classic example of the so-called prisoner's dilemma: what is individually rational and profitable for an individual is irrational and unprofitable for an entire society.

According to the motto "if you do not advertise, you disappear", virtually every major company must advertise. But if everyone does, it causes a senseless advertising avalanche that hurts everyone, especially the public and the environment. It is a kind of arms race: "Those who invest more in marketing gain a temporary advantage but force their competitors to follow the example until one starts the next round of escalation. And since the one who does it first gets the edge, there is always the brightest one."

Such dilemmas can be solved only together. Various, perhaps simple measures could be taken to do this, besides a ban on light advertising.

Cancel the tax deduction for income from advertising

German Companies can now claim their advertising expenditure as a tax deduction. Thus, advertising costs are currently subsidised because they are not tax deductible. It is enough to abolish this tax deduction, and advertising will become more than a third more expensive for companies.

This simple tax measure would have two benefits at once. On the one hand, tax revenues would generate perhaps EUR 13 billion annually. Secondly, advertising would become significantly more expensive, which is the main effect intended. This would dramatically reduce advertising costs in the medium term. And that would be precisely the purpose of the price increase: to curb today's pointless advertising arms race and thereby save energy.

Tax on advertising expenses

However, removing the tax deduction for advertising costs alone will not be enough to reduce advertising dramatically in the long run. Therefore, a systematic increase in advertising costs should be introduced in stages, such as a tax on advertising costs or an additional advertising tax that increases from year to year until advertising becomes so expensive, following the example of tobacco or alcohol taxes, that only the most necessary advertising is placed.

Bans on specific advertising

In addition, as in Scandinavia, we must ban advertising to children and stop advertising harmful products such as alcohol, tobacco, gambling, etc.



Conclusion

These measures to restrict advertising, which go far beyond a ban on illuminated advertising, should and will, in the medium term, lead to significant reductions in needlessly high advertising costs. This will result in indirect savings of a large amount of energy.

In addition, the market economy and the functioning of markets will be strengthened, as there will be less misleading of consumers and less misuse of power and resources.

Moreover, if we could do away with commercial advertising for profit, we would have at least one more week of holidays a year without any missing product or service.

We would have a real chance to finally escape the dogma of constant economic growth consuming more and more energy. In our society, greed and the desire to have more and more may eventually become weaker.

In the long term, this will allow us to arrive at a humane and environmentally compatible way of doing business, in which people and all of nature will be treated with respect and reverence. Then we will also take a big step forward toward permanent energy conservation.