

## 14 – Industrial Nomadism and Environmental Protection in EU

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In the industrial field, the limits of a structured regulation on the national territorial spaces has become evident and inadequate due to changes of world trade and production. Faced with these difficulties in Europe, the subject of environmental protection has been taken over by the “European superstate”, passing from a national legal system to a “super - legal system “. The EU has acted mainly with the instrument of environmental markets through which it was hoped to achieve environmental protection at the lowest possible cost or, in a cost effective way with the lowest environmental impact. Now we can say that these markets suffered global economic phenomena such as: a) robotization, which allows companies to acquire machinery and softwares instead of training personnel (more difficult to move and replace); b) the development of the internet that leads every consumer to buy goods on line and, c) of course, globalization all over the world.

Companies today can choose in which legal system to establish the company headquarter, where to pay taxes and on which market to buy skills. The relations of forces have been reversed and it is now the States that compete with each other to offer the best industrial conditions, with low taxes and lower environmental standards.

In presence of the “industrial nomadism” the environmental protection guaranteed by any legal system is ineffective due to the practical impossibility of enforcement. The economy is now supranational and, above all, supra-each individual legal system.

The European Union is the only legal system in the world that sets clear environmental limits. Also a carbon border tax seems to promise a protection to companies from the carbon leakage risk. The legislators should remember that no virtuous behavior will ever be adopted in a structured way by companies if this behavior is not perceived as beneficial. Incentives, duties and obligations do not represent these conditions. These measures deploy their effectiveness only in the proximity and in the presence of the State and if the State does not supervise, or does not continue its incentive action, prerequisites that generated virtuous behavior will fall.

Therefore the task of the State must be to impose those conditions that make environmentally sustainable behaviors advantageous for industrial competitiveness, for the profitability of companies.

### **Biographical note**

President of the AIEE Scientific Committee. She taught environmental and social sustainability at LUMSA University. She works for GSE and before for the Ministry of Environment. The "Charge on emissions" proposal, contained in her book "CO<sub>2</sub> in goods and European industrial competitiveness", is among the mechanisms assessed at European level for an environmental tax reform.