

Advertising should be on the agenda at COP 26 - because...

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COP 26 has begun. There are, unfortunately, few signs for optimism. I am not surprised. Whilst I am quite sure that most young people get the total seriousness of the climate crisis that is going to envelop the world during the course of their lifetime there are far too many who are towards the end of their lives who do not do so. They wish to pretend that the privilege, status and consumption that the existing economic structure of the world economy has provided to them can be perpetuated. That is plainly obviously impossible now.

What I find particularly difficult about much of the discussion that is taking place is that there is an underlying assumption that if only we can substitute alternative energy inputs into the current world production processes then all will be well, and life can continue as it did before. I do not believe this. The problem that we face is not one that requires a little tinkering with production processes. What we have to do is cut our consumption.

I stress that I know that there are many living on economic margins. I would also add that in large part that is because of the extraction of excess rents - including those on land - from so many in these situations. But, even noting this, we still need to cut consumption. If they were properly made we would not need to consume so many telephones. Fashion is helping destroy the planet. Every saving from energy efficiency in cars has almost entirely been absorbed by the increase in their size. The biggest saving to be had in household energy consumption is from using less.

It is this process of using less that is simply not being mentioned in much of the climate debate, and yet it is at the heart of human survival. It might be mocked by Boris Johnson, who treats the right to fly as some sort of virility symbol, but as in so many things, he is wrong, not least because for a great many people consuming less will have little or no real impact on the quality of their lives. It is, for most of us, the human interactions, large and small, that provide us with real satisfaction, but most of them do not involve significant carbon consumption in themselves. We are, however, persuaded otherwise, and that is deliberate.

Advertising is the most pernicious economic activity that exists. No one but an advertising executive goes to work each day with the sole intention of making people unhappy, but that is exactly what those in the advertising industry do. It is their job to make us feel inadequate. Their claim is that we should suffer from phone, car, holiday, clothing, appearance or a multitude of other envies, many of which we would be wholly unaware of but for the almost constant bombardment of advertising messages telling us that this is the case. What is more, there is always one consistent message of hope that is offered, which is that if only we consume more then we would be better people. That, of course, is a message completely at odds with that which climate change requires.

My suggestion is, then, that if we are to win the battle on climate change we have to reduce the impact of advertising upon our society. I wrote what follows in 2011. It comes from chapter 16 of my book *The Courageous State*. It remains as relevant now as it was when I first wrote it:

"Advertising is pervasive in the modern economy, but pernicious. A Courageous State will have to tackle this issue and there is no doubt that one way to do this would be through the tax system. There is, of course, advertising that is of benefit, including small advertisements in local media, job advertisements and such other announcements. Most of these could be exempted from any tax penalty on advertising simply by setting a monetary limit per advertisement below which such penalty would not apply. Above that limit, where the advertising in question would be designed to fuel demand for products and services whether or not they were a benefit to the consumer in society, there must be a radical overhaul of our tax system as it relates to advertising.

First, no tax relief on such advertising should be available within the tax system, so that the cost of advertising cannot be offset against the profits generated from trade to reduce a taxpayer's profit on which they owe tax.

Second, any value-added tax charged on the supply of advertising services to a business should be disallowed as an input in the VAT reclaim it makes from H M Revenue & Customs. In other words, that VAT then becomes a business cost of advertising.

The impact of these two moves is obvious: it is to increase the cost of advertising, and that would be deliberate. Tax has to be used to counter the harmful externalities created by the market, and the feelings of inadequacy, indifference, and alienation promoted by advertising in very many sections of society are almost universally harmful.

There would, however, be a cost to such arrangements: the media would of course suffer from a loss of income. The media has, however, itself been under scrutiny of late, and has not always emerged with its reputation intact. While media independence is

vital, so is its objectivity and in that case there appears to be strong merit in using some, or all, of the additional tax revenue raised by government as a result of these proposed taxation changes on advertising to fund the media, both nationally and as important locally, but only if it agrees to act with political impartiality. If it did that then I think funding to compensate the media for some of the loss of revenue it will suffer as a result the loss of advertising revenue would be appropriate.

But also note that what is being suggested here is hardly without precedent: when it became obvious that business entertaining was giving rise to abuse, tax and VAT relief on it was stopped in much the same way as I now suggest for advertising. Many said that the restaurant and other trades would collapse as a result. They did not, of course, do so."

I doubt that we would cease to have media without advertising. We might have to pay a little more for it, but if we consumed less we might be willing to do so. we might also enjoy that media more without so much advertising. The fact that the message that we receive might be more unbiased, because so much media content is intended to influence our behaviour, could increase our freedom. And, if we reduced some of the opportunities for political advertising we might also have stronger democracies.

I doubt there will be much discussion of advertising amongst the world leaders at COP 26, But there will need to be in due course. We cannot carry on as we are.