Forum (Council, Committee, Assembly): General Assembly 2

Student Officer(s): Beomjoon Park, Jenny Le, Duy Duc Nguyen

TOPIC 1: The question of carbon tax

LibGuide

I. Introduction to the Topic

To address the theme of the conference, "How do we ensure sustainability through multilateral cooperation?" The Second General Assembly Committee looks at the question of carbon tax by promoting countries present in the assembly to cooperate and create discussions to produce sustainable solutions. Carbon tax is when the government taxes people who emit greenhouse gases. The people are taxed based on how much greenhouse gas they have emitted. Carbon tax is adopted so that people will take initiatives on their greenhouse gas emissions and carbon footprints. Greenhouse gas emitters will take these steps to emit less carbon dioxide because they don't want to pay as much money to the government. Carbon tax could also be a tax on the goods and services that are produced by carbon dioxide emitters. Carbon pricing has been implemented in some countries around the world like South Africa and Argentina. Carbon dioxide emissions threaten the environment by causing climate change. Carbon tax is an economical method that aspires to stop or mitigate this environmental issue. There is also something called Emissions Trading Systems (ETS) which is also called cap-and-trade system. This is when the government puts a cap on how much carbon dioxide is allowed to emitted. ETS has also been implemented in some countries including China, Kazakhstan, New Zealand and Germany. Some countries have had debates on how to implement carbon tax in their government. Many people have argued that carbon tax has many disadvantages that are not made up for through the benefits on the environment. Carbon tax could have consequences like how the inequality between rich people and poor people could worsen. If fossil fuels are more expensive, people with lower income would use it less but they also won't be able to make money off of the product that they were producing as much since they are using it less.

II. Definition of Key Terms & Concepts

TOPIC 1: The question of carbon tax

Definition of Key Terms

Carbon tax: A price the carbon dioxide emitters pay to the government for the amount they emit. This is significant because the topic is debating about the issues of carbon tax.

Greenhouse gas: Gases that trap heat in the Earth's atmosphere. This is significant because greenhouse gas emissions are what the carbon tax is trying to mitigate.

Emissions Trading Systems (ETS): Also known as cap-and-trade system and it is when the government puts a maximum limit to how much carbon dioxide someone is allowed to emit. This is significant because it is an initiative taken by the government to reduce emissions just like carbon pricing.

Tax: A price someone pays to the government based on how much they earn. This is significant because it shows what taxes are normally and could be used to compare carbon taxes.

Revenue: The money made by a business or individual, a person's income. This is significant because discussions regarding individual revenue could create a more deep understanding of what carbon tax benefits and doesn't.

III. Key Stakeholders

Key stakeholder 1: Governments

Governments are the ones that are choosing to implement carbon tax. They want to reduce carbon dioxide emissions. Governments would also like to earn more money and implementing more tax for their citizens would allow them to garner more finances.

Key stakeholder 2: Carbon dioxide emitters

Carbon dioxide emitters are people who produce carbon dioxide most likely in order to produce goods and services. These people would like to reduce their carbon dioxide emissions but because it is their source of revenue they must continue working and producing carbon dioxide. Carbon dioxide emitters would not like carbon tax to be implemented since it will only disrupt their work and could also put them out of business.

Key stakeholder 3: International Labour Organization (ILO)

The International Labour Organization (ILO) is an organization that promotes workers' rights. They devote their work to labourers and to create a healthy, safe and just environment for people to work in. The ILO believes that carbon tax should be designed carefully in order to help the environment and shouldn't negatively impact small businesses and enterprises.

IV. Key Issues including Background Information

Greenhouse gas emissions: Greenhouse gas emissions are an issue to our global society because it could have disastrous effects on the environment. Extreme weather, air pollution, climate change and respiratory diseases could be caused by greenhouse gas emissions. We must reduce greenhouse gas emissions and carbon tax is a method of regulating people from emitting too much greenhouse gas.

Income inequality: Carbon tax affects small businesses and large corporations differently. Small businesses would have trouble maintaining a sustainable business model if carbon tax is implemented. They would have to work very hard to not produce as much carbon dioxide as possible and still produce as much as they did before. While large corporations don't really have to worry about some carbon dioxide emissions since they could just pay the tax. This is why a disparity in income between citizens would worsen if carbon tax is implemented.

Different carbon sources: Carbon tax targets carbon dioxide emissions specifically from fossil fuels. This means that any other form of carbon compounds are not targeted. For instance, methane would still be an issue in our society due to its huge warming potential and short lifetime. There are carbon emissions from agriculture, deforestation and waste management that would also go unnoticed since they are not taxed directly. Carbon tax would not fully resolve the issues regarding dangers brought about by carbon dioxide emissions.

V. Timeline of Resolutions, Treaties, and Events

Timeline of Resolutions, Treaties, and Events

Date	Description of event
1991	Sweden implemented a carbon tax. This was one of the first carbon tax implementations in a country. Sweden has one of the highest carbon tax rates currently.
1992	United Nations Framework Convention on Climate Change (UNFCCC) is a treaty established in 1992. 197 states have ratified the UNFCCC. This treaty was responsible for the Kyoto protocol and the Paris agreement which became significant agreements, related to climate change, made between different member states.
1997	The Kyoto protocol was signed on 11 December 1997. It worked to limit and decrease greenhouse gas emission around the world. There were specific carbon emission reduction targets that were set by this protocol. There are currently 192 parties that are part of this protocol.

1999	The International Emissions Trading Association (IETA) is an independent organization that was established in Geneva in 1999. This organization was created to look at the economic factors that play into carbon tax. Some members of the IETA include carbon emitters, traders, brokers and investors.
2005	The European Union formed its Emissions Trading System. This was the first ETS in the world and it is currently still in play. The EU wanted to reduce greenhouse gases by using ETS. It is currently in phase 4.
2016	The Paris agreement was another legally binding agreement made by different member states in reducing climate change effects. It was specifically created to target global warming. This is related to carbon tax because carbon dioxide emissions are one of the main reasons temperatures are increasing. It was adopted at the UN climate change conference (COP21) in Paris.

VI. Possible Challenges & Solutions

Greenhouse gas emissions: The issues of greenhouse gas emissions being a danger to our environment could be worked towards in many ways. The topic directly relates to one of the possible solutions being carbon tax. Carbon tax could be a solution since it is holding businesses responsible for their carbon emissions. Carbon tax has its drawbacks so other solutions could be to transition into using more renewable energy sources. This would have to be implemented by many businesses to fully take into effect. Also, renewable energy is more expensive than fossil fuels, so many businesses would not have incentive to make this kind of change.

Income inequality: The issue of carbon tax being differently appreciated by large corporations and small businesses could have a deeper issue in the inequality of revenue from these different sources of income. Larger corporations would probably produce more carbon emissions and make far more revenue than smaller businesses. This is why logically carbon tax could benefit smaller businesses but these businesses could strongly depend on the use of carbon products to have a sustainable income. The challenge is that detrimental environmental impacts that these carbon emitters have do not matter to them as long as income is constant. Therefore, implementing a carbon tax would be a way to take money away from business owners by the government. This could be seen as unfair and unjust. A solution would have to be for the government to control the way in which carbon tax works so that it is demonstrating strong equity between the state and the business owners.

Different carbon sources: The issue of different carbon emissions being treated differently when carbon tax is implemented could come from how carbon is not always easy to trace. The challenge with taxing all forms of carbon is that some carbon forms do not have clear negative impacts on the environment. Some forms of carbon emissions could also be hidden or indirectly causing damage to the environment. The government would be taxing carbon dioxide emissions that are obviously being emitted into the atmosphere. A solution could be to try other forms of punishing carbon emissions. ETS has been implemented in more countries than carbon tax so it could be a more productive way to limit carbon dioxide emissions.

VII. Recommendations for Resolution Writing including Research

In order to better understand the relationships between different member nations regarding this topic, delegates should first research and look at their country's goals and hopes regarding carbon tax. This would be a good foundation for delegates to further research onto their country's perspective and status regarding the payment of carbon tax. The relationship between the delegate's own country with different carbon tax-related organizations along with its relationships with other countries regarding this topic should also be explored. Delegates should look at varying perspectives while drafting their resolution to make their resolution encompass goals by more member nations.

VIII. Bibliography

Achieving a Just Transition towards Environmentally Sustainable Economies and Societies for All. www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_876568.pdf. Accessed 17 Oct. 2023.

"Carbon Tax Basics." *Center for Climate and Energy Solutions*, 21 Oct. 2021, www.c2es.org/content/carbon-tax-basics/. Accessed 17 Oct. 2023.

"Development of EU ETS (2005-2020)." *Climate Action*, 2020, climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/development-eu-ets-2005-2020_en. Accessed 18 Oct. 2023.

"Global Climate Agreements: Successes and Failures." *Council on Foreign Relations*, 2020, www.cfr.org/backgrounder/paris-global-climate-change-agreements. Accessed 18 Oct. 2023.

"Infrastructure Podcast | a Carbon Tax Affects Poor and Rich People Differently." *World Bank*, 2022, www.worldbank.org/en/news/podcast/2022/01/19/tell-me-how-a-carbon-tax-affects-poor-and-rich-people-differently. Accessed 17 Oct. 2023.

Islam, Roumeen. "What Is Carbon Tax and Will It Help to Limit Emissions?" *World Economic Forum*, 4 Feb. 2022, www.weforum.org/agenda/2022/02/what-a-carbon-tax-can-do-and-why-it-cannot-do-it-all. Accessed 17 Oct. 2023.

"Looking Back on 30 Years of Carbon Taxes in Sweden." *Tax Foundation*, 28 July 2023, taxfoundation.org/research/all/eu/sweden-carbon-tax-revenue-greenhouse-gas-emissions/. Accessed 18 Oct. 2023.

"Mission and Impact of the ILO." *Ilo.org*, 2019, www.ilo.org/global/about-the-ilo/mission-and-objectives/lang--en/index.htm#:~:text=The%20International%20Labour%20Organization%20(ILO,to%20universal%20and%20lasting%20peace. Accessed 17 Oct. 2023.

NASA. "Carbon Dioxide Concentration | NASA Global Climate Change." *Climate Change: Vital Signs of the Planet*, 15 Aug. 2023, climate.nasa.gov/vital-signs/carbon-dioxide/#:~:text=Key%20Takeaway%3A,in%20less%20than%20200%20years. Accessed 17 Oct. 2023.

Nichols, Russell. "Why It's so Hard to Put a Price on Carbon." *Time*, Time, 25 Oct. 2022, time.com/6213485/carbon-pricing-challenges-climate-change/. Accessed 17 Oct. 2023.

Nunez, Christina. "Carbon Dioxide Levels Are at a Record High. Here's What You Need to Know." *Environment*, National Geographic, 13 May 2019, www.nationalgeographic.com/environment/article/greenhouse-gases#:~:text=They%20cause%20climate%20change%20by,change%20caused%20by%20greenhouse%20gases. Accessed 17 Oct. 2023.

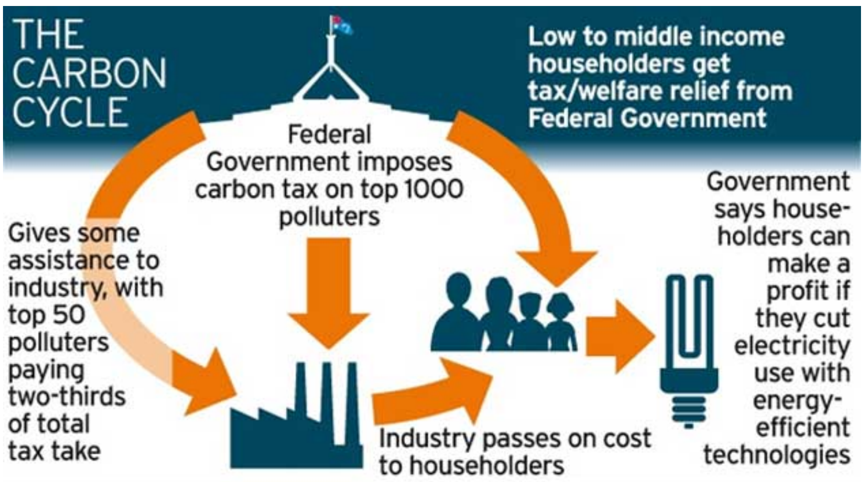
“Pricing Carbon.” *World Bank*, 2023, www.worldbank.org/en/programs/pricing-carbon#:~:text=There%20are%20two%20main%20types,extra%20allowances%20to%20larger%20emitters. Accessed 17 Oct. 2023.

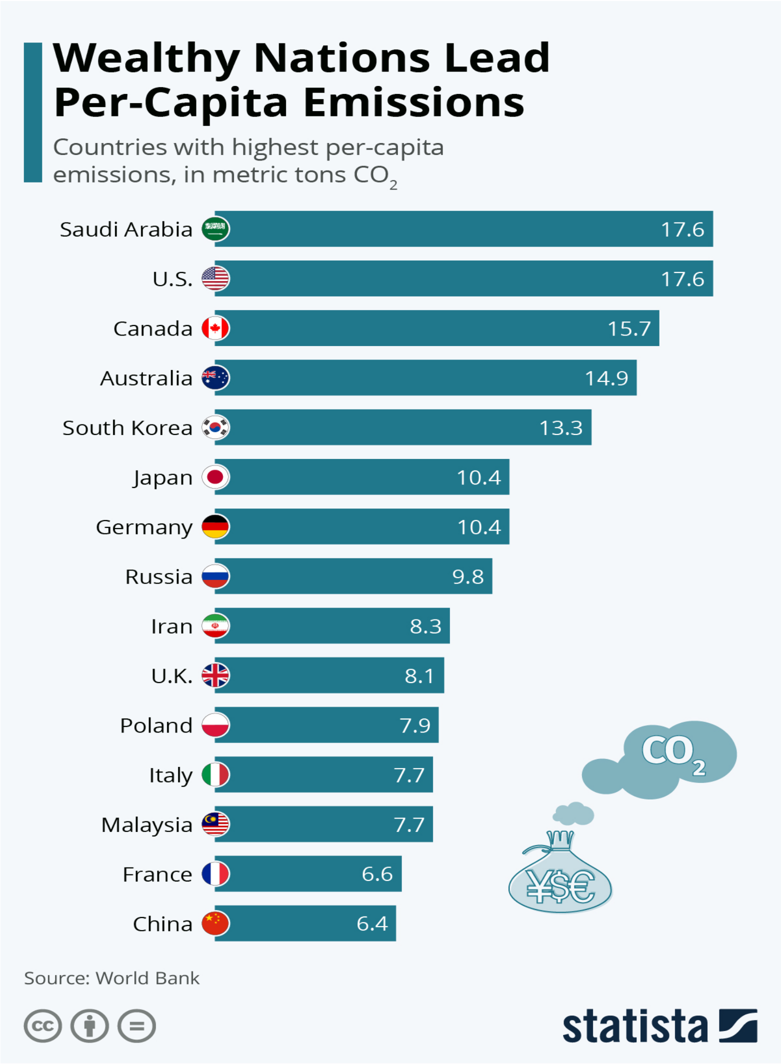
“What Is a Carbon Tax?” *Tax Foundation*, 30 Aug. 2023, taxfoundation.org/taxedu/glossary/carbon-tax/#:~:text=A%20carbon%20tax%20is%20levied,to%20produce%20less%20of%20them. Accessed 17 Oct. 2023.

“What Is the Kyoto Protocol? | UNFCCC.” *Unfccc.int*, 2020, unfccc.int/kyoto_protocol. Accessed 18 Oct. 2023.

“What Is the UN Framework Convention on Climate Change (UNFCCC)? - Grantham Research Institute on Climate Change and the Environment.” *Grantham Research Institute on Climate Change and the Environment*, 24 Oct. 2022, www.lse.ac.uk/granthaminstitute/explainers/what-is-the-un-framework-convention-on-climate-change-unfccc/. Accessed 18 Oct. 2023.

IX: Additional Resources




Wealthy Nations Lead Per-Capita Emissions
Countries with highest per-capita emissions, in metric tons CO_2
Saudi Arabia 17.6
U.S. 17.6
Canada 15.7
Australia 14.9
South Korea 13.3
Japan 10.4
Germany 10.4
Russia 9.8
Iran 8.3
U.K. 8.1
Poland 7.9
Italy 7.7
Malaysia 7.7
France 6.6
China 6.4
CO_2
¥$€
Source: World Bank
statista