

Government's responsibility on the environment



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Our modern day's market system is has put so much attention on its profits that it seems to have forgotten its social responsibility. Because of the increased production by the different markets and their attempt to keep with the competition, the environment has been very much affected. There are many stories in the newspapers and the news about global warming and other environmental hazards which have been as a result of the increased market productions; a good example is the much talked BP oil spill in the deep waters. This not only a show that the market is not careful while producing but it also shows that it has no much concern on the environment. This is where the government should come in.

It is thus true that the today's government has a role to play in regulating and managing the environment we live in because the market system tends to ignore the environmental fallouts that have resulted in global warming issues. This is because the environment is like a public good which might not belong top someone specifically but is consumed equally by everybody. Unless there is a strong unity within the firms, then the environment will continue to disintegrate each day because each firm will concentrate on maximizing profits at the expense of the environment leading even to more global warming.

Kevin Michael Rudd, is the current prime minister in Australia. He is also a leader of his party. According to him, climate change is " the greatest moral, economic and social challenge of our time." His intention is cut emission of green house gases by 60% before the year 2050. he signed the Kyoto Protocol immediately after being sworn in as Prime Minister. In December of the year 2008, he released a paper, commonly known as a " White Paper"

which talked about reducing Australia's greenhouse gas emissions. The paper talked about putting up an emission trading scheme in the year 2010 but this has been delayed to be put up in the year 2011 probably because of the much criticism that it encountered. The emission trading scheme is also the Carbon Pollution Reduction Scheme and it estimated that the emission of greenhouse gases would be less by a level between 5% and 15% in 2020 below the year 2000.

Although Rudd's government was not able to start an emission trading scheme as planned, it is trying to prove that it can meet its greenhouse gas reduction targets by rushing new energy efficient strategies. According to the Prime Minister, the government has made up its mind to extend the implementation of this scheme up to the year 2012. Despite of this delay, the Prime Minister insisted on the government's commitment to this scheme. He however brought an impression that if there was slowness in international action, the scheme could either be delayed further or even abandoned. His spokes person said that the government would make the emissions trading scheme part of the legislation by 2013 if the international action is sufficient by then. This matter has brought a lot of debate within the Australian government.

There is a ministerial task group which will report in June on the options which include new industrial and building efficiency measures and an energy efficiency trading scheme. There are also fuel efficiency regulations and funding for clean coal and solar projects but these are likely to be pre-elections announcements to make it look as if the government is still much

committed to dealing with climate change and is also able to meet the reduction aim that it has made an international pledge to.

There are however fears that the fight against global warming will have an economic effect on many things. First, it is believe that it is likely that there will be more tax on everything. This will lead to increases in the price of meeting the country's new policies on the environment. This is also considered that it could lead to the sending of a disastrous indication to the waving international climate talks.

The country will have to pay a carbon price in order to meet its target. The public is not ready to pay more to deal with global warming. The concern of the public comes in because it is likely that when the carbon price is introduced to the market, it will be passed to the consumers through high prices for the products. Despite of this, the majority percentage of the entire population are willing to pay a higher price for power in order to achieve this.

The high prices in products could lead to cost push inflation within the country. The government is also likely to spend a lot of money in implementing these policies. This is likely to have a negative effect on economic growth as the changes will bring with them high costs. The high costs will lead to a less production lowering the GDP. In terms of unemployment, it is true that it will rise as a way of saving on costs by the firms. All these parameters might only be affected in the short run but take a turn in the long term after the initial costs for the entire projects have been met. This means that a positive change is likely to be seen in the future after the implementation. What is important though is the fact that the emission

of green house gases will go down leading to a cleaner and safer environment.

References

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