

# Good argumentative essay about environmental studies

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## **Abstract**

This paper explores the politics of environmental carbon reduction as it proves how market based instruments are hampered by political considerations, particularly in the case of reducing greenhouse gas emission. Environmental problems pressure national and global organizations, especially of climate change, Greenhouse gas emission is taken as a major solution to this problem. As the main argument, this essay proposes that market based instruments are very attractive as a solution to the environmental problems in carbon production but only in theory. In actual applications, they are usually hindered by political concerns. Politics is the baseline framework in environmental policy making and implementation and this makes it a real challenge for achieving sustainability. In the counter argument, this essay defends that political factors are not the main hindrance to market based instruments in greenhouse gas emission reduction. Various considerations are also mentioned.

## **Introduction**

As natural resources become a global concern, environmentalism has also become highly politicized (Pezzey & Jotzo, p. 1). There is much attention in national climate policies and this is because national governments, international agencies, local and global communities, and businesses are increasingly being pressured to address carbon emission. They are also challenged to heed the call for environmental sustainability since the environment has recently evolved as a crucial element of the business value chain as well as of climate change (p. 2). Mostly, commercial activities and

business operations' outsourcing, logistics and manufacturing intensify climate change (Bansal & Roth, p. 717). But then, the continual financial restrictions and institutional weaknesses usually make it harder to attain the needed levels of environmental protection (Aldy & Stavins, p. 152).

Market based instruments (MBIs) utilize market mechanisms and suggest a significant approach to address greenhouse gas emission reduction.

Generally, MBIs can be implemented across a total economy or region, across various economic sectors, or by environmental medium (e. g. water, soil or air). MBIs are of interest when addressing the issue of resource efficiency as the extra costs or benefits caused by the particular instrument can induce a more material and natural resource efficient production and/or consumption behavior by consumers and producers.

Pricing carbon emissions is generally considered as an efficient way to lessen dangerous greenhouse gas (GHG) emissions. Nonetheless, the introduction of MBIs is usually hindered by political obstacles, as actors affected by higher costs have an interest in preventing or limiting the implementation of MBIs ("The Role of Market Based Instruments in Achieving a Resource Efficient Economy, p. 8). However, the policy position of political actors also depends on the general structure of the organizations involved and the actors involved in the policy process and how MBIs are linked with other policy issues.

## **Argument: Market Based Instruments Are Toppled By Political Considerations**

This essay primarily argues that MBIs may work well in theory, but they are not politically supported to bring about a large or significant reduction in the

emission of greenhouse gases or carbon reduction. In a study made by the United Nations Environmental Programme (UNEP), about 300 SME business owners in the U. K. were “unconvinced” of the carbon reduction policies (UNEP, p. 2). Also, over 252 surveyed companies were not conscious of the “duty-of-care regulations” about waste disposal (p. 3). The companies in developing countries were also “hard to be convinced” that there will be more profits from environmental compliance and green management. The initiatives of the companies from the West did not impress them on the cost reduction by environmental management (p. 3). These show that the action such as carbon reduction in the business sector in both developed and developing economies is filled with political challenges.

There are many management initiatives that need to be done in order for these companies to be truly convinced that carbon reduction is a commercial challenge that must be dealt with. Once the businesses are convinced, they will show more impact and other non-commercial entities, particularly from the public sector, will be more collaborative and this would lead to greater political action and decision making. The private companies’ organizational approaches and strategies in fulfilling their environmental duties and compliance will serve as a main inspiration and model. Political will enables both public and private sector organizations to secure knowledge, competence and expertise on environmental management and adopt a green supply chain management strategy, most especially greenhouse gas emission.

If these entities are politically committed or pressured, they will begin by requiring their stakeholders and/or suppliers to develop and maintain an

environmental management system (EMS) that would highlight carbon reduction (p. 4). However, they do not ask their stakeholders to have total compliance with the proper standards. The cost to management and public officials to impose this standard on its suppliers is often weak. They can just demand their stakeholders to reduce its carbon use but most of the time, they do not. In some cases where management requires their suppliers to have a certified EMS in the private sector, the costs redound to the third party suppliers. This is because third party certification is often expensive. Hence, the effect on supplier behavior would be higher than for the latter since there are budgetary resources at stake for the third party suppliers. Suffice to say, there are many other factors involved in implementing greenhouse gas emission reduction policies and most of these redound to the political aspects of the matter. For instance, in carbon taxation, there are major issues like environmental and cost effectiveness and the possible distributional inequity (higher relative impact on poor households) which severely affect the political confidence given on the actual implementation of carbon pricing even when it is desirable (Pezzey & Jotzo, p. 6). In another illustration, governing bodies which manage greenhouse gas emission may add up to the politicized process. For instance, efforts to control greenhouse gas emissions are criticized in the U. S. as people believe it should come from legislative body and not from the federal agency such as EPA (Holtz-Eakin, p. 1). The EPA is also criticized for not being able to be held accountable for its policy failures.

An associated matter on this case is that carbon-intensive industries are highly concentrated (p. 6). They are almost a monopoly and thus, they can

and do lobby powerfully, if usually indirectly, for their own political interests. To implement the market theory that carbon reduction is ideal and revenue making (in the long run), it can be said that the ideal economic or market efficiency and equity are still toppled by political considerations. While carbon taxing is also a politically attractive venture, especially for industrial nations, this does not preclude the carbon emitting global companies from political lobbying. In actuality, these companies spend millions of dollars to lobby their agenda. In short, environmentally desirable carbon taxes are politically much less feasible (p. 7). As experts concluded, the enhanced perception of the urgency of reducing global warming integrated with budgetary deficits may slowly make using carbon pricing to increase revenue more desirable, but it is politically implausible in the medium term (p. 7). There are no quantitative studies on the impacts of investments in carbon reduction (Laing, et. al., p. 12). However, the European Union's managerial survey showed that the EU Trading Scheme (EU ETS) was just a minor factor that influenced market share and investment decisions. In short, the market factors are not convincing enough and this is not a strong proposition for companies to apply in their operations.

In another term, greenhouse gas emission reduction will be totally imposed or applied when it is politically backed by various sectors. This is illustrated by the massive environmental laws and regulations that were passed in the U. S. from the late 1960s through the 1970s. Even with the powerful lobbying of the private industry, the civil and widespread popular support for environmental action has overcome powerful and financially backed agenda. However, it is not safe to say that scientific orientation or the mere carbon

reduction consciousness is the key to political compliance. The carbon reduction policies adopted by the government were not often dictated by the need for sustainability. Instead, these policies were a reaction to a wave of popular support that reflected evolving aesthetic, ideological, and ethical framework about the preservation and the protection of the environment.

### **Counter Argument: Market Based Instruments Can Overcome the Political Backlash**

The importance MBIs is that they must both advance the transition to a resource-efficient and low carbon economy and support economic recovery (UNEP, p. 2). They can be utilized by environmental fiscal reform (EFR) to address negative externalities associated with the use of natural resources (p. 2). This is achieved in a budgetary neutral way by reducing tax burdens on labor. Congruently, EFR systematically applies the polluter-pays principle by phasing out environmentally harmful subsidies and shifting taxation away from labor to the actual use of resources (p. 3). As an outcome, MBIs and its use in EFR can correct market failures, upgrade economic efficiency, help create new industries that give sustainable and domestic employment, make a clear, predictable setting for eco-innovative investments and help to restore fiscal stability (especially after economic recession) through the generation of additional revenues (p. 3).

While the common goal of shifting to a low carbon economy is very much welcomed, there are discrepancies in the speed of transition and methods selected (p. 4). There are various concerns which are not just political. For instance, there is a concern about the failure to acknowledge the effect of economic events such as recession and debt crisis on the carrying capacity

of Europe's economy (to implement carbon pricing and taxation). Other factors include market considerations such as the uneasiness in accelerating transition measures in the short to medium term since this is considered to greatly affect market competition. Lastly, there is the pressing and continuous disagreement about the positive economic benefits that greenhouse gas emission reduction or shifting activities will bring. Hence, this is to say that political factor is not the sole consideration why market based instruments do not conform to the real world call for carbon reduction. Vital market and economic factors are at stake and these are carefully considered in each and every step of the implementation. If all these market measures are achieved, there is no doubt that the political will to comply with such environmental standards should easily follow. However, this is not achieved in the real worlds since efficiency and financial stability are highly politicized and debatable issues as well. Nations and organizations are divided in these respects.

## **Conclusion**

This argument concludes that political challenges greatly hamper market based instruments' implementation in greenhouse gas emission reduction. There is a tug of war between economic, market and political considerations. However, in the end, some political concerns usually take over. This is to say that, for instance, the implementation of a carbon tax or tax-like mechanism for highly industrialized economies like China is very political and politicized. Policy makers and various political organizations (such as national governments and international bodies like WTO, NAFTA, among others) have



several layers of involvement and maneuvering for these environmental policies to be applied.

Market based instruments do not exist in a vacuum. Often, environmental policy is based on deeds. In the context of the objectives, the action on the environment has been lacking. There are several reasons for this such as the economic crisis, the lack of action by the leading economies and inter governmental agencies, policy reversion by different countries, and the opposition from the global oil and gas industry. However, there are also other factors involved like the effects of the new developments in the energy sector, i. e. the instant development of the U. S. shale gas and Fukushima (p. 3). These developments, still, fall under a more political framework. To continue the transition process without delay, it is safe to say that there should be a balance between policy flexibility and the required commitment to long- term investment and several market based instruments to support it.

Meanwhile, the growing public commitment to environmental protection is in itself a major political consensus which pressure individuals and groups around the world to pursue carbon reduction. That is, the politics behind environmentalism is probably more significant for pushing for sustainability against the politics of it all. It is not productive to center the blame to politicians as they manipulate or distort the environmental goals to support emission reduction. Market based instruments should be very well evidenced and concretized in its application to actual carbon reduction applications. However, the means to its completion still requires political maneuvering since this needs an intensive dialogue between all the stakeholders in the

energy sector - the government institutions, nations, and the general public. There is always politics involved in the environmental stake.

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