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Should China implement a carbon tax?

For the last century, China's ineluctable rise ranks among the most salient world developments. Few years ago, U. S. A was still facing economic indigence. Come the end of this century, China's economy is set to transcend that of the United States (Ella 3). China rises to world's economic giants, is on the basis of its huge productive volume. Chris, in his documentary, depicts how beautifully China rises, using strict noninterference policy while trading and investing with her partners (Ella 4). China differs from America since she signs lucrative contracts for oil, instead of using brutal power.

China has used several strategies so as promoting her ranking. Pursuing capitalism, implementing a policy of the state, investing heavily in infrastructure, focusing on foreign direct investment and using a good exchange policy rate, are the key strategies that facilitate China's rise (Lee 11). By pursuing the capitalism, China allows communist political system to be used, where authorities usually seek truth for facts. The state policy supports capitalism, making it depend on state owned businesses. The exchange rate policy is used to initiate a competition in different economic sectors. China's economy might not be completely perfect, but her rise is ineluctable.

Carbon tax resulted to much controversy for the last decade. Nations have already made a huge decision towards minimizing their carbon emissions, inclusive of developing countries like China. Majority of countries have considered the carbon pricing, the carbon tax being part of pricing. China should commence this transformation and take advantage of the revealing

economic opportunities, which are in the next level of global development, a growth powered by green energy. Being an environmental tax, Carbon tax is a tax that is charged on the volume of carbon that is present in a given fuel. Hydrocarbon fuels contain carbon. Hydrocarbon fuels are Crude oil products such as gasoline, which are released in the atmospheric air in the form of carbon dioxide gas. Carbon dioxide ability to trap heat, makes it cause global warming. But fuels such as wind and solar do not produce carbon dioxide, thus are termed as green technology fuels.

Universally, China is known as the largest greenhouse gases emitter. China has also gained a reputation for slowing down the global efforts of tackling climate change. China's reputation raises the question of whether the carbon tax should be implemented. While the matter on the carbon tax becomes an issue, at least for now, some experts see it as too exaggerated to make a huge difference on emitted substances. However, to regulate pollution, China does considers a variety of factors, which I will argue.

Since China's carbon tax is most likely to be small at the start, Chinese officials, provide suggestions about the tax size. In the year 2011, the ministry of finance proposed a charge that started from 1.60 dollars per carbon ton to 8 dollars per ton of carbon, ten years from then (Zhou 126). The ministry of environment had already looked forward to tax worth about twice that of the finance ministry. To implement that proposal, an additional of less than 1 dollar should be made on the price of coal. Since coal in China was recently traded for about 86 dollars, finance ministry's procedure can be satisfactory as the implementation of tax become a success.

Secondly, any rule based on the carbon tax, could probably have means of

evasions. Ella Chou from Brookings, conveys a wonderful thinking of how Carbon tax can be implemented. To cater for environmental damages, China's provinces charge a certain amount on various industries. As Ella quoted, " the amount gets renounced" (6). The regime in Beijing proposes to substitute the amount with the carbon tax. However, Ella notes that the provincial regimes can still find means of evasion to silence the pain of local firms. " The local regimes can still establish methods to provide local industries with subsidies and tax rebates, so as to pull them to targeted jurisdiction, making a negligible effect not only on the carbon tax but also on environmental tax"(7).

Various countries would tolerate much of China's carbon tax cost. In 2012, Lee Speck of International Security Studies, argued that China's carbon tax would first fall on exporters, who eventually would in turn pass the amount of the carbon tax on to the consumers in Western Europe and North America. " The consumer country which marks the climax, bears the task of paying for carbon emissions" (lee 15). The taxation itself would increase the government revenue. The revenue would be used to ease adjustment challenges and encourage the development. A carbon tax would also decrease the import of fossil fuels that increase the economic growth in the long-term. That is a very important procedure since export manufacturing firms are liable for any place from 20 percent up to 50 percent of China's greenhouse gas emissions. However, this does not give the reason behind Chinese official being sympathetic to the notion.

China's carbon tax is so large than what the government could perceive. Recently, analyst still thinks that the price of carbon will be needed so as

continue with the trend, since America's carbon emissions level is dropping. Theoretically, a huge, well-outlined carbon tax can restrain China's emission notably. In 2012, an analysis carried out in Chinese Academy for Environmental Planning, showed that after 10 years, the eight dollars per ton of carbon will rise to 12 dollars. The small rise will imply that the China's gas emission will grow at a very slow rate than expected (Zhou 128).

China is advertising other ways apart from the carbon tax to prevent her pollutions. However, the details need to be questioned. Zhou Shenglu, in 2011, gave a good rundown of the Chinese congress recent suggestion to stop the country's coal consumption, which is at 4 billion tons. This would imply that China uses as much coal as the rest of the world countries together. However, at least its taste would no longer be increasing endlessly, as the government is suggesting more than just a carbon tax. The implementation of the carbon tax also raises a significant question. For the past 10 years, China's government has often proposed audacious environmental initiatives that get derailed by the provinces, which has resulted to putting a higher priority on economic development.

Several countries have already implemented carbon taxes, so as decrease carbon emissions. Carbon tax being an instrument of the economy, it is to my belief that the implementation of carbon taxes will help lower the international pricing, thus achieving the required emissions targets.

However, it will not escape all the possible implications on the global distribution of riches on households and various economic sectors, inclusive of carbon intensive firms. Renewable energy not only grant greater options to China, but also it is their future. Carbon tax is the answer to the energy

crisis, since it can promote green technology in the country. China should implement it.

Work cited.

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