

Carbon emissions pricing, public wellbeing and public reaction

Authors: Mohamed, T., Adedoyin, F. and Kirkpatrick, A.K.

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Abstract:

This paper investigates the intricate relationship between carbon emissions pricing policies, public wellbeing, and public reactions. As the global community deals with the urgent need to mitigate climate change, carbon pricing mechanisms have emerged as key policy tools to achieve emissions reductions. However, the implications of these policies extend beyond environmental outcomes to encompass both economic and broader societal impacts, including effects on public health, social equity, and public opinion. Through a comprehensive review of existing literature and empirical analysis, this paper examines the multifaceted effects of carbon pricing on public wellbeing, considering both direct and indirect pathways. Furthermore, it explores how public perceptions and reactions to carbon pricing initiatives influence policy effectiveness and societal acceptance. The data collected for this paper was via a survey that was distributed to Dorset households via social media platforms (Facebook, LinkedIn), a few from BU staff and students and some from the public at a Carbon Tax event that was organised by the research group. The survey includes 20 questions that focus on three factors carbon emissions pricing policies, public wellbeing, and public reactions. The number of responses collected so far is 124 responses and the exercise is still in progress. The initial findings indicate that carbon tax exhibits regressivity and inequity, primarily due to its pronounced distributional impact. Moreover, in cases where demand for carbon-intensive "necessity" goods, is highly inelastic due to the lack of alternatives, the regressivity of the tax is further exacerbated. This could perpetuate a cycle of increasing inequality if the tax is implemented or raised. Additionally, public acceptance of the carbon tax is relatively low, leading to reluctance among the public to pay for it. The findings of this study contribute to a deeper understanding of the complex dynamics surrounding carbon pricing policies and offer insights to inform future policy design and implementation strategies aimed at promoting both environmental sustainability and societal wellbeing.

Keywords: carbon pricing, carbon emissions pricing, carbon tax, public wellbeing, public reaction, societal wellbeing, tax regressivity, environmental sustainability