



IMF Head Calls For Carbon Taxes To Bail Out Faltering Government Finances

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The head of the International Monetary Fund (IMF) recently called for countries to start taxing carbon dioxide emissions to finance struggling governments.

“It is just the right moment to introduce carbon taxes,” IMF’s Managing Director Christine Lagarde said at a conference [need to put what day this took place], because “finance ministers are looking for revenues.”

Lagarde doubled-down on her remarks by tweeting that “if we chicken out of climate change we will all turn to chicken: we will be fried, grilled and roasted.”

The IMF head’s remarks come about a month before United Nations delegates are set to meet in Paris. At the United Nations Climate Change summit, delegates are expected to hash out a treaty to cut global carbon dioxide emissions — one of the key goals of the Obama administration. The progressive blog ThinkProgress claims that Lagarde’s call for carbon taxes could represent a “tipping point” in the global warming economic debate.

Yet, only four nations — Ireland, Sweden, Chile, and Finland — currently place a direct tax on carbon dioxide. No nation taxes emissions at the levels deemed necessary to substantially mitigate climate change by the Intergovernmental Panel on Climate Change (IPCC).

Australia, the largest economy to ever have a carbon tax, repealed it in 2014 after a landslide electoral victory by the country’s conservative party. The conservative coalition moved quickly to get rid of the unpopular tax and other laws put in place by Australia’s ousted left-wing government.

“Today the tax that you voted to get rid of is finally gone, a useless destructive tax which damaged jobs, which hurt families’ cost of living and which didn’t actually help the environment

is finally gone,” former Australian Prime Minister Tony Abbot said when the tax was repealed in 2014.

Carbon tax critics have also pointed out its regressive nature, arguing it would disproportionately harm the poorest members of society who spend a much higher percentage of their household budget on energy. A 2009 study by the National Bureau of Economic Research found that a carbon tax would double the tax burden of the poorest households. A tax on all man-made greenhouse gas emissions would make the tax burden of the poorest households three times greater than the richest households, according to the study.

There’s also a substantial body of research that suggests taxing carbon dioxide would have no meaningful impact on global warming — the whole point of the tax.

The libertarian Cato Institute even created an interactive calculator to show just how much reducing carbon dioxide emissions, whether it’s through taxation or cap-and-trade, would impact predicted global temperature rise. Cato’s calculator suggests that Lagarde’s proposal would have practically no impact on global warming.