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Japan’s carbon tax needs people-centered discussion!

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Japan was suffered from torrential rainfalls and severe heat again this summer. These days, extreme and abnormal weather phenomenon are not limited to Japan. Many countries have experienced some kind of unusual weather such as extreme heat waves and shortage of rainfalls, or otherwise flooding and landslides, claiming many lives as well as properties both public and private. Finally, we are facing the real climatic catastrophes caused by global warming.

However, the government of Japan has not taken any drastic measure to cope with risks of global warming. As late as this year, Japan’s Central Environment Council established an ad-hoc committee to discuss the introduction of carbon pricing. The carbon pricing is designed to visualize the cost of global warming caused by greenhouse gases, and it is expected that the system will eventually decrease the CO² emissions. To price carbon emission, the carbon tax and the emission trading are today’s major methods. Actually, the US introduced the emission trading in 1970s to reduce air pollution and it was successful to some extent.

On the other hand, the carbon tax was started in Finland in 1990, followed by Sweden, UK, France and several states in Canada, and as of 2017, it is introduced in 42 countries and 25 areas over the world. In Japan, too, the tax was partially introduced in 2012 aiming to use it for various policy measures to tackle negative effects of global warming. However, the tax rate was very low compared to other countries (289 yen per 1 ton of CO₂ emission) and therefore the CO₂ emission has not been reduced as expected.

This year, the government of Japan started to discuss the full-fledged introduction of the carbon tax to achieve the goal of Paris Agreement. However, the members of the said ad-hoc committee are almost the same as the past discussants, namely, academic experts close to the government and business representatives. There is a wide concern that discussion among similar members may not generate any drastic and/or concrete measure.

I, as a member of the Global Environment Committee under the Central Environment Committee of Japan, argued several times that, after years of discussion among experts, it is now time to start a national debate and hear voices of taxpayers. Actually, the expert discussion

started decades ago but objections from the Japanese business community repeatedly prevented the introduction of the carbon pricing system.

For the future of Japanese industry and eventually for its national economy, importance should be placed on those SMCs actively working for de-carbonization using advanced technologies and systems, rather than big companies with business-as-usual policies such as those in steel, power and chemical industries. The top management /CEOs of those big companies will change every few years, so they tend to focus on short-term interest/profit during their terms of office. On the other hand, the manager/owner of SMCs will put more importance on the company's sustainability, and make every effort to maintain their employees. We learnt it through the selection process of the Environment Award for SMC Top Managers, the annual event which we hosted in the past ten years.

Generally speaking, Japanese people strongly oppose to introducing a new tax, but, once it is introduced, will not pay much attention to what it is used for. This may be because they cannot feel the benefit of tax in their everyday life. They fail to realize how important the tax is for the happiness of people and for building up sustainable society. They even have given up saying anything about the actual usage of taxes as they learnt from past experiences that it is useless and waste of time. However, if the tax is levied fairly and used for realization of sustainable society, I am sure they will agree and support the introduction of a carbon tax.

To increase public awareness, there should be a nation-wide discussions on appropriate levying methods and better usage of taxes, which will lead people to better understanding of the significance of the carbon tax and how it should be used for the future of our country. Although it may take time to involve general public in actual arguments, we can expect more concrete opinions from average people, rather than from talks of confined experts and government officials. To avoid passing the "bills" on to future generations, and protect Japan from being ruined, it is of urgent importance to mobilize the power of sensible public and gutsy businesses, and to carry out what is considered viable measures to tackle global warming.