The Impact of Green Tax on Promotion of Environmental and Welfare Indices

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Abstract

Achieving the growth and development is dependent on the efficient and correct use of resources. It is not possible to realize the goal of social welfare promotion without addressing sustainable development. Environment protection and reduction of harmful effects of the economic activities on environmental conditions of human life in the frame of sustainable development concept deserves a change/innovation in the approach to resource allocations in order to gain the maximum economic efficiency. Environmental tax (Green Tax) is one of the new tools used to implement the measures of sustainable development in the processes of economical activities.

In the present study, the experiences of other countries as well as modern methods of collecting green taxes have been studied. Then, after obtaining the necessary literature and basic data including Social Accounting Matrix of Iran and the information necessary for the model from valid sources, in the frame of a Calculable Comparable General Equilibrium suitable for the Iranian economic structure using the software GAMS, analysis of the impact of green tax on promotion of environmental and welfare indices has been considered in several different scenarios.

Keywords: Green Tax, Social Accounting Matrix, environmental, welfare