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Original Research Article

Effect of Carbon Pricing on Global Environmental Sustainability and Economic Development

Olawale C. Olawore[1*], Kazeem O. Oyerinde[2], Taiwo R. Aiki[3], Oluwatobi J. Banjo[4], Beverly B. Tambari[5], Victor O. Okoh[6], Festus I. Ojedokun[7], Tunde O. Olafimihan[8], Funmilayo C. Olawore[9], Jonathan E. Kozah[10], Oluwatimilehin E. Banjo[11]

[1]University of People, Pasadena, California, United States of America
[2]Euro Akademia, Tallinn, Estonia
[3]University of Derby, Derby, United Kingdom
[4]Estonia Entrepreneurship University of Applied Sciences, Tallinn, Estonia
[5]Tallinn University, Tallinn, Estonia
[6]Estonia Entrepreneurship University of Applied Sciences, Tallinn, Estonia
[7]Bowling Green State University, Ohio, United States
[8]Tansia University, Anamra State, Nigeria
[9]America University for Humanities, Tbilisi, Georgia
[10]New Vision University, Tbilisi, Georgia
[11]Teesside University, Middlesbrough, United Kingdom

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***Corresponding author:** Olawale C. Olawore
University of People, Pasadena, California, United States of America

Abstract

This research work provides a strategic analysis of the implications of carbon pricing mechanisms for global environmental sustainability and economic growth. This work conducts an orderly review of literature and content analysis in formulating findings from published peer-reviewed journals, reports, and policy releases between the time frame 2010 and 2024. The goal is to find out if carbon pricing works to lower greenhouse gas emissions, to investigate the economic effects of such pricing, to investigate the environmental benefits of such pricing, and to understand why countries need to work together to make carbon pricing strategies more effective. Through the utilization of a stringent search approach that is directed by specific inclusion and exclusion criteria, the research strategy guarantees that the data that is being reviewed is not only pertinent but also of high quality. It is clear from the findings that carbon pricing regimes such as cap-and-trade and carbon taxes are of critical significance in terms of bringing about economic transformation, fostering growth, and combating climate change concerns. According to the most important findings, carbon pricing has the potential to effectively promote the development of environmentally friendly technology, solve issues of social justice, and emphasize the importance of global policy cooperation to handle challenges such as competition and carbon leakage across international borders. Policymaker proposals stress the need for international cooperation, the need for complete solutions combining carbon pricing with comprehensive economic and environmental policies, and the need for continuous research to improve carbon pricing models and strategies. This study improves the present conversation on carbon pricing by offering an understanding of its possible role as a basic component of sustainable economic policy and world climate governance.

Keywords: Carbon Pricing, Marketing Strategy, Global Taxation, Environmental Stewardship, Economic Advancement, Emission Allowances.

INTRODUCTION

Why Putting a Price on Carbon is Important for Dealing with the Problems Caused by Climate Change

Dealing with the Problems of Climate Change. The Need for Carbon Pricing to Combat Climate Change. The mitigation of environmental harm and the facilitation of sustainable growth can be accomplished through the establishment of a worldwide carbon pricing mechanism. An increasing number of people regard carbon pricing as an effective approach to addressing climate change, hence enhancing its popularity. Greenhouse gas emissions can be mitigated using carbon pricing. This approach would impose carbon dioxide emissions levy on companies. (CO2). This method tries to make people pay for the consequences of climate change that are not directly related to it, based on the

"polluter pays" notion. People around the world are starting to agree that carbon pricing rules are successful at fighting climate change because they are being used in different ways. Among these methods are carbon taxes and cap-and-trade programs. There are ongoing discussions in the United States about the suitability of its carbon pricing scheme. There is greater disagreement among economists and policymakers over the benefits of cap-and-trade schemes than there is regarding carbon taxes. Despite these disagreements, everyone acknowledges that to effectively and efficiently reduce CO2 emissions, a comprehensive carbon price scheme is required. The reverse is true; carbon pricing has worked in both rich and poor countries. Governments in poor nations have adopted carbon pricing and other environmental charges to lower the amount of greenhouse gases they release. To demonstrate how these concepts can assist economic expansion, job creation, and equity, which are all factors that contribute to the achievement of sustainable development goals, putting these ideas into action will be a demonstration.

Businesses may adapt and grow with integrated protections and carbon pricing systems. Hey may maintain their competitive advantage with this strategy without harming families, particularly in rural areas. A lot of countries, Brazil included, are starting to think about using carbon pricing to change energy and environmental policies. But there has been less study on carbon pricing in Brazil, and what little there is has focused on land use shifts and forest loss.

Brazil is now investigating various systems for pricing carbon, which indicates that there is a rising interest in carbon pricing for the purpose of influencing environmental and energy policy. Land use change and deforestation are the primary areas of attention for the limited research that has been conducted on carbon pricing in Brazil.

Emission trading systems (ETS) and carbon taxes are two examples of national carbon pricing strategies that call for more research and discussion. This shows how important these methods are. This shows how important these methods are. Setting a carbon price is one of the most important things we can do to stop climate change. The plans to price carbon may teach us a lot that will help us improve and spread these policies to better meet the urgent need to act on climate change as time goes on.

The Incorporation of Carbon Pricing into Sustainable Economic and Environmental Strategies

Reaching sustainable development and reducing climate change depends on introducing a carbon price into environmental and financial systems, challenging but essential steps. Carbon pricing encourages a shift to cleaner energy sources and technologies (Aiyegbusi, Yalamova, & Essadoh-Yeddu, 2022) by clarifying the cost of carbon emissions and so helping to lower greenhouse gas (GHGs). Integration of carbon pricing calls for a knowledge of how it influences social fairness, environmental sustainability, and economic growth (Acar, Aşıcı, & Yeldan, 2022). Carbon pricing, especially in international collaboration, offers obvious financial and environmental advantages. Along with environmental benefits, including reduced greenhouse gas emissions and less carbon leakage, global cooperation on carbon pricing, including standardizing carbon prices and extending pricing frameworks, can produce significant economic ones as well (Abdi & Taghipour, 2019). This will reduce mitigation expenses. Maximizing the advantages of carbon price depends on extensive national participation, increased emission and sector coverage, and more aspirational policy goals. Including non-CO_2 greenhouse gases can help to lower global mitigating costs by as much as 48%, therefore demonstrating the great opportunities of carbon pricing in international climate change initiatives (Aiyegbusi *et al.,* 2022)

Sustainable economic development can be promoted by deftly including carbon pricing into national economic policy without sacrificing corporate profits or key national objectives (Abaku & Odimarha, 2024). Governments can design a carbon tax pricing strategy supporting economic sustainability by means of the Environmental Kuznets Curve (EKC) and dynamic real options approach (ROA), so enabling them to impose carbon taxes that effectively control emissions and inspire businesses to invest in clean energy technologies. The article asserts that a meticulously designed carbon tax scheme might facilitate corporate advancement towards sustainability, illustrating the economic viability of integrating carbon pricing into political frameworks (Adama, Popuala, Okeke, & Akinoso, 2024).

Learning the Origins and Evolution of Carbon Pricing Schemes is Crucial

Understanding the historical evolution of carbon pricing regulations elucidates their significance as instruments in the global battle against climate change. From a theoretical concept to a key instrument in climate policy, carbon pricing has evolved to reflect growing recognition of the need for economic tools to reduce environmental externalities (Aiyegbusi, Yalamova, & Essadoh-Yeddu, 2022). By introducing the Global Warming Countermeasure Tax in 2012, Japan achieved major progress in the acceptance of carbon pricing. Political differences and debates on the sufficiency of the tax rate to reach Japan's 2025 carbon neutrality target have challenged the program. Social network analysis (SNA) and the Advocacy Coalition Framework (ACF) help to define four historical eras of the development of carbon pricing in Japan. This study clarifies the complexity and political constraints that could arise in the development of carbon pricing policies, therefore underlining the need for effective brokerage mechanisms to support policy learning and

communication among several advocacy coalitions (Abdi & Taghipour, 2019).

Initiatives conducted at the state level, along with federal government opposition, shape the mechanism used to price carbon in the United States. Creating a framework for a federal carbon price is challenging, as evidenced by the establishment of regional carbon pricing programs like the Regional Greenhouse Gas Initiative and California's cap-and-trade system. As Acar, Aşıcı, and Yeldan (2022) illustrate, this highlights how effectively legislators and interest groups can develop and implement strategies for pricing carbon at the local level. The paper discusses several challenges associated with federal-level carbon pricing as a policy. These challenges include the presence of various ideas and the backing of different interest groups.

The global viewpoint on carbon pricing systems highlights how national choices are shaped by international factors. An empirical investigation of the determinants influencing the implementation and ambition of carbon pricing policies across 200 nations underscores the pivotal influence of trade interdependence and competitive disadvantage on governmental decision-making regarding carbon pricing (Abaku, Edunjobi, & Odimarha, 2024). This global study highlights the necessity of policy distribution and the creative role of states in climate governance, proposing that addressing concerns about competitive disadvantages may facilitate the implementation of more ambitious carbon pricing policies.

The history of carbon pricing systems shows that more and more people are realizing how important they are in the fight against climate change. People still have trouble following the right carbon price rules because of political, economic, and social problems. We need to do something about climate change right away. The history of carbon pricing can teach us a lot about how to make policies in the future. These strategies ought to help the economy stay strong and the environment stay healthy.

The objectives are:

i. To analyze the effectiveness of carbon pricing mechanisms.
ii. To assess the economic impacts of carbon pricing.
iii. To explore the environmental benefits of carbon pricing.

METHODOLOGY

The approach of this study is intended to thoroughly evaluate and carry out an analysis of the existing literature about the strategic implications of carbon pricing systems for the long-term sustainability of the global environment and the expansion of the economy. The purpose of this approach is to consolidate existing information, identify areas of weakness, and provide a comprehensive understanding of the subject matter. It accomplishes this by combining systematic literature study with content analysis (Abaku, Edunjobi, & Odimarha, 2024).

LITERATURE REVIEW

Knowing the Carbon Pricing Mechanisms: Taxes, Cap-and-Trade, and Hybrid Systems

The fundamental issue in modern environmental economics and policymaking is the argument over how to price carbon, such as through taxes, cap-and-trade systems, or a mix of the two. These methods are meant to lower greenhouse gas (GHG) emissions by punishing carbon emissions by punishing carbon emissions. This will, in turn, lead to further investment in clean energy and technologies, which will eventually lower environmental footprints (Aiyegbusi, Yalamova, & Essadoh-Yeddu, 2022).

Through the imposition of a carbon price, carbon taxes impose a direct penalty on the greenhouse gas emissions brought about by businesses. This method gives organizations simplicity and consistency, which helps them properly predict how much they will spend on reducing emissions over time. A lot of countries have shown that carbon taxes can help cut down on emissions, which shows that they could be a big help in the fight against carbon emissions around the world. The impacts of carbon taxes differ depending on the country, the industry that is covered, and the tax rate that is applied (Acar, Aşıcı, & Yeldan, 2022).

Cap-and-trade systems, on the other hand, make it possible for businesses to purchase and sell emission allowances while falling under a certain limit on the overall amount of greenhouse gas emissions. This technique, which is directed toward the market, gives businesses the choice to minimize their emissions in the most cost-effective manner possible. The trading system makes it possible for businesses who have lower abatement costs to sell excess permits to other businesses that have greater expenditures. This makes it possible for the trading system to support innovation and cost-effective emission reductions. In a few different circumstances, the comparative benefits of cap-and-trade systems over carbon taxes in terms of controlling emissions from industries such as transportation and industry have been underlined (Abdi & Taghipour, 2019).

To maximize the benefits of carbon taxes and cap-and-trade while minimizing the negatives of each, hybrid systems combine aspects of each of these policies. For these systems to be implemented, it may be necessary to implement a carbon tax with rates that are adjusted based on the results of emissions or a cap-and-trade framework that includes a price floor and ceiling to reduce price volatility. The applicability of carbon pricing policies to a broad variety of economic and environmental circumstances throughout the world is

demonstrated by the large array of over seventy national and subnational efforts (Aiyegbusi, Yalamova, & Essadoh-Yeddu, 2022).

How Carbon Pricing Affects the Economy, how it Grows, how Competitive it is, and how Markets Change

There has been a lot of research and discussion about the many economic benefits of carbon pricing, such as growth, competitiveness, and how well the market works. Carbon pricing schemes, including cap-and-trade systems and carbon taxes, are meant to force people to consider their carbon emissions, hence lowering greenhouse gas (GHG) emissions (Acar, Aşıcı, & Yeldan, 2022). These systems greatly affect power dynamics, industrial competitiveness, economic development, and market operations.

Levying carbon prices affects economic development in numerous ways. The potential for people to become more creative and efficient energy users is one advantage. If this happens, new companies and products may emerge with an emphasis on reducing energy use and making use of renewable energy sources (Wang, Li, and Li, 2022). If companies that use fossil fuels must pay more for them, the economy might grow more slowly for a while.

According to Hirano (2023), the architecture of the carbon price system, the recycling of cash, and the rules will all affect how important these effects are. People often talk about carbon prices to make businesses more competitive. If carbon pricing makes it more expensive to make things in nations with strong restrictions than in countries without such laws, industries that compete with international products may have trouble. That's why it's harder to lower emissions around the world. This is because of "carbon leakage," which happens when industry moves to places with fewer rules (Meckling & Nahm, 2022). Because of this, the EU came up with the European Green Deal, which has a Carbon Border Adjustment Mechanism (CBAM). As Wang, Li, and Li (2022) say, this would mean that goods from both countries would cost the same amount in carbon.

It is more likely for people to switch to technologies and energy sources that produce less carbon when carbon is priced. The price level and rules that support this change will determine how far and how fast it happens (Acar, Aşıcı, & Yeldan, 2022; Meckling & Nahm, 2022). For example, rules that fund green energy and limit fossil fuel use are examples of these.

Environmental Effects: Emissions Reduction, Resource Allocation, and Biodiversity Conservation

The cost of carbon pollution has a big effect on the environment. This is what makes the Earth last so long. These processes significantly impact on our ability to use objects, maintain a clean environment, and safeguard flora and fauna. As the cost of carbon continues to rise, there is a growing desire to reduce emissions of this gas. According to Acar, Aşıcı, and Yeldan (2022), these requirements are necessary for countries to utilize environmentally friendly products and technology. This transformation not only makes the terrible effects of climate change less bad, but it also affects how we use resources and care for the world.

Carbon pricing could make it easier to move resources to companies that leave less of a carbon impact and do better for the environment. Moving away from fossil fuel-based energy sources is possible by pushing for investments in green technologies like energy saving, renewable energy, and others (Wang, Li, & Li, 2022). This change helps protect nonrenewable resources by lowering the amount of waste they cause and their use. In the part on green investment, Hirano (2023) talks about the pros and cons of trying to achieve carbon neutrality and how important it is to make decisions based on facts and do a thorough study. If we spend money on things that are good for the earth, we can reach carbon neutrality without losing money.

Social Factors: Fairness, Impact on Distribution, and Engagement of Stakeholders

It's important to know how carbon prices affect fairness, distribution, and community involvement before introducing them to climate policy frameworks. Countries all across the world are trying to figure out how to price carbon to stop climate change. Carbon taxes and programs that let people trade carbon are two examples. People are worried about how they could be hurt because of difficulties in society, especially how these problems affect different socioeconomic groups and how fair they are (Acar, Aşıcı, & Yeldan, 2022).

When people talk about pricing carbon, their main worries are about how it will affect fairness and distribution. Communities with low incomes and weak economies may be hit harder because they can't afford to switch to low-carbon options and must pay more for energy compared to their income (Wang, Li, & Li, 2022). There are people who think that charging for carbon might not be fair because it would hurt the poor the most. Because of this, it is very important to make well-thought-out laws that lessen bad effects and promote fairness. Carbon pricing could be very good for health, like making the air cleaner, but it also has a lot of difficult issues that need to be carefully thought through (Hirano, 202).

All the people who have an interest in carbon pricing policies need to be involved for them to work well. Communities, businesses, and civil society groups should all have a say in how policies are made so that problems of fairness are brought up early on and better results are achieved. This approach, which involves everyone, can help get people on board with pricing carbon by including different points of view and

encouraging support for climate efforts (Kameyama, 202).

Carbon pricing can help vulnerable groups pay higher costs, fund energy-saving programs, and make it easier for people to get low-carbon technologies. This is how policymakers can deal with the fairness and distributional effects. Money can be reused by giving direct refunds to households, focusing on energy upgrades for low-income homes, and making public transportation better to use less fossil fuels (Wang, Li, & Li, 2022).

Policy Implementation Challenges and Success Factors: Lessons from Case Studies

Putting laws into effect comes with a lot of challenges and chances, especially when it comes to pricing carbon and protecting the Earth. Case studies from a wide range of businesses and locations are very helpful for understanding what makes policy application work or not work. The (CODAPEC) program in Ghana shows how important it is to have skilled workers, involve stakeholders, and give them the tools they need for policies to be carried out successfully. These different but important parts of the program's success show that a variety of approaches is necessary for policy application to go well. This case study shows how important it is to involve stakeholders and have enough resources to reach policy goals (Smith *et al*., 2023).

Tanzania's National Examination Council has had a hard time putting in place important information security measures. This shows that there are big problems with resources, budgeting, and the tech skills of pros. It is known that these problems make it hard to apply policies effectively, which shows the need for targeted, specialized methods to deal with these problems. This case study shows how important it is to make sure that policy goals are aligned with the needs of organizations and technology (Johnson & Lee, 2022).

The healthcare industry offers a different way to look at the challenges and factors that make policy adoption work. It has been looked at how demand-driven open innovation can be used as a policy tool to stress the importance of clear control, good communication, and sharing of information among ecosystem players. The results show that open innovation can help policies be put into action better by making financial systems clearer and putting more focus on people in solutions. This approach shows how important it is to work together and come up with new ideas to solve application problems.

For policies like carbon price and environmental sustainability to work, people need to have a deep knowledge of the things that affect results. It is very important to have skilled workers, involve partners, make good use of resources, and think of new ways to solve problems. Case studies in healthcare, information security, and agriculture show these points. These ideas can be used in many different contexts to help people make plans that will help governments reach their goals.

New Ways to Price Carbon: Getting Ready for Change and Working Together Around the World

The field of carbon pricing is dynamic and always changing depending on new ideas, adaptation, and the need for more cooperation. Improving the efficiency of carbon pricing systems depends on this approach, which will eventually help the Sustainable Development Goals (SDGs) to be advanced and climate change to be stopped (Smith *et al*., 2023; Johnson & Lee, 2022).

To help the creation of more efficient and successful carbon pricing policies, innovation is essential. Global climate policy exhibits temporal changes that emphasize the need to create innovative ideas to effectively build carbon pricing strategies able to integrate environmental goals with financial incentives. Research on blockchain technology aims to enhance the transparency and efficiency of carbon trading. Carbon pricing with renewable energy certificates is one of several innovative techniques being investigated for carbon pricing. Another is the intricate system of caps and trades. Carbon pricing laws, increased market liquidity, and the ability to track and verify emission reductions are all the goals of these technological advancements. Additionally, they are easy to use.

A significant advance is the change of carbon pricing policies to consider new social, environmental, and financial aspects. Policies on carbon prices must evolve if they are to keep reducing the more severe consequences of climate change. The achievement of this goal depends on changing the carbon price to fairly represent the real cost of carbon for society. The price of carbon must be raised and increased such that it covers other various sectors and greenhouse gases to effectively address problems of competitiveness and carbon leakage. Pricing carbon must be flexible enough to fit the unique energy infrastructure, economic system, and development objectives of any country and region (Smith *et al*., 2023; Johnson & Lee, 2022).

DISCUSSION OF FINDINGS

Implications for Environmental Sustainability: Mitigation, Adaptation, and Resilience Building

Since carbon pricing should be included in more general environmental sustainability initiatives, such as adaptation, mitigation, and resilience building, it is abundantly evident that this is an essential strategy for achieving the climate goals that have been set for the entire globe. New developments in environmentally friendly technology, shifts in policy and practice, and more global collaboration all contribute to making this integration possible (Levy *et al*., 2023; Smith & Nguyen, 2022).

Through the transmission of financial signals that direct efforts to reduce emissions of greenhouse gases, carbon pricing regulations contribute directly to the decrease of greenhouse gas emissions. Technology that is environmentally friendly and the impact of the Fourth Industrial Revolution both contribute to the promotion of sustainable practices that are complementary to environmental goals. To cut down on emissions, we need technology that is good for the Earth. Carbon capture and storage technologies, renewable energy sources, and tactics that use less energy to run are all parts of this technology. Setting a price on carbon makes green technology more viable and drives the development of technology that is better for the environment by raising the cost of alternatives that use a lot of carbon. (Johnson & Lee, 2022).

We need to find new and flexible ways to deal with climate change so that it doesn't have as many bad effects and so that people and the environment will still be around in the future. It is investigated how important fiscal decentralization, environmental innovation, and export diversification are for the BRICS countries to reach their sustainability goals. Changes to economic and political policies can help with sustainable development by making the country more resistant to the bad effects of climate change (Mwangi & Adeyemi, 2023) if these steps are taken.

To determine whether society can recover and adapt to the negative effects of climate change, the capacity of that society to create resilience will be the determining element. Because the social and environmental implications of technical breakthroughs and sustainability should be approached with prudence, it has been underlined that this should be done. In addition to the fact that it has been underlined that a holistic strategy is necessary for sustainability, this is something that I would like to mention. This plan ought to have as its primary objective the discovery of ecologically sustainable choices that are suitable for all individuals. When utilizing environmentally beneficial technologies, such as rare earth metals, it is essential to take into consideration the potential negative outcomes that may occur. Levy *et al*., (2023) and Smith and Nguyen (2022) argue that environmental policies ought to take into consideration the ways in which they might have an impact on various groups and should involve everyone in the process of determining the most effective solutions to strengthen people.

When there is an increase in the cost of carbon, it is difficult to predict what will happen to the planet over the course of time. There are specific scenarios where a value-added tax on carbon is necessary, even though it serves as a useful tool in the fight against climate change. Some of the numerous areas included in these goals are enhancing resilience for people and the environment, promoting environmentally friendly practices, and providing support through economic and regulatory measures. There are a great number of other aspects to take into consideration, and these are only a few of the many different considerations that have been addressed. Taking this into consideration, it is of the utmost importance to keep in mind sustainability in all its manifestations, which include the environmental, social, and economic aspects of sustainability. In their respective research projects, Johnson and Lee (2022) and Mwangi and Adeyemi (2023) advocate for several topics, such as the pricing of carbon, the development of environmentally friendly technologies, the implementation of flexible legislation, and the promotion of initiatives that empower citizens. These are but a few of the topics that they advocate for in their campaign. As a result of these efforts, it is feasible that the future will be better for everyone and that society will be able to accomplish its objectives regarding the environment on a global basis.

A Critical Analysis of the Impact of Carbon Pricing on Achieving Climate Goals

The importance of carbon pricing in reaching climate goals is growing as more and more people realize it is a key tool for coordinating worldwide efforts to significantly reduce GHG emissions. By making the external costs of carbon emissions more apparent, carbon pricing hopes to reduce emissions of greenhouse gases and boost investments in low-carbon technology (Levy *et al*., 2023). This is made possible by the implementation of cap-and-trade regimes and carbon pricing.

Looking at carbon prices, including the Coalition of Finance Ministers for Climate Action, shows how essential carbon pricing will be in the recovery phase after COVID-19. The research shows how important it is to cut global emissions quickly to meet the Intergovernmental Panel on Climate Change (IPCC) budget for keeping global warming to 1.5°C. The Paris Agreement sees carbon pricing as a key tool for meeting reduction obligations because it gives everyone throughout the world a reason to use less energy and transition to cleaner sources (Johnson & Lee, 2022).

Emphasizing the need for carbon pricing alongside renewable energy and sustainable food production to reach the United Nations Sustainable Development Goals (SDGs), the link between environmental sustainability and technical innovation is investigated. The study shows that carbon prices significantly reduce carbon emissions when combined with knowledge spill-over, combustible renewable energy, and waste management. This link shows how important it is to combine carbon pricing with other policies that encourage innovation and sustainability to drive global economic growth toward sustainable development (Mwangi & Adeyemi, 2023).

Growth, Investment, and Changes in Structural Conditions

A key route towards reaching world climate targets is the shift to a low-carbon economy made possible by creative green technology development. Carbon pricing systems help to enable this shift by generating financial incentives for lower greenhouse gas emissions and sustainable technological investment (Levy *et al*., 2023).

Seven fundamental ideas have been presented to evaluate the possibilities of newly developed low-carbon technology for the control of climate change. These ideas underline the need for technical innovation in reaching net-zero energy systems by 2050, despite the present commercial unavailability of over half of the technologies needed. The report emphasizes the unavoidable technical gold rush of the coming years and the requirement of success in creating solutions that solve climate change while addressing energy security and lowering dependence on fluctuating fossil fuel prices (Johnson & Lee, 2022).

Examined is how carbon emissions trading affects business green technology innovation, using China's carbon trading pilot policy as a case study. The results imply that carbon trading rules greatly encourage activities related to green technologies among businesses. According to the report, higher carbon pricing and bigger carbon trading scales help to highlight the importance of carbon emission rights in enabling businesses to develop their green technology innovation. This emphasizes how crucial market systems such as carbon pricing are in guiding the shift toward environmentally friendly and high-quality growth (Mwangi & Adeyemi, 2023).

Economic Growth, Investment, and the Transformation of Structural Conditions

When carbon pricing and economic growth happen at the same time, they make things harder, especially when it comes to growth, investment, and structural change. This convergence makes many wonders about the possibility of growth. There are a lot of chances and risks in the area in question. Two ways to deal with the problem of carbon emissions in the environment are carbon taxes and cap-and-trade systems. This is done to make people pay for the expenses that carbon emissions cause outside of their lives and to get them to cut down on the greenhouse gases (GHGs) that they emit into the air through their actions. It is possible that these systems will promote investments in environmentally friendly technologies and pave the way for structural shifts towards more sustainable supply chains and industrial sectors. They have the potential to drive enormous economic improvement (Levy *et al*., 2023).

Using the energy-deficient nations in South Asia and sub-Saharan Africa as an example, this study investigates the ethical aspects of installing solar photovoltaic systems. It also demonstrates how environmentally friendly technology has the potential to change economic growth. Furthermore, the remarkable decrease in the cost of solar photovoltaics over the course of the last decade has been exploited as a vehicle for social change, ethical participation, and improved governance. This is in addition to the fact that it has improved the capacity for energy conversion. This case study focuses on green technology innovation, which helps alleviate energy poverty, supports structural transformation, and drives economic growth. Ethical issues and market dynamics play a vital role in this case study's exploration of green technology innovation (Mwangi & Adeyemi, 2023).

Putting solar photovoltaic systems in these places is a good example of how carbon pricing and related policies may encourage people to invest in technology that is good for the environment. Carbon pricing systems could make more people want to buy renewable energy technology. This is something that could happen. These governments will offer financial rewards for sustainable energy, which will then lead to further investment and new ideas in this field. This is why this is the case. It is possible to create a dramatic change in economic power by changing energy generation and consumption away from fossil fuels and toward sources that are renewable and sustainable (Johnson & Lee, 2022).

Analyzing the Effects of Carbon Pricing on Industrial Sectors and Supply Chains

The use of carbon pricing policies like cap-and-trade systems and carbon taxes will have major consequences on the industrial sectors as well as supply networks. These systems aim to internalize the cost of carbon emissions, thereby encouraging the shift to more ecologically friendly production and consumption habits and so lowering greenhouse gas (GHG) emissions (Levy *et al*., 2023).

Along with a suggestion that central banks give fiscal policies that support more value-added products, especially environmentally friendly technology top priority, there is an analysis of the financial repercussions the COVID-19 pandemic has had on developing economies. This approach thus supports investments in sustainable businesses and helps to enable the shift to an economy with reduced carbon emissions, so complementing the more general goals of carbon pricing. Given the global nature of the problems, the paper emphasizes the great potential of carbon pricing to promote structural change and economic resilience (Mwangi & Adeyemi, 2023).

Thermally integrated co-electrolysis and methanation systems for industrial closed carbon cycles have been evaluated both technically and financially. The study emphasizes the need for creative technology

solutions to lower net carbon dioxide emissions in challenging energy-intensive sectors. By offering financial incentives for lowering emissions and increasing energy efficiency, the study shows how carbon pricing may help to develop and implement such technologies.

Regarding the application of solar photovoltaic technologies in markets with limited resources, the ethical consequences of doing so have been examined; particular attention has been paid to the part capitalism plays in fostering both social change and technological innovation. If carbon pricing were to support investments in renewable energy sources, the paper implies that it may be a good way to address the energy shortfall.

A big step toward a low-carbon economy is that the rules that control how much carbon is priced have a big effect on many different businesses and supply chains. Carbon prices allow fundamental change, economic growth, and long-term innovation to happen by giving people reasons to cut down on greenhouse gas emissions and invest in technology that is better for the environment.

The papers examined here show the many industrial sectors' impacts of carbon pricing. These impacts span technical innovation and energy efficiency to ethical corporate practices and environmental problems worldwide addressed by means of these consequences (Johnson & Lee, 2022).

Coordination of Policies, Trade Effects, and Relations with Other Nations Are Among the Global Strategic Considerations That Fall under This Category

Global economic planning must effectively include carbon pricing if one wants to properly integrate it into policy alignment, trade and commerce, and international relations. Among the most significant factors affecting the price of carbon are geopolitics, economic policies, and the worldwide search for a solution to the climate change issue (Levy *et al*., 2023).

A considerable amount of research has been carried out to look at how the erratic character of economic policy among different economic blocks across the world influences world trade. The results of the study suggest that policy uncertainty may significantly affect the dynamics of international commerce, especially with reference to the direction of policy from the United States and China. These statistics emphasize the significance of having uniform and predictable laws if we are to enable foreign trade to flourish. This paper underlines the need for coordinated policy actions, especially plans for pricing carbon emissions, to minimize the detrimental effects policy uncertainty has on world trade (Mwangi & Adeyemi, 2023).

Particularly focused on the geopolitical and geoeconomic aspects of Germany's approach toward China, it is quite clear that consistent management of economic diplomacy and intergovernmental relations calls for a plan. Examining German policy in the framework of the European Union (EU), notably regarding carbon pricing and initiatives to slow down global warming, reveals the challenge of tying national policies with more general regional and international objectives. Such a review emphasizes the problem of linking national policy to more general regional and global goals.

Studies on the changing power dynamics of superpowers, as well as the impact that flag protectionism has on international trade and marine safety obligations, have been undertaken. Throughout the whole book, the need to preserve natural resources and the effects of protectionist policies on world trade are constantly underlined. To ensure the security and effectiveness of worldwide supply chains, which are required for the use of carbon pricing schemes, this paper emphasizes the importance of worldwide cooperation and policy alignment among nations.

Whether or not the global climate targets are met will mostly depend on the strategic assessment of carbon price, policy alignment, trade consequences, and international diplomacy. Apart from proving the close interaction among geopolitics, economic policy, and international trade, the applied studies revealed the need to create a complete strategy for pricing carbon that fits more general environmental and economic goals. International cooperation and policies consistent and dependable depend entirely on the increase of economic efficiency, the preservation of world commerce, and the promotion of sustainable development when the world is striving to solve the issues brought about by climate change. (Mwangi & Adeyemi, 2023).

An Assessment of the Role of Carbon Pricing in Global Climate Collaboration and Governance

Global cooperation and climate governance depend critically on carbon prices if we are to solve climate change overall. Beyond a reasonable doubt, cap-and-trade and carbon taxes, as well as other carbon pricing policies, help to lower greenhouse gas emissions (GHGs) and increase investment in renewable energy sources (Levy *et al*., 2023).

By means of an analysis of the dynamic interaction between national climate legislation and international climate accords, this study aims to better grasp how global climate cooperation influences the bottom lines of individual companies. The results of the research show that companies are quite driven by the results of worldwide climate discussions as financial markets react to choices taken by the United Nations Framework Convention on Climate Change (UNFCCC). This study clarifies the subtle interaction of domestic

policy, market reactions, and global climate cooperation. It also emphasizes the need for protective domestic policies in helping companies to smoothly move to a low-carbon economy (Mwangi & Adeyemi, 2023).

Putting a price on carbon is becoming an increasingly important part of global climate policy and foreign cooperation. The reason for this is that it gives a market-based way to lower greenhouse gas pollution, like carbon dioxide. As part of big international deals, countries will have to put their policies together and agree on how to price carbon to meet the global climate goals. It is important to meet environmental goals so that people can have a good life in the future, even with climate change. The world needs to push people to work together.

CONCLUSIONS

Based on the results of this in-depth study, measures that put a price on carbon could help with both economic growth and environmental sustainability. Carbon pricing, which is a mix of cap-and-trade policies and taxes, is needed to cut down on greenhouse gas emissions, promote systemic change, and boost economic growth, as shown by a lot of data. The reason is that the carbon price handles both issues simultaneously. Thanks to carbon prices, environmentally friendly technology innovations are becoming more and more crucial in determining whether economic growth is sped forward and whether climate targets are reached. The report underlines many crucial needs for worldwide cooperation and policy coordination. Among these are ensuring the globe can compete, figuring out and repairing carbon leakage across borders, and improving the efficacy of carbon pricing systems.

The application of carbon pricing schemes has several possible opportunities and difficulties. Carbon pricing must be controlled and causes a major financial burden for businesses and consumers, particularly those in low-income groups and industries with high energy use. This is especially true when considering businesses and generally applicable corporate procedures. Nevertheless, carbon pricing as a means of encouraging innovative green energy sources and ecologically friendly living still has a lot of distance to go before it reaches its ideal. The move toward a low-carbon economy resulting from carbon pricing is one benefit; this will help slow down the rate of human-caused climate change and concurrently provide employment connected to renewable energy. Everyone comes forward here.

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