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The Role of Green Taxation in Achieving Sustainable Economic Growth Article Review

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A B S T R A C T

This research aims to highlight the pivotal role of green taxes in achieving sustainable economic growth, with a particular focus on the Iraqi context. The research adopts a descriptive approach to analyse the basic concepts of green tax and sustainable growth and explores the complementary relationship between them. The research addresses the definition of green tax and its various types, highlighting its mechanisms in guiding economic behaviour toward more environmentally sustainable practices. It also reviews the concept of sustainable growth and its economic, environmental, and social dimensions, emphasizing the importance of balancing them to achieve long-term development. Furthermore, the research discusses the challenges facing the formulation and implementation of green taxes in Iraq, including the institutional and legal framework, economic and social considerations, and the level of environmental awareness. The research concludes that adopting well-thought-out and integrated green tax policies is an effective tool for promoting sustainable economic growth in Iraq while addressing specific challenges to ensure their effectiveness and achieve their environmental and economic objectives.

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INTRODUCTION

Since the late 1980s, environmental concerns have emerged as a crucial issue for society. Industrial civilization significantly contributes to broad environmental degradation, and economic losses from natural disasters, particularly extreme weather events, are escalating at an alarming rate. As nations strive for developed economy status, the emerging pollution is attributable to internal combustion engines, power plants, and chlorofluorocarbons (CFCs). Recognizing the significance of this issue, heightened focus is being directed towards addressing these environmental concerns. Similarly, advocacy groups have been actively lobbying for enhancements in environmental quality. Climate change, water scarcity, energy issues, and pollution are among the foremost challenges confronting humanity at both national and global scales.

Carattini et al. (2017) define green taxes as consumption charges imposed on environmental pollutants or on products and services that contribute to environmental degradation. These taxes, also referred to as environmental taxes, pollution taxes, and carbon taxes, are designed with the primary goal of promoting environmental sustainability, which is a critical component of achieving sustainable economic growth. Environmental taxes are essential to formulating effective environmental policies and are widely used as a tool to mitigate the negative environmental impacts of corporate activities. With the increasing risks associated with global warming, awareness among various stakeholders, including businesses, governments, and consumers, of the environmental consequences of economic activity is growing significantly. This growing awareness has led to the establishment of numerous environmental organizations that seek to encourage all stakeholders to adopt sustainable practices that ensure the conservation of resources for future generations. Since the 1990s, the use of environmental taxes has tended to redirect the tax burden from traditional incentives for economic growth to mechanisms aimed at limiting the depletion of natural resources and reducing pollution levels (Andreoni, 2019). In this context, businesses play a dual role: while they are a key driver of economic growth in any country, their activities can significantly contribute to ecosystem degradation. In an effort to balance these two aspects, governments have enacted green tax policies that aim to raise the cost of natural resources as production inputs. This is supposed to lead to a reduction in their use in manufacturing and production processes, thereby alleviating pressure on the environment. Although many countries have adopted green taxes, their effectiveness in achieving stated environmental and economic sustainability goals remains subject to debate and evaluation (Siebers et al., 2019). Therefore, it is necessary for governments to design and implement integrated support systems that enable business sustainability while maintaining profitability levels, as part of efforts to reduce environmental damage and promote comprehensive environmental development. This study aims to understand the mechanisms of green taxation in this context by evaluating its government applications, highlighting potential challenges and risks, and providing practical recommendations on how governments and organizations can use

green tax policies more effectively to achieve their goals of promoting sustainable and environmentally compatible economic growth.

This research aims to conduct a comprehensive assessment of the impact of green taxes on achieving sustainability in the Republic of Iraq. Specifically, the research seeks to analyse the effects of green tax legislation in Iraq on natural resource management and the reduction of environmental pollution levels. Achieving this goal requires an in-depth analysis of existing tax structures, their implementation mechanisms, and the potential for improvements to align them with environmental sustainability standards, which are a key component of sustainable economic growth. A preliminary review reveals significant gaps in published information and available research. In particular, there is a clear lack of comprehensive studies that address the complex interaction between green spaces, technological advancements, and green taxes in the Iraqi context. Furthermore, existing analyses appear to focus largely on the individual components of these factors, excluding their overall and synergistic impact on the country's sustainable economic development trajectory. The notable absence of robust empirical evidence on the implementation and effectiveness of green taxes in Iraq hinders a comprehensive understanding of their current impact on the adoption of sustainable practices and efficient resource management. Therefore, it is imperative to conduct a comprehensive study that explores technological developments appropriate to Iraq's unique social, economic, and environmental conditions, taking into account its potential and limitations. Additionally, to achieve lasting economic growth in Iraq, it is important to thoroughly examine how green taxation could affect the economy, including its possible benefits, how it might impact different groups of people (especially those who are most disadvantaged), and what effects it could have on different parts of the economy.

Subsequent sections of this study will include a systematic review of the relevant literature, a detailed explanation of the research methodology, and an in-depth descriptive analysis of the current situation. The ultimate goal of this research is to demonstrate the substantive impact of green taxation as an environmental policy tool on achieving sustainable and inclusive economic development in Iraq.

LITERATURE REVIEW

"Tax authorities are increasingly prioritizing environmental and ecological concerns, since the United Nations has declared climate change an existential threat". (United Nations, 2020). Countries are implementing market-oriented policies, such carbon pricing and environmental levies, to facilitate climate mitigation. Green taxes, encompassing energy, transport, pollution, and natural resource levies, seek to deter environmentally detrimental practices and promote ecological awareness among individuals and corporations. They exhibit advanced degrees of implementation in certain nations while remaining in the nascent stages of acceptance in others. Researchers propose that green taxes facilitate ecologically sustainable practices, mitigate present and future

environmental issues, improve tax system efficiency, create income, and foster justice. Nonetheless, these results remain dispute.

Definition of Green Taxes

Academic definitions of green taxes vary, reflecting the novelty of the concept, its relative originality, and the ongoing debates surrounding it. The understanding and definition of green taxes are influenced by the context in which they are studied. Generally speaking, green taxes refer to environmental taxes imposed with the aim of protecting the natural environment and reducing environmental degradation. They can be classified as fiscal instruments designed to reduce the negative impacts of specific activities and products on the environment. Green taxes aim to discourage environmentally harmful practices by individuals and corporate entities, thereby encouraging the adoption of more sustainable choices and behaviours. These taxes seek to incorporate negative external costs, or the harmful economic effects of polluting activities, into pricing mechanisms, thereby influencing production and consumption decisions toward promoting environmental sustainability. Green taxes include diverse categories such as transportation taxes, pollution taxes, carbon taxes, energy taxes, and natural resource exploitation taxes (Villar-Rubio et al., 2016). Energy taxes are defined as those imposed on goods used in the transportation and energy production sectors, such as natural gas, fossil fuels, and their derivatives.

Green taxes, as effective elements of environmental policy efforts, represent tools aimed at achieving specific environmental objectives, including promoting the use of cleaner and more efficient energy sources, supporting the adoption of sustainable industrial practices and environmentally friendly behaviours, and banning certain energy sources with negative environmental impacts. In the same context, Hassan et al. (2024) see that the green tax is a financial deduction from polluters determined by public authorities to contribute to environmental monitoring, reform, and behaviour change for the benefit of the environment. It aims to improve environmental conditions and make them almost free of pollution by contributing to reducing it, which is what is stipulated in laws, regulations, and conferences. It also aims to correct the market problem by replacing current taxes with corrective taxes that influence consumer and producer behaviour in favour of environmentally friendly activities. It also aims to increase state revenues and reduce its expenditures in treating pollution damages by creating a new resource that can be used to improve the environment. It also aims to contribute to the application of the "polluter pays" principle, combat pollution, and protect the environment, as it is an effective tool in treating environmental problems compared to other means.

According to Pigou (2020), green taxes can potentially contribute to promoting sustainable development and increasing government tax revenues, potentially reducing other taxes such as income tax, labour tax, corporate tax, and value-added tax. In the context of economic crises, as evidenced by the COVID-19 pandemic and its associated decline in economic activity, business closures, layoffs, and the resulting decline in traditional tax revenues, green

taxes can play a role in enhancing government revenue generation to finance public expenditures, stimulate economic recovery, and achieve the Sustainable Development Goals. "In a related context, technological developments provide crucial tools for data collection and analysis in the field of environmental monitoring. Remote sensing technologies facilitate the monitoring of land use changes, deforestation rates, and other vital environmental indicators". (Nguyen et al., 2021). "Data-driven technologies enable policymakers to make informed decisions regarding land management and conservation initiatives". (Bakta et al., 2019). "The use of geographic information systems (GIS) also facilitates the analysis of environmental patterns on a large scale, which helps in implementing targeted interventions in priority areas". (Atay Kaya and Kot Gorgun, 2020).

Despite the potential of technological advancements to enhance environmental stability in Iraq, "it is essential to prioritize the principles of sustainability and the ethical use of technology. This includes ensuring universal and equitable access to technology for all socioeconomic groups, particularly marginalized groups, with a particular focus on the ethical management and disposal of the increasing e-waste generated by technological advancements. Furthermore". (Shahzad ,2020) "emphasizes that the implementation of environmental taxes represents an effective policy tool with significant potential to improve environmental stability. The Iraqi government can promote the adoption of sustainable behaviours by imposing strategic taxes on activities that cause negative environmental impacts, such as various types of pollution and the depletion of natural resources. In this context". Klimenko (2019) notes that, if carefully designed and implemented, environmental tax frameworks offer significant potential to mitigate the pressing environmental degradation facing Iraq. Revenues from these taxes can be allocated to support vital environmental conservation initiatives, such as large-scale afforestation projects, programs to develop and deploy renewable energy technologies, and the implementation of advanced technologies to reduce industrial pollution. Wolde-Rafael and Mollat-Wildemiskel (2023) "suggest that environmental taxes can significantly improve the internalization of external costs resulting from environmental degradation in economic accounts. By imposing a financial burden on polluting and resource-depleting activities that reflects their negative impacts, environmental taxes encourage individuals and organizations to re-evaluate the environmental consequences of their behaviours and decisions. This shift in financial incentives stimulates the adoption of more environmentally sustainable practices and technologies, contributing to a reduction in the overall environmental impact of economic activities in Iraq". (Bibry et al., 2020).

"Implementing environmental taxes in Iraq could potentially help alleviate the increasing pressure on essential resources, including preserving water and air quality. Wang and Yu (2021) emphasize that environmental taxes have the potential to improve economic efficiency and stimulate technological innovation by targeting industrial sectors and activities that are major contributors to pollution and natural resource depletion. Imposing targeted

taxes on emissions from the transportation sector and various industrial processes is a promising strategy for promoting the adoption of clean technology and reducing air pollution levels". (Klemenko, 2019). Similarly, "imposing fees on water-intensive activities could encourage the adoption of more responsible water-use practices and promote the implementation of innovative water-conservation technologies in both the industrial and agricultural sectors. Furthermore, expanding the use of renewable energy sources could achieve substantial improvements in environmental stability in Iraq". (Al-Qayem and Mohammed, 2019). By gradually shifting from fossil fuels to renewable energy sources, including solar, wind, and hydropower, Iraq can significantly reduce its greenhouse gas emissions. This shift is crucial to addressing the challenges of climate change and mitigating the negative environmental impacts associated with conventional energy production.

"Khan et al. argue that fostering a strong and sustainable renewable energy sector would reduce the country's exposure to volatility in global energy markets, thereby enhancing long-term energy security and resilience. Diversifying Iraq's energy portfolio by integrating renewable sources not only creates new job opportunities but also fosters the growth of local businesses operating in this sector, contributing to enhanced economic stability". (Al-Qayem and Mohammed, 2019). "Renewable energy technology is essential to meeting Iraq's growing needs for sustainable energy generation, especially in light of rapid urbanization and population growth. By leveraging its vast renewable energy resources, Iraq can effectively contribute to global efforts to mitigate the effects of climate change and promote a more sustainable energy future. However, the successful integration of renewable energy into the Iraqi energy system requires careful planning, significant targeted investments, and a supportive legislative framework to ensure a smooth transition and maximize environmental and economic benefits". (Khan et al., 2023 ("In a related context, Adedoyin et al. (2020) argue that in a country like Iraq, economic growth may positively impact environmental stability. This argument is based on the idea that a thriving economy has the capacity to provide the financial resources needed to support the adoption of sustainable technologies and the implementation of environmental conservation initiatives. A strong economy also enables a country to implement stricter environmental regulations, which obliges companies and industries to adopt sustainable operating practices.

In addition, economic growth stimulates research and development directed at green technology, which promotes the adoption of sustainable practices across various economic sectors". (Hsu et al., 2021). Al-Qayyim and Mohammed (2019) emphasize that economic growth leads to increased investment in research into technologies that improve energy efficiency, effective waste management, and the development of renewable energy sources, which results in reduced environmental pollution levels and increased reliance on cleaner industrial practices. Research by Adedoyin et al. (2020) demonstrates the critical role that developing economies play in promoting environmental conservation initiatives and protecting natural ecosystems. Economic growth enables the allocation of resources to establish and maintain

protected areas, implement large-scale afforestation projects, and support biodiversity and wildlife conservation activities. Furthermore, economic growth facilitates the financing of sustainable land-use practices, which promotes long-term conservation efforts that deliver positive outcomes for both the environment and the economy. (Khan et al. ,2022) emphasize that a stable economic environment, characterized by controlled inflation and effective economic policies, can promote sustainable growth. Addressing the complex relationship between inflation and environmental stability in Iraq requires a comprehensive strategy that integrates both economic and environmental considerations. In some cases, inflation may benefit certain environmental activities, particularly when it stimulates investment in sustainable methods and technologies. For example, the rise in the cost of non-renewable resources may accelerate the development and use of sustainable alternative energy sources, such as hydropower, solar power, and wind power. This shift toward renewable energy reduces reliance on fossil fuels and lowers greenhouse gas emissions, enhancing environmental stability (Klemenko, 2019). Furthermore, lower inflation rates may lead to increased financial resources available for environmental conservation efforts (Bibry et al., 2020). The Iraqi government could use a specific percentage of the increased revenues generated from fees and taxes to fund initiatives focused on combating pollution, implementing afforestation programs, and preserving natural areas of environmental importance. This additional investment is essential to achieving environmental stability by enabling the implementation of activities that might otherwise lack sufficient financial support.

Types of Green Taxes

Green taxes are gaining attention as an effective means of mitigating environmental degradation amid concerns over global warming and environmental deterioration. Numerous nations are implementing carbon levies to limit emissions associated with climate change. They impose taxes on dioxide emissions to achieve a reduction in emission levels. Land taxes are gaining significance as countries aim to mitigate urban and suburban sprawl while elevating housing costs for economically disadvantaged residents (Wang et al. 2022). Taxes on roads, highways, and utilities, referred to as pollution taxes, are expanding in scope. These measures are also being used to address environmental degradation, suboptimal placement of residential and commercial structures, and ineffective utility generation techniques. The implementation of the analysed green taxes, including carbon taxes, land taxes, pollution taxes, and environmental ideation taxes, will yield a variety of outcomes. Green taxes will influence internal and exterior locations, urban areas, housing production, and housing placement. (Guo et al., 2022)

Green taxes are levies aimed at unsustainable practices and serve as instruments for transformation. An effective environmental tax might mitigate ecological problems. Green taxes can be categorized as have either wide or restricted bases. Comprehensive green taxes provide little distortions in pricing signals for businesses and people. An example is a fossil fuel tax. Narrow-based taxes target certain items or companies, such as taxes on leaded gasoline,

potentially causing distortions in price signals or behavioural reactions. The primary focus is on comprehensive green taxation. These levies will not significantly inhibit household consumption of fossil fuels. The income distribution problems identified will be somewhat alleviated by decreases in energy use across other areas of household expenditures. Comprehensive taxes are the optimal strategy to mitigate noise pollution (Ari et al. 2022).

Carbon Tax

A carbon tax is levied on carbon dioxide emissions to incentivize individuals and businesses to reduce their carbon output and adopt greener energy alternatives. A carbon tax may be imposed at a predetermined monetary value per metric ton of carbon dioxide released. Alternatively, it may consist of varying monetary amounts contingent upon pollution standards, efficiency levels, or fuel sources. This economic tool must be supplemented by additional regulatory mechanisms and budgetary measures to prevent reliance on it or to avert unexpected repercussions, particularly for economically disadvantaged families (Liu et al., 2021). Carbon taxes can promote behavioural change, since the increased costs of products, fuels, or services sometimes lead customers to pursue replacements or alternatives. For instance, carbon pricing exerts average marginal effects on gasoline, diesel, kerosene, and electricity usage, respectively. The general elasticity of total fossil fuel consumption in relation to carbon price is approximately established, but the recovery patterns further underscore the variability across different fuels (Lamendola, 2015). The use of public transport and energy-efficient equipment permits larger variance in tax liability compared to the other two behavioural indicators, owing to government cross-subsidies. The majority of tax liability is borne by power firms; hence, a significant rise in the per-ton carbon price related to electricity usage will exert greater psychological pressure than on fossil fuels. However, the finding that public transport usage is less responsive to carbon pricing might be ascribed to the necessity of considering mode scheduling, frequency, and service dependability while transitioning from private vehicle use to public transport.

Energy Tax

On July 22, 2019, Minister De Croo declared a provisional decrease of VAT to 6% on power use to assist families and companies with elevated energy costs. An examination of this partial decrease indicates that for a household utilizing 3,800 kWh annually, the tax savings totals 40 euros per year. This action is estimated to potentially signify a tax savings of up to 840 million euros on a nationwide scale. Belgium's long-term energy strategy for a carbon-neutral economy by 2050 will impact the existing energy taxation framework. The aim of both the EU and the Walloon Region's energy administration is to decarbonize the economy, particularly the transportation sector. Research projected that if all light-duty cars transitioned from gasoline or diesel to electric vehicles (EVs), energy usage would rise by 9.8 terawatt hours (TWh) by 2030. Moreover, energy taxes in Belgium diverged from the average taxation levels imposed on energy throughout EU Member States. In 2016, due to the imposition of excessive social surcharges on gas and electricity, which were the lowest levels and ratios among EU nations, there are hopes that fiscal measures

may be suggested to prevent competition distortion. The ongoing global energy crisis has elevated worries around elevated energy expenses, eclipsing long-term objectives. These long-term objectives will necessitate significant alterations to the existing energy usage patterns. The decarbonization of the transportation industry will initially impact energy consumption, shifting from fossil fuels to electricity (Vanrykel, 2019).

Pollution Tax

To mitigate pollution, several governments globally have enacted indirect taxes contingent upon the volume of pollution per economic unit. These policies are formulated as ex-ante measures (Halkos & Kitsou, 2014). The Tax Authorization of industrial units, as an indirect tax policy, establishes a designated target value for pollution levels. Companies required to adhere to such taxes base their strategy on the assumption of ex-ante pollution given by the government. Excess emissions that exceed the designated limit incur penalties as stipulated by the payment terms. In this context, enterprises will choose the extent of their abatement strategy according to the marginal cost of abatement. All goal figures indicate that their manufacturing units will function rather than shutting down some of them. Due to this relatively advantageous assumption, the enterprises' energy expenditures are externally integrated into this goal value (Xu et al., 2023). The presence of alternative treatment technology presents specific challenges for government enforcement. The implementation of indirect taxes in each instance is rather complex, as it is often unfeasible for the government to ascertain the appropriate tax rates. If a corporation selects an Energy Saving Technology (EST), it either mitigates or sequesters a specific percentage of the pollutants produced. Any residual quantity is released into the atmosphere and the adjacent public domain. The efficacy of the treatment technique is determined by the corresponding capture rate. Given that various technologies entail distinct costs and efficiency, it is logical to infer that abatement costs will differ within the industry. Consequently, the assessment of the tax on created pollution must consider the expenses associated with abatement. The concept of non-uniformly mixed pollutants is independent of their sources. Interaction costs will function as externalities affecting other regions. The scenario posits that an optimal tax is attainable for each category of pollutants. This is modified based on their efficacy. (Zhang et al., 2022).

Waste Tax

Economists regard the implementation of a waste charge at landfills as an effective measure for decreasing landfilling. The appeal of this instrument for the EU is predicated on a comparatively low level of taxation in this domain, both in relation to other taxes and among EU member states. Consequently, the economic efficacy of such a tax may be anticipated; an observable increase in tax levels generally results in waste treatment solutions that are advantageous from both economic and environmental perspectives. The implementation of a landfill fee can mitigate the anticipated rise in landfilling, which follows a predicted surge in the generation of biodegradable kitchen and garden trash (Fletcher et al., 2018). The outcomes of modelling the application of the tax at the requisite level may be pivotal for the business sector and the policy

instruments employed at the EU level. The EU has implemented pertinent waste prevention and management policy tools. There is a consensus that the adoption of more policy instruments does not result in a substantial enhancement. Despite the superior efficacy of a waste tax relative to other policy tools, its implementation by EU member states is improbable due to the necessity of unanimous consent. It is contended that the establishment of pertinent policy instruments, such as national taxes, hampers the advancement of a waste tax (Mihaliková et al., 2018). This pertinent topic appears to complement the analysis of current policy tools and their combinations to achieve a reduction in landfilling levels and an equitable distribution of collected garbage. Owing to rising waste treatment costs, the efficacy of mandatory targets, the need for a shift in coarse waste treatment technology, an uptick in waste exports, EU taxation on virgin resources, the imperative for enhancements in waste management systems, and substantial EU funding for system improvements, the renewal of a waste tax will have a balanced budget impact. A waste tax is justifiable at a rate of 10–20 percent if Lithuania enacts appropriate measures, and the application of this tax results in modifications to the treatment technologies for biodegradable waste.

Impact of Green Taxation on Economic Growth

The sustainable development gap resulting from the disparity between economic advancement and environmental resources has grown increasingly pronounced. To bridge this gap, the world community has elevated the notion of sustainable development to a strategic level, recognized as a shared objective (Adanma and Ogunbiyi 2024). Environmental pollution management initiatives need substantial financial backing; nevertheless, some local governments, hindered by sluggish economic growth, are unable to finance such investments, resulting in persistent environmental pollution issues. These tax revenues can furnish adequate financial assistance for environmental pollution mitigation. The environmental costs for firms have risen, which may effectively mitigate the existing issues of excessive environmental degradation and pollution, therefore achieving the objectives of environmental protection (Wang, 2022). In recent years, the government has decreased the frequency of consumer utilization of environmentally harmful items through price control, reflecting a commitment to sustainable green growth. The escalation of gasoline costs has stimulated the sales of new energy-efficient cars, suggesting that the adoption of the ET system can foster the sustainable evolution of consumer behaviour (Liao et al., 2022). ET can affect the conduct of the principal entity via fiscal obligations and oversight. Enterprises incur taxes based on their environmental emissions, thereby elevating the expenses associated with emission reduction. The tax obligation is bifurcated into two components: a pollution tax, assessed based on the volume of emissions. The environmental tax system seeks to govern the behavioural development of entities by adjusting taxes in accordance with the "polluter pays" principle, hence facilitating sustainable green growth (Bashir et al. 2022).

Green Taxation and Behavioural Change

Green taxation may manifest in several forms, each including aspects of behavioural modification and environmental enhancement. These types include the modification of current tax assessments, supplementary taxation, such as incentives for sustainable technology, and taxes on environmental commodities, such land or air pollution (Ekins et al., 2004). The interpretation of each green taxation proposal pertains to the current tax framework across the EU. The principal characteristics of the current tax measures' qualitative indicators have been compiled, and quantitative indicators will be provided based on the taxing instrument. Green taxation measures were assessed based on self-perceptions on behavioural modification and environmental enhancement. The intentions for behavioural change, based on the idea of planned behaviour, were assessed using three qualitative indicators. The assessment of intents for environmental enhancement was conducted using two qualitative indicators. Blue-green enterprises aim to modify their operations concerning waste management, renewable energy, and waste reutilization, signifying a behavioural evolution to deliver their services in a more ecologically sustainable manner (Carreno et al., 2014). Brown-green enterprises, whose activities now generate pollution, do not plan any substantial alterations aside from external marketing efforts. Brown-blue enterprises now exhibit minimal to no environmental impact and possess a pessimistic and fatalistic perspective toward the future condition of the environment. Green taxation is predicated on an enhanced assessment of waste management, renewable energy, and waste reutilization, necessitating a more rigorous ongoing audit of current taxes. Concerning the behavioural change initiatives in waste management, some believe that the existing measurements should be modified, either to reflect slight environmental enhancements or owing to services unrelated to trash management. Nevertheless, over fifty percent of the participants believe that the measure's value need to rise. A similar inclination towards improved assessment of waste management as a green taxation strategy is observable in both blue-green and brown-green classifications. It is clear that, among green taxation initiatives aimed at behavioural change, waste management is seen as the most equitably assessed measure by businesses, receiving appreciation from all participants.

METHODOLOGY

This research employed several papers published in Scopus publications about green, environmental, carbon, sustainable growth, and development taxes. The journals employed various approaches and were derived from distinct nations. This research paper's literature study is derived from an extensive compilation of publications and papers that examine several subjects pertaining to energy, sustainability, environment, economics, and transportation, as well as other domains relevant to the corporate and governmental use of green taxes. This study employed a qualitative methodology to gather data, utilizing secondary sources to examine the implementation of green taxes and the circular economy, the economic effects of green taxes, the conflict between businesses and environmental

organizations, the contributions of various sectors to environmental pollution, and the management of green taxes.

RESULT AND DISCUSSION

The descriptive analysis of this study demonstrates a positive impact of green taxes on the path to sustainable economic development in Iraq. The results indicate that both for-profit and non-profit organizations operating in Iraq are adopting policies aimed at promoting innovation and improving technological progress to address and mitigate carbon dioxide emissions from their operations. These findings are consistent with the findings of Cheng et al. (2021), which confirm that technological innovation has the potential to reduce dependence on conventional energy resources, which in turn leads to reduced carbon dioxide emissions and enhanced environmental sustainability. The results also indicate a direct relationship between the use of renewable energy sources and the achievement of environmental sustainability, which positively impacts overall economic development. This conclusion confirms the findings of Kirikaleli et al. (2021), which show that economic organizations' reliance on renewable energy sources contributes to reducing carbon dioxide emissions, thereby promoting sustainable development goals. These findings are also consistent with Abbasi et al. (2022), which confirms that increasing the use of renewable energy in any country reduces carbon dioxide emissions, thus enhancing environmental sustainability more broadly.

The results also reveal a positive relationship between the implementation of environmental taxes and the achievement of sustainability. The results back up the research by Ulukak and Kasuri (2020), which shows that using environmental taxes helps control harmful activities that hurt the environment, resulting in lower carbon dioxide emissions and better environmental sustainability. These findings are also consistent with the study by Shahzad (2020), which indicates that increasing the environmental tax burden is closely aligned with the principles of sustainability. Furthermore, the results indicate a positive relationship between economic development and environmental sustainability in the Iraqi context. This conclusion is supported by Murshid et al. (2021), who argue that rapid economic expansion facilitates the adoption and implementation of green technologies, ultimately leading to environmental sustainability. These findings are consistent with the study by Hessa et al. (2020), which suggests that increased economic growth enables the population to allocate more resources to reducing environmental pollution and preserving environmental quality. Finally, the study results revealed a positive relationship between inflation rates and environmental sustainability in Iraq, which calls for further research and in-depth analysis to understand the mechanisms underlying this relationship in the Iraqi economic and environmental context. The results correspond with Khan et al. (2022), who contend that moderate inflation within a nation promotes corporate development and increased profitability, hence enabling the implementation of environmentally beneficial initiatives". Hang et al. (2020) validate these results by analysing the effect of inflation on sustainability. The researchers suggest

that heightened inflation in a country is associated with an increased adoption of energy-efficient technologies, hence enhancing the likelihood of achieving sustainability. Repercussions: This study offers valuable insights to the academic and research community by examining the effects of technological innovation, renewable energy use, and environmental taxation on sustainable economic development, while accounting for economic growth and inflation. The paper provides practical advice for lawmakers involved in environmental legislation, highlighting the creation of green spaces to mitigate carbon dioxide emissions and achieve sustainability. The paper advocates for individuals and organizations to adopt technological breakthroughs comprehensively to preserve environmental quality. The research emphasizes the need for environmental authorities to advocate for the use of renewable energy as a crucial approach for achieving sustainability. The research recommends governmental intervention via green levies to achieve sustainable economic development. It promotes the synchronization of inflation rates to encourage environmentally sustainable economic activities and emphasizes the need for policies that facilitate economic growth to attain environmental sustainability. The research aids politicians in formulating policies focused on green spaces and technology.

CONCLUSIONS AND RECOMMENDATIONS

"Green taxes" or environmental taxes aims to guarantee that socio-economic growth follows a sustainable trajectory. It is a principal distinction-pricing tool for environmental protection. Green Growth is defined as an economic growth strategy that seeks to mitigate environmental degradation, resource depletion, and greenhouse gas emissions, while simultaneously generating new employment and growth prospects. Green growth accomplishes this through synergies among climate change mitigation, biodiversity preservation, and the effective utilization of natural resources. It encompasses the notion of sustainable development concerning individuals, tranquility, and affluence. Sustainable economic growth, or Green Growth, may be attained by aligning green taxes, income taxation, and fiscal policies to manage market pricing. A robust and harmonious resource and environment are crucial for sustained green growth. To achieve sustainable green growth, it is proposed that the following conditions must be met:

1. Green development theories and methodologies should be integrated into mainstream practices.
2. Market prices for energy, resources, and environmental costs must be accurately represented in General Equilibrium at both macro and micro levels.
3. Green taxation must be implemented to regulate market prices, revealing natural demand to protect sustainability and productivity.
4. Income taxation and fiscal policies should align with green taxation to promote fairness and efficiency. Demonstrating that the notion of sustainable economic growth' is attainable alone if both green taxes and income taxation are grounded in fiscal policy principles.

Green taxation is seen as environmental taxes with sustainable attributes, and green growth is examined to develop the idea of green growth. Green taxes aim to guarantee that socio-economic growth follows a sustainable trajectory. It is a principal distinction-pricing tool for environmental protection. Green growth is necessitated by collective society aspirations for prosperity and the judicious utilization of natural resources. Certain aforementioned elements facilitate a cohesive comprehension of green taxes and its infinite adaptability to various forms as determined by the creator. However, the nature of the connection or convergence between them remains ambiguous, as does their importance for ensuring sustainable economic growth.

FURTHER STUDY

This research still has limitations so further research is still needed on this topic "The Role of Green Taxation in Achieving Sustainable Economic Growth Article Review".

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