



# GLOBAL ALLIANCE FOR TAX JUSTICE

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## Tax justice for climate justice

*Fair taxes to address climate change and inequality*

### Talking points:

- Climate change and growing inequality are two of the most important challenges we face in the world today. Fair taxes are key to the solutions.
- Solutions for climate change require that we address the global inequality challenge.
- Developing countries are experiencing serious impacts from climate change and have less capacity to adapt to them.
- Developing countries justifiably demand that developed countries, the main drivers of climate change, pay for the costs of adaptation. Global climate justice includes the *polluter pays principle* - the concept that it's fair for rich countries to pay for most of the costs of addressing climate change, as they are overwhelmingly responsible for the bulk of greenhouse emissions.
- Many developing countries will not agree to change their economic development modes unless there is some assistance from developed countries to cover the additional costs of shifting to green energy to power economic development.
- Thanks in part to widespread corporate tax cuts, industrial and resource tax giveaways, the increasing use of tax loopholes and tax havens – multinational corporations – often the very same culprits for pollution and exploitive resource extraction – are avoiding paying their share of taxes in the countries where they have economic activity, and are stashing away huge cash reserves.
- Solutions to both climate change and growing inequality are linked. People in both the North and the South have a common interest in finding solutions and making them happen.
- Taxes are a key part of the solutions.
- Progressive carbon taxes are one way to reduce greenhouse gas emissions in the North, and raise the revenue needed to fund adaptation and mitigation in the South.
- Tax revenues should also be used to fund green energy development and infrastructure such as public transit.
- Taxes are also the key to reducing income inequality by redistributing wealth through investing in vital public services such as public healthcare and education.

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#### ADDITIONAL REFERENCES:

##### [Tax justice to end inequality: World Social Forum 2015 Declaration](#)

**Commitment to** Advance tax justice as a means to deliver climate justice by generating financing, including for adaptation and mitigation.

**Progressive tax policies to tackle inequality within countries** Reduce inequality by adopting a full range of progressive taxation measures. Tax policy design and implementation must actively seek to reduce income and gender inequality.

Make it the highest priority commitment to invest tax funds in the vital human development related public services and public infrastructure (e.g., health, education, water, housing, sanitation, transportation), sustainable development, adequate social protection floors and to reverse climate change.

##### [Asian movements join global call for tax justice](#) (June 2015)

Lidy Nacpil, Global Alliance for Tax Justice coordinating committee member and coordinator of the Asian Peoples' Movement on Debt and Development (APMDD), World Public Services Day statement

"Today, we claim the resources that are rightfully ours to support urgent needs for food, health, water, energy, climate adaptation and other social services vital to our well-being and the enjoyment of our basic rights. We demand tax justice as a key requisite to our survival, a life of dignity and a humane and sustainable future."

##### [African Faith Leaders Statement on Financing for Development](#) (May 2015)

Ecologically destructive activities must be prohibited /and heavily taxed.

##### [US, EU 'avoiding fair share' of climate effort](#) (Oct 2015)

Brandon Wu, ActionAid climate finance expert: "Across the board, rich countries are failing to bring the two most important ingredients to the negotiating table – emission cuts and money."

"If they truly want to solve the climate crisis, wealthy nations must provide finance to support clean development in poor countries and to help communities adapt to dangerous climate impacts."



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#### ADDITIONAL REFERENCES:

[Climate justice – in depth](#) Friends of the Earth Europe (2015)

Around the world, the effects of climate change are felt most acutely by those people who are least responsible for causing the problem. Communities in the global South - as well as low-income communities in the industrialised north - are bearing the burden of rich countries' overconsumption of our planet's resources.

Climate justice means addressing the climate crisis whilst also making progress towards equity and the protection and realisation of human rights.

The countries of Europe must live up to their historical, moral and legal responsibility by cutting greenhouse gas emissions across Europe by at least [40% by 2020](#) (based on 1990 levels) without offsetting. They must also provide adequate and appropriate finances and transfer of clean technology for developing countries to repay their 'climate debt'.

#### **Opposing false solutions**

Governments, financial institutions and multinational corporations are promoting false solutions to the climate crisis. Reliance on [offsetting](#) and on [carbon markets](#), will not achieve climate justice. Nor will taxation policies that increase social injustice, investments in 'clean coal' technology, the resurgence of nuclear power, targets for agrofuel use, trade liberalisation, privatisation, or forest carbon markets.

[We can afford the Leap](#) by Bruce Campbell, Seth Klein and Marc Lee, Canadian Centre for Policy Alternatives (Sept 2015)

There are many who will read [The Leap Manifesto](#) [Naomi Klein et al] and find the goals worthy and exciting, but who will legitimately wonder, “These ideas sound great, but how can we pay for all the green and social infrastructure envisioned? Is such a plan really affordable and realizable?”

Fair questions.

But the answer, in short, is yes. We can afford to make this Leap. All that is lacking is the political will and determination.

The manifesto itself offers a short summary of the options at hand to finance this grand shift in our economy:

“The money we need to pay for this great transformation is available - we just need the right policies to release it. Like an end to fossil fuel subsidies. Financial transaction taxes. Increased resource royalties. Higher income taxes on corporations and wealthy people. A progressive carbon tax. Cuts to military spending.” All of these are based on a simple “polluter pays” principle and hold enormous promise.

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