Tax Justice: A necessary component of climate justice

Trillions of dollars are now needed every year to meet humanity's global needs for climate action and for a basic standard of living for all. Fortunately, there is enough money to meet all these needs. The problem is that a vast amount of the world's wealth is currently held by a tiny number of ultra-wealthy individuals and corporations, and they are not spending it to meet humanity's needs.

Tax justice will make the world's wealth available to meet the world's problems. Without tax justice (and debt cancellation) climate justice will be unattainable and humanity will not be able to successfully address the climate crisis. Action is needed in many nations and by the global community as a whole.

Tax justice will increase the ability of countries in the Global South to fund climate action and improve standards of living for their people. These same steps will enable countries in the Global North to gain financial resources for their own climate action, for basic services domestically, and for meeting their sizable international climate finance obligations to the Global South. Also taxing the fossil fuel industry and removing fossil fuel subsidies will speed the transition to renewable energy.

Tax justice includes:

1. Taxing the income and/or wealth of the very wealthy so they pay their fair share of humanity's needs for:

   a. climate mitigation, adaptation, and loss and damage;

   b. a just transition; and

   c. for development--including needs for food, housing, health, education, social services, and income, both domestically and globally.

2. Making polluters pay. Taxing fossil fuel companies and the financial industry entities that have financed and insured them. These taxes will help pay for the tremendous damage that fossil fuels have caused through climate change and air pollution and will also help eliminate the production of fossil fuels by making them less and less profitable.

3. Eliminating tax havens and tax avoidance mechanisms that the wealthy use to avoid paying taxes, especially the ones Global North companies use to avoid paying taxes in Global South nations. This will require global cooperation so the very wealthy of the world pay their fair share regardless of where they live or put their money.

4. Making taxes progressive enough to reverse the growing concentration of wealth.
5. Dramatically reducing expenditures on militaries and warfare.
6. Eliminate all government subsidies for producers of fossil fuels. Where consumers' energy purchases are being subsidized, especially in poorer countries, provide equivalent or greater subsidies for clean energy alternatives to fossil fuels.

Grossly unequal wealth distribution

Wealth is created by everyone in the world who works (whether that work is paid or unpaid). Our current economic system moves the bulk of global wealth to the already wealthy nations and to a very small minority of their populations--the very rich. The world's richest 1% have more wealth than the bottom 95% of the world's population. In the U.S. and Europe the top 10% have more than 60% of the wealth; while the bottom half of the population have less than 2.6%. The wealthy continue to grow wealthier.

Sustaining All Life (SAL) is an international grassroots organization working to end the climate emergency within the context of ending all divisions among people. *United to End Racism* (UER) consists of a wide diversity of people in many different countries, who are dedicated to eliminating racism in the world and supporting the efforts of all other groups with this goal. UER and SAL are projects of and use the tools of Re-evaluation Counseling. Re-evaluation Counseling (RC) is a well-defined theory and practice that helps people of all ages and backgrounds exchange effective help with each other in order to free themselves from emotional harm resulting from oppression and other hurts. By taking turns listening to each other and encouraging the release of painful emotions, people can heal old hurts and become better able to think, to speak out, and to organize and lead others in building a world in which human beings and other life forms are valued and the environment is restored and preserved. Re-evaluation Counseling currently exists in 95 countries.

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In the U.S., for instance, since 1975, $79 trillion has been taken from the bottom 90% of the population and moved to the top 1%.

This extreme wealth has given the ultra-rich immense political power, which around the world they generally are using to generate more wealth, foster more authoritarian regimes, expand fossil fuel use, and slow the transition to renewable energy.

Signs of change - Wealth tax

Driven by the urgent need for large amounts of grant-based international finance for both climate and development, public advocacy for tax justice is increasing. In July of 2024 the finance ministers of the G20 nations agreed that "With full respect to tax sovereignty, we will seek to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed." Spain already taxes the wealth (not just the income) of the richest 0.5% of its households at the rate of 1.7% - 3.5%. It is estimated that if a similar tax were adopted by all countries, it would raise $2.1 trillion per year. Brazil recently proposed to the G20 that they all impose a 2% wealth tax on the 3,000 wealthiest individuals in the world.

Make polluters pay

There has also been considerable public advocacy for taxing fossil fuel company profits, which have equaled roughly $30 trillion in the last three decades. UN Secretary General Antonio Guterres has urged rich countries to tax the profits of fossil fuel companies and use that money to help countries harmed by the climate crisis and people struggling with rising food and energy prices. "Polluters must pay", he said. Others have advocated for taxing the extraction of fossil fuels in the wealthy nations. One such proposal would raise $3.5 trillion in 6 years, allocating 80% to Global South nations for climate damages with 20% retained by the wealthier nations for their own climate action.

Other proposals

Taxes that are currently spent on fossil fuel subsidies and on military expenditures ($2.4 trillion globally) can be reallocated to finance climate action and raise standards of living.

What can we all do?

- Highlight the grossly inequitable distribution of wealth and the destructive political power of the ultra-rich so it is more prominent in the public consciousness.
- Advocate for, and build public support for, all elements of tax justice.
- Strengthen bonds of connection, caring, mutual support, and community among all peoples--building a global consciousness that we are "all in this together."

The Work of *Sustaining All Life* and *United to End Racism*

It is possible to limit the effects of human-caused climate change and restore the environment—if we make some very large changes in our economy, our energy systems, and our lives in the next five to ten years. *Sustaining All Life* and *United to End Racism* believe the environmental crisis can be resolved only if we simultaneously address racism, genocide of Indigenous peoples, classism, sexism, and other oppressions. The impact of environmental destruction and climate change falls most heavily on the groups targeted by these oppressions, and on other vulnerable populations (including populations of people who are elderly, disabled, and very young). Making the changes needed will require a massive movement, spanning the globe, of people of every background fighting the effects of climate change, racism, and exploitation.

In *Sustaining All Life* and *United to End Racism* we believe that the barriers to building a sufficiently large and powerful movement include (1) longstanding divisions (usually caused by oppression, and especially racism and classism) between nations and between groups of people, (2) widespread feelings that it's too late and any actions will be ineffective, (3) denial of or failure to engage with the climate emergency, and (4) difficulties in effectively addressing the connections between the environmental crisis and the failures of our economic system. *Sustaining All Life* and *United to End Racism* work to address these and other issues.

The role of oppression

The economic and political forms of our societies demand growth and profit with little regard for people, other life forms, or the earth. This results in exploitation and oppression. Oppressions (such as racism, classism, sexism, and the oppression of young people) target everyone, inflicting tremendous injustices, limiting access to resources, and damaging the lives of billions of people. Once targeted by oppression, we tend to act toward others in ways that repeat the hurts that we have experienced. Much of the mental and emotional harm we experience is the result of this passing on of hurt. Our experience is that though people are vulnerable to acting in oppressive ways, oppressive behavior is not inherent, but arises only when a person has been hurt emotionally. Oppressive societies manipulate this vulnerability to establish and maintain economic exploitation.

The importance of healing personal harm

The mental and emotional harm done to us by oppression and other hurtful experiences interferes with our ability to think clearly and sets groups of people against each other. This makes it difficult for us to think about and respond effectively to the climate emergency.

Healing from the hurts that help to hold oppression in place and lead to other harmful behavior is neither quick nor easy work. Many of us resist this personal healing work. We may have survived by numbing ourselves to the harm done to us by oppression. Some of us assume that we will never be free of this harm. In *Sustaining All Life* and *United to End Racism* we have learned that it is possible to free ourselves from these hurts and address barriers to effective organizing. We can heal from hurtful experiences if someone listens to us attentively and allows and encourages us to release the grief, fear, and other painful emotions. This happens by means of our natural healing processes—talking, crying, trembling, expressing anger, and laughing.

By releasing emotional pain in a supportive network, we can stay united, hopeful, thoughtful, joyful, and committed. This in turn strengthens us in building our movements to stop the effects of climate change and racism.

Sustaining All Life

United to End Racism

For more information, see:
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