R7 A4: Tax the Rich to Save the Climate

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Motion text

From line 77 to 80:

- sure that polluting activities are not simply moved to other parts of the world, which would increase environmental inequalities. ~~The EU's Carbon Border Adjustment Mechanism would be a first step in the right direction, but needs to be complemented by policies for other types of activity.~~Carbon offsets are not a solution and should be phased out. Firstly, they come with the inherent risk that they are used by the wealthy as letters of indulgence; having the financial means to be able to buy carbon offsets, those wealthy can thus continue their carbon-intensive lifestyles. Secondly, carbon offset projects have very frequently negative impacts on the local and regional level. For carbon offsets in the Global South for example, forests frequently become inaccessible to the local population, so that tree growth is not hindered. Whilst such projects can have a positive value on the environment, they must be a sufficient balancing of the individual and collective rights of peoples, especially marginalised peoples. Only when the reliability of the carbon offset project is verified by an independent external organ and evaluated on the basis of minimum human rights standards, can its operators sell their commodified carbon certificates. Such balancing is necessary in order to ensure these practices do not induce the poorest to have to pay for the carbon emissions of the wealthy

Reason

We believe our amendment retains the original message of this paragraph, but makes clearer what the demand is and why. As mentioned, although the EU's Carbon Border Adjustment Mechanism is a first step in the right direction, it carries the risk of exacerbating inequality for small(er) companies (see source). Therefore, other policies should be implemented that regulate polluting activities but that make sure these small(er) companies do not suffer disproportionately.

Sources:

https://www.econstor.eu/bitstream/10419/237637/1/1694817660.pdf :

“A CBT can be a substantial non-tariff barrier. For small companies from less-developed countries in particular, it will be very difficult to comply with complex rules of origin, leading to further sector concentration and discrimination against less-developed countries.”
https://www.sciencedirect.com/science/article/pii/S2214629621003339 :
“While some authors have invoked the importance of common but differentiated responsibility, there are few empirical examinations of how developing countries in particular may be affected by a CBAM. Most analyses so far have focused on major trading partners, especially China [40], [41], [42], [43], [44]. Mattoo et al. [45] model the possible impacts for different country groups and major trading partners, finding that most policy design options would have a negative impact on developing country exports and economic welfare. The economic impacts from such measures for developing countries can be somewhat mitigated if the revenues from a CBAM are used to fund clean development and tech transfer, but welfare losses remain [46]. However, assessments consider macro-level welfare impacts, most often on single countries or on country categories; and do not evaluate the differences in national capacities to respond to such policies. We argue that these differences in countries’ vulnerability need to be considered in addition to countries' economic exposure, in order to evaluate relative risk levels from an EU CBAM. So far, the literature on CBAM largely does not consider the administrative burden of tracking carbon content [30], although associated capacities greatly differ across the globe [47]. This process may be more difficult in developing countries [9] which are given less stringent reporting obligations due to these limitations at the UNFCCC [48].”
https://www.repository.cam.ac.uk/bitstream/handle/1810/314742/cwpe2087.pdf?sequence=1
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