



## Submission to the Irish Citizens' Assembly

August 11 2017

### Introduction

CapGlobalCarbon (CGC)'s proposal to the Citizen's Assembly would enable Ireland to completely eliminate its fossil fuel production and imports within a fixed timeframe, while building solidarity with the Global South and providing valuable support to the climate justice movement.

*Please note that emissions other than those produced by the burning of fossil fuels are not covered by CGC. For a more comprehensive discussion on how to eliminate all Irish greenhouse gas emissions, please see Feasta's submission to the Citizen's Assembly<sup>1</sup>.*

Since 2006 members of the Feasta climate group have been promoting **Cap and Share** as a way to achieve meaningful emissions cuts equitably. Briefly: Cap and Share would impose a binding cap on fossil fuel production, charge fossil fuel producers (or importers) for producing, and distribute the revenue from those charges on a per-capita basis. The cap would be lowered each year until eventually, by 2050 at the latest, fossil fuel production is eliminated. A variant on Cap and Share is currently under consideration by California state government<sup>2</sup>.

In 2015, the CapGlobalCarbon initiative was launched at the COP-21 climate summit in Paris. CapGlobalCarbon takes a global approach to Cap and Share. It takes as a central premise the notion that **a healthy atmosphere is the right and responsibility of every human being on the planet**. The initiative is

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<sup>1</sup> <http://www.feasta.org/2017/08/11/submission-to-the-citizens-assembly/>

<sup>2</sup> <https://www.vox.com/energy-and-environment/2017/5/3/15512258/california-revolutionize-cap-and-trade>

featured in Naomi Klein's Beautiful Solutions Lab.

## **CGC and carbon pricing**

It has frequently been suggested that the most effective tool for achieving a zero-carbon economy is an appropriate carbon price.

We agree with those who argue that pricing carbon will help to clarify the overall situation and enable more effective planning. Cap and Share would therefore employ a carbon price - but with vital additional features.

Specifically, we believe this price needs to be adopted extremely carefully, with a particular focus on protecting the vulnerable and building economic resilience. The vital role played by oil in particular in maintaining long transport supply lines needs to be taken into account: some analysts believe that even a modest rise in the (historically low) oil price could trigger an economic collapse unless immediate steps are taken to shift towards a less transport-dependent economy<sup>3</sup>.

Even if economic collapse were avoided, a high carbon price without protective measures could cause immense suffering to low-income people who are currently reliant on fossil fuel for their heating and food supply.

Another important point to note about carbon pricing is that any revenue generated from the price should be considered from the outset to be a *temporary* funding stream. The goal is to phase out fossil fuel use entirely by 2050 at the latest, so we must take care not to lock in any kind of economic dependency on carbon income.

For this reason, we argue that exploration and eventual implementation of other revenue streams based on the management of collectively-owned goods needs to be a key requirement for signing up to a Cap and Share system. One source of such a revenue should be a **land value tax**; this would help to prevent property speculation and inflation. Other revenue sources are feasible as well. (The reasoning behind this is explained in more detail in Feasta's submission to the Citizens' Assembly<sup>4</sup>.)

A final, but vital, point about carbon pricing is that it cannot be relied on to eliminate fossil fuel use by itself. The extremely high quality of fossil fuel energy, particularly oil, makes it unlikely that its use would be abandoned entirely even if it became very expensive. One can easily imagine a scenario whereby millions of people are priced out of carbon access, while a handful of wealthy climate-

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<sup>3</sup> See for example <http://www.feasta.org/2017/01/22/end-of-the-oilocene-the-demise-of-the-global-oil-industry-and-of-the-global-economic-system-as-we-know-it/>.

<sup>4</sup> <http://www.feasta.org/2017/08/11/submission-to-the-citizens-assembly/>

skeptics continue to use fossil fuels profligately. This is why **a carbon price also needs to be accompanied by a binding cap on fossil fuel production**. Fossil fuel production is inherently noxious, like asbestos production or the production of landmines, and needs to be completely phased out over time.

Capping production ‘upstream’, at the source, is not nearly as difficult to implement as one might imagine, as much of the world’s fossil fuel is produced by relatively few companies. (In contrast, capping emissions ‘downstream’, at the consumption end, is far more complicated, as we can see from the difficulties that have been encountered with implementing the European Emissions Trading scheme.)

There remains the question of what to do with the carbon revenues. We believe that they should be distributed on a global per-capita basis, as this reflects the fact that a healthy atmosphere is our collective right and responsibility. **No entity - be it a corporation, private individual or government - should be granted the right to ‘enclose’ the atmosphere and gain financially from its exploitation at the expense of others.**

## **How Ireland could kickstart the worldwide adoption of CGC**

CapGlobalCarbon is by definition a global scheme. This means that it must eliminate 100% of fossil fuel emissions, regardless of where they originate. It also means that everyone in the world has an equal right to compensation from the use of the atmospheric commons. Simply put: those who pollute the atmosphere need to compensate all of humanity for their action.

Ireland is a small country but has relatively high per capita emissions. It currently ranks 37th in the list of carbon dioxide emitters, with per-capita emissions in 2013 of 8.9 metric tons per person<sup>5</sup>.

We could make a useful start, and provide a good example to bigger and more powerful countries, by taking meaningful action in proportion to our size.

We suggest that the Irish government invite a country with a roughly equal population to Ireland, but with relatively low per capita emissions, to join with it in a bilateral Cap and Share scheme<sup>6</sup>.

The scheme would be a precursor to CapGlobalCarbon. Here is how it would

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<sup>5</sup> All statistics on emissions in this submission come from [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_carbon\\_dioxide\\_emissions\\_per\\_capita](https://en.wikipedia.org/wiki/List_of_countries_by_carbon_dioxide_emissions_per_capita)

<sup>6</sup> This idea is developed from a suggestion made by a participant at our Towards Climate Safety and Justice workshop, held in June 2016. <http://www.feasta.org/wp-content/uploads/2016/09/CapGlobalCarbonREPORT-4.pdf>

work:

- Both countries would agree to impose a cap on fossil fuel production and/or imports. This cap would be monitored by independent inspectors.
- Permits would be auctioned annually by an independent Climate Commons Trust to fossil fuel producers and importers within the countries. A floor price would be established to ensure that the permits would bring in revenue of at least \$10 per person per month<sup>7</sup>.
- Revenue from the permits would be distributed to everyone in both countries on an equal per-capita basis. In the low-income country this would be brought about in consultation with charities and other agencies with experience in distributing cash transfers, and would probably make use of the mobile phone network.
- Each year, the quantity of permits available would diminish as the cap was lowered. The floor price would be adjusted to ensure the same minimum income.
- As an income of \$10 a month would not go very far in Ireland, measures would also be introduced to protect low-income people in Ireland from the effects of the rising energy bills brought about by Cap and Share. These measures would include energy retrofitting of housing, the installation of community heating, diversification of agriculture and subsidising of farmers' markets. They could be paid for by means of levies on the use of luxury high-CO2 products: for example, the motor tax on high-emissions vehicles could be raised (it should be noted that overall Irish motor tax revenue actually *decreased* after the introduction of emissions-based rating in 2008). A levy could also be placed on first class flight tickets, on luxury food products that are flown in from abroad, and on other high-CO2 luxury goods. Another possible source of funding to address fuel poverty could be from a Robin Hood tax.
- Over the next decade, preparations would be made in both countries to introduce a land value tax as an eventual successor to CGC, along with other collective-property-based taxes. Revenue from these taxes would also be distributed per-capita.
- By 2050, fossil fuel production would no longer be permitted and there would therefore be no more revenue from CGC. Other revenue streams such as that from the land value tax would take over to provide a more permanent income to the populations of both countries. These could constitute a universal basic income.

## Partner countries

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<sup>7</sup> This figure is based on World Basic Income's suggestion for a minimum basic income. While modest, it could make a significant difference in many low-income countries.

Which countries could partner with Ireland in this scheme?

To make the scheme easily scalable - i.e., to enable other countries to join the scheme easily - we would need a partner country whose per capita emissions, when combined with Ireland's per capita emissions and divided by two (since there are two countries involved and we are interested in average emissions), comes to something approaching the global average. At present this global average is approximately 4.9 metric tonnes per year.

One possible candidate is Liberia, which has a roughly equal population to Ireland but much lower emissions (0.2 metric tonnes per capita in 2013). Liberia's per capita GDP is \$478, so a \$10 a month basic income deriving from CGC would have a substantial effect on average household income. The average per capita emissions for Irish and Liberian people combined comes to 4.55 metric tonnes.

Another, more challenging but potentially rewarding possibility for a partner country is Eritrea. Eritrea's population, at 5.4 million people, is slightly larger than that of Ireland. Eritrea's per capita emissions have not even been measured in recent years because of its instability, but estimates put them at 0.1 metric tonnes per capita. It has a notoriously repressive government which would probably be difficult to work with. However, it arguably needs more urgent assistance than most other countries, as its instability has caused floods of refugees to leave the country in recent years, spreading its humanitarian crisis to neighbouring countries. Many refugees have also undertaken highly dangerous sea crossings to Europe. Cap and Share in Eritrea could be made contingent on reforms by the Eritrean government to improve human rights (e.g., the elimination of the compulsory military service there).

There are other possible candidates for partner countries too. The decision about which country to approach should be made in consultation with development charities. The enormous amount of experimentation and research in recent years into direct cash transfers in the Global South (with some programmes affecting tens of millions of people) should provide useful insights<sup>8</sup>.

It is important to note that the revenue from emissions should not be considered a charity handout but rather **an entitlement deriving from our collective rights and responsibilities regarding the atmosphere**. Recipients would be informed of how the overall system would function, and so they would take into account the fact that fossil fuels will be increasingly difficult to come by in the future (because of the binding cap on their production). This would influence spending and investment decisions in favour of localised food production and energy-

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<sup>8</sup> <http://www.capglobalcarbon.org/2016/06/05/tackling-climate-poverty-and-inequality-together-managing-the-share-in-capglobalcarbon-on-a-global-level/>.

efficient and renewables-based projects. Funds could of course be pooled into community-level initiatives where appropriate, and used to finance legal support for establishing land rights where necessary in the Global South.

Over time, other countries could copy this bilateral agreement, entering into Cap and Share partnerships. The scheme could also work on a regional level: for example, individual states in the US, China and India could adopt it in partnership with other regions or countries, and so could blocs of countries. Permits could be auctioned all together for all of the countries and regions involved provided their per capita emissions, averaged, approximated the average per capita emissions of those countries already enrolled in the scheme. Eventually the whole world could be involved (at which point CapGlobalCarbon would have attained its goal).

It's well known that Global South countries are the hardest hit by climate change, with extreme weather events such as droughts triggering food and water shortages in many regions of the world. Historically Ireland has had its share of food shortages too. Perhaps owing to this, we have a long tradition of providing development assistance to Global South countries. Global solidarity is an important Irish value.

## **Conclusion**

This proposal, relatively straightforward to implement, would establish Ireland as forward-looking, global-minded and fundamentally ethical in its approach to climate stabilisation. It could make a real, tangible difference to many ordinary people in precarious circumstances, providing hope and the ability to plan for the future. Its uniqueness and its emphasis on justice would probably attract international attention and it could be a trigger for more wide-ranging action worldwide.

*More information on capglobalcarbon can be found at <http://www.capglobalcarbon.org> . Cap and Share's website is at <http://www.capandshare.org>.*