HOW TO TAKE CLIMATE ACTION AND TACKLE INEQUALITY

According to the Intergovernmental Panel on Climate Change (IPCC), all pathways that will limit global warming to 1.5°C, with no or limited overshoot, require rapid and far-reaching changes in energy, land, urban areas and infrastructure, including transport and buildings, and industrial systems. The changes required are unprecedented in scale and imply sharp reductions in emissions in all sectors. For this to happen, the biggest polluters, in particular big businesses, must adopt 1.5 aligned Science Based Targets approved by SBTI. Done right, these targets, combined with carbon removals, provide guiding principles for climate action that could spur massive decarbonization and a just transition away from unequal and carbon-dependent economic models towards more equitable and sustainable models that secure the future and livelihoods of workers and their communities. However, vague and unimplemented climate action plans risk being a dangerous distraction that could exacerbate the climate crisis as well as inequality.

The U.S., historically the largest fossil fuel emitter, has an urgent and important role to play in the just transition. Through government action, the U.S. must shift the course of the climate crisis and set a positive example for other wealthy nations in the global north and corporations.

THE SECURITIES AND EXCHANGE COMMISSION

The U.S. Securities and Exchange Commission (SEC) has a mission to protect corporate investors maintain fair, orderly and efficient markets and facilitate capital formation. Congress plays an important role in ensuring that the SEC can carry out its mission. As such, Congress should ensure that:

1. the SEC’s budget is fully funded in the Financial Services and General Government Appropriations Bill;
2. attempts by corporate lobbyists and special interests working for deep-pocketed multinational corporations and trade groups to impede constrain the SEC do not succeed;
3. the rider from the 2023-24 Financial Services and General Government Bill that prevents the SEC from drafting rules on political contributions and corporate lobbying is removed; and
4. the SEC retains the regulatory power to draft regulations that fall within the purview of its mandate, per the recent Supreme Court decision in West Virginia v. the Environmental Protection Agency.

We welcome the agency’s efforts to finalize the climate-related financial disclosure rules. However, Oxfam recommends that the SEC improve the rule with stronger disclosure requirements, including mandating:

1. greenhouse gas emissions disclosures for companies’ full operations and value chain (scope 1, 2, and 3) and independent third-party verification of disclosures;
2. enhanced disclosures for key industries, especially for high-emitting sectors including oil and gas, and food and agriculture, specifically the SBTi FLAG (Forest, Land, Agriculture) guidance to address deforestation;
3. disclosures about whether corporate lobbying practices are aligned with the Paris Agreement; and
4. the inclusion of just transition disclosures in transition planning.

Without robust disclosure requirements, it will be challenging to compare companies within and across sectors and reduce the risk of greenwashing.

WHITE HOUSE COUNCIL ON ENVIRONMENTAL QUALITY

The White House Council on Environmental Quality is in charge of rulemaking aimed at updating federal decision-making guidelines under the National Environmental Policy Act (NEPA). Oxfam urges swift action in finalizing the proposed rule to strengthen NEPA’s role in promoting a sustainable future for all.

The administration should prioritize the involvement of frontline communities in decision making, protect their rights, and address the full gamut of climate impacts throughout the NEPA process.

CONGRESS

Oxfam has identified one bold and important step Congress can take that would dramatically reduce inequality and boost investment in a fairer and more sustainable future for people and planet: increasing taxation of the wealthiest.
This transformative step can be achieved by implementing the following 5 recommendations:

1. Introduce one-off wealth and windfall taxes to stop crisis profiteering;
2. Permanently increase taxes on the richest 1%, for example to a minimum of 60% of their income from labor and capital, with higher rates for multi-millionaires and billionaires;
3. Tax the net wealth of the top 1% on a permanent basis and adopt and effectively implement steeply progressive inheritance, land and property taxes, to level the playing field and prevent the growth of an aristocratic class;
4. Empower public and tax administrations to track the wealth of the richest people and corporations through mechanisms such as public registries of the true owners of companies and other legal entities, a ban on anonymous shell companies, a global asset registry, and an IRS unit devoted to high-net-worth individuals; and
5. Break political capture and ensure equal participation in tax policy making by taking actions such as adopting a UN Tax Convention, including an intergovernmental tax body with universal participation.

Taxing the rich would pay incredible dividends in ending poverty and injustice. Calculations from Oxfam research found that a progressive wealth tax on U.S. multi-millionaires and billionaires could generate $664 billion dollars every year. Revenue from that measure alone would allow the U.S. to invest in programs that protect the climate and more.

Building off climate investments in the 2022 Inflation Reduction Act, we could fund tax credits for consumers and companies to cut carbon emissions and support the creation of a 21st century Civilian Conservation Corps—a jobs program to actively combat the climate crisis.

**WHY IT MATTERS FOR INEQUALITY**

Rich countries don’t only have the greatest ability to pay; they also have a responsibility to compensate for their historic carbon emissions and their ongoing neocolonial extractive actions. These have put the future of life on earth at risk while pushing life-threatening climate impacts onto historically disadvantaged communities here in the U.S. and in the Global South. Natural disasters like floods, wildfires, and hurricanes continue to devastate entire communities, counties, and states at more damaging and frequent rates. This is a question of justice.

Oxfam advocates for climate action to protect the human rights and livelihoods of people least equipped to deal with the climate crisis. We fight for wealthy nations like the United States to rapidly phase out fossil fuels, to help frontline communities with the fewest resources recover from catastrophic climate impacts. Simultaneously, we pressure big companies including U.S. corporations to reduce pollution and to stop exploiting communities that possess natural resources. We call out “carbon billionaires” for propping up polluting industries, and we demand stronger taxation on their wealth and dirty investments.