

Tax the Richest to Save our Planet

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The biggest and richest polluters should be paying the climate bill

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. Global North countries' role in, and responsibility for, the climate crisis is well documented: They are responsible for 92% of excess emissions. Now we also know that the richest 1% globally have a huge role in the climate breakdown. In 2019 alone, the richest 1% were responsible for as much carbon emissions as the poorest 66% of humanity (5 billion people).

These have pushed the most life-threatening climate impacts onto Global South countries, people living in poverty and those experiencing marginalisation. This is a question of justice. There are incredible and record-breaking amounts of wealth in today's world – more than enough to fully fund the fight to stop further climate breakdown. Increasingly, this wealth is not in the hands of governments, but in the hands of rich individuals and large corporations. Using increased taxation to bring a significant proportion of this excessive wealth and profit back into public hands would be transformative.

Trillions of dollars of this new tax revenue must flow to the Global South to fund a rapid and just energy transition, support communities to protect themselves from climate change and to provide compensation for the loss and damage caused by climate breakdown. It must be used to cancel crippling debts, help rapidly reduce inequality, end poverty and deliver prosperity for all. Income and wealth from polluting activities should also be taxed at a higher rate, so that companies and investors can no longer get more profit from polluting fossil fuels than from clean energy.

Taxes on the wealth and income of the richest could raise over \$9 trillion a year to invest in a green equal future for all. Three taxes could together, raise more than US\$9 trillion to build a green and equal world:

- **Wealth tax – US\$1.7 trillion a year**
Oxfam has calculated that a wealth tax on the world's millionaires and billionaires could generate over US\$1.7 trillion per year. A top-up punitive wealth tax on investments in polluting activities could raise at least a further US\$100bn a year. Similar taxes could also be placed on income from shares in such industries.
- **Higher Income tax on the top 1% – US\$6.4 trillion a year**
An income tax of 60% on the top 1% of earners would generate US\$6.4 trillion per year. According to Oxfam, this would also help reduce global emissions by 700 million tons, more than the total emissions of the United Kingdom, if the funds are spent on greener investments.
- **Windfall corporate profits tax – up to US\$941bn**
Together, 722 of the world's biggest corporations have raked in over US\$1 trillion in windfall profits each year for the last two years (2022 to 2023). Of these, 45 energy corporations made on average US\$237bn a year in windfall profits. Oxfam and Action Aid analysis shows that a tax of 50–90% on the windfall profits of 722 mega corporations could have generated up to US\$941bn.

Given that the investments of the super-rich are more polluting than average, reducing their wealth and redistributing that capital to other, greener investments could have a transformative role in reducing emissions. Reducing the wealth of the super-rich and the number of super-rich people would reduce their influence and their capture of politics and policy.