

# CREATURES

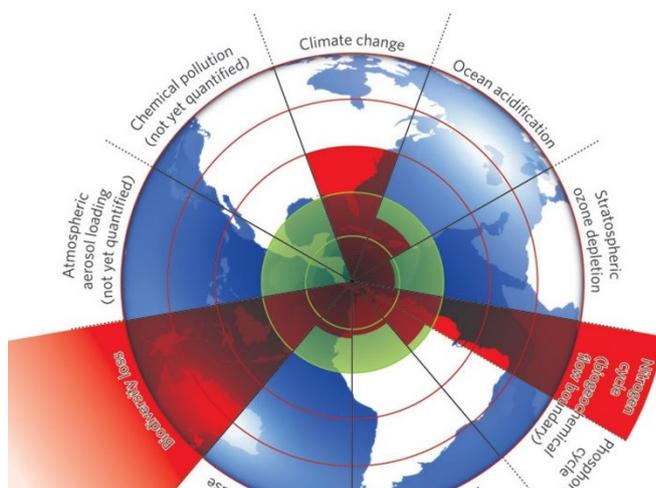


RADICAL ECOLOGICAL CONVERSION AFTER LAUDATO SI'  
Discovering the intrinsic Value of all Creatures, Human & Non-human

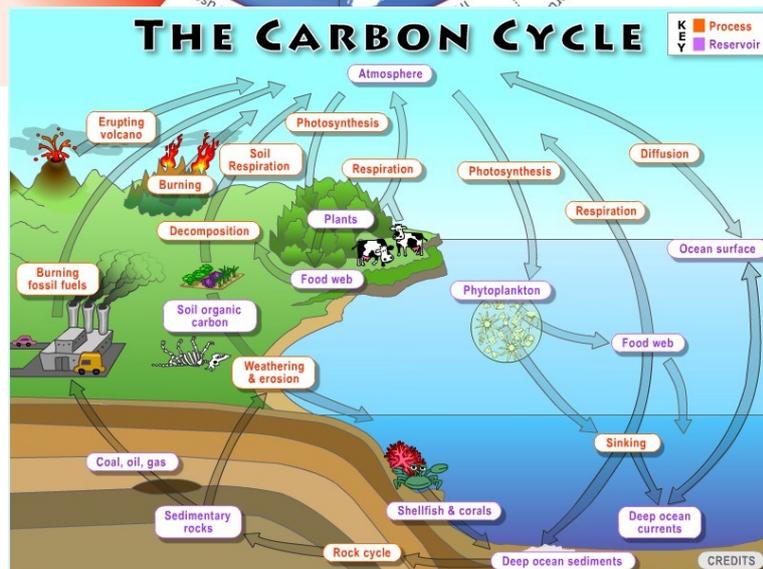
## Policies for Managing the Global Climate Commons – A response to the presentation “Climate, Coal and Capital: Status of the Global Commons” by Prof. Dr. Ottmar Edenhofer

Dr. Sarah Molly Scot Cato,  
Green MEP for the South West of England and Gibraltar

### Climate the most urgent aspect of a multi-faceted ecological crisis



Climate is just the most urgent crisis: while it is extremely welcome that the Paris Agreement has underlined the important of urgent policies to tackle the multi-faceted ecological crisis. As His Holiness notes in the encyclical, we are also destroying the balance of the planet in numerous other ways: nitrogen cycling, water resources, loss of valuable creatures that are part of the web of life, and many other natural systems. The [graphic](#) shows how we are over-shooting safe operating limits for planet earth in various areas.



The encyclical notes that ‘the way natural ecosystems work is exemplary’. This is an important lesson in terms of the economic system where we need to move to a circular model of production meaning one where we produce no waste

but recycle used products back into the production cycle. This is in contrast to the linear economy which extracts raw materials, uses energy to turn them into products that have a short-life and are then disposed of.

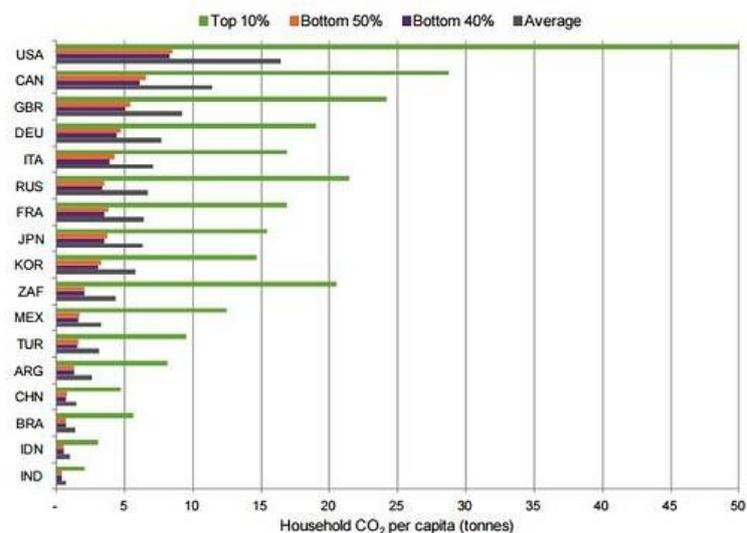
A circular economy is not compatible with the use of fossil fuels. The exploitation of fossil fuels has led to disruption precisely because it is non-circular. Biological waste has been converted into fossil fuels but when they are burned they release gas in a one-directional process, causing a disruption of the natural carbon cycle. We may be able to address some of these impacts through soil-based carbon capture and reforestation, and by preserving the few remaining old forests, which sequester more carbon as they grow faster than young forests

### **Pricing carbon and sharing the global commons**

How might we put a price on carbon? The need to do this is the conclusion of Professor Edenhofer's presentation but what policies does this imply?

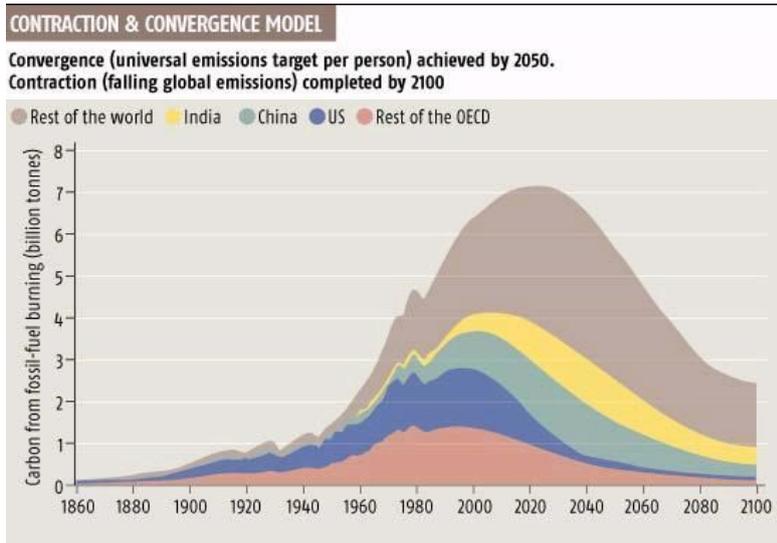
Drawing on the understanding that 'The climate is a common good' we can conclude that we must share the space for CO<sub>2</sub> emissions in the global atmosphere and share it fairly. Although we think in terms of global emissions the commons that we are really talking about is the space in the atmosphere to absorb those emissions.

Professor Edenhofer talks about 'our emissions' but whose emissions are they? Levels of carbon emissions are vastly different between rich and poor within and between societies, as [shown](#) in the graph. Majority world countries need to increase their emissions to be enabled to live a decent and dignified life. This means that we in the wealthier countries must reduce our emissions by an even larger amount to compensate.



And who owns the emissions produced in China (and other exporting countries) to make goods that we consume? It is only fair that those emissions count in our total rather than theirs. If emissions are counted this way then we have not reduced as much as we think. Of course this also implies that the process offshoring emissions combined with a serious commitment to reducing emissions can lead to job losses in our own countries, especially in energy intensive industries.

But returning to our fundamental question, how should we share the global atmospheric commons? There is a model that exists that is based on such radical equality: Contraction and convergence. The Global Commons Institute explain their model to distribute global emissions fairly as follows:



**Contraction** refers to the process by which greenhouse gas emissions from human sources shrink to zero, while **Convergence** refers to the full international sharing of these emissions as they decline, converging on a declining global per capita average, so that everybody in the world has the right to produce an equal amount of emissions each, and the total amount declines over time, as illustrated.

Contraction and Convergence is only a model. It does not prescribe how countries should ensure that they do not exceed their carbon budget. But a parallel policy proposal is that of 'cap and share'.

As the graphic shows, under a cap-and-share model, emissions are capped at a level that enables us to stay within a safe warming limit and then decline as in the C&C model. The right to produce CO<sub>2</sub> is issued to all the world's citizens as a number of permits. They are then free to sell these permits to fossil fuel producers who need to exchange them for the right to extract fossil fuels.

The most powerful and direct way to put a price on carbon is to introduce a carbon tax. This has proved hugely political controversial. Australia introduced one for a short time which was effective but was destroyed after only a short time by powerful vested interests.

The UK introduced a form of carbon tax called the Climate Change Levy which created a [carbon](#) price floor to operate in conjunction with the EU's Emissions Trading Scheme. It introduced a tax on fossil fuels used to generate electricity to top up the ETS allowance to ensure that a minimum price for carbon waste kept, incentivising the development of alternative generation methods.

As Greens in the European Parliament - and together with our socialist allies - we will reintroduce the debate about a European carbon tax in the wake of the Paris Agreement. But we already know that political agreement will be difficult, especially with major coal-producing countries like Poland. A previous attempt to agree a carbon tax was impossible which is why we ended up with the ineffective Emissions Trading System.

### **The example of sustainable finance**

Laudato Si' calls for 'a legal framework which can set clear boundaries for fear of being overwhelmed by 'the techno-economic paradigm': this is quite a challenge for the economics discipline which has been dominated but such a paradigm and many economists are guilty of 'irrational confidence in progress and human abilities'.

Here I outline just one example of policy-making within this paradigm which is informed by both economics and politics and which I hope will yield some positive outcomes: Sustainable

Finance. This is an ongoing stream of work launching during our conference in Rome by the European Commission.

The key questions driving this work are:

- How will we fund the transition to a sustainable future?
- Can we use the systems of ‘the current global system where priority tends to be given to speculation and the pursuit of financial gain’ and reorient them to shift our economy towards a sustainable future?

The extensive ownership of fossil-related assets in investment portfolios constitutes a risk to the financial system. As Professor Edenhofer pointed out, we have to keep around three-quarters of known fossil reserves in the ground if we are to keep climate warming within 2 degrees. So these reserves on the balance sheets of companies and in investment portfolios have been recognised as ‘stranded assets’. We need to eliminate them rapidly and in an orderly way to prevent the risk of a sudden collapse in their value and financial instability.

We also need all those with investments and pensions to know to what extent they are dependent on such stranded assets. We need mandatory disclosure for shareholders and much better information for those with investments and pensions.

For somebody who is 35 today, by the time they draw their pension we will have eliminated fossil fuels from our economy. So if they are sold a pension plan which includes investment in fossil fuels it will be mid-selling. We are seeking to introduce laws that would make the inclusion of such stranded assets in pension products and investments impossible.

The Paris Agreement did not go far enough but it accelerated action on climate change and is a useful political lever. There is other great news in the German Energiewende and China’s rapid move towards renewables. And on 2017 the U.K. had its first day since the industrial revolution without burning any coal to produce electricity. While we have a massive challenge to face there is much encouraging news.

### **What is a good life?**

‘[Francis] shows us just how inseparable the bond is between concern for nature, justice for the poor, commitment to society, and interior peace.’

Social justice and environmental justice are two sides of the same coin. The loss of identity and sense of frustration and rage we feel is not only because of our awareness of social injustice but also because we are aware that we are causing destruction to the web of life that we are part of, but have also largely lost touch with that web

Our happiness and fulfilment does not depend on material satisfaction but on rejecting what LS calls the ‘consumerist vision of human beings’. It is a job for economists as well as theologians to redefine the good life against the background of the spiritual value of creation.

It is a vital insight of Catholic social teaching that the poor suffer disproportionately from environmental crisis. But we need also to recognise that greed and the lack of a sense of sufficiency drives the growth and excessive consumption that is destroying the planet. Mainstream economics and indeed the market system itself relies on an artificial concept of

scarcity that many have internalised leaving them feeling dissatisfied and anxious that their needs will not be met.

A better maxim for a sustainable economy would be from Jesus's Sermon on the Mount: 'Consider the lilies of the field...'

Seeking inner peace and celebrating the wonder of the continuing creation would lead us towards lives of greater contentment with far lower material standards of living.