Carbon Billionaires - Oxfam Report

Why in news?

An Oxfam report titled "Carbon Billionaires: The investment emissions of the world's richest people" was released recently.

What is this report about?

- This report is an analysis of the investments of 125 richest billionaires of the world, and this analysis was conducted by Oxfam International.
- This report is based on the fact that every human on Earth has a carbon footprint, which can be divided into
    1. Personal consumption emissions,
    2. Emissions through government spending and
    3. Emissions linked to investments.

How was the research conducted?

- Oxfam listed the 220 richest people in the world, based on Bloomberg Billionaire List (August 2022).
- It then identified the ownership of these billionaires in corporations and their emissions:
    1. Scope 1 emissions - A direct result of the company's operations.
    2. Scope 2 emissions - They constitute indirect emissions, for example, energy to operate machines.
    3. Scope 3 emissions - These are other indirect emissions such as those resulting from a company's supply chains.
- To focus on investments and sectors where billionaires have a massive influence, their final research database involved 183 corporates, with investments by 125 billionaires worth $2.4 trillion.
- They utilised the **Greenhouse Gas Protocol**, which "provides the world's most widely used GHG accounting standards", to calculate the carbon footprint of these companies.

What does the Oxfam report say?

- This report has said that the world's richest people emit "unsustainable amounts of carbon," as compared with an ordinary person.
- On average, billionaires are responsible for emitting "3 million tonnes" of carbon a year, which is more than a million times the average for someone in the bottom 90% of humanity.
- The 125 billionaires taken as a sample fund about 393 million tonnes of CO2e (carbon dioxide equivalent) per year.
- This is equivalent to the "annual carbon emissions of France".

- In comparison, it would take
    1. 8 million cows to emit the same levels of CO2e as each of the 125 billionaires and
    2. Almost four million people to go vegan to offset the emissions of each of the billionaires.

Why does the report matter?

- The report takes a critical look at the relationship between economic inequality and climate crisis.
- The report says that the world leaders must ensure that "those who emit the most carbon also do the most to reduce those emissions."
- Since billionaires hold significant wealth and stakes in globally recognised corporations, they hold the power to influence the ways in which those corporations behave.
- The decisions made by the investors - whether to invest in corporations failing to reduce carbon emissions, or to fund fossil fuel and similar industries - can further determine the intensity of future emissions.

What are billionaires' 'personal consumption emissions'?

- In 2018, emissions from the private yachts, planes, helicopters and mansions of 20 billionaires generated, on average, about 8,194 tonnes of carbon dioxide (CO_2e).
- As evident in the billionaire space race, a single space flight can emit as much carbon dioxide as a normal person will in their lifetime.
- In 2021, research conducted by Oxfam and the Stockholm Environment Institute revealed:
    1. The richest 1% (around 63 million people) alone were responsible for 15% of cumulative emissions, and
    2. The richest 1% were emitting 35 times the level of CO_2e compatible with the 1.5°C by 2030 goal of the Paris Agreement.

What can be done to curb their carbon footprint?

- The report says that the corporations are failing to cut emissions and avert climate change.
- But the 2022 report points out the flaws in the 2050 climate change plans of 'net-zero' total carbon emissions, they are heavily relying on using land in low-income countries to plant trees.
- In 2021, Oxfam revealed that using land alone to remove the world's carbon emissions to achieve 'net zero' by 2050 would require 1.6 billion hectares of new forests, an area equivalent to 5 times the size of India.
- The 2022 report states that it is the governments' responsibility to create climate policies that work towards green transition, mainly, by regulating the corporate investments in highly polluting industries.
- They should aim to set strong and binding science-based GHG reduction targets and demand greater transparency.
- The Governments should include workers' rights, protection of their livelihoods and that of marginalised communities who are adversely affected by climate change in

policy decisions.

- The report suggests that a wealth tax on the richest could
    1. Aid the urgent climate finance needs of developing countries and
    2. Raise hundreds of billions of dollars to help and protect those already suffering the impacts of catastrophic climate change.

Reference

1. Indian Express Explained | Oxfam report

SHANKAR IAS PARLIAMENT
Information is Empowering