

CONFRONTING CARBON INEQUALITY IN IRELAND

Putting climate justice at the heart of the Covid-19 recovery

1. INTRODUCTION

This short paper summarises the carbon consumption emissions generated by different income groups in Ireland from 1990 to 2015. The distribution of consumption emissions among income groups mirrors trends at the global level, whereby higher income groups expend significantly more carbon emissions than lower income groups. These findings need to be taken into account, as Ireland updates its plans to address climate change and seeks to fulfil its commitments to the Paris Agreement. Those most vulnerable to climate breakdown are the very same people that have contributed least to causing the problem. To achieve climate justice those most responsible for causing climate change, both in Ireland and around the world, have the most responsibility for addressing this issue. To do this Ireland must put tackling the twin climate and inequality crises at the heart of their Covid-19 economic recovery.

2. FINDINGS

- Based on 2015 data, the top 10% of the Irish population by income levels, emit over a quarter (26%) of consumption emissions, the middle 40% emits less than half (45%) of emissions, while the bottom 50% emits only 29% of emissions. Shares among these income groups have not changed markedly over the period 1990-2015.
- This means that the top 10% of the Irish population emit nearly as much as the bottom 50%, although the bottom 50% has five times more people in it (about 475,000 people compared to 2,375,000 people)
- The top 10% contributed about a third of the cumulative carbon emissions between 1990 and 2015 - almost as much as the bottom 50% (28% compared to 29%).
- The top 10% has almost 5 times the average per capita carbon footprint of the bottom half of Irish citizens (24 tCO₂ compared to 5 tCO₂).
- Remarkably the top 1% has an average per capita carbon footprint of 66 tCO₂. To put this in perspective we need to reach an average per capita carbon footprint of just 2.1 tCO₂ by 2030

to achieve our Paris Agreement commitments and keep global heating on track to reach just 1.5C.

While our research doesn't identify the forms of consumption that make up the very high footprints of the highest income groups in Ireland some patterns in the consumption habits of high-income people can be inferred based on other studies. Recent analysis of carbon emissions associated with households in the top 10% and 1% of emitters in the EU¹ shows that by far the largest share of emissions among these high emitters is from transport - car journeys, and especially for the very highest emitters, flights. This pattern seems to be common across regions: another recent study estimated that the top 10% richest households globally use around 45% of all the energy linked to land transport, and around 75% of all energy linked to aviation, compared to just 10% and 5% respectively for the poorest 50%².

These highly carbon intensive sectors were found to be the most unequal of any consumption category, with an income elasticity of demand that is much higher than 1 (meaning that for every 100% increase in income, spending on these categories increases by more than 100%). By contrast, home heating and electricity and food are found to be more inelastic, implying that these are more basic goods, which constitute the majority of emissions footprints of lower income groups.

This data tells a very clear story - income matters a lot in relation to climate action. It is questionable whether higher taxation by itself will be enough of a deterrent to the super-rich to end hyper consumption. We as a society need to have a conversation about whether we can afford to continue to allow excessive luxury carbon consumption to continue eg SUVs, private jets etc. The flip side of this is that the costs and benefits of climate action, of transforming our economy and society into a post-carbon future, need to be borne and allocated with due consideration to income distribution. For example, the Government's plans to retrofit 500,000 homes by 2030 to increase energy efficiency should prioritise low income homes. Likewise, there is a need to frontload investment in quality and affordable public transport to afford low income households wider transport options.

Most importantly, identifying the very high emissions associated with individual consumption does not imply that individuals are alone responsible for reducing their outsized footprints. Today's extreme carbon inequality is the result of political choices made in Ireland over the past 20-30 years. The systemic causes of carbon inequality thus require systemic, not individual, solutions. New types of economic thinking are called for that - at least in rich societies - prioritise other objectives than the endless growth in income and consumption of the already affluent. Beyond technological shifts to improve the supply-side of emissions, new policies are needed aimed at a controlled and equitable contraction in aggregate demand among the richest, highest emitters, while prioritising efforts to ensure everyone can enjoy a decent minimum standard of living based on their human rights.

3. RECOMENDATIONS

To address this issue, the new Irish government needs to confront extreme carbon inequality – to continue to prioritise unequal carbon-based economic growth will mean jumping from the frying pan of the current pandemic to the fire of an uncontrolled and irreversible climate crisis. To do

¹ https://www.cambridge.org/core/services/aop-cambridge-core/content/view/F1ED4F705AF1C6C1FCAD477398353DC2/S2059479820000125a.pdf/unequal_distribution_of_household_carbon_footprints_in_europe_and_its_link_to_sustainability.pdf

² <https://www.nature.com/articles/s41560-020-0579-8>

this the Irish Government should consider implementing the following recommendations to help reduce emissions at the top, while building resilience at the bottom.

- Ensure that all climate actions are equality proofed and put in place mechanisms to offset significant negative impact of climate action on low-income groups
- Introduce focused policy measures targeting excessive and luxury emissions. Progressive carbon pricing, especially measures targeted at luxury carbon goods and services (private jets, SUVs), alongside new wealth taxes, can generate substantive new revenues for investing in the expansion of social protection measures, or for investment in energy efficiency measures in low income households that will substantively lower energy bills.
- End tax breaks for aircraft fuel and explore mechanisms to discourage frequent fliers.
- Explore, through public participation, which luxury carbon intensive goods and services need to be banned to achieve a post-carbon future
- Government bail-outs and subsidies should end for sectors associated with luxury carbon consumption, and investment expanded in low carbon sectors like health and social care which overwhelmingly benefit low income, marginalised groups and women who are shouldering the majority of paid and unpaid care work during the Covid-19 crisis.
- New decent job guarantees should be designed for those sectors of the economy that will be most impacted by the transition to a post-carbon future. Climate action will generate new employment opportunities related to major infrastructure projects that expand renewable electricity generation, public transport networks, bicycle routes and retrofitting of homes.
- The Government should set and report annually against new indicators of economic success that reflect both the extent to which decent minimum standards of living have been met, and to which ecological limits such as the carbon budget have been respected. Adequate additional resources should be given to the CSO to ensure they can produce such indicators at a similar level of detail and frequency as other economic indicators.

NOTES AND GRAPHS

- Historical carbon emissions data were taken from the Global Carbon Project with gaps filled by the Carbon Atlas.
- Income data is taken primarily from the World Inequality Database.
- A full breakdown of the data used in this report can be found here - https://www.oxfamireland.org/sites/default/files/carbon_inequality_ireland_final.xlsx
- This report is a companion report to the Oxfam International report, *Confronting Carbon Inequality*. Download [here](#).

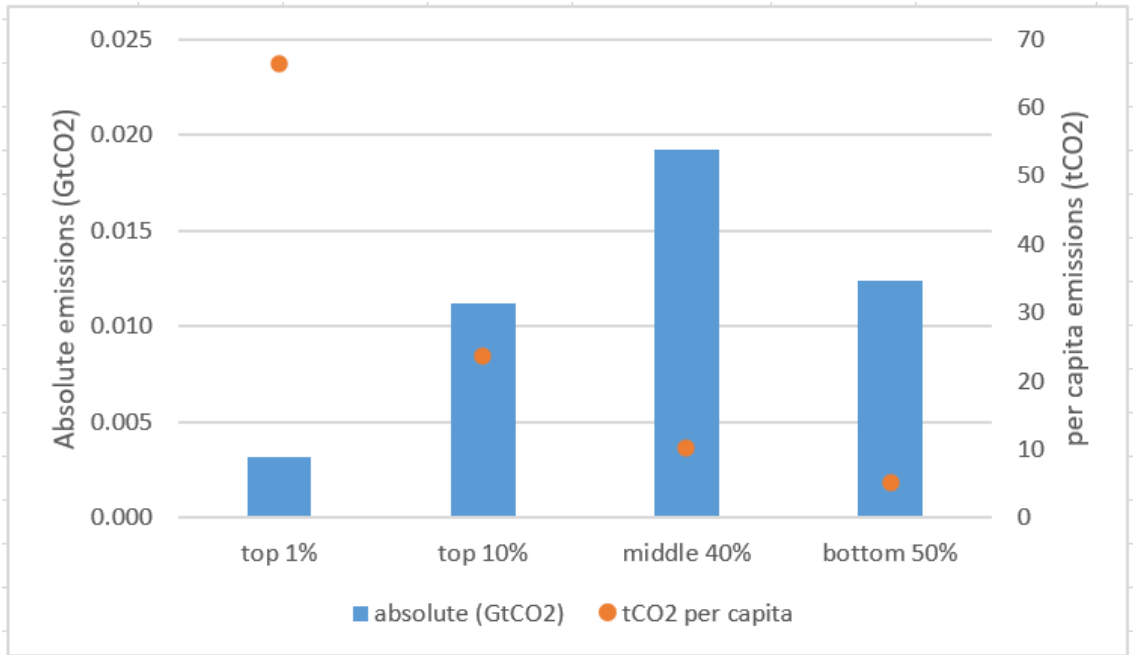


Fig. 1 Absolute and per capita emissions per income group (2015)

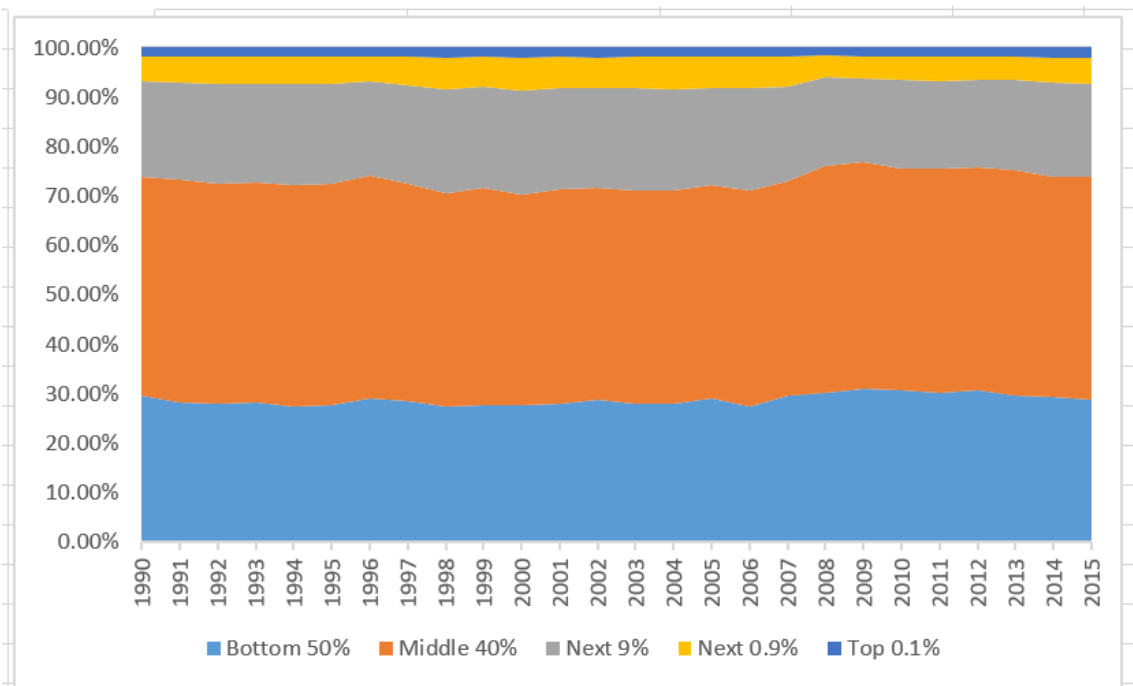


Fig.2 Emission Shares (%) by National Income Groups

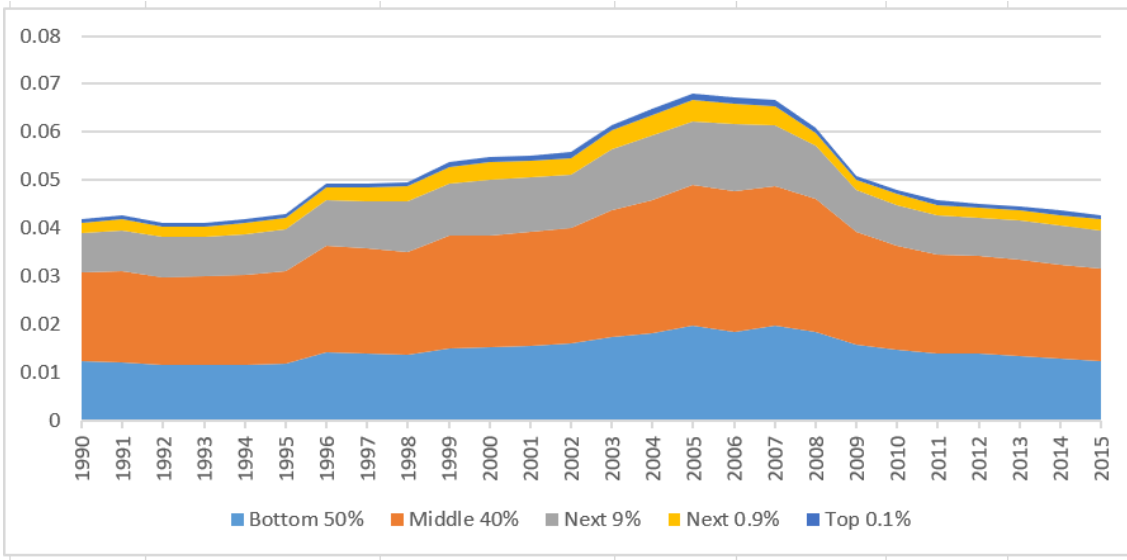


Fig. 3 Emissions (GtCO2) by National Income Groups

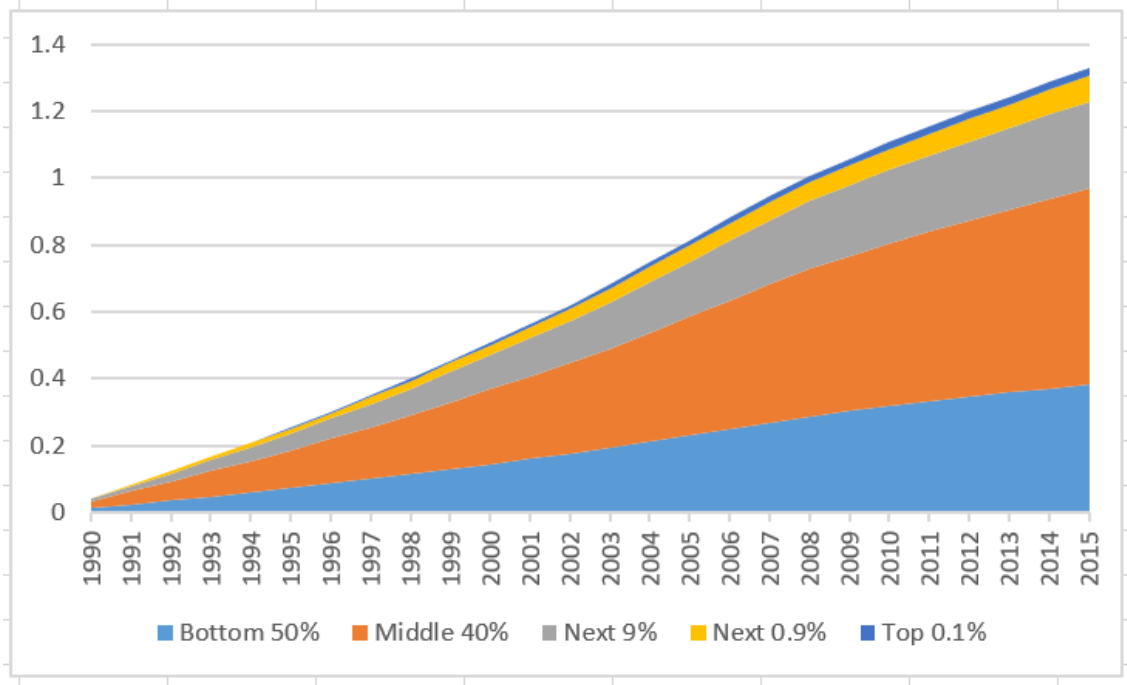


Fig.4 Cumulative Emissions (GtCO2) by National Income Groups

OXFAM IRELAND

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