

How can we tax the footloose multinationals?

Joseph Stiglitz

Apple and companies like it claim to be socially responsible, but that should mean paying your fair share of tax

<https://www.theguardian.com/business/2019/feb/14/how-can-we-tax-the-footloose-multinationals>



Protests outside the parliament buildings in Dublin over Apple's tax bill. Photograph: Paul Faith/AFP/Getty Images

In the last few years, globalisation has come under renewed attack. Some of the criticisms may be misplaced but one is spot on: globalisation has enabled large multinationals, such as Apple, Google and Starbucks, to avoid paying tax.

Apple has become the poster child for corporate tax avoidance, with its legal claim that a few hundred people working in Ireland were the real source of its profits, and then striking a deal with that country's government that resulted in its paying a tax amounting to .005% of its profit. Apple, Google, Starbucks and companies like them all claim to be socially responsible, but the first element of social responsibility should be paying your fair share of tax. If everyone avoided and evaded taxes like these companies, society could not function, much less make the public investments that led to the internet, on which Apple and Google depend.

For years, multinational corporations have encouraged a race to the bottom, telling each country that it must lower its taxes below that of its competitors. US president Donald Trump's 2017 tax cut culminated that race. A year later, we can see the results: the sugar high it brought to the US economy is quickly fading, leaving behind a mountain of debt (the US deficit passed the trillion dollar mark last year).

Spurred on by the threat that the digital economy will deprive governments of the revenues to fund function (as well as distorting the economy away from traditional ways of selling), the international community is at long last recognising that something is wrong. But the flaws in the current framework of multinational taxation – based on so-called transfer pricing – have long been known.

Transfer pricing relies on the well-accepted principle that taxes should reflect where an economic activity occurs. But how is that determined? In a globalised economy, products move repeatedly across borders, typically in an unfinished state: a shirt without buttons, a car without a transmission, a wafer without a chip. The transfer price system assumes that we can establish arms-length values for each stage of production, and thereby assess the value added within a country. But we can't.

The growing role of intellectual property and intangibles makes matters even worse, because ownership claims can easily be moved around the world. That's why the United States long ago abandoned using the transfer price system within the US, in favour of a formula that attributes companies' total profits to each state in proportion to the share of sales, employment and capital there. We need to move toward such a system at the global level.

How that is actually done, however, makes a great deal of difference. If the formula is based largely on final sales, which occur disproportionately in developed countries, developing countries will be deprived of needed revenues, which will be increasingly missed as fiscal constraints diminish aid flows. Final sales may be appropriate for taxation of digital transactions, but not for manufacturing or other sectors, where it is vital to include employment as well.

Some worry that including employment might exacerbate tax competition, as governments seek to encourage multinationals to create jobs in their jurisdictions. The appropriate response to this concern is to impose a global minimum corporate-income tax. The US and the EU could – and should – do this on their own. If they did, others would follow, preventing a race in which only the multinationals win.

Since its inception, the OECD/G20 Base Erosion and Profit Shifting Project has made an important contribution to rethinking the taxation of multinationals by advancing understanding of some of the fundamental issues. For example, if there is true value in multinationals, the whole is greater than the sum of the parts. Standard tax principles of simplicity, efficiency and equity should guide our thinking in allocating the “residual value” as the Independent Commission for the Reform of International Corporate Taxation (of which I am a member) advocates. But these principles are inconsistent either with retaining the transfer price system or with basing taxes primarily on sales.

Politics matters: the multinationals' objective is to gain support for reforms that continue the race to the bottom and maintain opportunities for tax avoidance. Governments in some advanced countries where these companies have significant political influence will support these efforts – even if doing so disadvantages the rest of the country. Other advanced countries, focusing on their own budgets, will simply see this as another opportunity to benefit at the expense of developing countries.

The OECD/G20 initiative refers to its efforts as providing an “inclusive framework.” Such a framework must be guided by principles, not just politics. If the goal is genuine inclusiveness, the top priority must be the wellbeing of the more than 6 billion people living in developing countries and emerging markets.

Glossary:

footloose: free/carefree

misplaced: inappropriate

spot on: exactly right

poster child: emblematic

sugar high: hyperactivity/overstimulation

spurred on: motivated

threat: menace/risk

revenues: incomes

at long last: finally

arms-length values: market values

residual value: The residual value is the estimated value of a fixed asset at the end of its useful life

inconsistent with: at variance with

What is the point of higher education if it doesn't make people happy?

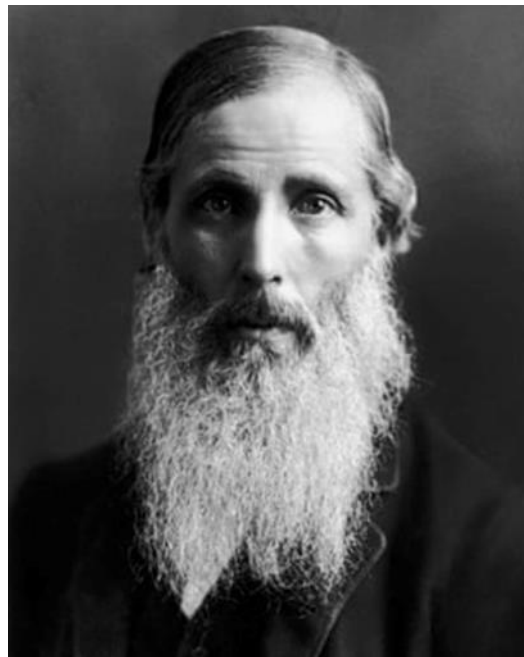
Jonathan Wolff

Forcing universities to compete with each other is a bad idea. What we need is a Teaching Happiness Framework

<https://www.theguardian.com/education/2019/feb/12/what-is-the-point-of-higher-education-if-it-doesnt-make-people-happy>

In *The Methods of Ethics*, a book read only by philosophers with an overdeveloped sense of duty, the late Victorian utilitarian moralist Henry Sidgwick argued that other philosophers of his day were wrong to believe that human beings act only for the sake of their own happiness or pleasure. There is a second spring of human action, he argues: the pursuit of excellence. A poet, a philosopher, or a sportsperson working obsessively may hope to be happy, but, more likely, what matters to them most is what they can achieve.

Sidgwick's work faded from fashion soon after his death in 1900. At Cambridge University, where he had been professor, he became a symbol of times past. The young Bertrand Russell and his colleagues referred to him as Old Sidg. But his fortunes revived in the 1980s, and he is being read by undergraduates again. I don't know if the current generation of university regulators ever studied him, but, if so, they have only remembered half of what he taught. We have the Research Excellence Framework, and the Teaching Excellence Framework. Where is the Research Happiness Framework, or the Teaching Happiness Framework?



Henry Sidgwick (1838-1900) regarded the pursuit of excellence as irrational unless it led to greater happiness. Photograph: Hulton Archive/Getty Images

Still, if you wanted to be happy you might do better to keep clear of the higher education sector. For most academics and students the idea of making progress is about putting in the hard work and experiencing the frustration of getting most things wrong, most of the time. Almost everyone you talk to claims to have imposter syndrome, feeling that somehow they got their place or position as a result of clerical error. In the rare cases where they don't, they probably ought to.

It's the pursuit of excellence, not happiness, that is built into every university mission statement. But what do we mean by excellence? The philosopher Harry Frankfurt begins a paper on equality with a joke. "First man: how are your children? Second man: compared to what?" And here, I think, he has put his finger on our problem.

One kind of parent wants their children to reach their potential by developing their talents, forming strong relationships, achieving valuable goals, and having a satisfying life – excellence as flourishing. Another kind wants their children to come top of their class, and captain the team – excellence as winning. Universities talk the language of flourishing but a variety of league tables force us into competition. Our excellence is comparative.

And what exactly is the point of pushing universities to compete with each other? To keep us sharp and on our toes, no doubt. To drive up quality, innovation, and variety of supply. But competition can have other effects, too. Karl Marx points out that the natural logic of competition is that someone wins. The Research Excellence Framework accelerates this process by rewarding the winners with the resources to do even better next time. This can leave others struggling to keep up, and, rather than innovating, they may try to mimic the strategies that have been successful for those at the top. We see this in teaching, too, where university after university is shrinking the supply of lower-demand subjects, such as languages, and aiming to boost market share by copying successful programmes elsewhere, especially those that, for the moment, have the highest earning potential.

Unlike free-market ideologues, economic regulators know that a competitive system is a delicate ecosystem, and to get its benefits loving care and attention are necessary. Otherwise, the relentless search for profits means every high street looks the same, with small, quirky shops driven out, and one retailer scooping up every online purchase. It is hard to set up a competitive system that rewards difference, and makes room for genuine innovation at all levels. In the HE sector at the moment it is hard to tell if we are even trying.

Although Sidgwick believed that individuals seek both happiness and excellence, eventually he reveals that he regards the pursuit of excellence as irrational unless it leads to a greater total of happiness in the world. Too bad he isn't around to work out whether we have this right in the HE sector today.

Glossary:

for the sake of: for the good of/because of

keep clear: avoid

clerical error: administrative mistake

put his finger on: identified

league tables: competitive rankings

sharp: witty

on our toes: awake/vigilant/attentive

boost: support

relentless: persistent

quirky: unconventional

driven out: forced to leave

HE: higher education

Transforming local government: the issues project managers overlook

Claudia Megele

From building trust to handing over responsibility for projects once the funding runs out, councils need to consider their transformation projects carefully.

<https://www.theguardian.com/local-government-network/2012/may/31/local-government-transformation-project-management>



Are managers of local government transformation plans forgetting some basic steps to success? Photograph: Pm Images/Getty Images

Local authorities are faced with three urgent and immediate challenges: increased demand for services of better quality and quantity; budget cuts; and reorganisation to fit the changing role of local government.

Change management and transformation are the order of the day. Project management techniques offer some useful tools for managing this shift, but there are other considerations that may be neglected.

Complexity and flexibility

Local government essentially operates through complex web of interrelated and interdependent departments and organisations. This means successful transformation of councils demands flexibility and creativity.

To see their policies adopted, politicians need to build support among diverse groups; ambiguity can be an electoral advantage in these turbulent times. However, this attitude is incompatible with the clarity required to see local government transform the way it works.

Unfortunately politicians and project managers often attempt to cement this gap with more planning, more measurements, more controls and more rules, exacerbating the divide between politicians and officers. Local government must remain citizen-centred, rather than becoming programme-centred, during this time of change.

From benchmarking to action

While planning ahead is important for council management, it is difficult to meet the needs of residents and communities without their direct involvement in this planning and decision-making process. Instead of attempting to replicate other local government projects through benchmarking systems or by following trends in local government, managers should feel rewarded for creativity in their own area.

Let everyone be involved and create commitment by openly discussing the relevance, significance, meaning, value and results of the projects you are working on with staff, citizens and communities. This local dialogue allows councils to promote greater understanding and shared values. These conversations should begin at the planning stage and continued beyond roll out of the project. Regular feedback encourages greater commitment from staff and residents.

Citizens and trust

Citizen involvement in local government builds on trust. Many residents are willing and happy to participate in development work if they trust council leaders and feel their participation makes a difference. However, without trust it is difficult to work with communities.

One way to manage this challenge is to ensure that ideas generated at the bottom are acknowledged and taken up by leaders and politicians. Bringing staff and citizen ideas to life is the best way to foster engagement and establish a culture of continuous improvement.

Top-down versus bottom-up leadership

Significant social change requires a change in the values of local government from a top-down to a bottom-up model. This implies changes in people's attitudes to leaders, politicians, local authority managers and staff, and to citizens.

These changes need to happen faster at the top than at the bottom. Local government leaders and politicians should trust the professionalism of managers and staff, allowing them the freedom to try out new ideas.

This represents a delicate balance in leadership, where everybody needs to redefine their own role and to collectively reflect on what leadership and citizenship, ownership and involvement, authority and responsibility mean today.

Building new networks

Trust is the fabric of society. When people get to know each other, they develop familiarity and trust. Fostering new relationships and networks between citizens and communities should be important throughout the transformation project. This will counter feeling of exclusion and resistance, and will boost the sense of community and camaraderie, and ultimately local ownership.

These relationships should extend beyond the life of the project, will enhance communities' social capital and often become the basis for future collaborations. One way to develop these relationships is through networking activities, meetings and forums – any way of bringing people out of their everyday routines.

Time and pace of change

Individual, organisational and societal change takes time – usually more time than anticipated or planned for. One consequence is that it may be difficult for people involved in the project to see the progress made.

Local government should be aware of the speed of change and ask itself whether citizens and communities can cope and adapt to the pace of change. It is also essential to start working with young people so they can be the agent of change for the future.

Prepare for handover

Large local government projects can be quite complex. Certain processes, such as behavioural or attitude changes, are started but cannot be completed during the life of the project. It is important to decide how these processes will be sustained after the project, and how and to who they are handed over. This transition planning needs to start early by involving the eventual people or organisation that will be responsible for continuity after funding and other props are withdrawn.

This may be the most difficult phase of a change process. Activities that tend to do best after life of the projects are those that are based on existing community groups or integrated into existing businesses or on-going projects.

Glossary:

runs out: has none left

councils: governing body

cement: fill

divide: difference

benchmarking: comparison with industry standards

roll out: launch

builds on: bases on

top-down: : from the top level of a hierarchy or process to the lowest

bottom-up: : from the lowest level of a hierarchy or process to the top

counter: move in opposition to

camaraderie: team spirit

handover: transfer

Inequality is so bad, even Fox News anchors decry capitalism

Michael Massing

In a recent monologue, Tucker Carlson sounded like Bernie Sanders. And he's not the only one

<https://www.theguardian.com/commentisfree/2019/feb/02/inequality-fox-news-tucker-carlson-capitalism>



'Carlson's excoriation of the free-market system goaded his critics, especially on the right.' Photograph: Richard Drew/AP

Last month, Tucker Carlson, the Fox News host, delivered a bombshell 15-minute monologue in which he denounced market capitalism, Wall Street exploitation, private equity, payday loan outlets and America's ruling class. In a follow-up interview, he even said he would consider voting for Elizabeth Warren.

Ever since, he has been pounded from both left and right. The Limits of Tucker Carlson's Anti-Free Market Vision, declared a headline in Slate. Tucker Carlson's Monologue Insults His Viewers, ran a title line in the Atlantic. In National Review, David French urged the right to reject Carlson's "victimhood populism", while Bret Stephens in the New York Times mocked him for questioning elite rule when he himself has so benefited from it.

The uproar reflected the messenger as much as the message. A fixture of Fox's primetime lineup, Carlson has been a joyful scourge of liberals, a tireless disparager of social programs and a fierce critic of immigration. After he said in December that immigrants made America "poorer and dirtier", more than two dozen companies dropped their ads from his show. In his jeremiad, however, Carlson sounded like Bernie Sanders. "For generations," he declared, "Republicans have considered it their duty to make the world safe for banking while simultaneously prosecuting ever more foreign wars." Americans "are ruled by mercenaries who feel no long-term obligation to the people they rule".

In a rousing peroration, Carlson noted that Americans want to live in a country “whose leaders don’t accelerate the forces of change purely for their own profit and amusement” and at the expense of the family – the foundation of a healthy society. Republicans had to acknowledge that market capitalism is not a religion but a tool like a toaster or staple gun, which it would be foolish to worship. They had to “unlearn decades of bumper sticker talking points and corporate propaganda”. While libertarians were sure to brand any deviation from market fundamentalism a form of socialism, socialism is exactly what America will get unless a group of responsible leaders reform its economy “in a way that protects normal people”.

Carlson’s warning recalled several similar ones of late. Last year, Laurence Fink, the powerful head of BlackRock, the asset management giant, wrote to CEOs that while those with capital had reaped “enormous benefits”, many faced low wages and inadequate retirement plans, feeding the anxiety and polarization afoot in the world today. He urged companies to adopt “a new model of shareholder engagement” focused less on quarterly earnings and more on producing long-term value for employees and communities.

Henry Blodget, a former Wall Street analyst who now runs Business Insider, said in a talk on Better Capitalism that shareholder capitalism had turned America into a “nation of overlords and serfs”. Noting that executives “have forgotten that one of the reasons companies exist is for the people who work for them”, he urged them to “to share a little bit more of the value with those who make it”.

It was Carlson’s very critique of free-market capitalism, however, that most provoked his critics, especially on the right. That economic system, Ben Shapiro asserted, “has powered most of the world’s human beings out of extreme poverty and led to the richest society in human history. It has allowed us to live longer, in bigger houses, in more comfort. It has meant fewer dead children and more living parents.”

Shapiro, in turn, was upbraided by JD Vance, the author of Hillbilly Elegy. “Our economy has not produced fewer dead children and more living parents in America, at least not in the section of the country where I live,” he wrote, citing in particular the opioid epidemic, which has damaged so many communities. In states such as Ohio, West Virginia and Kentucky, “countless children are growing up with parents in jail, incapacitated or underground”. They may live in a country with a higher GDP (gross domestic product) than a generation ago, but few would claim they’re better off. If conservatives can’t talk about people’s real problems “because it promotes victimhood”, then “we are fighting a battle that we both deserve to lose and will lose”. In Hillbilly Elegy, Vance expressed deep skepticism of government programs, but, as these comments suggest, his views seem to be shifting.

How about Carlson? How genuine is his shift? Given his long record of demagoguery on issues such as immigration, race and social programs, is he breaking with his own past? To find out, I watched two of his shows this past week. The answer quickly became apparent. In a segment on the recent FBI raid on Roger Stone’s residence, he criticised Robert Mueller as “a threat to democracy” and “an authoritarian nutcase” even worse than Vladimir Putin. He mocked the media for panicking at Howard Schultz’s announcement that he might run for president as a “centrist independent”, sneered at Gavin Newsom’s decision to avoid the California governor’s mansion for a home in a mostly white neighborhood, and twitted wealthy Democrats for opposing Trump’s wall while they themselves live comfortably in houses protected by high ones.

In his 2 January monologue, Carlson did not mention immigration, but on his show he repeatedly returned to it. Showing clips of a new caravan proceeding from Central America, he interviewed a conservative radio host who, back from the border, described how people are arriving with “a litany” of serious communicable diseases that were being treated “courtesy of the taxpayer”.

Carlson accused the Democrats of supporting a policy of open borders and – citing Kamala Harris’s support for health care for all as a right – called it an invitation for “half the planet” to move to the United States “to get free MRIs”.

To amplify the point, he spoke with Tammy Bruce, president of the Independent Women’s Voice (IWV). A healthcare for all program, she said, would produce “a controlled socialist framework” that destroys civilizations and countries. With nothing else to offer, the left promises free things and, to fund them, prints money, as in Venezuela, “where the inflation rate at this point is 80,000%”. It’s “a totalitarian framework” in which “the government is going to tell people to do and what it says they deserve”. Carlson wholeheartedly agreed.

Hearing such unhinged remarks, I went to the IWV website. It said that it works “to educate and persuade those who don’t already share our understanding of the benefits of liberty and free markets”. Its goal “is to share the conservative, free market ideas and solutions with women and independents, while encouraging and supporting them as they decide what is right for them”.

So, in seeking to denigrate both immigrants and universal healthcare, Carlson had on a representative from a very conservative group that subscribes to the same free market ideology he decried in his monologue. Overall, his show continues to transmit Fox’s toxic blend of race-baiting and reality distortion, through which it has done so much to poison the American mind.

What, then, to make of Carlson? Is he a cynic? A hypocrite? A headlong pursuer of ratings? Perhaps he’s best described as a founding member of the same ruling class that in his monologue he indicted for working so intently to divide and confuse the American people.

Glossary:

bombshell: shocking news

payday loan: small, short-term unsecured loan

pounded: beaten/stricken

fixture: someone who features regularly

scourge: cause of suffering

disparager: someone who speaks bad of [sb/sth]

jeremiad: long lament

peroration: highly rhetorical speech

bumper sticker: sticker at rear of car

asset management: auditing of business assets

had reaped: had gotten as a return

afoot: happening/going on

quarterly: every 3 months

upbraided: reprimanded

demagoguery: leadership of the people

nutcase: insane person

sneered at: made scornful face at

MRIs: scanning procedure

unhinged: mentally unstable

decried: denounced/criticized

race-baiting: baiting people, using racially-inflammatory issues or stereotypes

headlong: hasty

indicted: accused

Minority ethnic Britons face 'shocking' job discrimination: UK research finds levels of discrimination unchanged since late 1960s

Haroon Siddique

On average, 24% of applicants of white British origin received a positive response from employers, compared with 15% of minority ethnic applicants applying with identical CVs and cover letters

<https://www.theguardian.com/world/2019/jan/17/minority-ethnic-britons-face-shocking-job-discrimination>

Black Britons and those of south Asian origin face “shocking” discrimination in the labour market at levels unchanged since the late 1960s, research has found.

A study by experts based at the Centre for Social Investigation at Nuffield College, University of Oxford, found applicants from minority ethnic backgrounds had to send 80% more applications to get a positive response from an employer than a white person of British origin.

A linked study by the same researchers, comparing their results with similar field experiments dating back to 1969, found discrimination against black Britons and those of south Asian origin – particularly Pakistanis – unchanged over almost 50 years.

The research, part of a larger cross-national project funded by the European Union and shared exclusively with the Guardian before its official launch, prompted concerns that race relations legislation had failed.

It echoes findings published as part of the Guardian’s Bias in Britain series that people from minority ethnic backgrounds face discrimination when seeking a room to rent. In a snapshot survey of online flatshare ads the Guardian found that an applicant called Muhammad was significantly less likely to receive a positive response than an applicant called David.

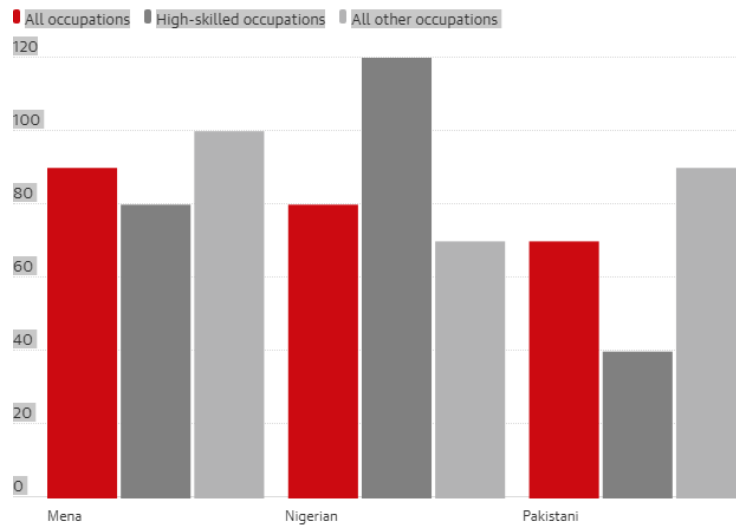
Prof Anthony Heath, co-author and emeritus fellow of Nuffield College, said: “The absence of any real decline in discrimination against black British and people of Pakistani background is a disturbing finding, which calls into question the effectiveness of previous policies. Ethnic inequality remains a burning injustice and there needs to be a radical rethink about how to tackle it.”

The researchers sent almost 3,200 applications to both manual and non-manual jobs – including software engineers, marketing, chefs and shop assistants – advertised on a popular recruitment platform between November 2016 and December 2017.

The study, which will be launched at the British Academy, London, on Friday, included 33 different minority ethnic groups, belonging to five broad groups. Additionally, two minority ethnic groups – Nigerian and Pakistani – were designed to have sufficiently large numbers of applications for separate analysis. Different ethnicity applicants were randomly assigned to different job vacancies – only one application was sent per post – and the number of callbacks/invitations for interview compared.

People with Middle Eastern and north African backgrounds need to send 90% more job applications than white Britons

Average extra applications to receive the same share of callbacks, %



Guardian graphic | Source: Centre for Social Investigation, Nuffield College, Oxford University

On average, 24% of applicants of white British origin received a positive response from employers, compared with 15% of minority ethnic applicants applying with identical CVs and cover letters. All of the minority applications clearly stated that they were either British-born or had arrived in the country by the age of six and had obtained all their education and training in Britain.

Minority ethnic applicants, including white minorities, had to send 60% more applications to get a positive response from an employer than a white person of British origin. While applicants originating from western Europe and the US were treated almost as well as the majority group, people of Pakistani origin had to make 70% more applications. The figures were even higher for those of Nigerian, Middle Eastern and north African (MENA) origin, at 80% and 90% respectively.

Dr Zubaida Haque, the deputy director of the race equality think tank Runnymede, described the findings as shocking. They demonstrated that “it’s not just covert racism or unconscious bias that we need to worry about; it’s overt and conscious racism, where applicants are getting selected on the basis of their ethnicity and/or name”, she said.

“It’s clear that race relations legislation is not sufficient to hold employers to account. There are no real consequences for employers of racially discriminating in subtle ways, but for BME (black and minority ethnic) applicants or employees it means higher unemployment, lower wages, poorer conditions and less security in work and life.”

The researchers said the high levels of discrimination from countries with a sizeable Muslim population echoed “strong anti-Muslim attitudes recorded in recent surveys”.

Dr Valentina Di Stasio, co-author and an assistant professor at Utrecht University, the Netherlands, said: “The persistent gaps in callbacks found for more visible and culturally distant minorities, regardless of the occupation considered or the information included in the application, suggest that employers may simply read no further as soon as they see a Middle East-sounding or African-sounding name.”

As past field experiments did not include people from MENA countries, it could not be ascertained whether the level of discrimination against them had changed over time. Additionally, the historical comparison could only be done for non-manual jobs, due to insufficient past data on manual jobs.

Nevertheless, the authors described the evidence of enduring discrimination against some minority ethnic groups as striking given the passage of the Race Relations Act 1976 and that many of the earlier studies included applicants born abroad with some foreign education.

They said that while surveys had found declining racial prejudice among the public, the lack of change in the workplace reflected the continued presence of “employer stereotypes about the linguistic and work-related skills and motivations of minorities”.

There were hints that discrimination against applicants of Indian origin may be in decline but the researchers said the sample size of people with Indian names in their study was too small to draw firm conclusions.

Responding to the results, Matthew Fell of the Confederation of British Industry said: “Any bias is bad for business. Companies must act now to eradicate all forms of discrimination, including any bias in recruitment.”

A spokesperson for the Department for Business, Energy and Industrial Strategy also stressed the benefits of diversity, adding: “Last year, the prime minister launched a series of measures to help employers identify how to tackle ethnic disparities in the workplace, including a new race at work charter and a consultation on mandatory ethnicity pay reporting.”

Glossary:

cover letters: job applications/letters providing additional information

prompted: give rise to

snapshot: depicts momentary condition

flatshare: shared accommodation and properties with rooms to rent

emeritus fellow: retired professor who gets to keep his/her title as a professor

deputy director: person acting on behalf of director

think tank: problem-solving group

covert: secret

bias: prejudice/inclination

hints: clues

spokesperson: speaker for a group

work charter: team charter (document used to establish roles for a business project)

'Our house is on fire': Greta Thunberg, 16, urges leaders to act on climate

Greta Thunberg

Swedish school strike activist demands economists tackle runaway global warming

<https://www.theguardian.com/environment/2019/jan/25/our-house-is-on-fire-greta-thunberg16-urges-leaders-to-act-on-climate>



Swedish youth climate activist Greta Thunberg at the World Economic Forum in Davos, eastern Switzerland. Photograph: Fabrice Coffrini/AFP/Getty Images

Our house is on fire. I am here to say, our house is on fire.

According to the IPCC (Intergovernmental Panel on Climate Change), we are less than 12 years away from not being able to undo our mistakes. In that time, unprecedented changes in all aspects of society need to have taken place, including a reduction of our CO2 emissions by at least 50%.

And please note that those numbers do not include the aspect of equity, which is absolutely necessary to make the Paris agreement work on a global scale. Nor does it include tipping points or feedback loops like the extremely powerful methane gas released from the thawing Arctic permafrost.

At places like Davos, people like to tell success stories. But their financial success has come with an unthinkable price tag. And on climate change, we have to acknowledge we have failed. All political movements in their present form have done so, and the media has failed to create broad public awareness.

But Homo sapiens have not yet failed.

Yes, we are failing, but there is still time to turn everything around. We can still fix this. We still have everything in our own hands. But unless we recognise the overall failures of our current systems, we most probably don't stand a chance.

We are facing a disaster of unspoken sufferings for enormous amounts of people. And now is not the time for speaking politely or focusing on what we can or cannot say. Now is the time to speak clearly.

Solving the climate crisis is the greatest and most complex challenge that Homo sapiens have ever faced. The main solution, however, is so simple that even a small child can understand it. We have to stop our emissions of greenhouse gases.

Either we do that or we don't.

You say nothing in life is black or white. But that is a lie. A very dangerous lie. Either we prevent 1.5C of warming or we don't. Either we avoid setting off that irreversible chain reaction beyond human control or we don't.

Either we choose to go on as a civilisation or we don't. That is as black or white as it gets. There are no grey areas when it comes to survival.

We all have a choice. We can create transformational action that will safeguard the living conditions for future generations. Or we can continue with our business as usual and fail.

That is up to you and me.

Some say we should not engage in activism. Instead we should leave everything to our politicians and just vote for a change instead. But what do we do when there is no political will? What do we do when the politics needed are nowhere in sight?

Here in Davos – just like everywhere else – everyone is talking about money. It seems money and growth are our only main concerns.

And since the climate crisis has never once been treated as a crisis, people are simply not aware of the full consequences on our everyday life. People are not aware that there is such a thing as a carbon budget, and just how incredibly small that remaining carbon budget is. That needs to change today.

No other current challenge can match the importance of establishing a wide, public awareness and understanding of our rapidly disappearing carbon budget, that should and must become our new global currency and the very heart of our future and present economics.

We are at a time in history where everyone with any insight of the climate crisis that threatens our civilisation – and the entire biosphere – must speak out in clear language, no matter how uncomfortable and unprofitable that may be.

We must change almost everything in our current societies. The bigger your carbon footprint, the bigger your moral duty. The bigger your platform, the bigger your responsibility.

Adults keep saying: “We owe it to the young people to give them hope.” But I don’t want your hope. I don’t want you to be hopeful. I want you to panic. I want you to feel the fear I feel every day. And then I want you to act.

I want you to act as you would in a crisis. I want you to act as if our house is on fire. Because it is.

Glossary:

undo: delete/reverse

unprecedented: not seen before

tipping points: critical moments

feedback loops: feedback circuits/a path that starts with an effect and returns to its cause making the same effect occur.

thawing: melting

price tag: label showing an item’s cost

setting off: triggering

carbon footprint: environmental impact

insight: knowledge