

Equal Right's *Cap and Share* Proposal to Fight Climate Change and Develop a Global UBI

by Patrick Brown¹

Equal Right (formerly 'World Basic Income') is a global justice organization advocating for climate and economic justice without borders. We research and campaign for innovative approaches that could achieve global redistribution, tackle global inequalities and secure fundamental human rights for people everywhere.

Our main focus at present is the intersection of UBI and the climate crisis, and how a radical yet feasible policy known as 'Cap and Share' could tackle the harm caused by extractive industries, fund a just transition and deliver a universal cash payment to every person in the world - a payment symbolizing the 'Equal Right' we all have over the global commons and the wealth it generates.

Cap and Share was initially conceived by the Irish organization [FEASTA](#) in the early 2000s, and whilst there are a number of variations on the idea, the core principles are as follows:

- A cap on fossil fuel production, set at a level designed to keep us within planetary boundaries
- A charge on fossil fuel-producing companies which increases over time
- Sharing the proceeds of this charge with citizens

Last year Equal Right launched its own Cap and Share proposal, which introduces a number of innovations including:

- A Global Climate Commons Trust (GCCT) which would invest the proceeds from the charge and safeguard wealth for future generations
- Direct compensation for countries who choose not to extract their fossil fuel reserves ('Leave It In The Ground' compensation)
- Grant funding and finance for the climate crisis: at least \$1 trillion a year for adaptation, mitigation and loss & damage, primarily in the Global South
- A bilateral Cap and Share model whereby two or more countries could trial the Cap and Share system

Our modelling, which you can view in detail [here](#), suggests Cap and Share could raise over \$5 trillion for climate finance in its first year alone, with the proceeds increasing each year as the carbon charge increases and the fund continues to grow. Last year, a group of organizations came together to found [CASCA](#), the Cap and Share Climate Alliance, which currently coordinates global activism on Cap and Share.

An important feature of our proposals is that the tax revenues would land first in an international fund rather than in the national budgets of each country. This is key for climate and global justice, as it redistributes money from Global North to South and reverses the usual 'polluter wins' conundrum inherent in national carbon taxation. It also ensures intergenerational wealth is

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protected - most 'Pigovian' taxes, whether they be on carbon, wealth, financial transactions or other extractive industries, generally have diminishing returns.

This means if the proceeds from the carbon charge were to be immediately redistributed as basic income, it's highly likely the payments would reduce over time. Instead, through investing in global wealth fund similar to those in Alaska or Norway, we can safeguard and sustain this wealth for future generations. And indeed, if the fund performs well, it offers a route to increasing the level of payments in line with inflation (whilst accepting the payment may also reduce in line with fund performance).

Cap and Share offers a tangible route to a global UBI. Yes, the payments would be modest for the Global North, starting at \$31 a month in the fund's first year under our modelling. Any substantial UBI would need to be supplemented by national taxation within richer nations. However, for most countries in the Global South, it would deliver a significant boost to incomes and a path to eliminating absolute poverty globally by 2050 (we estimate payments could be as high as \$71 a month by then, above the international poverty line of \$2.15 a day). It would also represent the reparations owed to the South for centuries of colonialism, extraction and unequal exchange from the North.

And finally, Cap and Share offers a powerful bridge between financially feasible models of funding UBI and the most pressing issue of our time, the climate crisis.

If you want to find out more about Cap and Share, Equal Right is hosting a webinar event on 25th July to launch its Cap and Share proposals in the Asia Pacific. The event is open to all, and you can register [here](#) to learn more about the policy and how it can aid climate justice.

Equal Right is also hiring - we're recruiting 3 Regional Campaign Managers to grow our campaign and advocacy work in the Global South. All roles are part-time with a salary of £41,600 FTE. Full details on each opportunity and how to apply can be found [here](#).