

How to stop climate change? Nationalise the oil companies

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Extinction Rebellion got the ball rolling, but more radical action is now necessary if humanity is to survive

If only the Daily Express was right. That is not a sentence I ever expected to type. “Extinction Rebellion protests have WORKED as MPs succumb to calls for change”, [bellowed](#) the rightwing rag. Alas, the government has not capitulated to demands to declare a climate emergency, let alone to decarbonise the British economy by 2025. But Extinction Rebellion has retaught a lesson every generation must learn: that civil disobedience works. Amid the spluttering of obnoxious news presenters, it has forced the existential threat of climate change on to the airwaves and into newsprint.

But as this phase of [protest](#) winds down, the demands must radicalise. With capitalism itself rightly being challenged, the focus must shift to the fossil fuel companies and the banks. As long as they remain under private ownership on a global scale, humanity’s future will be threatened.

Take ExxonMobil, which plans to pump an astonishing 25% more [oil and gas](#) in 2025 than it did in 2017. As that well-known bastion of eco-socialism, the Economist, [puts it](#): “If the rest of the industry pursues even modest growth, the consequence for the climate could be disastrous,” adding that “the market cannot solve climate change by itself”. According to the UN’s [Intergovernmental Panel](#) on Climate Change, if we wish to prevent global temperatures rising by more than 1.5C above pre-industrial levels – beyond which climate disasters multiply – then oil and gas production has to fall by 20% by 2030, and 55% by 2050. However, the economic self-interest and political power of the fossil fuel industry is deliberately sabotaging this goal.

Last year, the industry spent an [astounding \\$124,837,199](#) on lobbying politicians in the US. During the 2016 elections, the industry [spent over \\$100m](#) on campaign contributions; recent top donors include the Koch brothers, Chevron and ExxonMobil. This is not wasted money, far from it. In the neoliberal era, rolling back the state has in practice meant withdrawing state support and social security for the majority, but continuing vast subsidies for vested interests. One recent study found that worldwide fossil fuel subsidies [amounted to \\$4.9tn](#) in 2013. It estimated that eliminating those subsidies would have cut global carbon emissions by 21% and air pollution deaths by over half.

The tentacles of Big Fossil reach further into the political elite: in the US and Europe, there is [a revolving door](#) between government and public sector on the one hand, and fossil fuel companies on the other, with lucrative jobs in these Earth-destroying industries on offer for compliant politicians and civil servants. As Bill McKibben – one of the most prominent US environmentalists – tells me, the primary challenge now is not having the means but the will. “We have the tech we need,” he explains. “The work of engineers over the last decade in lowering the costs of solar and wind panels is quite remarkable. We can do what we need to do, or much of it. The problem that remains is fighting the political power of the fossil fuel industries. If we can do that, we can proceed quickly.”

Then there are the banks. Since the Paris climate agreement on tackling climate change was signed in 2016, 33 global banks – led by big US financial institutions such as JP Morgan Chase – have [provided \\$1.9tn](#) in finance to the fossil fuel industry. HSBC is funding [the expansion of coal plants](#) in Bangladesh, Indonesia and Vietnam; while Barclays bank has shelled out \$85bn of financing for fossil fuels since 2015 alone.

So long as these sectors remain in private hands, they will continue to place short-term profit for elite investors ahead of the future of the planet and continued existence of humanity. They must be brought under public ownership, with a legal mandate to “green” the economy. One [suggestion](#) by the Next System Project is that the US government could create a community ownership of power administration, modelled on Roosevelt-era New Deal agencies. It would grant legal authority and funding mechanisms to buy back the energy grid and take over energy utilities.

But there are more radical solutions. Since the crash, quantitative easing (QE) has been used extensively, with central banks creating money to buy bonds from financial institutions. Why not use QE to buy a controlling stake in the fossil fuel companies? It has been estimated that the US [has spent nearly \\$6tn](#) on its post-9/11 wars. If it has the resources to engage in catastrophic wars, could it not afford to pay a small fraction of that sum to help save the planet from destruction? The same goes for the banks – except rather than nationalising the risks and privatising the profit, as the state did in 2008, they should this time be brought under democratic, accountable public control.

These proposals will undoubtedly be dismissed as extreme, but they are nowhere near as extreme as the fate awaiting humanity. According to the IPCC, we must [cut global emissions](#) by 45% by 2030 – little over a decade away – compared to 2010 levels to meet the 1.5C target. If not, the droughts and floods will come, the crops will fail, the seas will rise, the ice will melt, the heatwaves and extreme weather will kill and millions will be forced to flee their homes. What do we value more: an economic system which privileges profit above all other considerations, or the continued existence of human civilisation as we recognise it? A reckoning is coming.

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