Winnipeg Free Press

Cash for the climate: Want to fight global warming? Consider using your wallet to pitch in.

Want to fight global warming? Consider using your wallet to pitch in

By: Joel Schlesinger | Posted: 10/5/2019 4:00 AM | Comments: 1

‘We are in the beginning of a mass extinction, and all you can talk about is money and fairy tales of eternal economic growth."

These words from a teenager — climate change activist Greta Thunberg recently speaking at a United Nations summit — couldn’t be more on point.

We, adults, have long known about climate change and collectively dragged our feet at the same time in acting, arguing it would be economically costly.

Yet today you can easily make the argument that not shifting to a net-zero carbon economy as soon as possible is bad money mojo, at least long-term.

Already heads of corporations, their boards and shareholders increasingly want climate action, says Mike Thiessen, director of sustainable investing at Genus Capital in Vancouver.

"There is a big transition happening now, and it’s just going to get stronger."

What’s more, investors are coming around to the idea that aligning their money where environmental values are is profitable, if not more so, than investing in the status quo.

Genus is a leader in this respect. Its fossil-free funds consistently outperform — albeit modestly so — benchmarks containing oil and gas companies, coal-burning utilities and other major carbon emitting firms listed on Canadian and U.S. stock markets.

Serving clients like the David Suzuki Foundation, it assists high-net-worth investors. Its minimum for clients is $250,000 in investable assets.

That may leave a lot of little investors behind, but we still have plenty of options, including dozens of mutual funds and exchange-traded funds (ETFs).

Additionally, as consumers, we have other ways to take climate action with our wallets. We can donate to organizations like the Wilderness Committee and Sierra Club of Canada. We can financially support — and vote for — political parties we believe have the most viable climate plan.

There’s another way too: consume less.

Because, when you look to the core of the climate problem, you find the consumer economy.

A recent report by C40, a network representing the 94 largest cities in the world, revealed how consumption is directly driving the climate crisis. Consumption from the largest 100 cities alone makes up 10 per cent of global greenhouse gases, a figure forecasted to double by 2050.

That’s not including the tens of thousands of others (like Winnipeg). Additionally, other large emitters — oil and gas, and coal burners — largely do what they do to support consumption.

"We’re really agents of our own demise," says Winnipeg economist James Magnus-Johnston, a PhD candidate at McGill University and instructor of ecological economics at Canadian Mennonite University.

He is also co-chair of Transitions Winnipeg, part of a global initiative to reduce over-consumption to fight climate change.

But the movement to reduce consumption is not new.

Conserving energy, for example, has been around for decades. Second-hand shops, garage sales… or just about any reuse of consumer goods as opposed to throwing them out and buying new reduce consumption.

Magnus-Johnston adds the consumption reduction movement has picked up momentum recently, particularly among young adults, seeking ways to reduce their carbon footprint.

"There’s a whole culture of dumpster diving outside grocery stores" among students at universities, he cites.

"It’s rich alternative culture out there doing something different."

But one might ask, wouldn’t reduced consumption on a large scale chill our market economy, which requires near constant growth?

After all, the opposite involves a recession leading to hardship for the middle class and most vulnerable, right?

Magnus-Johnston argues a growing number of economists now consider the current economic model unsustainable. Yet it’s not just bad for a planet with finite resources. It’s unsustainable for consumers.

"Growth isn’t working anymore for the majority, partly because it’s debt-based," says Magnus-Johnston, who studied the economics of debt at University of Cambridge.

Consider debt has soared at household and government levels, partly resulting from the boom/bust cycles of the market. That’s because the main tool dealing with crashes and ensuing recessions is lowering interest rates to encourage more borrowing.

While this has largely lifted our economies from the ashes time and again, it benefits the majority less and less, as well as the planet, says Tom Green, a climate solutions policy analyst with David Suzuki Foundation in Vancouver.

As a result, "the increase of GDP is no longer mapping to improve human well being and to enrich societies."

The rich get richer, the poor get poorer, and the middle class — the backbone of the system — get increasingly indebted.

Similar to Magnus-Johnston, Green is an economist exploring alternatives to the current economic model.

There are many names for these alternatives: ecological economics, degrowth, the steady state economy to name a few.

While all different, these small but growing veins of economics seek to tackle the big problems of the market economy, namely its poor environmental and poverty reduction track records.

Some fear this means going back to the horse and buggy.

"But if we all lived with the footprint our parents and grandparent made, we'd be just fine," Magnus-Johnston says.

Still, the big questions regarding how to shift our market economy to a more ecological one remains a work in progress.

In the meantime, each of us can put theory into practice at home.

"It's not just consuming less," Green says. "It's consuming more wisely."

Sometimes that means doing things collectively, like car-sharing. Or it may entail saving longer and spending more to buy better items that don't break after a couple of years, ending up in landfills and then getting replaced.

As Magus-Johnston notes, the consumer economy isn't inherently the problem.

"It's the scale. We need to slim it down."

Our well being and the world's depend on it.