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Climate Justice: Who Should Pay for Climate Change?

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Abstract
Climate change is a global crisis that demands collective action, but its effects and responsibilities are deeply unequal. This paper explores the multifaceted dimensions of climate justice, particularly focusing on the ethical, legal, historical, and economic frameworks that underpin climate finance. It addresses the pivotal question of who should pay for climate change by evaluating the principle of common but differentiated responsibilities (CBDR), examining the role of developed and developing countries, scrutinizing international agreements such as the Paris Agreement, and proposing strategies for equitable and sustainable climate financing. The paper concludes that climate justice cannot be achieved without a rethinking of global responsibilities and a robust mechanism for climate finance that centers fairness and historical accountability.

Keywords:
Climate Justice, Climate Finance, Historical Responsibility, Economic Equity, Common But Differentiated Responsibilities (CBDR).

1. Introduction

Climate change is one of the most urgent and complex challenges confronting humanity today. Driven primarily by the accumulation of greenhouse gases in the atmosphere, its consequences—rising sea levels, prolonged droughts, intensified storms, and biodiversity loss—are manifesting with increasing intensity across the globe. However, the impacts of climate change are not experienced uniformly. Vulnerable communities, particularly in the Global South, suffer disproportionately despite having contributed minimally to the problem. This disparity in cause and consequence has sparked a vital discourse on climate justice, which calls for equitable responses rooted in historical responsibility and moral accountability.

At the heart of climate justice lies a fundamental question: who should pay for climate change? Addressing this issue involves unpacking the historical trajectories of emissions, the economic capacities of nations, and the legal and ethical frameworks that guide global climate governance. Developed countries, by virtue of their industrial history and wealth accumulation through fossil-fuel-driven economies, bear a significant share of the responsibility. Yet, climate finance remains inadequate and unevenly distributed, exacerbating existing inequalities and undermining global solidarity. As the world edges closer to climate tipping points, there is an urgent need to reassess the financial commitments and responsibilities of nations.

This paper seeks to provide a comprehensive analysis of the climate justice debate, focusing on the allocation of financial responsibility for climate change mitigation and adaptation. It begins by exploring the historical foundations of emissions and the evolution of the climate justice framework. It then delves into the economic, legal, and ethical arguments for differentiated responsibilities and capabilities. The paper also examines key international agreements and their limitations, presents case studies highlighting regional disparities, and outlines the obstacles hindering equitable climate finance. Finally, it proposes actionable strategies to build a just and inclusive global climate finance system, arguing that justice must be the cornerstone of any sustainable climate solution.

1.1 Research Questions

1. How do differences in economic capacity influence equitable contributions toward global climate finance?
2. What legal and ethical frameworks support the nation of differentiated climate responsibility?
3. To what extent have international agreements, such as the Paris Agreement, been effective in ensuring fair financial support for developing countries?
4. How do regional experiences and vulnerabilities shape the discourse and implementation of climate justice across the Global South and North?
5. What are the barriers and opportunities in implementing a just and inclusive climate finance system that reflects equity and accountability?

1.2 Research Objectives

1. To analyze the historical emissions and environmental impacts of industrialized nations in order to assess their financial responsibility for climate mitigation and adaptation.
2. To evaluate the role of economic disparities in shaping national capacities to fund climate initiatives and support vulnerable regions.
3. To examine key legal instruments and ethical theories that advocate for differentiated responsibilities and global climate equity.
4. To assess the effectiveness of international climate agreements in enforcing financial commitments and promoting justice for climate-affected countries.
5. To explore diverse regional case studies that reveal the socio-political and ecological realities of climate injustice.
6. To propose a policy-oriented framework for a fair climate finance system that reflects both historical responsibility and current capacity.

2. Historical Responsibility and the Polluter Pays Principle

The industrial revolution, beginning in the 18th century, marked a transformative shift in the global economy and human society. With the advent of coal-powered machinery, mechanized agriculture, and mass production, nations such as the United Kingdom, the United States, Germany, and France experienced unprecedented economic growth. However, this development came at the cost of the environment. The large-scale combustion of fossil fuels released massive quantities of carbon dioxide into the atmosphere, setting the stage for anthropogenic climate change. Over the next two centuries, industrialized nations built their prosperity on emissions-intensive practices, reaping economic rewards while accumulating what is now referred to as a "climate debt."

Cumulative emissions data underscores the scale of this responsibility. According to the World Resources Institute, the United States alone is responsible for over 25% of global carbon dioxide emissions since 1750. When combined with emissions from the European Union and other developed economies, this figure exceeds 50% of historical emissions. These cumulative emissions have created a global warming legacy that continues to shape climate impacts today, including altered weather patterns, intensified natural disasters, loss of biodiversity, and melting glaciers. The legacy of this

pollution is not simply environmental—it has moral, social, and economic ramifications that continue to burden countries with the least historical responsibility.

The principle of "polluter pays," enshrined in both domestic and international environmental law, provides a foundation for assigning responsibility based on contribution to harm. This principle holds that entities responsible for environmental damage must bear the costs of remediation. In the context of climate change, it implies that countries that have emitted the most over time—and that continue to emit at high per capita levels—must finance mitigation efforts and provide support to those suffering the worst effects. Importantly, this principle is not merely a moral stance but a legal precedent that has been incorporated into environmental treaties and policies worldwide, such as the Rio Declaration on Environment and Development (1992) and the United Nations Framework Convention on Climate Change (UNFCCC).

Incorporating historical responsibility into climate finance is not only a matter of justice but also a practical necessity for building international trust and cooperation. Without acknowledging past injustices and their ongoing repercussions, climate negotiations risk failing to achieve meaningful consensus. Developed countries must lead in fulfilling climate finance commitments, including the $100 billion per year target promised under the Paris Agreement, not as charity but as restitution. Furthermore, meaningful reparations should also include support for loss and damage associated with irreversible climate impacts. Only by grounding climate finance in the realities of history can we move toward a more equitable and effective global response to the climate crisis.

3. Economic Capacity and the Case for Equity

While historical responsibility provides a moral and legal foundation for climate finance, economic capacity introduces a pragmatic dimension to the debate. Economic capacity refers to a country's current financial resources, technological infrastructure, and institutional ability to contribute meaningfully to climate mitigation and adaptation. Wealthier nations possess greater fiscal space, more diversified economies, and advanced technological capabilities, all of which equip them to bear a larger share of the financial burden associated with climate change. This principle aligns with the broader concept of distributive justice, which calls for the fair allocation of responsibilities according to one’s means.

The disparity in economic capacity between developed and developing countries remains stark. According to the World Bank, high-income countries account for nearly 80% of global wealth, while low-income countries struggle with limited revenues and high levels of debt. These economic disparities are compounded by climate vulnerability, where countries least responsible for emissions are also the least equipped to adapt to their consequences. For example, Small Island Developing States (SIDS) and Least Developed Countries (LDCs) face existential threats from sea-level rise and climate-related disasters, yet lack the financial resources to build resilient infrastructure or transition to renewable energy systems. This economic asymmetry raises important ethical questions about the obligations of affluent nations toward more vulnerable populations.

In practice, economic capacity also determines a country’s ability to design and implement climate action plans. Nations with strong institutions and robust financial sectors are better positioned to integrate climate change into development planning, attract international investment, and mobilize domestic resources for climate projects. In contrast, countries facing political instability, limited administrative capacity, or fragile economies may struggle to meet even the basic requirements for accessing international climate finance. This creates a feedback loop where the most vulnerable remain underserved by climate finance mechanisms, further entrenching global inequities.

The principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC), enshrined in the UNFCCC and reaffirmed in the Paris Agreement, reinforces the need to consider both historical emissions and present-day economic realities. CBDR-RC seeks to balance fairness with

effectiveness, enabling countries to contribute according to their capabilities without compromising their development goals. Operationalizing this principle requires transparent methodologies for assessing national circumstances, including GDP per capita, debt ratios, human development indicators, and vulnerability indices. A robust implementation of CBDR-RC ensures that climate finance contributions are calibrated not only to emissions but also to the ability to pay.

4. Legal and Ethical Foundations of Climate Justice

The legal and ethical foundations of climate justice form a critical pillar in the discourse on who should bear the costs of climate change. These foundations are grounded in international environmental law, human rights law, and philosophical theories of justice, all of which converge to underscore the importance of fairness, accountability, and equity in addressing global climate challenges. Central to this framework is the concept of justice itself, which demands that burdens and benefits be shared fairly, particularly when they arise from collective action problems like climate change. Climate justice extends beyond the distribution of resources—it involves recognizing unequal contributions to environmental degradation and correcting structural injustices that leave certain populations more vulnerable.

International law offers several principles that support equitable climate action. The principle of "common but differentiated responsibilities and respective capabilities" (CBDR-RC), enshrined in the 1992 UNFCCC and reaffirmed in the Paris Agreement, encapsulates the dual recognition of shared responsibility and differing capabilities among nations. This principle reflects the moral imperative that those who have contributed most to the problem—and who possess the means to address it—should take the lead in providing solutions. In addition to CBDR-RC, principles such as the precautionary principle and the polluter pays principle further reinforce legal obligations. The former emphasizes action in the face of scientific uncertainty to protect future generations, while the latter asserts that those responsible for environmental harm should be liable for the costs of remediation.

Ethically, climate justice is rooted in theories of distributive and corrective justice. Distributive justice focuses on the fair allocation of benefits and burdens among different groups, taking into account both present and future generations. This is particularly important in the climate context, where intergenerational equity is a pressing concern—today's emissions will disproportionately affect those not yet born. Corrective justice, on the other hand, seeks to address harms by requiring wrongdoers to compensate those harmed. This principle underlies calls for reparations and climate finance from historically high-emitting countries to those suffering the greatest climate impacts. Furthermore, procedural justice—the right to participate in decision-making processes—ensures that affected communities, especially Indigenous peoples and marginalized groups, have a voice in shaping climate policy.

Legal obligations under various international human rights instruments also bolster the case for climate justice. The right to life, health, food, water, and an adequate standard of living—all of which are threatened by climate change—are protected under treaties such as the International Covenant on Economic, Social and Cultural Rights (ICESCR). Courts around the world are increasingly recognizing the link between environmental harm and human rights violations. Landmark rulings, such as those in the Netherlands (Urgenda case) and Pakistan, have held governments accountable for failing to act on climate change, framing climate inaction as a breach of fundamental rights. This evolving jurisprudence signals a growing recognition that climate justice is not only a political or economic issue, but a legal and ethical obligation.

5. The Role of International Agreements

International agreements form the backbone of coordinated global efforts to combat climate change and promote climate justice. These agreements establish legal frameworks, set emission targets, outline

responsibilities, and create financial and technological mechanisms to support climate action. They are also crucial for ensuring that efforts to mitigate and adapt to climate change are collaborative, inclusive, and equitable across different regions and economic strata. Among these, the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement are the most significant milestones in the evolution of international climate governance.

The UNFCCC, adopted in 1992, laid the groundwork for future climate negotiations by establishing the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC). This principle acknowledges that while all nations share the responsibility of addressing climate change, their contributions and capacities differ significantly. The UNFCCC created a platform for international dialogue and institutionalized the Conference of the Parties (COP), which meets annually to assess progress and negotiate new commitments. The Kyoto Protocol (1997), a legally binding instrument under the UNFCCC, was the first to impose specific emission reduction targets—but only on developed countries. Although it marked an important step in formalizing accountability, it was criticized for its limited scope and lack of participation from major developing emitters.

The Paris Agreement of 2015 represents a paradigm shift in international climate diplomacy. It replaced the top-down approach of the Kyoto Protocol with a bottom-up model where countries submit nationally determined contributions (NDCs) outlining their mitigation and adaptation goals. The agreement aims to limit global warming to well below 2°C, with efforts to restrict it to 1.5°C. Critically, it reaffirms the CBDR-RC principle while emphasizing flexibility and transparency. However, the voluntary nature of NDCs and the absence of enforcement mechanisms have raised concerns about the agreement's effectiveness in compelling high-emitting nations to fulfill their obligations.

A vital component of the Paris Agreement is its provision for climate finance. Article 9 stipulates that developed countries should provide financial resources to assist developing nations in mitigation and adaptation efforts. The Green Climate Fund (GCF), operationalized in 2010, was designed to channel such funds, with an intended mobilization goal of $100 billion annually by 2020. However, actual disbursements have fallen short, and issues surrounding accessibility, donor transparency, and fund allocation persist. These shortfalls have led to criticisms that climate finance remains donor-driven, opaque, and insufficiently aligned with the needs of the most vulnerable countries.

6. Case Studies and Regional Perspectives

Understanding how climate justice is experienced and addressed in different parts of the world is critical to constructing globally responsive solutions.

In Africa, climate change disproportionately affects countries with the least historical responsibility for global emissions. Nations like Mozambique, Ethiopia, and Sudan have faced severe impacts from droughts, floods, and cyclones, despite their minimal contribution to greenhouse gas emissions. Adaptation is a pressing concern for the continent, and the lack of financial and technical resources exacerbates existing vulnerabilities. The African Union's Climate Change Strategy aims to coordinate regional responses, but implementation remains uneven due to weak institutions and limited funding. Nevertheless, community-based adaptation initiatives, like those in Kenya's arid regions—where pastoralist communities are using indigenous knowledge and early warning systems—illustrate how local practices can complement broader strategies when adequately supported.

In South Asia, countries like Bangladesh, India, and Nepal grapple with rising sea levels, glacial melt, and extreme weather events. Bangladesh serves as a critical case study of both vulnerability and resilience. Despite its low emissions profile, it is one of the most climate-affected nations in the world. However, the government's proactive stance—exemplified by the Bangladesh Climate Change Strategy and Action Plan—demonstrates how strategic planning, combined with international funding, can

improve adaptive capacity. The South Asian region also faces geopolitical tensions that can hinder cross-border cooperation, making regional coordination in climate governance a unique challenge.

Small Island Developing States (SIDS), such as those in the Pacific and Caribbean, present perhaps the most urgent cases of climate injustice. These nations face existential threats due to rising sea levels, despite having contributed negligibly to global emissions. The case of Tuvalu or the Maldives highlights the inadequacy of current global financial mechanisms to address imminent displacement and loss of territory. These countries have been at the forefront of pushing for "loss and damage" provisions in international negotiations, demanding that wealthier nations compensate them for irreversible harm.

One of the most prominent figures in the climate justice movement is **Greta Thunberg**, a Swedish teenager who initiated the global "Fridays for Future" movement by striking outside the Swedish parliament in 2018. Thunberg's activism has since inspired millions of youth around the world to demand stronger climate action from their governments. Her speeches at the United Nations and World Economic Forum have drawn global attention to the lack of urgency from developed nations and have elevated the discourse around climate responsibility.

Vanessa Nakate, a Ugandan climate justice activist, has been another powerful voice from the Global South. Her advocacy highlights the disproportionate impacts of climate change on African nations despite their minimal contribution to greenhouse gas emissions. Nakate emphasizes the importance of intersectional justice—ensuring that race, gender, and geography are considered when addressing the climate crisis.

In the United States, the **Sunrise Movement** has been instrumental in pushing for a Green New Deal and holding politicians accountable for fossil fuel subsidies and environmental degradation. The movement is youth-led and focuses on creating millions of good jobs in a transition to clean energy, while centering communities historically harmed by pollution and climate disasters.

Beyond individual activism, real-world environmental justice struggles include the opposition to the **Dakota Access Pipeline** by the **Standing Rock Sioux Tribe**, who protested the pipeline's threat to water resources and sacred land. Their resistance drew international attention and sparked solidarity movements globally.

Environmental disasters linked to military or industrial activity also reveal the complex challenges of climate justice. For instance, the **US Navy's powerful shock exercise** off the coast of Florida, which registered as a 3.9 magnitude seismic event, raised concerns from marine biologists about the significant harm to marine mammals and ecosystems. Despite defense justifications, the incident underscored the environmental consequences of militarization and the lack of accountability in such operations.

Similarly, the **global nuclear waste crisis**—with hazardous material accumulating in the absence of permanent disposal solutions—presents another dimension of climate injustice. Communities near sites like the Hanford nuclear reservation in the US or temporary waste depots in Finland bear the burden of long-term environmental risks, often without adequate consultation or compensation.

These examples collectively reflect the importance of climate justice in policy-making, activism, and international cooperation. They emphasize the need for inclusive, transparent, and equitable approaches to addressing environmental challenges and amplifying the voices of those most affected.

7. Challenges in Climate Finance Implementation

Several challenges impede the realization of equitable climate finance:

1. **Insufficient Funds**: Current climate finance levels are significantly below the estimated needs. According to the IPCC, developing countries require trillions annually to achieve sustainable, low-carbon development.
2. **Lack of Accountability**: There is no legally binding mechanism to enforce climate finance pledges. Countries often fail to meet their commitments without consequence.

3. **Loan-Based Financing**: A significant portion of climate finance is provided as loans, increasing the debt burden on developing nations and contradicting the principles of climate justice.
4. **Private Sector Dominance**: The growing reliance on private finance can lead to profit-driven approaches that sideline community needs and justice considerations.
5. **Inequitable Access**: Many vulnerable countries and communities lack the institutional capacity to access and manage international climate funds, leading to an unequal distribution of resources.

8. Toward a Just and Effective Climate Finance System To create a fairer and more effective climate finance system, several key reforms are needed:

1. **Revised Climate Finance Targets**: The $100 billion goal should be considered a floor, not a ceiling. Future targets should reflect actual needs and be based on transparent, verifiable methodologies.
2. **Grant-Based Financing**: Developed nations should prioritize grants over loans, particularly for adaptation projects, which offer limited financial returns but are crucial for resilience.
3. **Debt Relief and Climate Finance Integration**: For heavily indebted nations, integrating climate finance with debt relief can provide fiscal space for climate action.
4. **Accountability and Transparency Mechanisms**: Establish independent monitoring bodies to track climate finance flows, ensure compliance, and build trust.
5. **Inclusive Governance**: Empower frontline communities, indigenous peoples, and marginalized groups to participate in climate finance decision-making processes.
6. **Innovative Financing Tools**: Implement global carbon taxes, financial transaction taxes, or climate damages levies on fossil fuel companies to generate new streams of finance.
7. **Technology Transfer and Capacity Building**: Support developing countries with clean technologies and capacity-building initiatives to ensure sustainable transitions.

9. Conclusion:

Climate justice represents a confluence of historical accountability, present-day capacity, and ethical responsibility. The unequal contributions to climate change—rooted in centuries of industrial activity by developed nations—necessitate a proportional financial response that supports the vulnerable while recognizing the polluters. Developed countries, having built their wealth through fossil-fuel-based growth, must now lead the global charge in financing mitigation and adaptation efforts.

At the heart of climate justice is the principle of fairness. It is not merely about distributing funds, but about redressing imbalances of power, capability, and historical harm. Developing nations, especially those already enduring severe climate impacts, cannot and should not be expected to bear the brunt of a crisis they did little to cause. The global community must embrace a finance system grounded in equity, solidarity, and mutual accountability.

In conclusion, achieving climate justice requires more than rhetoric; it demands transformative action. Only through a unified, fair, and sustained financial strategy can the world hope to address the climate crisis in a way that protects the most vulnerable, honours past responsibilities, and secures a liveable planet for future generations.

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