

## Swiss Financial Sector: Villain or Hero?

#RiseUpForChange #endfossilfinance

### Summary

The activities controlled by the Swiss financial centre cause 20 times the domestic greenhouse gas emissions<sup>1</sup> - or over 2 % of global emissions<sup>2</sup>. Politicians are still afraid to touch this biggest lever of Swiss climate policy.<sup>3</sup> We therefore have no choice but to take matters into our own hands: We organise actions to gain public attention to this topic.<sup>4</sup> With public pressure, we will ask the question: Is the Swiss financial sector a villain, that finances a world wide warming of 4 - 6°, <sup>5</sup> or is it a hero that takes over its world wide climate justice responsibility<sup>6</sup> as a pioneer?

<sup>1</sup> <https://www.klima-allianz.ch/wp-content/uploads/Klimahebel-Finanzplatz-Hochrechnung-1.pdf>

<sup>2</sup> [https://www.klima-allianz.ch/wp-content/uploads/Grafik\\_Klimahebel.pdf](https://www.klima-allianz.ch/wp-content/uploads/Grafik_Klimahebel.pdf)

<sup>3</sup> The financial sector is not even mentioned in the revised law: <https://www.admin.ch/gov/en/start/documentation/votes/20210613/co2-act.html>

<sup>4</sup> Rise Up For Change 2: Joined Summer Action from Break Free, Climate Strike, Collective Climate Justice and Extinction Rebellion, taking place from 28.7. to 10.8. 2019: <http://riseupforchange.ch>

<sup>5</sup> <https://www.bafu.admin.ch/bafu/fr/home/themes/economie-consommation/communiqués.msg-id-59285.html>

<sup>6</sup> Climate justice in the context of the financial sector means, in particular, using the privileges that arise from the material wealth available here wisely. We need to use our financial wealth, which is, at least in the banking sector, largely created through exploitation, to build a social, more just and ecological world. More info at [riseupforchange.ch/climatejustice](http://riseupforchange.ch/climatejustice)

## **What is wrong with the financial sector?**

Weather extremes such as drought, extreme heat, floods and storms have become the new normal. The climate and biodiversity crises are happening here and now, resulting in **expulsion and extinction of humans and other species**, as well as the loss of life and livelihood for communities least responsible. If we want a future worth living for, we need to stop the drivers of climate change, in particular the extraction and burning of fossil fuels.

Switzerland's banks and investment houses, pension funds and the insurance industry foot the bill by financing gas, oil and coal projects or investing in carbon intensive industries such as cement, steel, fertiliser or transport industry, causing 20 times more greenhouse gas emissions than the country's domestic emissions<sup>1</sup> and equivalent to 2% of global greenhouse gas emissions<sup>2</sup>.

But it doesn't have to be this way - there is no reason why the economy cannot work for the majority and to protect the planet. We can and must shift power to be more equitable. The best way for Switzerland to take the first step towards being a responsible world citizen is by pressuring the financial sector to change its practices.

## **How do we respond?**

While we do not have the financial influence that the banks have, we do have people power. From India gaining independence from Great Britain to women winning the right to vote in Switzerland, mass action was necessary - marches, petitions and yes, civil disobedience. This summer we plan to take action against the worst private banks funding the climate crisis and our national bank in order to advocate for a climate-just financial sector. There is a role for everyone - join us!

The COVID crisis has shown us the consequences of uncontrolled globalization and the cost of inaction in the face of a worldwide threat. Let's learn from COVID how to respond swiftly and effectively in order to prevent the climate crisis from getting any worse. As the anthropologist Margeret Mead stated, "never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

## What are we asking for?

As a quick first step we are calling for all financial institutions, including the SNB to be transparent and disclose all holdings and financial flows. We also demand immediate divestment of all holdings in gas, oil and coal linked to a strategy based on science and planetary risks. This translates to prioritising the divestment of extreme energy forms such as tar sands mining and fracking. As principal shareholders of the SNB, the cantons must also insure this. At a time when most existing conventional fossil fuels resources must stay in the ground, investing in tar sands and fracking is scandalous and incomprehensible.

Longer term, we expect the parliament to mandate Finma (Switzerland's Financial Market Supervisory Authority) and SNB to regulate the banks to work toward climate, economic and social justice. The Swiss National Bank must be democratically controlled to ensure investments in the interest of the people, specifically funding a social, environmental and economic transition that makes **possible well being, social justice and a good life for all worldwide**. Responding to the climate & COVID19 crisis with a socially just transition will require giving a major role to public credit. Central banks could finance this transition directly - that is to say, without creating debt.

With its trillion CHF (1000 billion) assets, SNB has 40 billion excess profits per year (after paying dividends!). Of this only a maximum of 6 billion are re-distributed to the Federal Government and Cantons. SNB's fortune is ours, a common good! Its' huge revenue could greatly accelerate a socially just transition, including taking responsibility for the climate chaos that rich countries consumption of resources has unleashed on the Global South. A responsibility which the Swiss government evades despite the Paris Agreements.