

The politics of change

Tackling poverty in a carbon-constrained world

COUNTRIES THE WORLD over must meet the energy needs of their citizens and industries while trying to tackle climate change. Is it possible to imagine development paths that generate fewer greenhouse gases, in a world where 1.6 billion people have no access to electricity? This challenge presents economic and technological issues of staggering proportions but the challenges are also fundamentally political in nature.

BROKENHAGEN?

Many people vested high hopes in the 2009 climate change summit in Copenhagen. They expected rich countries to sign binding obligations to reduce emissions, and to raise billions of dollars to help developing countries cut carbon use and adapt to the impact of climate change, without affecting their efforts to combat poverty.

That expectation was dashed amid the worst financial crisis in over half a century, a fatal lack of political leadership, and tension between wealthier countries and poorer ones over who bears most responsibility for our present plight.

The fact that countries failed to produce a deal, and are unlikely to do so in Cancún in 2010, has led many to despair about tackling climate change, or the poverty that it deepens by hitting the poorest and most vulnerable the hardest.

Yet away from the negotiating halls of the UN, there are radical shifts taking place among businesses, governments and civil society organisations that may yet play a key role in bringing about a transition to a low-carbon economy. Though this change started in Europe and North America, countries such as China and India are now leading the way. They are combining state leadership with market instruments to ensure that they are well placed to benefit from opportunities that might arise in a low-carbon economy, and to access the \$100 billion a year of climate finance by 2020 promised at Copenhagen.

INDIA SHINING?

It is a cliché to say 'India is a land of contrasts', but like most clichés it contains an element of truth. India is home to many of the world's wealthiest individuals and to a middle class whose contribution to climate change exceeds that of Australia by some estimates. But it is also where a third of the world's poor live.

Much is made of the new 'India shining,' and there is no doubting India's economic success. This has resulted in emissions that place India among the world's top five emitters. But if we look at emissions per capita, India is just 139th in the world.



Protesters at Copenhagen wanted binding obligations to reduce emissions

India's approach to climate change is positive. It has a National Action Plan on Climate Change, national missions on solar energy, and proposals for an internal Renewable Energy Certificate (REC) and energy efficiency (PAT – Perform, Achieve and Trade) scheme. All are driven by concerns about energy security and energy poverty more than by climate change itself. India will not be lectured to about the need for action by an international community that has failed to deliver its own emissions reductions. Instead, it appears to be adopting active policy responses that are aligned with national priorities and which are not, for the most part, dependent on financing or other assistance from the UN climate institutions.

The fact that countries failed to produce a deal has led many to despair about addressing climate change

India's experience points to the importance of a clear national strategy that can be pursued at many levels and which creates clear incentives for the private sector. By using policies such as feed-in tariffs, and creating internal markets in renewable energy and energy efficiency, the government of India has provided incentives for industries to take action. This helps the country's energy security situation by reducing its dependence on imported oil. And although the Indian government has not used these terms, these measures also allow India to show the world that it is taking action on climate change. Alongside India's national actions, many Indian states are also developing their own climate-change plans.

Projects and investments that are not viable on these domestic markets, but which contribute to the reduction of greenhouse gas emissions, are also eligible for project funds through the Kyoto Protocol's Clean Development Mechanism. This allows richer countries such as Britain, one of the

largest buyers in this market, to buy emissions reductions in places like India where it is cheaper to do so. India is the world's second largest recipient of projects of this type, many of which are in the energy sector.

IT'S POLITICS, STUPID

The future of climate change politics at international level is uncertain. In the vacuum left by stalled UN progress, dozens of initiatives involving cities, businesses and civil society organisations have sprung up to generate finance, support technologies and set their own targets to reduce greenhouse emissions. These steps are important, but they are no substitute for a comprehensive global agreement that allocates responsibilities and manages the funding for emissions reductions and adaptation.

But India shows that as the centre of economic and political power in the world shifts further East, we may find leadership on climate change coming from countries using all the power at their disposal to deliver low carbon development aimed at addressing poverty. ■

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