

India Starts to Take on Climate Change

Malini Mehra

In 2009, the eyes of the world will be on China, India, and the United States. The threat of climate change is now so great, and dealing with it effectively is so central to the future of national economies, that new scripts are being called for. The role of the United States as the world's single largest polluter in per capita terms remains pivotal. But China and India are now assuming an importance they did not have in 1997, when the world came together in Kyoto to do a deal on climate change.

This is a moment of decision for India. How can a country with one sixth of the global population, and more billionaires than Japan, not play a leadership role on the climate agenda? As the world's third largest economy (in purchasing power parity terms), and the fourth largest emitter of greenhouse gases (GHGs), India's positive engagement will be crucial to constructing a "global deal" on climate at Copenhagen, the next pivotal meeting of governments that are party to the Framework Convention on Climate Change.¹

For India, the stakes are too high to continue with politics as usual. Many studies have underscored the nation's vulnerability to climate change. The impacts are already being seen in unprecedented heat waves, floods, cyclones, and other extreme weather events. With its long coastline, India is expe-

riencing sea surges and salinization, affecting infrastructure, agriculture, fisheries, livelihoods, and human health. Food security is being compromised through reduced crop yields, and water security is under threat everywhere with declining water tables, conflicts over rivers and basins, and the prospect of severely diminished freshwater resources due to glacier retreat in the Himalayas.²

The government claims it is already spending over 2 percent of gross domestic product (GDP) on measures to adapt to the impacts of the changing climate. The Carbon Disclosure Project estimates that climate change could result in a loss of 9–13 percent in the country's GDP in real terms by 2100.³

Given India's deeply stratified society, the hardest hit will be the poor and the marginalized. India is home to one third of the world's poor and a still growing, predominantly youthful population. By 2045 India will have overtaken China as the most populous nation, with an estimated population of 1.501 billion compared with China's 1.496 billion.⁴

Although India has not been an emitter historically, the past is no predictor of the future. As the economy grows and consumption patterns change, there is little doubt that emissions will rise and the country's carbon footprint will increase dramatically. The International Energy Agency projects that India will become the third-largest emitter by 2015, precisely when global GHG emissions need to peak if the world is to avoid the severest impacts of climate change.⁵

Malini Mehra is founder and CEO of the Centre for Social Markets, based in London and Kolkata.

India's problem is its energy economy. The country has an extremely high dependence on fossil fuels—in particular on imported oil and dirty coal, which it has in abundance. Fossil fuels are responsible for 83 percent of India's carbon dioxide emissions; coal alone accounts for 51 percent. Addressing climate change effectively therefore will require a transformation of India's energy economy.⁶

The government's rhetoric on this topic remains tinged with fear. While it recognizes that "global warming will affect us seriously," the government concludes that "the process of adaptation to climate change must have priority" and that "the most important adaptation measure is development itself." On mitigation, the government is unequivocal: "With a share of just 4 percent of global emissions, any amount of mitigation by India will not affect climate change." Instead the government calls for action by industrial countries and a burden-sharing formula based on historical culpability, common but differentiated responsibilities, differences in respective capabilities, and the per capita emissions principle. The Prime Minister has pledged, however, that India's per capita emissions (presently 1.2 tons annually) will never exceed those of industrial countries.⁷

Yet if the Intergovernmental Panel on Climate Change's figures are to be believed, India will experience "the greatest increase in energy and greenhouse gas emissions in the world if it sustains eight percent annual economic growth or more as its primary energy demand will then multiply at least three to four times its present levels." A change of direction therefore is very much needed.⁸

The government has recognized that business as usual is no longer tenable. For example, the Eleventh Five Year Plan

(2007–12) commits the country to reducing energy intensity per unit of GHG by 20 percent in the period 2007 to 2017. Further, it seeks to boost access to cleaner and renewable energy by "exploiting existing resources (e.g., hydropower and wind power), developing nuclear power, and also supporting research in newer areas such as biofuels from agro-waste, solar energy, etc."⁹

In June 2008, the Prime Minister released the much-anticipated National Action Plan on Climate Change. It focuses on eight areas intended to deliver maximum benefits for climate change mitigation and adaptation in the broader context of promoting sustainable development: solar energy, energy efficiency, sustainable habitat, water, sustaining the Himalayan ecosystem, green India, sustainable agriculture, and sustainable knowledge for climate change.¹⁰

The plan was launched with much fanfare, but the detailed action plans for each area are yet to be worked out, and the document contains virtually no targets or timetables. The Climate Challenge India coalition concluded that while the Action Plan is a more coherent approach to sustainable development across government departments, it is not a new agenda based on ensuring climate security or a strategy for a low-carbon pathway for India. The group gave the report a B+ for effort and a D for vision.¹¹

Although the Action Plan may have been a missed opportunity for leadership by the government, it did contain some innovations such as a domestic cap-and-trade system as an incentive for emissions reductions in nine energy-intensive sectors. It also stands full-square behind market tools such as the Clean Development Mechanism (CDM), which the government has used as a lever to accelerate take-up of clean technology by Indian firms and to encourage participation in the global \$30-billion carbon market.

India now accounts for more than one third of all CDM projects registered worldwide.¹²

The government can claim some credit for a few achievements that provide a good foundation for further improvements. For example, India was the first country to establish a ministry for non-conventional energy sources and has the world's fourth largest installed wind power capacity. Since 2004, India has managed to decouple economic growth from energy use, with the economy growing annually at a rate of over 9 percent but energy growing at less than 4 percent. The country has had an energy labeling program for appliances since 2006, with almost all fluorescent tube lights and about two thirds of refrigerators and air conditioners now covered by the scheme.¹³

Yet it will take more than a smattering of good examples to make the changes needed. Instead of following the example of industrial countries, India needs to opt for smart, low-carbon growth and make sustainability the organizing principle of its economy and modernization agenda. For a country with an advanced nuclear program and space exploration ambitions, leap-frogging from a high-carbon to a low-carbon energy economy is timely and possible.

The good news is that change is coming. And India's business community appears to be setting the pace. Dismayed at the lack of government leadership, many people in the business community are beginning to tackle climate change head-on as a business issue. In a recent survey of Indian business leaders, 83 percent of those questioned said they had a fair to good understanding of climate change, 65 percent said that India should be leading the way, and almost half said that climate change is a crucial and urgent issue that should be near the top of India Inc.'s agenda.¹⁴

Many Indian businesses are beginning to

look to the future and invest in clean energy, energy conservation and efficiency, smart buildings, and green products. They realize the market is changing and the time to act is now. Industrialist Anand Mahindra relishes his "eco-warrior" tag, for instance, and views climate change as an emerging consumer and competitiveness issue. He wants his group to be at the forefront of addressing it and is redesigning his automotive portfolio accordingly.¹⁵

ITC's headquarters in Gurgaon is LEED Platinum-rated by the U.S. Green Building Council. Infosys, another sector leader, has embraced carbon neutrality, and Bangalore's Reva car is now the world's biggest selling electric vehicle. Cleantech and renewable energy investments are soaring in India, and the domestic wind power giant Suzlon is now the largest in Asia and fifth largest globally. Solar energy is undergoing a renaissance, with companies such as Tata BT Solar betting on it meeting the majority of India's energy needs by 2100.¹⁶

These examples show that India Inc. is prepared to move and doing so voluntarily in many respects. None of this should surprise anyone familiar with the country's deep-rooted enterprise culture. Where there is a market opportunity, Indian business will find it. With a supportive policy environment—in particular, a carbon tax to level the playing field—fiscal incentives, improved infrastructure, and clear standards and guidance, Indian business can do much more. What is needed is a strategic partnership between government and the private sector for a low-carbon development path. Establishing low-carbon innovation zones to incubate and promote such initiatives, as is being piloted in China, could be one imaginative way forward.¹⁷

Cities and municipalities are also tackling energy and environmental challenges, par-

ticularly in transportation—India’s fastest-growing user of energy. Bangalore is leading the way with a state-of-the-art low-emissions mass transit system, and Delhi is subsidizing the purchase of Reva electric cars. A new breed of eco-developer is focusing on housing, seeking to capitalize on a projected \$4-billion market for green buildings by 2012 and pushing existing building codes on energy efficiency.¹⁸

Civil society groups are mobilizing, and initiatives such as Climate Challenge India are leading the way with new thinking and optimism. India’s “generation next” is coming together in networks such as the Indian Youth Climate Network. Media leadership is emerging, with national papers and magazines dedicating themselves to climate coverage. Madhya Pradesh, one of India’s largest states, has broken new ground by establishing a committee on climate change. So all across India there is a palpable sense that the country has awoken and is on the move on climate change.¹⁹

These are small beginnings, but they represent a huge opportunity. The year 2009 is very different from those before it. With elections in both India and the United States, and with domestic electorates more alive to the need for action and leadership, it is a game-changing moment. Both India and the United States need a new narrative that looks forward, not backward. One where the



A charcoal vendor in Mysore, India

Adam Cohn, www.adamcohn.com

politics of blame is replaced by the recognition of a shared dilemma and the value of collective action.

The shaky global economy provides a stark backdrop to why cooperation in an interdependent world is the only way forward. To succeed, climate change must be reframed as an agenda of hope, growth, innovation, and opportunity. It must be used to mobilize a new sense of national purpose and imbue people with optimism. India has a billion good reasons for leadership on climate change. Addressing this could be the best way for the country to secure prosperity and development. If India truly aspires to greatness, no other issue is more timely or compelling.

2 0 0 9

STATE OF THE WORLD

Into a Warming World

To purchase the complete *State of the World 2009* report
with endnotes and resources, please visit
www.worldwatch.org/stateoftheworld.

To purchase bulk copies, contact Patricia Shyne at 202-452-1992,
ext. 520, or pshyne@worldwatch.org.

