

# CLIMATE POLITICS IN INDIA: HOW CAN THE INDUSTRIALIZED WORLD BRIDGE THE TRUST DEFICIT?<sup>1</sup>

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In an ironic and to most Indians quite disturbing turn, India is increasingly portrayed as an obstructionist in the global climate negotiations.<sup>2</sup> How did a country likely to be on the frontline of climate impacts – with a vast proportion of the world’s poor and a reasonably good record of energy-related environmental policy and performance – reach this diplomatic *cul de sac*? Part of the answer lies in the posturing of climate diplomats from India and industrialized countries. But looking beyond the cut and thrust of climate diplomacy, Indian climate policy and the reaction to it are a salutary case study in the failure to build North-South trust in the climate negotiations.

Exploring questions of trust requires recognizing that India, too, has domestic politics around climate change. While there is considerable convergence within India on the climate problem, this does not translate to strategic unanimity on a negotiating position. I suggest that there is a vocal – if narrow – segment that supports a proactive Indian approach to climate negotiations. But these voices of global cooperation are being undercut by the increasingly toxic global negotiating context.

## HOW DOES INDIA LOOK AT THE CLIMATE PROBLEM?

There are three reasons why few in India believe the global negotiations can deliver an outcome that is both environmentally effective and fair. First, India is being unfairly labelled a “major emitter.” Second, given the country’s unfinished development agenda, discussing constraints on India are premature. Third, there is insufficient recognition that India is moving proactively on climate mitigation and is starting from a very low base.

## India: A major emitter or a disadvantaged latecomer?

Two competing perspectives define what constitutes a “major emitter.” If climate change is considered a problem of controlling current flows of

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<sup>2</sup> See, for example, “China, India and Climate Change: Melting Asia,” *The Economist*, 5 June 2008.

greenhouse gases into the atmosphere, India must be deemed a “major emitter.” India now emits about 5 percent of global greenhouse gases, ranking fourth in the world.<sup>3</sup> Increasingly, Indian observers publicly recognize this fact.<sup>4</sup>

But framing the problem as one of allocating responsibility for the total accumulation of greenhouse gases over time – a problem of allotting finite “development space” – places India in another light. India has contributed only about 2.3 percent of global stocks of greenhouse gases while the industrialized countries of Annex I collectively account for about 75 percent and the US alone for 29 percent.<sup>5</sup>

The 1992 United Nations Framework Convention on Climate Change (UNFCCC) tilts toward the latter view, stipulating that industrialized countries should “take the lead” in combating climate change in part because of their greater responsibility for the problem.<sup>6</sup> With a few honourable exceptions, however, Annex I countries have fallen woefully short of taking the lead.<sup>7</sup> Between 1990 and 2005, for example, US emissions rose by 16 percent.<sup>8</sup>

### **Equity: Who is hiding behind whom?**

The UNFCCC establishes “responsibility” and “capability” as the bases for determining who should act and when.<sup>9</sup> Beyond arguing that its responsibility is less than is frequently asserted, India also pleads weak capability. Critics – including internal critics – suggest that India is “hiding behind the poor.”<sup>10</sup> Yet if India is indeed still a substantially poor country, then conditioning Annex I actions on Indian emissions reduction efforts is tantamount to the industrialized world hiding behind India’s rich.

Despite India’s recent economic strides, the unfinished development tasks ahead remain tremendous. India has an extremely poor bottom third —27.5 percent are below the official poverty line of about US\$ 0.70 a day in rural areas and US\$

<sup>3</sup> Emissions exclude land use change. Figures drawn from <http://cait.wri.org/>.

<sup>4</sup> Raghunandan, D. et al. *Climate Crisis: Challenges and Options* (New Delhi: All India Peoples Science Network and Centre for Science Technology and Society, Tata Institute of Social Science, December 2008).

<sup>5</sup> See <http://cait.wri.org/>.

<sup>6</sup> United Nations Framework Convention on Climate Change (UNFCCC), Article 3.1.

<sup>7</sup> Due to US inaction over the last decade, even legislation now being discussed will only return the US contribution to global stocks to their Kyoto levels (levels meant to be reached by 2012) by the mid-2030s. This two-decade delay comes directly out of what developing countries could emit, if we are to stay within a global carbon budget. See Singh, Daljit, Girish Sant, and Ashok Srinivas. “Developed Countries’ Response to Climate Change: Separating the Wheat from the Chaff,” *Economic and Political Weekly*, Vol.44, No.5 (2008).

<sup>8</sup> <http://cait.wri.org/>.

<sup>9</sup> UNFCCC, Article 3.1.

<sup>10</sup> Greenpeace India. *Hiding Behind the Poor* (Bangalore: Greenpeace India Society, October 2007).

1.05 a day in urban areas (purchasing power parity [PPP] adjusted 2004-05.)<sup>11</sup> They are likely to contribute little to global emissions.

Surprisingly, neither is most of the rest of the population. Only 11 percent of Indian households consume more than 100 kilowatt hours of electricity while the average in the US is five times higher.<sup>12</sup> Meanwhile, more than 99 percent of Indians fall below the American poverty line of US\$ 13 a day.<sup>13</sup> Indeed, only between 3 and 6 million Indians would be considered “middle class” or above in American terms and the rest would be categorized as “poor.”<sup>14</sup> Even allowing for measurement errors and the existence of a large parallel “black” economy, this number is unlikely to exceed the low tens of millions. While much ink is spilt on the emergent Indian middle class, defined relative to Western terms this group is still vanishingly small and likely to remain quite marginal to global emissions.

Certainly India is getting richer. But the overwhelming majority of Indians are doing so starting from a very low base and many have not yet seen any of the gains. This is why Indian policy justifiably continues to emphasize per capita emission levels. At 1.7 tons CO<sub>2</sub> per capita in 2005, India’s emissions were but a fraction of the Annex I average of 14.1 tons, China’s emissions of 5.5 tons CO<sub>2</sub> per capita, and only 7 percent of US emissions of 23.5 tons CO<sub>2</sub> per capita.<sup>15</sup>

To be sure, internal equity matters as much as equity across countries. To credibly place equity arguments at the core of its international position, India cannot continue to sustain gross internal inequalities in emissions. Yet if India is to be constructively engaged, the international community must understand that the burden of poverty in India continues to be massive. To do otherwise would be to hide behind India’s relatively few rich.

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<sup>11</sup> Computed by the author from Government of India, Press Information Bureau. *Poverty Estimates for 2004-05* (New Delhi: 21 March 2007).

<sup>12</sup> Sant, Girish, Narasimha Rao, and Sudhir Chella Rajan. “An Overview of Indian Energy Trends: Low Carbon Growth and Development Challenges,” Prayas Energy Group, Prayas-Pune, August 2009, at [www.prayaspune.org](http://www.prayaspune.org).

<sup>13</sup> Ravallion, Martin. “The Developing World’s Bulging (but Vulnerable) Middle Class,” Development Economics Group Policy Research Working Paper 4816, January 2009, p. 7.

<sup>14</sup> The broad range accounts for some concerns about the under-counting of Indian consumption levels. Ravallion suggests that even with a 50 percent measurement error, the number of Indians above the US poverty line of US\$ 13 a day rises only from 3 to 6 million.

<sup>15</sup> Computed from <http://cait.wri.org/>.

## **Burden sharing versus opportunity seizing: How much is India doing, anyway?**

Equity and development criteria frame emissions mitigation as an obligation to be shared. Another viewpoint argues that climate mitigation also presents an opportunity.<sup>16</sup> From this perspective, there is no real trade-off between poverty alleviation and climate mitigation.

Many sustainable development policies clearly benefit the poor – such as promotion of public transport – and end up achieving both objectives. But there are areas of development where trade-offs may be considerable. India cannot upgrade its infrastructure of roads, ports, electricity capacity, and urban spaces without increases in emissions. Yet not doing so would constitute a failure to improve living circumstances for millions of poor Indians. With little evidence that the North itself is chasing climate opportunity, many in India thus temper talk of climate opportunity with a heavy dose of caution.

The National Action Plan on Climate Change (NAPCC) follows this approach.<sup>17</sup> It commits India to pursuing opportunities without binding the country to realizing those objectives. Why this approach should be appropriate for India but not for the industrialized countries hinges on two earlier points—the appropriation of development space and the low current levels of development. However, Indian negotiators are at pains to point out that India is making considerable progress anyway toward a lower carbon society.<sup>18</sup> In 2006, India's energy intensity was about half that of China's, lower than the US, only slightly higher than the EU's, and on a declining trajectory. While industry grew at about 6-7 percent annually from 1990 to 2005, energy use for industry rose a more sedate 3 percent (suggesting a de-linking of growth and energy use.)

High price levels of electricity and petroleum products help explain this performance. In PPP terms, industrial tariffs for electricity are twice as high as in China and four times as high as in the US. Similarly, retail prices (PPP) of gasoline in India are double those in China and four times the US price.<sup>19</sup>

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<sup>16</sup> This point of view is most vigorously argued by the Centre for Social Markets, [www.csmworld.org](http://www.csmworld.org).

<sup>17</sup> Prime Minister's Council on Climate Change. *National Action Plan on Climate Change* (New Delhi: Government of India, 2008).

<sup>18</sup> This information is gleaned from a recent paper summarizing Indian energy trends by a set of independent scholars. See Rao, Narasimha, Girish Sant, and Sudhir Chella Rajan. "An Overview of Indian Energy Trends: Low Carbon Growth and Development Challenges," Prayas Energy Group, Pune India, August 2009.

<sup>19</sup> Sant et. al. op. cit.

The government has also moved to increase the economy's energy efficiency, notably through the National Mission for Energy Efficiency within the NAPCC. This mission includes a labelling programme for household appliances, energy efficiency targets for large consumers with a provision for the trading of certificates, and concessional financing for energy efficiency projects.<sup>20</sup>

### **THREE STRATEGIC PERSPECTIVES**

A great deal of commonality in perspectives within India does not translate into unanimity over strategy. I identify at least three different strategic perspectives.

#### **Growth-First Stonewallers: It's our turn now!**

Growth-first stonewallers consider the climate negotiations themselves a containment strategy by industrialized countries that is more threatening to India than climate impacts. Frequently skeptical of climate science, they see the threat of reduced growth and development from climate obligations as swamping the cost of climate impacts. Equity across nations is their foundational demand—in part out of principle, but also as a useful strategic device to hold industrialized countries at bay. Their priority is to continue India's recent high growth rate. Stonewallers would prefer a weak climate regime that allowed India unconstrained growth over a stronger regime even if it required industrialized countries to do proportionately more.

#### **Progressive Realists: It's an unfair world!**

Progressive realists view prospective climate impacts as a serious threat to India. However, they are deeply cynical about the international process. They cite the failure by Annex I countries to take seriously their historical responsibility – evidenced by limited mitigation actions and minimal financing offers – and their failure to seriously engage equity issues as justifying this cynicism. The growth of India and China, progressive realists suggest, has become an excuse for inaction by industrialized countries.

Their inability to advance an equity perspective – especially when combined with a perception that the North is hiding behind India – has bred fatalism about the climate negotiations. Consequently, progressive realists have increasingly focused their energies at home. They urge a more environmentally-sound development path through the pursuit of “co-benefits” at home—strategies that

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<sup>20</sup> See the National Mission on Enhanced Energy Efficiency, available at <http://indiaenvironmentportal.org.in/content/national-mission-enhanced-energy-efficiency-nmeee-note>.

are shaped by domestic priorities but also bring climate gains. Lacking faith in the international regime, this group increasingly argues for India to do its part but not to formally link these efforts to the international process.<sup>21</sup>

### **Progressive Internationalists: Seize the moment!**

Progressive internationalists share many of the attitudes of the progressive realists. Both groups suggest that the rich world is using India as an excuse for inaction, stress the need for an equitable climate regime, and argue strenuously for the aggressive implementation of actions that bring development and climate co-benefits.

However, the internationalists believe India can and should advance the global negotiations by explicitly aligning Indian interests with an effective global climate regime. This linkage, they suggest, will allow India to seize the moral high ground and explicitly throw India's weight behind a common global solution.<sup>22</sup> Progressive internationalists argue that since climate impacts will hurt the poor worst, an ineffective agreement would in effect perpetuate and exacerbate inequality. Hence, the alleged choice between equity and effectiveness is misleading — there is no choice but to strive for both. Finally, they are more likely than others to see the potential economic opportunities for India that stem from being first movers in developing low-carbon technologies.

### **What do government, civil society, and business think?**

The Government of India has historically been dominated by growth-first stonewallers, although there have always been dissenting voices. But in the last year there has been a discernable shift in tone toward the progressive realist camp. India's NAPCC, for example, aims at a "qualitative shift" in development trajectory toward greater environmental sustainability as a way of realising co-benefits. India has also started discussing voluntary national legislation to curb greenhouse emissions through five targeted measures.<sup>23</sup> Nevertheless, the government is adamant that in the current diplomatic climate – with little sign of meaningful action or good faith by the industrialized world – these measures

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<sup>21</sup> This stance has a long history in India. A wariness of the international process was apparent even during negotiation of the UNFCCC. See Agarwal, Anil and Sunita Narain. *Global Warming in an Unequal World* (New Delhi: Centre for Science and Environment, 1991).

<sup>22</sup> D. Raghunandan et. al., op. cit.

<sup>23</sup> Ghosh, Padmaparna. "India Mulls Law to Cap Emissions" *Mint*, 12 September 2009, at <http://www.livemint.com/2009/09/11234746/India-mulls-law-to-cap-emissio.html>.

would be unilateral rather than linked to a global regime. This is a realist strategy.

Indian business has increasingly emphasized the need to treat the climate challenge as a commercial opportunity.<sup>24</sup> But they would rather pursue this opportunity free of the obligations and possible constraints of an international regime. Thus, while they would like clear regulatory signals from the government, they tend to be on the side of progressive realists and seek domestic action de-linked from global commitments.

Indian civil society – disenchanted with the global process – is dominated by the progressive realist view.<sup>25</sup> While they may be fierce critics of the government at home, they close ranks with them at international climate negotiations and defend against calls for international commitments of any sort. However, some members of civil society have adopted the progressive internationalist position after becoming increasingly uncomfortable with the implications of the government’s position for the poorest Indians—they face an uphill task in India. There are few takers for an argument that a shift in India’s position can do much to change entrenched global positions. They are met with charges of naiveté and a prediction that Indian offers will lead only to more constraints on national development and no improvement in the global regime. Unlocking progressive climate politics in India will require building faith in the prospect of more progressive global climate politics.

## **CONCLUSION: TOWARD BUILDING TRUST**

Indian climate politics is trapped between two mutually-reinforcing outcomes. First, India has been labeled an obstacle to successful negotiations. But India’s official position reflects mainstream Indian opinion—an opinion which is shaped by attention to the historical responsibility of industrialized countries, attention to equity, and a strong domestic record of low-carbon development.

Second, “progressive internationalists” who argue that India’s national interests are best served by a strong global climate regime are being undercut by the international process. The perception that many industrialized countries are downplaying their responsibility strengthens progressive realists and even growth-first stonewallers. This dynamic reinforces a perception of India as an obstruction to a global climate deal.

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<sup>24</sup> See, for example, Confederation of Indian Industry. *Building a Low Carbon Indian Economy*, Confederation of Indian Industry Discussion Paper, January 2008.

<sup>25</sup> Dubash, Navroz K. “Environmentalism in the Age of Climate Change,” *Seminar*, September 2009, pp. 63-66.

While the *climaterati* dwell on the nuances of US politics, it is important to remember that other countries face political struggles over climate change as well. Progressive internationalists will continue to press the Indian government to take a more proactive and productive stance toward a global climate regime. But shifting to more progressive Indian climate politics will require support from a more progressive international climate politics in at least three ways:

- *Honor the UNFCCC bargain:* India is not alone among developing countries in suspecting that the US and some other industrialized countries are seeking to weaken the UNFCCC bargain to the breaking point. The essence of that bargain was that industrialized countries would move first to tackle climate change. Instead, the US (along with some other industrialized countries) has sought to make its actions conditional on those of large emerging economies, including India. By shaking the stick of border tax adjustments, the US signals that it has no intention of leading the response to climate change. While it is understandable that US lawmakers worry about economic competitiveness, this concern cannot be satisfied at the cost of abjuring the UNFCCC bargain. Aside from what it signals about US respect for international law, doing so would also signal that equity and responsibility – obligations of a nation that has emitted 29 percent of the greenhouse gases now in the atmosphere – play little role in US relations with the world.
- *Take equity concerns seriously:* Recognizing emissions per person as a valid indicator of the relative capacities of countries would be an extremely helpful trust-building step. India fears that without some internalization of the per capita emissions metric, future political pressures might well lead to Indian emissions being capped at a fraction of the per capita emissions of industrialized countries. An explicit statement of the need to narrow disparities in per capita emissions across countries – perhaps as part of the shared vision of a Copenhagen outcome – would help ameliorate this fear and open the door to more constructive engagement.
- *Create a supportive framework for bottom-up actions in the developing world:* By insisting that the global climate regime stipulate quantitative obligations for developing countries, industrialized countries risk discouraging rather than encouraging early climate mitigation in India. Many aggressive climate mitigation policies are already in place or in the pipeline in India. These policies are driven by the recognition that such policies can provide significant development co-benefits. Government, industry, and civil society increasingly agree on the desirability of a low-carbon Indian future, although debates certainly continue as to what this

future looks like and how fast we can reach it. But pressure to put a number on the cumulative effect of these actions encourages setting weak targets, inflating India's Business-As-Usual trajectory, and slowing down implementation until India can claim political credit for actions. Instead of insisting on quantitative targets that are equivalent to those of industrialized countries, promoting a supportive framework for bottom-up actions will yield far greater results in rapidly growing emerging economies such as India.

