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Towards a green economy in South Asia

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South Asia is environmentally a fragile region. Its mountains, rivers, seas, forests and biodiversity are susceptible to the emerging challenges of climate change. Be it the deltas of Bangladesh, the mountains of Nepal, Afghanistan and Bhutan, the planes of India and Pakistan, or the islands of the Maldives, the region has an economy linked with natural capital. South Asia is a poverty-stricken, food insecure and conflict-prone region, and climate change is going to add to the already such precarious situation.

The International Food Policy Research Institute (IFPRI) estimates that the aggregate effect of climate change, including the effect on dryland production systems, is likely to be a significant reduction in total agriculture productivity. The greatest adverse impacts of climate change on people are expected in South Asia. In the next 40 years, child malnutrition is expected to increase by 20 percent as a direct result of climate change.

When the economy is predominantly agriculture- and livestock-driven, the industrial capability is also linked with the agriculture sector. While the major source of income generation is fragile, the rest of the economy and social well-being can be seriously damaged with any changes in climatic conditions. Once the economy and social well-being are destabilized, there are chances that conflict starts resurfacing in this part of the world.

The major sources of conflict can be around water, which needs to be used in a sustainable way. In many cases, subsidies encourage the exploitation of water at unsustainable rates. In India's Punjab province, for example, electricity for groundwater pumping is supplied to farmers either at a heavily subsidized price or for free. Experience is now showing that these subsidies encourage farmers to pump much more water than otherwise would be the case and, as a result, water levels in 18 of Punjab's 20 groundwater districts are falling rapidly. Officials are aware of the adverse effects of subsidizing electricity to this extent but have been unable to find a politically acceptable way to phase them out.[1]

South Asia is a region where loss of species to desertification and land degradation is one of the greatest. As a report by the United Nations Environment Programme (UNEP), Towards Green Economy: Pathways to Sustainable Development and Poverty, argues, economic and social well-being is only possible if the environmental and social pillars of sustainable development are given equal footing with the economic one, such that the often invisible engines of sustainability,

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from forests to freshwaters, are also given equal, if not greater, weight in development and economic planning.

It appears that South Asia needs to focus on developing a green policy and investment circle around agriculture, fisheries, water and forests. Also, the modernization process needs investments in clean and renewable energy, waste management, efficient buildings and transport while bringing special focus on cities. Recycling activity is also labour intensive. For example, in Dhaka, a project for generating compost from organic waste helped create 400 new jobs in collection activities and 800 new jobs in the process of composting.[2]

A green economy is one that results in improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities. A green economy is an economy or economic development model based on sustainable development and knowledge of ecological economics.[3] As UNEP has already proven, it must be recognized that in a number of important sectors, such as agriculture, buildings, forestry and transport, a green economy delivers more jobs in the short, medium and long term than under a business-as-usual scenario.

A green economy demands that growth in income not be taken as an end in itself. Growth must come from a concomitant reduction in carbon emissions and pollution. Such an economy must be able to prevent loss of biodiversity and ecosystems while increasing energy and resource efficiency. It requires well-designed investments. It needs investments which catalyze public and private action to rebuild natural capital. It requires social actions which translate into livelihoods and food security, especially of the poor and marginalized segments of society.

South Asia shoulders a global ecological crisis, including climate change and species extinction.[4] The melting of the Himalayan glaciers, the intensification of droughts, floods and cyclones, and rising sea levels aggravate the already-serious ecological stresses in the region. The South Asia Women's Network (SWAN), highlighting that the women of South Asia bear the highest burden of climate change, biodiversity erosion and unsustainable forms of urbanization, advocates a move towards a green economy: "A Green Economy should replace the current economic order, which is based on inequity, environmental destruction and greed, which has resulted in keeping nearly half the world's population in poverty, and has brought the planet to the point of a severe environmental catastrophe through climate change."[5]

> How to manage a smooth and fair transition from a brown economy to a green one at the national level in South Asia is a critical question that needs to be explored in detail.

In South Asia, India can lead the move towards a green economy.[6] While its economy is growing at a fast pace of around eight percent, it is estimated that by 2100 growth can drop to negative nine percent if climate change is not managed. Therefore, it is imperative to create a low-carbon economy. If India capitalizes on the potential of its green economy, not only would it promote a more sustainable and cleaner environment, but the Indian economy would also see the generation of hundreds and thousands of downstream jobs. India has the world's third largest pool of scientists and engineers and the past few years have seen a rise in green innovation, and increasing amounts of venture capital are flowing into this area.

Green Economy India, an initiative which brings together information around green jobs and investments, says that shifting to a greener economy can create job opportunities in all sectors. It argues that the growth of global carbon markets will mean increased demand for carbon financial consultants, analysts, financiers, carbon accountants and business risk analysts, among others. A rise in green buildings and energy efficiency is increasing the demand for architects, engineers, technicians, plumbers and construction workers. A shift towards renewable energy results in increased employment per kilowatt hour of energy produced when compared to fossil fuel energy, not only in large commercial plants but also in rural villages, allowing for decentralized renewable energy systems.

Focusing on climate change and building a strong green economy, the Maldives announced its plans to become the world's first carbon-neutral country in 10 years. Oil-fired power stations are to be replaced with solar, wind and biomass plants; waste will be turned into clean electricity through pyrolysis technology; and a new generation of boats will slash marine transport pollution. By 2020, the use of fossil fuels will be virtually eliminated in the Maldivian archipelago.[7]

Afghanistan is in need of new infrastructure and clean sources of growth. This has created a unique but narrow window of opportunity to rebuild the country using the growing body of best practices in sustainable technologies. It is urgent that the Afghan reconstruction creates a robust infrastructure that delivers profitable and stable businesses, while rebuilding the entire economy. Afghanistan must rebuild everything, providing housing, energy, food, water, sanitation, transportation, healthcare and security. Existing Afghan industrial systems tend to be highly inefficient. There is a need to implement best practices in energy- and resource-efficient technologies, and sustainable business practices. It is important to deliver safe, robust infrastructure that provides renewable energy, safe water, sanitation, housing and other basic needs to communities and industries, while reducing pollution from transportation and production.[8]

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Rio+20 United Nations Conference on Sustainable Development, scheduled for June 2012, offers an opportunity to scale up and embed green economy perspectives in South Asia. A far more intelligent management of the natural and human capital in South Asia can shape the wealth creation and direction of the world. Moving towards a green economy has the potential to achieve sustainable development and eradicate poverty on an unprecedented scale, with speed and effectiveness. It requires putting more burden on our moral resources than natural resources. We have to rethink our approach to the economy and reshape it.

It is possible that green investments will promote new sectors and technologies that will be the main sources of economic development and growth in the future: renewable energy technologies, resource- and energy-efficient buildings and equipment, low-carbon public transport systems, infrastructure for fuel-efficient and clean energy vehicles, and waste management and recycling facilities. UNEP argues that complementary investments are required in human capital, including greening-related knowledge, management and technical skills to ensure a smooth transition to a more sustainable development pathway.

It must be noted that under the South Asian Association for Regional Cooperation (SAARC), analysis of enabling conditions is required, which can help mobilize investment to green the South Asian economy. The synergistic relationships between investing in low-carbon, resource-efficient technology and socially inclusive economic growth need to be explored.

A critical question that has to be explored in detail is: How to manage a smooth and fair transition from a brown economy to a green one at the national level? One possible way is to focus on capacity building, training and educational efforts. UNEP in 2008 argued that in Nepal, for instance, incentives for private sector participation in capacity building events and the implementation of sustainable action plans have helped to increase their access to international sustainable tourism markets, improved project performance and stimulated interest among other companies in Nepal in sustainable tourism business practices, creating synergies throughout the industry.

In countries like India and Pakistan, the rigidities of the infrastructure and industrial base can pose serious challenges. While new technologies can bring growth, unnecessary trade protectionism can be costly. Pakistan has decided to accord most-favoured-nation status to India. This opportunity must be utilized for technology and knowledge transfer for the greater good of the region.

In addition, practical solutions are needed to manage emerging conflicts. South Asian countries must agree to steps by which progress towards a green economy can be measured. Some possible indicators are improvement in climate-smart infrastructure and increased investment for clean energy production, and the extent of policy changes in the direction of a green economy. ■

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Notes

1 The Economist. 2009. "When rain falls". 12 September, pp. 31–33.

2 ILO Online. 2007. "Green jobs initiative in Burkina Faso: From waste to wages." International Labour Organization [online], www.ilo.org/global/about-the-ilo/press-and-media-centre/insight/WCMS_084547/lang--en/index.htm

3 http://www.unep.org/greeneconomy/AboutGEI/WhatisGEI/tabid/29784/Default.aspx

4 "For a real green economy", Statement published by the third annual conference of the South Asia Women's Network (SWAN), July 2011. available at http://clim ateandcapitalism.com/?p=5002

5 *ibid.*

6 http://www.greeneconomyindia.com/why_green_economy.htm

7 http://www.globalcarbonexchange.com/maldives-to-be-carbon-neutral-by-2020.html

8 http://www.natcapsolutions.org/publications_files/NCS_VisionGreenAfghanistan_23iii05.pdf