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# NEWS ALERT

## INDIA'S LESSONS TO LEARN ON THE EMISSION FRONT

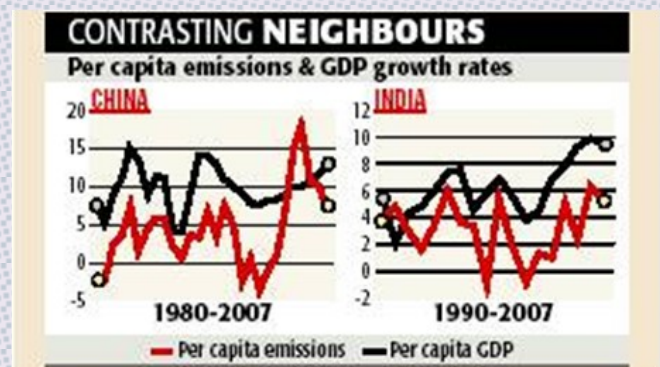
China is quietly reducing the emissions intensity of its economy even as it fights against any binding commitment to reduce emissions. In contrast, India continues to show a strong linkage between growth in GDP and per capita emissions. As Indian economy enters into double digit growth, It will spew out harmful substances at an equally fast pace. Chinas per capita emission had grown in tandem with its GDP growth for a long period, but the relationship showed a decisive reversal in 2003 when Chinese GDP grew in excess of 10% but growth in emissions began to drop.

In contrast, the trend line for per capita emissions growth in the case of India seems to follow the GDP growth very closely. This indicates reliance on highly-polluting sources of energy if not high energy intensity of the Indian economy.

Every unit of growth in the economy requires a corresponding input of energy and higher resulting emissions. Of course, this does not mean that Chinas emissions are less than that of India. Total emissions will continue to rise but in the case of China every new unit of growth will require lesser increase in emissions, other things being equal.

One possible way of de-linking growth from emissions is to increase the contribution of non-polluting energy to total energy consumption and use more energy efficient devices. In this strategy even if the energy intensity of the economy primary unit of energy it takes to produce one unit of GDP remains the same, its emission intensity would drop.

Emissions intensity refers to the ratio of carbon dioxide emissions to a measure of economic output.



India will have a larger say in the affairs of the World Bank as it has become the seventh largest shareholder in the multilateral lender with 2.91% voting rights.

China has overtaken Germany, France and the UK to become the third largest shareholder in the Bank with 4.42% voting rights. Both India and China hitherto enjoyed an identical 2.77% voting rights.

The change in voting power helps us better reflect the realities of a new multipolar global economy where developing countries are now key global players, said World Bank president Robert B Zoellick.

India's shareholding in the Bank had been declining since 1970s and the trend has been reversed for the first time in a generation.

The development committee of the World Bank, which met on 25th April in Washington, decided to increase the financial capacity of the Bank and the role of developing countries in its governance.

There is an overall shift of 3% voting share in favor of developing countries, bringing their total vote share to 47%. The change will give emerging nations more say in how the bank is run and how its funds are disbursed.

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