

CHALLENGE OF THE **NEW** BALANCE

**A study of the six most emissions
intensive sectors to determine India's
low carbon growth options**

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P R E F A C E

The threat of climate change, we believe, is both real and urgent. In this context, the most crucial question that the world must ask, and answer, is how countries across the world can reduce emissions and begin to work towards a low-carbon future.

We decided to understand the low-carbon pathway for India. Our reason was two-fold. On the one hand, there was a growing consensus in the research and policy-making communities that India could become low-carbon at relatively low costs and rather easily. We wanted to understand if this was really possible. And if so, what would make India different from other parts of the world, still struggling to make any meaningful change in their economic growth, which they were going about in a way that further jeopardized the world's climate. What would India's future technology-emission trajectory be? How could we be different?

The second reason was more immediate. CSE's Green Rating Project—which looks carefully at the lifecycle of different industrial sectors to benchmark performance—was gathering information on energy and water usage in various industries. This data was showing us some trends that needed to be explored further.

One, the data showed that contrary to general perception, including ours, Indian industry was actually rather efficient when it came to energy. The reasons were simple – it had the advantage of a late start, and so, it was already investing in better or best technology practices. Also, such practices were helping it soften the pinch of high energy prices and its effect on their growth. The challenge we wanted to understand was: how could this process be improved upon? What were the available technologies, or best practices, that would enable energy and emissions intensities to further reduce? What, indeed, was the future pathway for these sectors?

Two, we came to learn carbon is but one constraint for growth. Land, water and resources—minerals, other raw materials—were growing challenges. We wanted to understand the links between low-carbon growth and land, water and resources required better. We needed to know these links because these would clarify the role these drivers of change, what economists call for but do not understand, would play in the future. What was ultimately at issue here was inclusive growth: what would its fundamentals be? Exactly how inclusive a future would we be moving into?. India's

poor and users of its resources are asking for better benefit-sharing so that growth does not compromise their future. Growth does not make them poorer than they are today. What answers were forthcoming?

My colleagues have explored different facets of these challenges in this study. They have sought information, crunched the numbers and made the connections. I believe this study—the Challenge of the *New Balance*—is critical for our understanding of the future. It presents its arguments objectively and with facts: read about the future options and their limits and decide for yourself how persuasive the data is.

I believe the study provokes debate. It must even be disagreed with, because we have to find the answers to problems that currently defy all solutions: how will the world turn low-carbon, without reinventing what it means by growth? Can it? Will it?

I ask these questions knowing the answer is a singular imperative: *we must*.

— Sunita Narain

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