

# The Inequality of Climate Change

By Arshia Lamba

*"By polluting the oceans, not mitigating CO2 emissions and destroying our biodiversity, we are killing our planet. Let us face it, there is no planet B."*

Climate change is, arguably, the most important battle of our time. With the World Economic Forum including climate crisis in their agenda for 2023, it is evident how inextricably linked climate change and food security are today.

A World Bank Report estimated that an additional 68 to 135 million people could be pushed into poverty by 2030 due to climate change. While climate change would offset decades of progress on this front, what is perhaps more alarming would be the 'gap' it would create, having a disproportionate effect on the poorest countries.

A rise in overall temperature would affect agricultural yield and income levels along with the physical and cognitive performance of the workers. A study by the Carnegie Endowment for International Peace showed that in the second half of the twentieth century, an average temperature rise of 1°C in a given country and year caused per capita income to fall by 1.4% on average. Critically, the effect persisted once the temperature shock was over, thus affecting the given country's economic performance over time. This suggests that a temperature rise in countries with already warm climates, such as those in Africa and Latin America, could cause a dramatic fall in productivity.

Climate change not only had radical effects on weather patterns and livelihoods, but also on how a country might choose to pursue economic development. It could prove to be a major catalyst for changing economic planning. Historically speaking, deprivation has been understood as the core challenge of economic development. Could the focus now shift to insecurity?

In this era where intense shocks – whether ones sparked by global wars or localized droughts and fires – have become much more frequent, many governments lack the means or adequate planning to sustain themselves and their resources.

It is astonishing that, while the share of the global population living in absolute poverty has declined, the share of people in need of life-saving humanitarian assistance and those facing acute food shortage – having to go without meals for a day or more – continues to rise. Since 2018, this percentage has exceeded the share of the population under the global poverty line. The situation is only more severe in the poorest of regions.

The irony, however, lies in how greenhouse gas emissions today can be linked to the level of wealth a nation has. The richest countries might account for only 16% of the world population but are responsible for approximately 40% of CO<sub>2</sub> emissions. On the other hand, the two World Bank classifications encompassing the poorest countries hold 60% of the population and yet contribute less than 15% of emissions. In terms of per-capita emissions, the figure rests at about 20 metric tons a person a year in the United States; This is twice the amount per person in the European Union and roughly ten times the amount in India.

As the world gains awareness of the issues at hand, every country faces the challenge of switching to a greener economy. In countries such as Nigeria, Azerbaijan and Venezuela, fossil fuels represent more than 90% of exports. The transition to a zero-carbon economy in these nations will constitute a central project for economic development in the years ahead and will bring far-reaching consequences for the infrastructure, investments and most importantly, for income. For instance, countries from the former Soviet Union reported an economic contraction of 10-50% in the initial years of transition. A similar magnitude of reductions in output can be expected for such fossil fuel export-led economies, spread over a much longer period.

Reducing emissions remains the ultimate goal and, thus, introducing stronger mitigation policies is of paramount importance. Aiming to limit the global temperature increase to 1.5°C would require achieving net zero emissions by 2050 and lowering global emissions by 50% by 2030.

Policy redesign is key to ensuring that new climate policies are designed to jointly tackle climate change while successfully reducing inequalities and financial distress of the most vulnerable of groups. This will involve paying careful attention to the equity and fairness of each action for the vastly unequal nations.

30/01/2023