

Preface

We decided to get this book published to help the larger audience make sense of the discussion on climate change and its implications for economic growth in India. Issues linking climate change and economic growth are now at the centre of discussions regarding climate friendly development strategies which are increasingly becoming a necessity rather than an option for late-industrialising countries like India. This book contributes to this discussion by systematically analysing the relationships between economic growth and GHG emissions in India with explicit reference to all major economic sectors. Although the science of the impact of climate change on earth and its inhabitants is moving rapidly in the direction of certainty and precision, lack of clarity on how emerging economies can manage their developmental imperatives in the face of pressing carbon constraints with judicious policy interventions persists. Whether a global carbon price will help incentivising developmental actors to choose low-carbon growth strategies is still an open and debatable issue. Many suggest carbon tax at the border or nationally implemented under sovereign national fiscal regimes. Suggestions for benchmarking-monitoring-reporting-verification of all activities by best practices are also on the table. So, it is quite a complex issue for anybody to try to resolve without detailed knowledge and information on pros and cons of each of the alternative interventions and institutional arrangements suggested. Moreover, the impact of climate change is all pervading. It is not confined to one single activity or sector but extends to each and every economic activity and sector and to people of all socioeconomic groups.

Our joint effort in this area began in 2006 when India's Ministry of Environment and Forest, gave a small research grant to National Council of Applied Economic Research (NCAER) and Jadavpur University (with the former and latter being then the institutions of affiliation for the first three authors and the fourth author respectively), to provide them with knowledge and analytical support on India's GHG emission profile. The necessity and inevitability of pooling multiple expertises to get this empirical investigation accomplished brought all of us together with the lead author of the book also availing the opportunity to find an interesting and relevant research topic for his Ph.D. work which he eventually completed by virtue of hard labour and patience to our great pleasure.

This book estimates latest Social Accounting Matrix (SAM) for India. It provides a very important database describing the complete circular flow of income and input-output transactions among the sectors of the economy. Striking novelty of the book lies in the fact that for the first time to the best of our knowledge, a SAM for Indian economy has been prepared with environmental indicators and detailed methodology is also presented in the book. The environmental social accounting matrix (ESAM) based analysis has been included in the book to show direct and indirect linkage between economic growth and GHG emission.

The work we present here goes beyond SAM and applies computable general equilibrium (CGE) modelling to conduct climate change policy analysis and simulations. The analysis is an important contribution in the current debate around carbon tax and its possible impacts on macroeconomic growth. Knowledge sharing by Dr. Pradipto Ghosh on CGE modelling as applied to climate change issues needs special mention.

During the course of this detailed work we received help from a number of excellent people in various forms. Administrative support from Prof. Binay Kumar Pattanayak, Director ISEC, Director General of NCAER, Dr. Shashanka Bhide, senior research councilor, NCAER, Dr. Anushree Sinha, Senior Fellow, NCAER, Mr. N. J. Sebastian, Former Secretary and Librarian, NCAER; and Dr. Nandita Bhattacharyya of Faculty of Arts, Staff members of Department of Economics-Jadavpur University, made the progress of the work smooth. Comments and academic advice received from Prof. Pradeep Biswas, CSIR-NISTADS, Prof. Rajashree Majumder, University of Burdwan, Prof. M. R. Naryana, ISEC, Prof. K. V. Raju, ISEC, Prof. Meenakshi Rajeev, ISEC, and Mrs. B. P. Vani, ISEC needs special acknowledgement. Study material collected by NCAER library staff, from Dr. Maniparna Shyam Roy, and Dr. Duke Ghose of Global Change Programme of Jadavpur University were immensely useful. Lastly, we thank for never ending family support for each one of us.

What has driven us and kept us together until we finished this book is the genuine wish to advance the knowledge on the subject and deep concern for saving our planet and ourselves from extinction if global warming remains unchecked.

Last but not least, the results expressed in this book are those of the authors and are not attributable to the institute/organization to which they belong.

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GHG Emissions and Economic Growth
A Computable General Equilibrium Model Based Analysis
for India

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