

Understanding the political economy of climate change is vital to tackling it



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Climate change has reached the top of the international agenda even while debates about its causes, consequences, timing, trajectory and remedies continue. Technologists and planners are devising ways of mitigating and adapting to climate change in advance of its full impact. Financial experts are exploring the impact of climate change on trade and investment, the cost of climate change and the cost of addressing it. Development specialists are beginning to plan for the impact that climate change will have on social services and public goods. Meanwhile defence specialists are studying the security threat that climate change poses – labelled by the UK Chief Scientist as ‘more serious than even the threat of terrorism’. Post-conflict analysts are linking peacebuilding and adaptation to climate change.

But there are two problems with many of these discussions. First, they tend to run in parallel, with experts talking past one another, and many not listening to those outside their own disciplines. Second, discussions about how to address climate change at local levels are often devoid of politics. For instance, delegates attending a UN debate on climate change earlier this year focused almost exclusively on the expected developmental impact and the need for financial support to tackle it.

Not mentioned were elite-resource capture, nor resource constraints that developing countries already face, nor the conflict that frequently results from such constraints. None of the diplomats spoke about the likelihood of transboundary disputes arising from water shortages, or the movement of environmental refugees. Suggested solutions were almost naïve in their simplicity – for example, the proposition to transfer money and technology (generally from developed to developing countries) that did not acknowledge that this practice has done very little to alleviate poverty in many poorly performing

countries. Similarly they failed to acknowledge that even now, when there is still relatively little stress arising from scarcity, many treaties intended to govern the sharing of resources such as rivers, are not observed.

Lessons from development experts

Discussion about diminishing the socio-economic threats posed by climate change must include the sort of analysis used to design aid interventions in conflict-ridden and particularly difficult to develop countries. Four key lessons learned in the past decade or so by development specialists are particularly relevant:

- 1. The problems of fragile states** – Climate change is already recognised as a threat multiplier, but analysis would be improved if the discussion were placed within the context of fragile states. Why fragile states – which are variously defined as poor performers, conflict and/or post-conflict states – function differently from other countries, and why they have trouble absorbing and using aid effectively are key questions that should be considered by anyone planning to assist communities that are already weak, or are being weakened by climate change. Analysts working on resilience and climate change are furthest ahead, but even they acknowledge that issues of power and social equity are being given insufficient weight. It does little good to say that peacebuilding is necessary and that communities should participate, unless there is an understanding of the long-standing constraints upon both. How to tackle problems related to strengthening weak capacity, state-building, sequencing of assistance, and addressing conflict have already been thought through by fragile-state specialists, and their lessons should be considered by those working on climate change.
- 2. Understanding informal governance** – It is now understood by governance specialists

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that decision-making around the use of state resources in many poorly performing states is driven by informal relations and private incentives (including patronage, clientelism, and ethnicity), rather than formal state institutions that are underpinned by equity and the rule of law. These actions are rooted in domestic social structures and therefore undermine political systems and structures that appear to function according to rational-legal rules. Because outsiders (e.g. donors) have relatively little influence over those deep social forces that induce or hinder change, adoption of reforms is dependent on domestic institutions and incentives being in place that motivate states, leaders and citizens to take action. Political economy analysis (such as DFID's Drivers of Change, or Sweden's Power Analysis) have provided insights into the underlying systems that determine whether new initiatives are likely to work. Similar studies can identify the entry points for intervention that are the most likely to be successful.

3. The difficulty in effecting social change – Underdevelopment is often linked to long-term collective-action problems, where societies are incapable of working together to address issues that affect their wellbeing and hinder progress. Also, communities under pressure are less likely to develop the technical and social ingenuity needed to solve problems; as conditions deteriorate, there is less scope for finding solutions. Many communities are resistant to change, rejecting innovation and new ways of thinking. Developmental change is painfully slow mostly because cultural change is required, and this is incremental. Analysts therefore look to the developmental state to create incentives to promote transformation. But in many of the least developed and most fragile states the regimes and institutions in place are anything but developmental. How then, can we expect them to take on board the urgency of the climate-change agenda, to assume a facilitative role, and to find the will to design appropriate interventions, to use funding honestly, and to implement an adaptation agenda?

4. Changes in aid delivery – Finally, because poverty has been so persistent in some parts of the world, and because aid has often been ineffective in addressing it, the donor community has undertaken reform of its own aid-delivery mechanisms. This culminated in the Paris Declaration on Aid Effectiveness in 2005. It promotes recipient-country ownership of the development agenda, donor alignment with both the priorities and goals set by aid-receiving countries, an increased reliance on national administrative systems, more streamlined and harmonised actions among donors in a country, as well as mutual accountability and an emphasis on management-for-results. The profound changes

to aid delivery being shaped by this agenda need to be transferred to the mechanisms for providing aid to combat climate change. Also relevant are discussions about scaling-up aid – how to double aid to Africa, for instance, while developing the local absorptive capacity to use it well, and without harming domestic fiscal stability. Studies on aid architecture are meaningful for those designing rational and effective methods for delivering massive amounts of climate change funds. Ensuring that all state activities support similar outcomes is also vital.

Technical solutions are not enough

Evaluation frameworks are being designed to assess the resilience and adaptability of countries and populations to climate change. These will be used by scientists to tell us what affected nations must do, and how outsiders can help. But technical solutions alone will simply not work in many poorly performing countries.

Political economists must study the deeply-rooted, domestic socio-political constraints to change; the capacity (or lack of capacity) of societies and governments to absorb resources; the impact of incomplete nation-building and state-building processes; the collective-action problems that make communities resistant to development; and the links between underdevelopment, state fragility and climate change.

Aid specialists need to design methods of delivering aid to climate change-affected states that avoid the shortcomings of existing development assistance. Only then will climate change interventions have a chance of being successful.

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Prepared for UN Climate Change Conference in Bali, December 2007. For more ODI resources on climate change, visit: <http://www.odi.org.uk/climatechange>



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