

Manoeuvres for a Low Carbon State: The Local Politics of Climate Change in China and India

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How do leaders in government departments in China and India manoeuvre to achieve emissions reductions in very different institutional and political contexts? How do they try to balance and align these actions with other competing interests and policy priorities? What strategies do they use to build informal and formal alliances or coalitions with other elites, from both government agencies and wider society? What lessons can be drawn about how best to implement or support manoeuvres that strengthen the state's capacity to promote climate change mitigation?

The discussion about how to respond to climate change has largely focused on the difficulties in agreeing on national targets for emissions reductions. By assuming that the main obstacle to reducing emissions lies in the inability to reach agreement internationally, the current debate underplays the challenge of building the state capacity that will be needed to ensure mitigation takes place. Yet, the implementation of mitigation strategies is far from straightforward, and delivering emissions reductions requires creative manoeuvres to bring together competing interests and priorities. These manoeuvres include strategies to bundle different interests and policies, and build informal and formal alliances or coalitions with elites from both within and outside the state.

By focusing on the role of leaders, elites and informal coalitions, this paper unpacks the

neglected question of what forms of state capacity and political strategy are needed to pursue climate change mitigation measures in the area of energy efficiency. We examine how government agencies in China and India manoeuvre within differing structural contexts – institutional, organisational and political – to make the most of their limited influence and organisational capacity. In both cases, we see agencies tailoring their approach to the particular nature of competing policy priorities and the organisational structures through which the policies are to be implemented.

Key Findings

'State-signalling' and 'market-plus': contrasting approaches from China and India. The findings illustrate how national and sub-national governments work strategically and politically to achieve emissions reductions by using approaches and practices tailored to their specific contexts.

We describe **China's** approach as **'state-signalling'**. In this approach, the national government provides guidelines and concrete energy efficiency targets for local governments to pursue. These 'signals' from the national government act as observable indicators of policy preferences, indicating to local governments how much emphasis they should place on climate change mitigation as compared to other policy priorities. The confidence that these signals will be taken seriously by local government

has enabled the national government to take a hands-off approach to how the targets are met.

By contrast, national agencies in **India** are less able to have confidence that national policies will be implemented at the local level and therefore are more closely engaged with the question of how implementation takes place. Their approach has been to pursue what we describe as a **'market-plus' approach**. Rather than the centre setting targets, it draws on the high price of energy to incentivise energy users to improve their energy efficiency and thereby make savings on their energy bills. While this approach emphasises price incentives, the state has been intensively involved in seeking to build the players and rules that enable these market mechanisms to operate. For example, the state has facilitated the emergence of energy service companies that are intended to provide private firms and government agencies with the technical advice and financing they need to implement energy efficiency measures.

Both the 'state-signalling' and the 'market-plus' approaches require intelligent, creative and painstaking work to achieve results.

Competing policy priorities and institutional frameworks. It is vital to understand climate change as one of a number of **competing priorities and interests**, some of which may be in line with mitigation strategies and some in conflict. In both China and India, agencies have tailored their policy approach to the particular nature of their competing policy priorities and the organisational structures involved. The 'state-signalling' and 'market-plus' approaches therefore emerge as responses to differing local contexts.

- In China, mitigation is a prominent policy issue, motivated by the government's belief that climate change policies can promote energy security and an internationally competitive green technology sector, but also prevent politically destabilising environmental problems.
- For India, lower levels of development mean action on climate change is primarily treated as desirable where it is compatible with more pressing domestic concerns relating to eco-

nomical growth and poverty reduction. For example, energy efficiency measures are pursued as much for their potential to alleviate chronic energy shortages as for their contribution to climate change mitigation.

In countries where economic growth and poverty reduction present pressing competing priorities, we **cannot expect 'the state' to give its undivided attention to this issue**. Rather, particular segments of the state are responsible for climate change mitigation and they may have to compete with other government agencies for policy space. The objective is therefore to strengthen these segments, and this is often done best by bundling climate change mitigation with existing priorities such as energy security or pollution control.

In both countries, the relevant state agencies and their leaders promote their agenda within the constraints presented by **limits on their organisational capacity**.

- In China, a system where decentralisation and authoritarianism work hand in hand, the state provides 'signals' of its policy preferences by setting incentives and rewards for local officials. These include regular binding targets with concrete figures, incentives such as promotion and bonus payments through an annual evaluation system and punishments such as redeployment to a remote region. These ensure that officials at every level have incentives to at least partially fulfil national mandates from Beijing.
- In India, by contrast, national agencies responsible for leading climate change policy face greater obstacles to the implementation of national objectives on mitigation. This is partly because the national agencies have limited presence at the sub-national level. In each state an existing government agency has been selected to take on responsibility for promoting energy efficiency, but these agencies are largely confined to the state capitals and lack the capacity to promote mitigation strategies throughout their states. Furthermore, climate change mitigation has to be balanced with competing policy priorities such as chronic energy short-

ages, persistently high levels of poverty and the high proportion of rural households with no access to electricity. Agencies have therefore had to be creative not just in order to maximise their impact, but to have any impact at all. In particular, they have sought to broaden their reach by using the 'market-plus' approach to incentivise private actors to engage with mitigation strategies.

Agencies do not just seek to implement policy, they also look to bolster their own position within the state in order to enhance their limited capacity and further their objectives. Thus, in thinking about these agencies' work, it is necessary to consider not just the immediate impact of mitigation strategies but also how they can be used to increase the influence of these agencies in the longer term. Given the limited scope of current actions in relation to the scale of mitigation that will ultimately be required, this will sometimes be the most important contribution of current initiatives.

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- **In both China and India, the designated government agencies and their leaders need to be creative in order to promote their agenda in spite of the constraints they face.** In order to ensure their policies take effect and ultimately lead to reductions in emissions, effective leaders manoeuvre actively and continuously to build and maintain coalitions, and align interests and policies through 'bundling'.
- **In both countries the ability to build and sustain coalitions is central to the effectiveness and sustainability of climate change policy.** For various reasons, state strategies in China and India have focused on the need to bring different parties with otherwise divergent interests on board to build a coalition in favour of climate mitigation measures. In China, coalition formation has been motivated by the need to alleviate potential opposition to ambitious and costly energy efficiency measures. In India, the need for coalition formation arose from the severe limitations on the state's capacity to pursue its objectives in this area.
- **Aligning interests through 'bundling'.** Bundling is a common political tactic that combines distinct policies or interests to strengthen the pursuit of a policy goal. It is often used where the implementation of policies is uncertain given their costly or otherwise contentious nature. The ability to identify and create possible 'win-win' situations is an important policy skill. We consider the benefits of 'interest-bundling' (where parties with distinct interests are brought together around a particular policy) and 'policy-bundling' (where one initiative is used to pursue multiple policy priorities). Such tactics can form the substantive core of informal coalitional politics, enabling multiple players to achieve ends they could not achieve on their own.
- **Creating and using professional and personal networks.** The use of creative manoeuvres as outlined above means that leaders and donors need to be able to identify key interest groups and bring them on board. This is an essential political skill that takes leaders and donors well beyond their formal technocratic skill-set. Leaders who are embedded in their localities may be better placed to draw on existing professional and personal networks in making the context-specific policy adaptations that underpin such coalitions.

Policy Implications

- This research highlights the need for policy-makers working on climate change mitigation to approach **energy policy not just as a technical issue but also as a political issue.**
- To do this, they **need to take account of the history, politics and institutions of the local context in order to devise pragmatic policies** with a realistic vision of how obstacles can be overcome.
- To be pragmatic, climate change policy **needs to balance and align climate change actions with competing policy priorities.** In China, for example, arguments for energy efficiency have been strengthened by the more visible and immediate impact they will have on local air pollution. In India, energy efficiency measures

have been made more attractive by stressing how they will contribute to bringing down high energy costs.

- The chances of successful implementation depend on how far these policies are **tailored to the strengths and weaknesses of the organisational structures** through which the policies are to be implemented, and the formal and informal institutional contexts in which they operate.
- From a more long-term perspective, it is also critical to look at how **policy choices can be used to strengthen the capacity and legitimacy of organisational structures**.
- Informal coalitions play a critical role in the state's ability to fulfil its policy priorities. However, coalitions are not a substitute for state capacity because the coalition building process is itself highly capacity intensive. It is essential to **ensure that coalition building runs in conjunction with the development of the necessary capacity to develop, sustain and manage these coalitions** if they are to contribute to furthering the intended policy objectives.
- In countries with low per capita emissions, but where emissions are rising rapidly, mitigation strategies should be formulated and **judged as much for their role in building the organisational, institutional and political capacity that will be needed to scale up mitigation strategies in the future** as for their immediate impact on current emissions levels.
- In these contexts, it is therefore particularly important to **pay attention to the interplay between the institutional, political and technical dimensions of climate change mitigation policies**, and the way these contribute to the shaping of strategies for policy implementation.
- The local specificity of these manoeuvres means they cannot be standardised. A key lesson, therefore, is that **international processes need to allow sufficient flexibility for such manoeuvres to take place, and to recognise that these manoeuvres will necessarily differ depending on the institutional context and the balance of competing priorities**.

Download the full paper:

[Tom Harrison and Genia Kostka \(2012\) "Manoeuvres for a Low Carbon State: The Local Politics of Climate Change in China and India", DLP Research Paper 22.](#)

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