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PERSPECTIVES

The Politics and Economics of Climate Action: Time for a Reset

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Abstract

This paper questions two fundamental political foundations for climate action: that there is but one common humanity and that global warming is the most critical and immediate threat to the survival of humankind. It further argues that the philosophical foundations of climate action lack depth and precision. While 'climate justice 'appears center-stage to climate action, its conceptual basis remains weak because it has failed to integrate the enormous work done on justice, human rights, equality, governance, democracy and civil society since the mid 19th century. In fact,' climate justice 'only makes sense as a part of an overall framework of equality rather than something sui generis. On a political campaign level, this paper argues that too much attention has been paid to global conferences such as the series of COPs culminating in the most recent COP 28 in Dubai. Much less has been done on charting how the dialogue surrounding climate action today is affected by the emergence of global corporations, rapid urbanization, growth of middle-class consumption and the growth of megacities especially in Asia. The paper suggests that it would be more fruitful to focus on the local/community and regional levels to promote familiar technologies and conservation practices rather than on global conferences and their associated statements.

Introduction: The complicated world of climate action

The battle for universal awareness of the perils of climate change seem to be reaching an end. Huge global conferences and agreed policy statements across more than 180 countries have made everyone aware of the global importance of reducing greenhouse gas emissions. Climate activists have also through various means made the whole world aware of the dangers of global warming and the threat that it poses to human life as we know it. That is an enormous contribution, but it is time to move forward towards effective action to curb global warming. That is where climate action comes in.

Much of the call to climate justice and action is driven by the notion that we must leave the world better, or at least no worse, than we had found it in our lifetime. Since future generations

cannot speak for themselves in the current climate debate, we must carry the torch for them. Economic and social *justice* has thus come to constitute the center of gravity of climate action precisely because it is seen to be a fight not only in the interests of the poor and the voiceless around the globe, especially in the global South, but also the rights of *future* generations who have neither form nor voice as yet. Such an overarching moral, emotional and historic mission demands both passion and speed; something that has come to characterize the political mechanics of climate action today.

The politics of global climate change is thus embedded in two concurrent sentiments: the search for meaningful sharing of the burdens (including on future generations) of global warming, combined with the speed, efficiency and honesty with which governments and communities implement courses of action to which they have agreed, including critical financial and regulatory timelines.

So far so good. Scientific discovery and convincing measurement, a call to action rooted in inter-spatial and inter-generational equality and justice, a generation of young activists, empowered by social and global media reaching out to worldwide audiences should have made the task of climate action relatively easy. In addition, global corporations increasingly adopting lower carbon emission technologies, and tighter government regulations penalizing energy waste and water and air pollution could be expected to add even greater political momentum to the cause of global warming reduction. But this has not been the case on the ground.

The exasperated taunts of "blah-blah" by which young climate action champions tend to characterize government promises and budgets illustrate that not everyone, especially climate activists, are happy with the tangible results on the ground. The 1.5C global warming target by 2050 has set an urgent timetable on climate action progress. The idea that we might reach an irreversible environmental tipping-point of no return serves to focus attention for committed climate activists around the world.

Climate action in its more radical forms has taken the form of committed activists chaining themselves to fences and road barriers, obstructing ships and trucks servicing international fossil-fuel commerce and mountains of placards protesting against the supposed greed of oil and gas corporations. Teams of photographers continue to document illicit logging, forest clearing, and callous deals made between corrupt government and corrupt businesses to circumvent climate friendly regulations.

Despite extensive media and social attention that such actions have generated, poll after poll taken in many countries suggest little enthusiasm for putting green-house gas reduction at the top of the political agenda. Jobs, physical security, immigration and healthcare consistently rank higher than climate action. Since so much of climate action takes the form of public communication,

demonstration and direct action to prevent fossil fuel expansion, its freedom of action is arguably greater in democratic compared to illiberal, oligarchic or autocratic polities. Hence, given the near-universal acknowledgement of the existence and adverse impact of greenhouse gas emissions on global temperatures, one would have expected political support for climate action in democratic countries to be much higher than in others. Yet as the examples of both China and the US show, this is not the case. Simple assumptions regarding the nature of the political system and the scope for climate action are not tenable. A greater appreciation of the 'power to decide 'of key actors and groups in the climate debate, than has been the case thus far, is urgently needed.

In addition, global consensus on climate action is stymied not only by different national development and foreign policy agendas, internal political divisions and commercial interests but also by the absence of effective international decision-making mechanisms that can enforce international agreements on climate change. The UN is not the WTO. Dialogue and exhortation, often dominated by the richer and agenda-setting nations, too often lead to exasperation and disappointment.

In this context, it is ironic that while the theoretical, empirical and philosophical building blocks of such a new political agenda are easily available, climate action has had limited success in turning targets and demands into an overall political philosophy that can be mobilized into political success in democratic elections. The challenge, perhaps, is to move beyond a headline target i.e. a 1.5C temperature rise (and international agreements driven by slow dialogue and consensus), to a whole series of localized actions that can interweave jobs and livelihoods, transport, urban greening and construction, spatial design, research and technology to phase out fossil fuel use. This is in addition to working closely with private companies and research groups that might produce breakthroughs on vertical farming, building materials, new kinds of energy and so on. In the race to contain global warming, it makes sense, as Gates (2014) continues to argue, to take a collective, rather than an ideological, approach to joint action.

Climate Action in changing times

Perhaps the easiest place to begin in order to understand the possibilities and the challenges to the politics of climate change is to survey the changing global political landscape during the time that awareness of the ravages of climate change has come to the fore. The picture that emerges is one of a very divided and disunited humanity, often prepared to fight and die for national or other philosophical ideals. This is far from the basic assumption and philosophical foundation of climate activism.

Wars, conflicts and a disunited humanity

The end of colonial rule in a large part of the developing world, following the end of the Second World War, brought a thirst for rapid economic development. The USSR was often a model for a big-push, large scale industrialization, with massive land reforms to end the dominance of a feudal aristocracy and the use of centralized national planning to set growth, investment and labour allocation targets, all organized through a one-party system of government.

In general things did not go as planned. Dictatorships and kleptocracies emerged in many developing and several developed countries, across all major continents, leading to social conflicts and civil wars. Such wars impoverished communities, destroyed livelihoods and promoted large scale corruption. Political fragmentation across different ethnic and religious groups also meant simmering communal tension and latent conflict. The developing world showed little evidence of the 'one common humanity 'that could be mobilized to protect the environment.

The picture was not that different in the developed West and the rapidly industrializing socialist East. Cold war tension backed by a nuclear arms race sowed both suspicion and fear. Proxy wars in Africa, Asia and parts of Latin America only made the situation worse. Far from being peaceful and more united, the post-1945 world was as more divided than ever in terms of ideology, systems of government and regional alliances. As Niall Ferguson has argued, the 20th century was the most violent of all centuries in history. An important underlying cause was the entrance of new industrialized countries wanting a seat at the global political table, following the collapse of empires and monarchies. A similar process of shifting international tectonic plates can be witnessed with the rise of China and India, followed by Brazil and Indonesia, in global politics and economic performance and the rise of a multipolar world order.

Violent conflict was not always the result of ideological proxy wars, as in the case of a Vietnam or Cambodia. In many cases they arose from rising inter-regional or inter-group, 'horizontal 'inequality, often with even the poorest countries falling into what Collier has aptly called the 'conflict trap'.

Just as noticeable is the fact that the call for special treatment, autonomy or independence is not always driven by poverty or government neglect. As the case of Indian Punjab shows, it can also be triggered by ethnic or religious pride in the most advanced parts of a given country. Another example is arguably Aceh, an oil surplus province in Indonesia.

In yet others, civil conflict was the outcome of political partition (e.g. India-Pakistan, Palestine/Israel) or unresolved or punitive peace processes that ended past wars: the Versailles Treaty ending WWI being a case in point. The bitterness created by such partitions and the uprooting of millions of families at short notice has left deep psychological scars that have spanned generations. Identity politics (Huntington, 1996) closely allied to different religious groups have only added to the reemergence of local nationalisms. Such conflicts, often conducted in the name

of God, family, culture and history, as the case of Bosnia-Herzegovina well illustrates, have been executed with exceptional cruelty reminiscent of Nazi horrors of the Second World War. In others, tribal identity, such as in Rwanda, has been the driving force for wars of extermination that have left no one untouched.

By the time the Vietnam War ended, the world was awash with wars and civil conflicts of exceptional frequency, cruelty and revenge. Instead of being rooted in the belief of some common humanity, they were an attempt to prove just the opposite: that some humans are ethnically, economically or culturally superior to others. As apartheid in South Africa demonstrated, a large segment of the white population continued to bask in the belief that they had been given a special mandate of God to rule the earth and deliberately create an unequal society of masters and slaves.

Appealing to "our common humanity" that can help us unite in the fight against climate change, without directly creating an agenda to help us convince the global public that what unites us is considerably more powerful that what divides us, will thus do little to trigger global political action.

Development, inequality, human rights and economic justice

The politics of climate change often refers to equality, rights and justice as guiding principles of climate action. This is an essential part of the rallying rhetoric. Without it, it would be difficult to promote the concept of a common humanity, bound together not only by common characteristics and predicaments but also by the realization that all humanity lives on just a 'little blue dot'. As climate activists like to remind us, "there is no planet B".

Heated debates on the financial support that should be offered to poor countries most vulnerable to climate change are also couched in terms of *equality* and climate *justice*. Rising sea levels, extreme weather, damage to food crops, outmigration of younger population cohorts among others, have been couched in terms of injustice or unfairness. The small carbon footprint of these countries does not merit the scale of the destruction they experience. In reality however, this not so much a case for 'justice' as it is an appeal to the compassion of richer, developed countries.

As in the case of appeals for larger volumes of foreign aid, the results have been discouraging. If the case were made on grounds of 'justice', large carbon emitters such as India and China could also make the case that much of global warming was caused by countries of the industrialized West and developing countries have just as much claim to rapid economic growth and higher levels of consumption as the developed countries. The case for climate justice cannot merely apply to countries most threatened by climate change today.

Clearly, a more in-depth and sophisticated case for climate justice based on the notion of a common humanity needs to be made. The building blocks of such an overall theory of human rights, economic and social equality and justice, and concepts of poverty that go beyond income to include 'capability deprivation 'among other attributes, have been developed not over a few decades but since the mid 19th century. Their success was evidenced by the emergence of lasting social democratic movements in many European countries, from France and Germany to the Nordic nations. There is a case to be made for drawing from such literature and political lineage to turn piecemeal climate action, however well motivated and energetic, into a political governing force.

The seminal works of Rawls (1971), of Amartya Sen (2009) on the 'Idea of Justice 'or the notion of Development as Freedom; of poverty and capability deprivation and the imperative of human development emphasized by Haq (1999), find few echoes in the recent work on climate change action.

There are other important contributions to the theory and practice of equality and rights, such as Dwarkin's on 'Sovereign Virtue; the Theory and Practice of Equality '(2000). Another is Walzer (1983), on different spheres of justice beginning with the notion of complex equality spanning across security and welfare, money and markets, education, public office, and hard work. This illustrates the different dimensions of daily life in which core principles of equality and fairness need to be applied.

An influential collection of essays is available in Shaw (1991), on Justice and Economic Distribution ranging from John Rawls on the Social Contract, Hare on Justice and Equality, Feinberg on Economic Income as Deserved, Peter Singer on Rights and the Market, and Sandel on Morality and the Liberal Ideal. These essays are important not only for their exploration of the various spheres of equality and fairness but also because they help integrate political theory with issues of income distribution and the workings of markets.

Contemplation of inequality predates the science of climate change by centuries if not millennia. It has been a central plank in the construction of a theory of the State and the principles of governance since ancient times. The work of Chanakya in the Arthashastra in Mauryan India, of the Greek philosophers from Aristotle and Plato onwards, of Hobbes and Locke and many others, center on the interaction between state and the community.

Property, kinship, class and privileged education, key elements that continue to define and perpetuate inequality and power today, were just as critical to political and social thought through the centuries. While the impatience of climate activists with such theoretic perspectives and philosophical lineage is understandable given the ticking global warming clock, without a uniting and convincing 'political philosophy', climate action risks being confined, as already noted, to the

periphery of political concerns both in the dominant countries of the West as well as the emerging giants of the East.

Modern day economic inequality

Global financial crises over the past two decades, and regional ones in Asia and Latin America, have also highlighted the remarkable rise in global economic inequality in the past three to four decades (Piketty, 2014). This has sharply raised the awareness of how modern economic growth, in an era of liberalized global trade, finance and labor flows, has contributed to a rise in inequality. At the same time, there is also a confirmation of the market skeptic view that free, unfettered markets, left to themselves, do not lead to economically just outcomes.

Nor do they integrate the social costs of fossil fuel use, chemical and water pollution among others in the calculus of private profit and loss. This opens the door to a debate on how states and markets working together can be directed to produce more equitable growth than economic growth in a globalized world has produced so far. A second related question is how the inequalities generated by the growth process thus far have also created new interest groups and pressure points that influence directly how societies arrive at critical policy decisions, especially in the provision of public goods.

Another related question is that the impact of climate change itself is often correlated with pre-existing levels of income inequality, generated through the growth process itself. The poor cannot withstand sudden shocks of crop failures, floods and fires. Hence, the impact of climate change amplifies the plight of the already poor finally forcing them off their land and homes altogether, often on a long, perilous and uncertain road to international migration and refuge. Often financial aid provided by developed countries to such economies is more driven by their domestic political resistance to rising immigration than to the inequity of climate change itself.

It is clear that far from being some coherent, united, “common humanity”, we remain highly fragmented, deeply polarized and disunited. General appeals to climate equity and justice will mean little unless these are integrated into the decision-making processes of political systems and permeate values systems of a large share of the global population. In this context, setting globally agreed but indifferently implemented global warming targets will achieve little. Local approaches across particular sectors and production or consumption processes might be a more realistic option, as illustrated by electric vehicles and reducing carbon footprints of new building technologies. Likewise, the combined programmes of a handful of key countries such as India, China, Indonesia and Brazil could have a larger impact on global warming than one might expect. It is an approach that deserves careful study.

Democracies, autocracies and the support for climate action

Like all other things, political systems change over time. This is often due to the emergence of new actors and interests in the political process, the international dimensions and constraints on policy making, evolving ways of public communication and information exchange and shifting patterns of demography and human settlement. In the course of the past fifty years or more, a number of new influential actors emerged on the international political stage: megacities, global large private corporations, international civil society, and international development and business organizations. In addition, the ubiquitous presence of the internet that directly connects a large part of humanity to each other, has given social and other forms of digital media a reach beyond the imagination of people only a generation or two ago.

Traditionally, democratic polities characterized by free markets and liberal constitutions formally rooted in human rights, the rule of law and the separation of powers were seen as the best bet towards forwarding a climate action agenda based on the idea of a common humanity, inter-spatial equality and economic justice. An important reason for this was the open recognition of the major contribution made by communities and civil society in the intermediate space between the state and the market; a public space where communities could express choices and preferences, mobilize a cohort of like-minded persons towards a common cause and in general create the social glue that could both bind different associations and communities together.

A major contribution of a vibrant civil society in democratic societies was to create "trust" in governing and market institutions, to ensure that despite the electoral defeat of a particular political party, the system as a whole was considered legitimate and workable. Democracy, seen in this light, was a way of settling disputes and a non-violent mechanism for dealing with social and political disagreement.

The critical role of social capital in democratic political systems, and its observed demise in even the most advanced countries of the industrialized West, might be one underlying reason why climate action has not yet yielded results that climate activists had hoped for. Indeed, it might also explain the spread of climate change denial and organized lobbying by business, as well as social pressure to reject international commitments to reduce carbon emissions and the speed of global warming.

The decline of social capital and coherence can also account for the spread of new waves of nationalism and populism in the USA and several countries of Europe today. The lesson is simple. Constitutions and governing institutions, however carefully crafted or old, are insufficient to maintain a stable liberal democracy. Social capital as civic glue is required to sustain even the most stable of democracies through the onslaught of economic uncertainty and international political upheaval.

The vigorous debate between liberalism, based on the idea of a rational individual making decisions to maximize his or her own welfare, and communitarianism, where human actions are rooted in their social rather than individual identity, is one example of how the philosophical foundations of even mature democracies cannot be taken for granted. The issue is of great significance in crafting a manifesto for climate action since it encompasses changes in *collective* human behavior, in both consumption and production as well as in trade and transport.

The growing skepticism about the efficiency of both the state and the market, underpinned by the model of the rational human making maximizing decisions independently and with complete information, as well as the growing political apathy towards electoral politics illustrated by falling voter participation in national as well as local elections, has given rise to a sophisticated and growing literature on communitarianism versus liberalism. Insights from such literature are worth incorporating into the building blocks of a new climate action ideology, one that addresses not only the need to act but also why and how this might be possible.

Without constant consolidation and nurturing, even mature democracies are subject to flux and long-term decline. No two democracies are the same. They differ in origins, history, constitutions, legal systems, strength of civil society and their respect for individual rights and freedoms. The emergence of recent populist parties rooted in the philosophy of ethnic superiority, economic grievances and rejection of multiculturalism and global openness illustrate the fragility of the world's oldest democracies.

Such populist politics have given credence to climate denial, support for economic protection, the reversal of globalization and increasing intolerance towards an informed and relatively free media. Indeed, impatience with the political gridlock in democratic decision-making processes in the advanced West has given rise to the emergence of what Zakaria (2003) calls "illiberal democracies" that choose to limit citizens' freedoms to achieve a faster and more centrally directed decision making process. The obvious question here is that given the urgency of climate action, illiberal democracies might be better at rapid political and budgetary action targeted at lowering carbon emissions compared to traditional democracies.

But this comes at a cost. Like the story of the one-ton nail of Soviet central planning days, local community feed-back mechanisms tend to languish and falsify records to please the official party line or the dictator's whim. The dominance of state media allows government corruption and abuse of power to go unchecked, as the strenuous efforts to root out corruption in China amply illustrate.

Extreme nationalists or religious sentiments have been constantly repeated in human history, embedded in the very soul of the patriotic citizen. Without an alternative philosophy, a set of core humanist values and a cultural heritage to determine the limits of personal interest and the

imperative of social morality and ethics, the demands of national loyalty are likely to prevail over the needs of the species or of our own Little Blue Dot. Climate activists are right when they say that there is no planet B. But for the true believer there is also no country B, religion B or tribe B. For many radical nationalists, or religious fanatics, death for the cause is an honor to be courted, not a risk to be averted.

The political reality remains that despite all the practical effort at curtailing greenhouse emissions and so on, the philosophical foundations of climate action remain weak and disjointed. In many ways it is a movement in search of an ideology. That might explain why it has made little headway in generating and sustaining political parties across the world.

Political Decision Making in the 21st Century: An Evolving Matrix

Shifting sands in the political underpinnings of Climate Action

It is not merely the need for a coherent ideology that hinders climate action. It is also the fact that the very forces that have given rise to rapid economic growth since the last two decades of the last century have also created new forces that might resist the advance of climate action in the future.

The problem for climate action, therefore, is that the very global economic, political and societal trends that have in many ways accelerated the rate of economic growth, the alleviation of absolute poverty, the spread of multi-party democracy, the removal of constraints to cross-border trade and finance, the rapid expansion of international migration and the emergence of global corporations, are also those that have given rise to unfettered rise in income and wealth inequality. The result is the inevitable grab for oil and minerals, the undermining of regulatory institutions and rules, and the control and redirection of communication and media outlets.

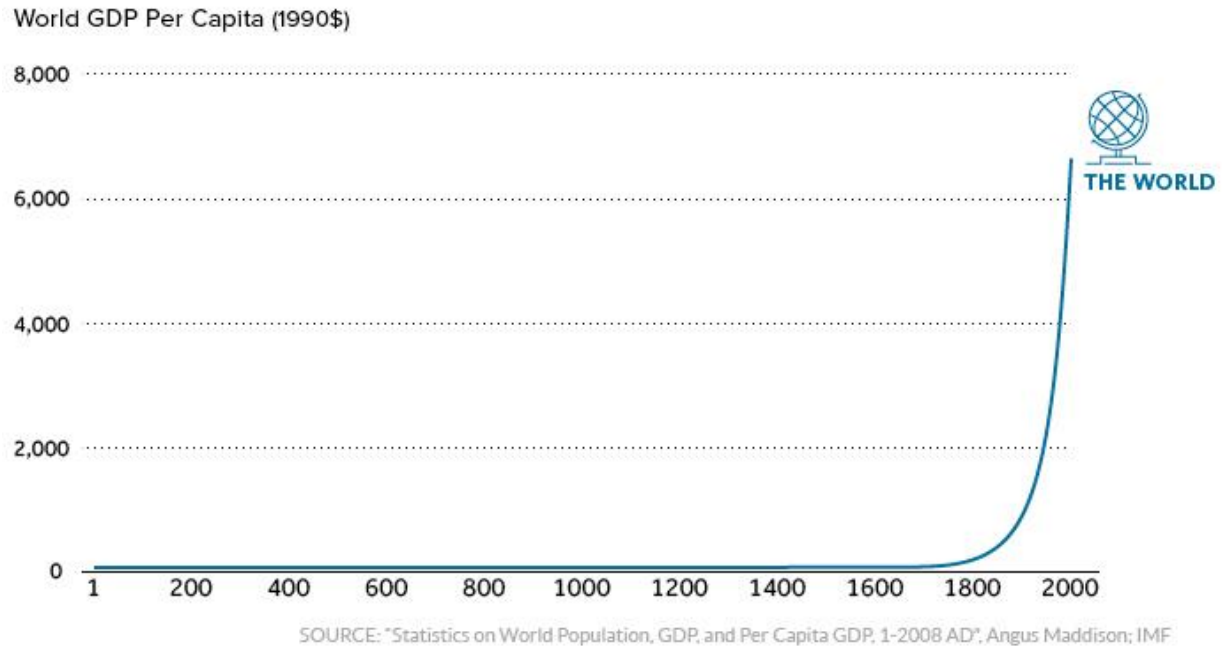
Hence, climate action is burdened with a classic inseparability of cause and effect. It does not consist of a single target with a set of technologically convincing instruments to reach it. Instead, it is part of a kaleidoscope made up of both interlocking as well as moving parts. Effective action to meet a given result, in such a case, becomes not just a question of scientific modelling and accuracy but an exercise in informed guesswork: of hunches and gambles, of playing in many different fields of interest and policy, of knowing how to manage shifting alliances and divergent interests. What is worse, many of the building blocks of international decision making relevant to climate change have themselves been rapidly evolving since the 1990s.

Liberalisation, globalization and economic growth: structural changes in Climate Action decision making processes.

Data on global and regional economic growth in the past six decades are too well known to bear repetition here. There is little doubt that during this period the global economy has undergone a historic economic revolution. The causes underlying economic performance in any one country or region are still subject to debate and re-evaluation: (import substitution or export promotion, physical or human capital, good luck in the form of natural resource price bonanzas or 'good policy 'in the form of stable and conservative macroeconomic policy and low levels of public borrowing and so on). Impressive volumes on "Why Nations Fail", (Acemoglu D and Robinson A J, 2012) or "The Rise and Fall of Nations" (Sharma R 2016), now adorn the shelves of aspiring students of economic history and policy.

As illustrated in Fig 1, whatever the precise cause of growth acceleration in any given context, the aggregate outcome is that the World has never known such rise in economic prosperity in its entire history.

Fig 1: world long run economic growth.



This acceleration of economic growth in the late 20th century doubtless brought about marked increases in greenhouse gas emissions as the world scrambled for the fuel to sustain the growth of industrial, food, transport and energy demand that followed. Many feared that such harmful environmental effects of rapid economic growth might actually set "limits to growth"

(Olson and Landsberg, 1973), and advocated a lower, more sustainable target rate of growth in the future. The discussion about the rate and composition of economic growth continues to spill over into the discussions of climate change policy to this day. Part and parcel of this discussion is the extent to which new carbon saving technologies can generate a given rate of growth with a smaller carbon footprint through the use of more efficient energy saving machines or processes or by the replacement of fossil fuels with renewable energy sources such as solar, wind, hydro or nuclear.

Whether technological breakthroughs in energy use, the recycling of discarded goods, the capture of escaped carbon from the atmosphere and so on can arrive in time to help us meet the 1.5C or some variant of the global emission target agreed in COP 26 in Paris, is a matter of feverish research and not a little optimism in scientific research and technological start-up firms. The rise of electric vehicles (EV), the use of new building materials, the use of carbon consumption targets in manufacturing and food production, the use of carbon credits to offset carbon footprints in one part of the world with carbon saving in another are all examples of human ingenuity when faced with the existential threat that climate change presents. Gates (2021) forcefully presents the scale of the effort that is needed to rein in climate change:

"We need to accomplish something gigantic we have never done before, much faster than we have ever done anything similar. To do it, we need lots of breakthroughs in science and engineering. We need to build a consensus that doesn't exist and create public policies to push a transition that would not happen otherwise. We need the energy system to stop doing all the things that we don't like and keep doing all the things that we do like--- in other words, to change completely and stay the same."

One of the reasons that consensus still eludes us, both on the severity of climate change as well as on appropriate actions to contain it, is that the very forces that generated high economic growth since the late 20th century have also changed institutions and consumer behavior relevant to bringing about a sustained reduction in global warming.

<u>The strategic dimensions of climate change action: the rise of new actors and influences on climate policy making.</u>

The last four to five decades have witnessed an enormous expansion of international trade and capital flows that have woven global commerce into a lattice of inter-connected decisions on supply chains, financial flows, direct investment, transport networks and inventory management, skill development and personnel training, among others.

What is as, if not more, interesting in the context of contemporary climate change politics is the impact of and intercorrelation of rapid global economic growth on the emergence of *Global Corporations*, the emergence of a Global *Consuming Class* and remarkable expansion of the

world's *Megacities* as hubs of local social and economic policy. These entities: corporations, middle income consumer groups and the emergence of global cities as centers of political power, technological progress and educational/cultural hubs, have all complicated the political calculations and the resultant negotiations that underlie any attempt at consensus building in the urgent bid to reduce global warming.

21st Century Global Corporations: the rise of the Plutocrats

The scale, scope and the political influence of modern global corporations prompts a comparison with colonial era larger-than-life trading companies such as the East India Company or the VOC. Yet the complexity, corporate structure and international mobility of today's global corporations dwarfs these earlier corporations.

There are a number of critical differences that define the global reach and outlook of today's global companies. For a start, their commercial power is not rooted in the "mother ship" of a nation state and imperial government as in the past. Nor is it wedded to a few industrial sectors such as textiles, tea, spices or coal. Modern global corporations, rooted in globalized trade, finance and supply chains, are global in outlook, personnel, location of commercial business and tax liabilities. They are investment vehicles for hire to the highest bidder; to countries that provide the best incentives and security and the most profitable business environment. While they do not build forts or employ private armies to protect their assets like their predecessors did, their brand names and physical mobility across regions and nations gives them the power to influence capital markets and exchange rates across a wide spectrum of locations. A global name recognition among a vast number of consumers coupled with the decline of the so called "Detroit Consensus", that encouraged a productivity and wage agreement between employers and powerful trade unions, has given the modern global corporation a commercial flexibility of which even the most well-known and rapacious colonial company would have been envious. But there are other differences too.

The emergence of new digital technologies serving a global market has also created a vast opportunity for wealth accumulation that dwarfs anything witnessed before. One indicator is the number of global corporations, if they were countries, that would emerge as wealthier than even several developed and middle-income countries (fig. 2). Thus, Apple in 2021 with a market capitalization of 2.1 trillion USD was larger than the economies of Italy, Brazil, Canada, Russia, Korea, Australia, Spain, Mexico and Indonesia. Microsoft's market capitalization was larger than Canada, Indonesia and the Netherlands. Similar comparisons can be made for Amazon and Facebook. If Apple were a country in 2021 it would be the 8th largest economy in the World. We can dispute the precise numbers, but the overall point is quite clear. The largest of modern global corporations dwarf most countries of the world in terms of economic size; something undreamt of only a few decades ago. Moreover, with the rise of China, India and in the future Indonesia this trend at enormous private accumulation of capital is only likely to become even more pronounced.

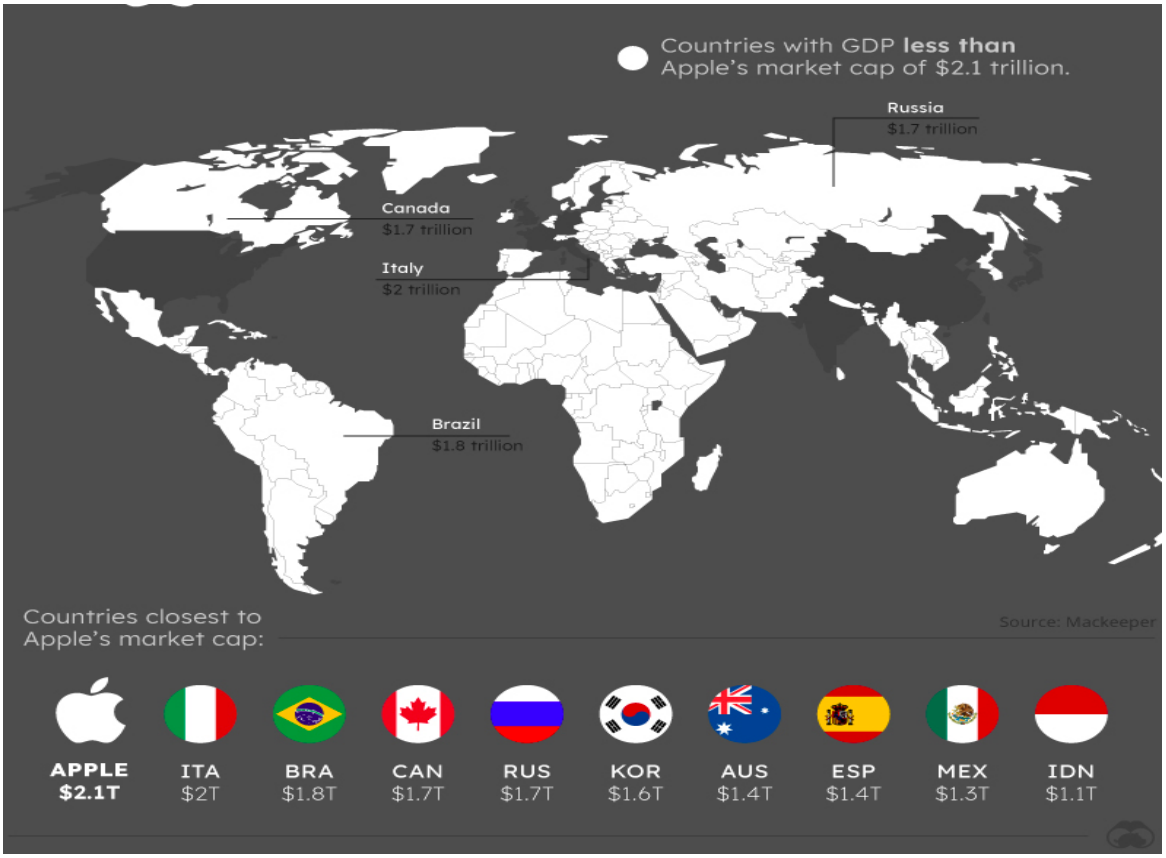


Fig 2: Size of Apple compared to some national economies

The noticeable rise in the income and wealth inequality over the last two decades has also triggered the emergence of what Freedland (2012) calls the "plutocrats". Here again the comparison with 19th century captains of industry indicates the increasing wealth of company CEOs. In the case of the USA for instance, Freedland notes that while in 1980 the average US CEO made 42 times as much as the average worker, this number had increased to 380 times by 2012 and continues to grow. Just as important is the fact that income distribution at the very apex of the income distribution has been in favour of the ultra-rich. Indeed, in the post 2008 financial crisis recovery (2009-2010), 93 % of the gains were captured by the top 1 percent.

In addition, modern-day plutocrats tend to be highly educated, technologically skilled and market driven and often see themselves as the "working rich". The result, as noted by Saez and Picketty (2001; 2022), is that top executives or the working rich replaced capital owners at the top of the income pyramid by the first decade of this century.

The rise of such educated plutocrats, with a facility with numbers (Carlos Slim or a Warren Buffett), with an interest in pathbreaking technologies in space exploration of AI (Elon Musk or Jeff Bezos) or making significant philanthropic contributions to global public health or education

(Bill Gates or George Soros), serves to illustrate the changing and more diverse face of 21st century global capital. An understanding of these changes is important to the design of future climate action programs in so far as they caution against taking too black and white; friend or enemy approach to negotiations that inevitably underlie effective climate action.

Unexpectedly, this might even be true of companies with a direct interest in energy production, including fossil fuels or the production of transport vehicles. Today's energy giants are also investing in renewable energy, and major car producers are pioneering electric vehicles. As the conclusion of COP 28 illustrates, even hardline oil producing countries of the Middle East are adopting economic strategies that would reduce the reliance on fossil fuels of the past.

In addition, the geography of fossil fuel production is changing as is shown by the fact that three of the top fossil fuel producers in the world no longer come from a particular geographical region. Today the US is the largest producer with 18.9 percent of world supply, followed by Saudi Arabia (12.9 %), and Russia (11.9 %) and Canada (5.9%). These are very different countries with their own political and policy making dynamics. Clearly, in such a fast-changing commercial and political landscape, climate action needs to adapt and innovate its own approach to future negotiations.

Economic Growth, Urbanization and the emergence of a Global Consuming Class

A second strategic shift in the underlying composition of decision-making actors with respect to climate change and action is the rapid growth a middle income, consuming class in many developing countries. This expansion has two distinct drivers: in country migration from rural to urban areas and the large and growing income disparity between rural and urban wages largely due to higher education and skill development.

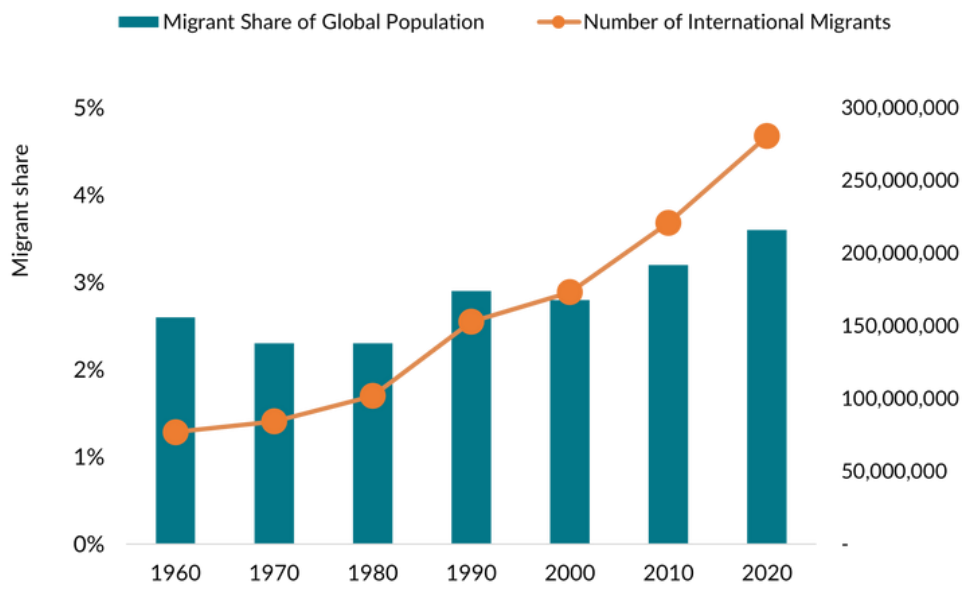


Fig 3: Trends in international Migration 1980-2020

Globalization and the emergence of an international capital market and rising flows of direct foreign investment have also created a growing international demand for labor that has fueled household consumption through remittances and skill transfers. Although urbanization, rise of a consuming middle class and the creation of a new international labor market have not made dazzling headlines the way that corporate wealth or investment deals have, the rise of the global consuming class is an important part of the mechanics that can impede the momentum for future climate action.

As Fengler and others (2023) confirm:

"The continuous growth of the global consumer class is the biggest news that no one is talking about. Surprisingly, neither the global financial crisis, COVID-19, the war in Ukraine, nor high inflation have stopped the growth of the consumer class. Economic momentum in Asia and higher life expectancy everywhere mean that world consumers are countering even the most severe economic shocks in recent years."

They estimate that in 2024, just the two countries India and China will contribute around 81% of new consumers: 33 and 31 million respectively. The overall size of the global consuming class (defined as those spending 12 USD per day measured in 2017 PPP prices) stood at around 4 billion in June 2023. This is expected to rise by another 113 million by 2024. Consumer spending is estimated to rise by 2.3 trillion USD (at 2017 PPP prices) in 2024. Some countries with ageing populations, such as Japan, Italy and Germany, are projected to undergo a decline in consumer spending. The overall picture is presented in fig 4.

The dramatic expansion in the size of the consuming class indicated above is significant. It shows that global consumption continues to rise unabated, despite calls for its reduction considering climate change. As critical is the fact that much of rise comes from middle income or developing countries.

Urbanization and rising disparity between skilled and unskilled wages, often driven by the migration of younger segments of the population, has also generated strong expectations with respect to consumption of consumer durables, internationally branded or luxury goods, and above all cars. Global brands have created similar consumer habits and patterns across countries across the world. Thus, the new global consumers from India and China are as prone to consumption patterns with respect to goods, travel, medical expenditure, digital equipment, etc. as their counterparts in more developed countries. Abatement of such consumption, or choosing more expensive but more durable goods, is not an easy sell in such consumer environments.

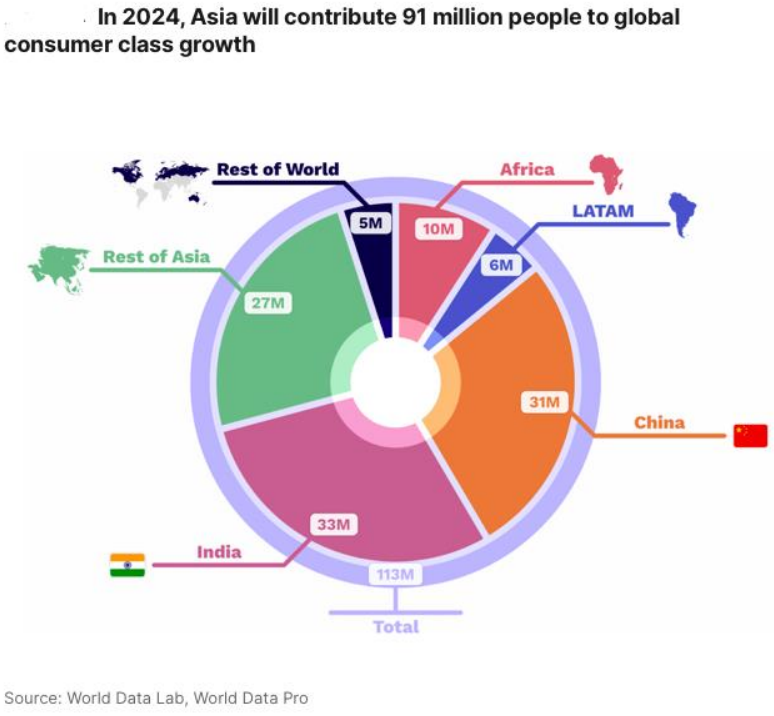


Fig 4: Asia's Contribution to the Global Consumer Class

Global Megacities: political elephants in the room?

Another structural development in the mechanisms of policy making relevant to climate action is the growth of existing megacities and the emergence of new ones around the globe.

In the past 30 years, megacities around the world have grown larger, more diversified, more connected and politically more influential than ever before. The sheer economic power of the world's largest metropolitan areas (megacities) is indicated by the following data from Bloomberg as early as 2017 as follows:

"If you added the ten largest metros together, you'd get a GDP-PPP of $9.5 trillion—bigger than the world's fourth and fifth largest national economies, Japan and Germany, combined. Take the twenty largest global metros (GDP of $14.6 trillion) and you're not far from the United States '$18 trillion-dollar economy."

As an illustration, Bloomberg states that Tokyo, at 1.6 trillion dollars and the world's largest metro economy, was slightly smaller than South Korea. If it were a country, it would be the 15th largest economy in the world. Next New York at 1.5 trillion dollars would be almost as large as Spain and Canada. This would make London very similar in economic size to the Netherlands and Seoul with $903 billion bigger than Malaysia ($817 billion).

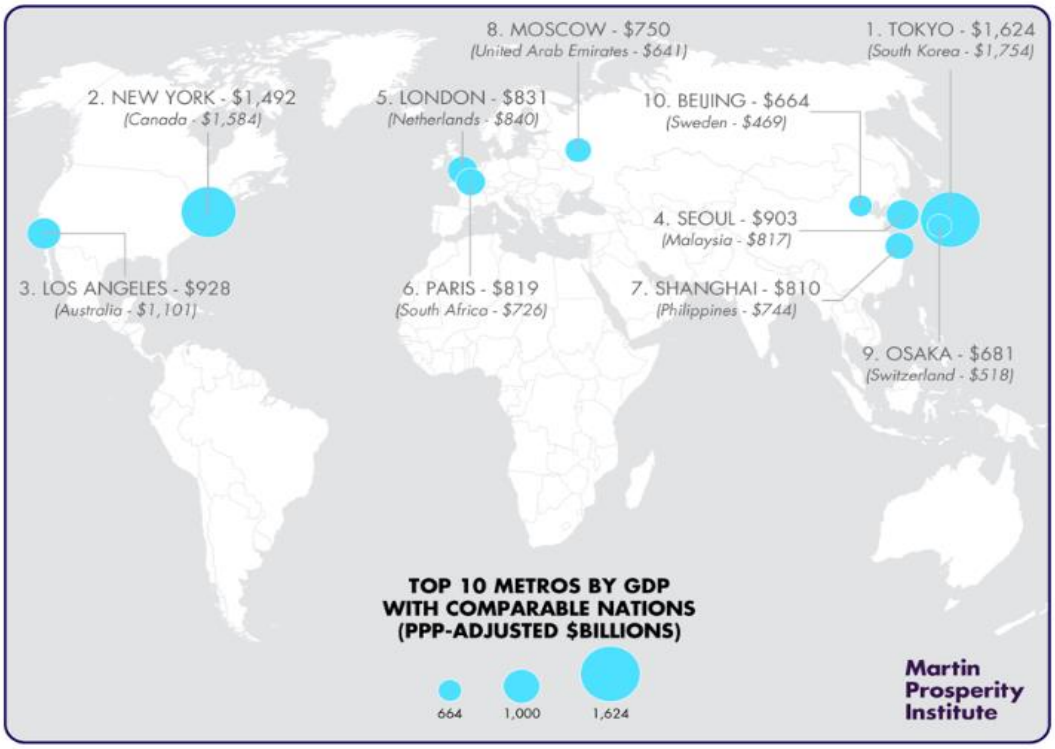


Figure 5: 10 Metropolitan Cities and National Economy comparison

The key question here is whether megacities/metropolitan cities have more in common with each other than they do with countries within which they are located. OECD (2016) raised

this question, pointing out that mega-conurbations have bigger populations than do many individual countries and face similar challenges in transport, housing, security, jobs, migration and education. The implication is that such cities would learn much more from each other than at the level of national politics. As Schleicher (OECD 2016) observed:

" Sharing policy lessons across countries is hard, because policy is so much framed in terms of ideology and political parties… When we talk about what separates us, it is language and culture. But when you talk about cities, we face very similar challenges".

Megacities also learn from and copy from each other. Successful consumer brands such as Zara, H & M, and Starbucks were able to expand sharply from a low base at the early years of this century to become a universal urban presence. Urban transport systems have been replicated across a wide range of cities as these have become increasingly international. Hence,

"Whether it is food, languages being spoken, local media, the multicultural mix of people, the rapid influx of money, ideas and fashions—these world cities are increasingly unlike anywhere else within their own countries." (BBC 2016)

Is Climate Action losing traction: where do we go from here?

As has been stated above, the central plank of the Climate Action advocacy is that we are all part of a common humanity, that global warming constitutes an extinction level threat, and that time is running out. There is little doubt that the strenuous efforts by social organizations, amplified by extensive use of social media, have succeeded in raising universal awareness of both the urgency as well as the possibility of climate action. Yet, as the often-voiced disappointment with the achievements of various COPs shows, (COP 28: 2023, being the most recent), progress can be painfully slow. Moreover, humanity continues to be more divided than united in the fight against climate change.

Some of the key factors underlying this apparent loss of traction have been outlined in this and an earlier paper. First, the attempts at charting out 'climate justice 'as a special case within the overall framework for human rights, equality and justice have not been effectively rooted within the rich tradition of democratic and philosophical discourse on the subject. Without a strong case for human rights and justice as a whole, the case for climate justice *per se* seems both weak and hurriedly thought out. This is especially the case in the current global context of fragmented politics, international conflict and in a widespread apathy towards and growing disenchantment towards multi-party democracy as we know it.

Second, while there has been overwhelming focus on the 1.5C global warming target and how different countries could commit to achieving it, relatively less attention has been paid to building blocks of climate mitigation and adaptation. Besides the big picture approach to energy use and emphasis on the reduction of fossil fuels, other aspects of climate change impact, such as

that with respect to air pollution, water use and availability, location of housing settlements, the production and consumption patterns of agriculture produce and so on appear to have taken a second place in global deliberations. Yet it is these elements of climate action that bring the reality of global warming to the local and community level; giving an opportunity of such communities to make a difference.

Third, the structural trends in global economic flows that have given rise to super-wealthy highly diversified corporations, the growing autonomy of megacities, the emergence of a huge consumer class especially in the high growth large economies of Asia, have yet to be fully integrated into an overall program of climate action. Yet, these new structures constitute key political players in the overall climate change debate as well as a group of motivated stakeholders. Stepping away from the highly adversarial stance towards large corporations and consumer groups is an important step towards finding areas of effective compromise and ways of working together. If climate action is needed because we are all part of a common humanity the differences as well as common interests of different groups, communities and organizations needed to be melded into one mutually acceptable climate action program.

Fourth, pessimism and urgency over the possibility of rapid climate action should not preclude a close look at the possibilities of new technologies that might drastically reduce carbon emissions. Renewable energy cost reduction breakthroughs, including solar as well as nuclear fission energy, carbon capture, geo-engineering and others need an open mind careful assessment. So, do advances in electric vehicles, low carbon use building materials and technologies as outlined by Gates (2020) and others.

Finally, there is the awkward question of the possibility of other, perhaps more immediate extinction events that serve to divert attention from the urgency of climate action. Of course, many crises can co-exist at any given time. Yet political attention, budgetary and personnel resources and the dedicated attention span that climate action requires is more than likely to be diminished by such alternative doomsday scenarios. This is especially the case in countries where democratic freedoms are weak, political opinion polarized, the flow of reliable information compromised to deny the fact of climate change altogether.

While acknowledging the success of climate activists in creating global awareness of the dangers of and remedies for global warming, the politics of climate change needs to move past the opening salvoes to the more onerous tasks of active day to day engagement at the regional and municipality levels, with local communities and businesses, with scientific research organizations and company start-ups, and regional as well as national political parties. This is already beginning to take place in many countries and locations, but it is yet fragmented and piecemeal. These approaches would benefit from being woven into a tapestry of collective action points and measurable gains towards reduction of greenhouse gas emissions among others.

Perhaps a faster way forward is to promote joint action on climate change containment, adaptation and mitigation between several key countries that have a mutual interest and the economic and political weight to support such action. Instead of calling on a rapid reduction of coal consumption by energy hungry high growth economies such as India, China and Indonesia, or a country grappling with rapid depletion of its natural forest reserves such as Brazil, it is worth considering to what extent the 1.5C global temperature and other environmental targets can be met if these four countries could accept joint action on a number of economic and social priority areas over a decade or so.

It is time to think of new, less adversarial ways to arrive at climate action goals. That is also a good way to illustrate that we really do believe in a common humanity and our joint survival.

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