Climate Change: Covid19 and its impact on the Poor

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Abstract: **Humanity's expansion on the terrestrial earth surface means that, today, human activity has altered almost 75 per cent of the earth's surface, squeezing wildlife and nature into an ever-smaller corner of the planet. Couple this with rapid growth in urbanization, the migrant laborer, who left the rural area for prosperity, now finds himself in a peculiar spot: there is no one take care of him. In his long walk back home, this paper looks at the ways by which governments can reduce the overall impact of Covid19 on the migrant laborers.**

Argument:

Jean Tirole, Winner of the Nobel Prize in Economics, in his bestseller book titled 'Economics for the Common Good' asks a very relevant question: Should we be selling the Ivory so confiscated from the smugglers? He goes on to argue that if we sell the ivory discreetly rather than destroying it, the supply of Ivory will be increased in the marketplace thus impacting its price and this reduced price will discourage the smugglers from trading in the product. It is an excellent argument, especially from the perspective of how to frame the public policy.

Using the basic economics principle of Demand and Supply, Jean Tirole may not have concluded the argument, but he manages to raise an important issue pertaining to the wildlife and the damage humans have done to the ecosystem. Today, human activity has altered almost 75 per cent of the earth's surface[1], which has not only altered the complete ecosystem but has also impacted the sustainability projects across countries. Natural resources are being misused to the extent that impact the future survival of human species. Even as we fight to keep the global warming below 1.5^0C, any disturbance in the global temperature can alter the existence of an estimated 70% of living species. If this increase in global temperature touches 2^0 C[2], we can lose close to 80% of all the insects, that play an important role in maintaining the ecosystem in which we humans survive. Even if we continue to live the way we have in the last couple of months, the world would still have more than 90% of the necessary decarbonisation left to do to get on track for the Paris agreement's goal of 1.5°C[3].

The United States is on track to produce more electricity this year from renewable power than from coal for the first time on record the coronavirus outbreak is pushing coal producers into their deepest crisis yet. As factories, retailers, restaurants and office buildings have shut down in the United States to slow the spread of the coronavirus, demand for electricity has fallen sharply. And, because coal plants often cost more to operate than gas plants or renewables, many utilities are cutting back on coal power first in response[4]. This is not just in United States but in all the developed and developing nations, which opted for lockdown as a strategy to stop the spread of Corona Virus. As the world shuts-down, there's been a drastic drop in the greenhouse-gas emissions. In the first week of April, 2020, daily emissions worldwide were 17% below what they were last year. The International Energy Agency expects global industrial greenhouse-gas emissions to be about 8% lower in 2020 than they were in 2019, the largest annual drop since the second world war[5].

Even before the spread of Covid19 across the globe, global unemployment stood at around 190 million[6]. In India, this was at 7%, but with the spread of the Virus, even as the migrant workers started moving away from Urban areas towards their villages, the unemployment rate increased to 27.11 per cent for the week ended May 3, 2020[7]. Brad Plumer writes in an article published in *The New York Times* that in just the first four and a half months of this year, America's fleet of wind turbines, solar panels and hydroelectric dams have produced more electricity than coal on 90 separate days. The latest report from the Energy Information Administration estimates that America's total coal consumption will fall by nearly one-quarter this year, and coal plants are expected to provide just 19 percent of the nation's electricity, dropping for the first time below both nuclear power and renewable power, a category that includes wind, solar, hydroelectric dams, geothermal and biomass[8]. If we need cleaner climate, we will have to shift

[1] United Nations, April 2020
[2] Sandeep Bhasin, Ph.D. "Climate Change Under Covid19 Shadow", International Journal of Creative Research Thoughts (IJCRT), ISSN:2320-2882, Vol.8, Issue 5, pp.62-70, May 2020
[3] The Economist, May 21st, 2020
[4] The New York Times, Brad Plumer, May 13, 2020
[5] The Economist, May 21st, 2020
[6] UN News, April 8, 2020
[7] Source: Centre for Monitoring Indian Economy (CMIE)

[8] Source: US Energy Information Administration

all of the industries to clean fuel. Start with natural gas and then ramp up with all combustion moving to electricity from much cleaner power generation including solar, wind, hydro and possibly nuclear.

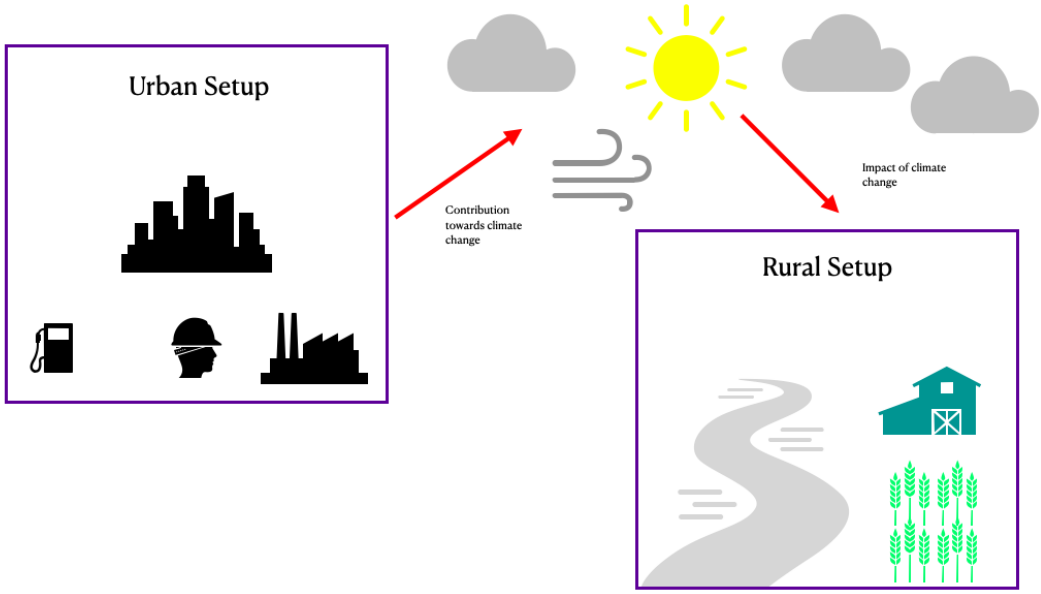
Even as the world fights to find a concrete solution to the problem of climate change, the economics of climate control has been quite difficult to understand, especially by the common man on the streets, leave aside the governments in power. By an estimate, Two-thirds of the world population live on less than $10 per day. And every tenth person lives on less than $1.90 per day[9]. It is estimated that half a billion of world population will live in extreme poverty in 2030. For this person, food is of utmost importance followed by shelter for his family. Unfortunately, he is the one who gets impacted the most because of climate change, and the Government across the globe have been doing almost nothing for them. Three out of four people living in poverty across the globe rely on agriculture and natural resources to survive[10]. A 2015 study by the Institute for Environment and Human Security of the United Nations University estimates that by 2050, the world will have 200 million climate refugees driven out of cities in the Middle East and South Asia[11].

It is interesting to note the causes of climate change. The industrial activities that our modern civilization depends upon have raised atmospheric carbon dioxide levels from 280 parts per million to 412 parts per million in the last 150 years. The panel also concluded there's a better than 95 percent probability that human-produced greenhouse gases such as carbon dioxide, methane and nitrous oxide have caused much of the observed increase in Earth's temperatures over the past 50 years[12].

In a developing country such as India, the situation is no different. According to World Bank, employment in agriculture (as percentage of total employment) stood at 43.21% in 2019. Increasingly unpredictable weather patterns, shifting seasons, and natural disasters disproportionately threaten these populations, increasing their risk and their dependency on government to help them survive. It has been a trend in India that at least one male member of the family which is associated with the agriculture related labour moves to urban area to secure better income. These men and women in some cases, are referred to as migrant labourers, who end up working for factories big and small in the urban setting. Every year, there is an exodus of the sorts from States such as Bihar and Uttar Pradesh to cities such as Mumbai and Delhi for better employment opportunities. These men found themselves in deep anguish when the Central Government, all of a sudden, decided for a complete lock-down. No one cared for these migrant labourers and they ended up on the roads and railway tracks, some walking over one thousand kilometres to their homes. Even as the government has now started giving relaxations, the migrant labourers wish to go to their home, rather than continuing to work in the cities. Their incomes dwindling and with no hope of work in the rural areas, they face a bleak chance at surviving this wave.

When we consider the reasons of why they decided to move out of rural areas, we realise that agriculture is no longer a dependable work provider for these population, for the output has become unpredictable because of the climate change. Unseasonal rainfall, excessive heat and non-availability of easy loans has forced many in rural areas to abandon their traditional profession. The warmer a climate gets, the warmer its freshwater also becomes — leaving it more vulnerable to bacteria and other disease-causing agents that can contaminate drinking water, thus impacting the overall productivity[13]. On the other hand, a constant source of income from the urban-posted family member now gone, the future looks bleak. Couple this with the fact that many manufacturing organizations have seriously started considering automation, the job that was done by these migrants would vanish in mid-term, thus leading to more unemployment.
Even as the standard definition of globalization takes a beating, with nations working towards self-reliance and less dependency on other nations for supply of finished and unfinished goods, we see a further dynamism hampering the fight towards getting a check on climate change.

[9] Max Roser and Esteban Ortiz-Ospina (2020) - "Global Extreme Poverty". *Published online at OurWorldInData.org*
[10] Source: MercyCorps
[11] Source: Concern Worldwide, US (https://www.concernusa.org/story/effects-of-climate-change-cycle-of-poverty/)
[12] Source: NASA (https://climate.nasa.gov/causes/)
[13] Source: Concern Worldwide, US (https://www.concernusa.org/story/effects-of-climate-change-cycle-of-poverty/)



Considering India, we see that the Governments, both central and state, have started working towards repositioning themselves as an alternative to China in manufacturing. This repositioning leads the Central and State Governments to redefine labour laws[14], thus ensuring the cost of manufacturing stays competitive. If the governments are able to sell this proposition to leading manufacturers, the pollution levels would increase to a new high in these states, thus impacting the climate change initiatives even more. The cycle needs to stop, and these are the possible ways to pause:

- With the increase in CO_2 levels, some plants have started growing at a faster pace. Use these plants to create a greener surrounding, especially in the urban areas
- Restrict the emission levels by imposing huge penalties. We have not seen this being implemented, especially in developing nations.
- While giving new licenses, ensure that the unit meets the world standards, even if it uses technology instead of humans to do the job.
- Countries must enforce better technologies instead of forcing the manufacturers to employ more people. Instead, spend on reskilling the population.
- Ensure that every stakeholder has a skin in the game to avoid typical tragedy of the commons situation. With the stakeholders directly getting impacted by the action of individual as well as the society, the outcome may get better.

[14] Source: The Economic Times (https://economictimes.indiatimes.com/news/economy/policy/centre-for-uniform-flexi-labour-laws/articleshow/75958644.cms)