Forest Carbon Supply Chains and the International Division of Labour

Archana Prasad

Centre for Informal Sector and Labour Studies, JNU

Contemporary debates on the cause and character of climate change have largely been focused on the asymmetrical and uneven impact of negotiations between the countries North and South. This has especially come to light in the context of the withdrawal of the United States from the Paris Climate Change Agreement, which clearly shows that developed countries are not willing to bear the burden of the fall out of climate change. The mechanisms of Reducing Emissions from Deforestation in Developing Countries (popularly known as REDD) and REDD+ were evolved through many years of climate change negotiations to address the problems of rising temperature through climate change. One of the main assumption in these negotiations has been that the countries of the South (mainly defined as 'developing nations') need to preserve their natural resources in order to stop the rising temperature of the Earth or in other words mitigate the efforts of 'global warming'. Since the Kyoto Protocol of 1997 these measures have been linked to the reduction of carbon emissions through measures to prevent deforestation and degradation of forests. This initiative was termed as 'REDD', primarily a financial instrument to compensate the 'developing countries' of the South to save their forests in order to mitigate the impacts of climate change. As Article 3 of the Kyoto Protocol suggested all Parties were required to identify the "net changes in greenhouse gas emissions by sources and removals by sinks resulting from direct human-induced land-use change and forestry activities, limited to afforestation, reforestation and deforestation since 1990, measured as verifiable changes in carbon stocks in each commitment period". It recognised that since the countries of the South housed a major share of the forests, they should be provided 'financial assistance and technical knowhow to the developing countries'. This understanding reaffirmed and even developed in 2007 with the Bali Action plan, which basically stated that mitigation was not enough, but that there was a need to increase the carbon stocks and contribute to national sustainable development. This arrangement was finalised by 2008 and then in the Cancun negotiations. The negotiations formalised arrangements for private sector projects in the development of forest carbon stocks, and saw these initiatives as a way to link forest carbon projects with 'poverty alleviation' and 'job creation' in the countries of the South.

Studies within the neo-liberal framework have projected the broadening of the scope of REDD through the institutionalisation of REDD Plus as the best way of reducing emissions, as well as helping the developing countries to meet their goals. It is argued that putting a 'value 'to forest ecosystem services will create an incentive for preserving the forests and hence controlling the increasing temperature of the earth. The 'value of nature' has been thus described in terms of an exchangeable commodity' and therefore aims to create a market for nature. This is one of the main assumptions behind the policy of REDD Plus which provides the framework for mitigation of climate change which basically following the 'polluter pays" principle. Such a policy assumes that conserving nature and accumulating carbon credits in one place can give you the right to destroy nature at another place. In this sense accumulation of forest carbons becomes and important instrument for the reproduction of capitalist relations within the South as well as between the North and the South. Seen in this context, the REDD Plus mechanism is then an instrument for the commodification of nature in terms of its 'intrinsic value', which was earlier not even considered saleable. In other words, the atmosphere has become a 'new form of capital' whose exchange is being administered through the supra-national mechanism of the REDD Plus and where the ownership of credits does not belong to the forest-dwelling people who are only classified as 'beneficiaries'.

This paper deals with some of these themes in the context of the development of forest carbon markets. Apart from this will also analyse the forest carbon market data from different carbon credit market sources.