Book Review


Becoming fat on carbon diet is bad, and agreeing to disagree on decoupling carbon from industrial growth is doubly bad. Nobel Laureate Al Gore (2007) once said:

> We, the human species, are confronting a planetary emergency – a threat to the survival of our civilisation that is gathering ominous and destructive potential … But there is hopeful news as well: we have the ability to solve this crisis and avoid the worst – though not all of its consequences, if we act boldly, decisively and quickly.

UNIDO brings the hopeful news through its *Industrial Development Report 2011*. The Report, launched in January 2012, is a timely publication. It focuses largely on industrial energy-efficiency challenges in developing countries. Dwelling on long-term trends in industrial energy intensity and related technological and structural change, the Report examines the environmental, economic and social benefits of industrial energy efficiency and identifies obstacles to its promotion, with a focus on the means to overcome them.

The Report contends that industrial development must become sustainable and that continued high resource consumption and reliance on carbon-intensive and polluting technologies will sap the potential for growth and development. It also argues the case for innovative solutions as pivotal means to make industrial activity more sustainable and advocates for the “green industry” approach as providing the blueprint for sustained industrial development.

The logical sequence of thoughts across seven chapters contained in Part A of the Report is supported by authentic empirical evidence. It furnishes a number of compelling reasons and convincing arguments for changing the pattern of industrial energy use for reaping environmental, economic and social dividends. While the incidence of technical progress led to great strides in reducing energy intensity of manufacturing production, a large number of developing countries have yet to reduce their distance from the technological frontiers and bench-marked best practices in industrial energy use. Pertinent
issues and options are well articulated in the Report, with an accent on protecting ecosystems and achieving equity.

The current transformative shift from quantitative increase to qualitative improvement calls for promoting fast-growing job-creating green industries. The Report attempts to prove empirically that investing in energy-efficient technologies, systems and processes can provide environmental, economic and social dividends to achieve green growth. However, there are different shades of green according to the level of development matters. Despite many opportunities, the concept of greening industries is still in its nascent stage and the transformation to a fully green economy is going to face numerous hurdles. There is also the danger that the new post-crisis economy that emerges may not be as green as expected and will continue to rely on low-energy efficiency from limited energy sources, high material use with less productivity and elevated risk of climate change. At the same time, there are still huge gaps in our knowledge, especially pertaining to the impact of greening on the developing world. Several questions are being raised. Do green programmes provide opportunities for economic growth and job creation? How do these programmes fare in terms of number of jobs created in comparison to other types of economic stimulus programs? What are the barriers to the rapid growth of green energy? What are the incentives? The UNIDO Report aims to shed light on some of the issues related to the creation of green jobs, destruction of energy inefficient jobs and their impact on poverty alleviation.

The Report’s uniqueness relates to the way it shows how investing in industrial energy efficiency makes financial sense, highlighting its huge potential. Citing numerous barriers which prevent countries from realising this potential, the Report argues the case for an enhanced role for the developmental state in overcoming those barriers.

Reflecting on only a few fragmented international initiatives to overturn the barriers to industrial energy efficiency, the Report argues for an industrial energy-efficiency state function to: help set and monitor international targets and standards; address data collection and benchmarking; provide technical and economic information; coordinate regulation, targets, standards, R&D, technology transfers and value chain operations; and devise innovative mechanisms to address the challenges of industrial energy-efficiency financing nationally and internationally. The Report is a great value addition to the call for a “Global Green New Deal” which aims to pump financial resources into more sustainable sectors through coordinated action by all stakeholders. Such initiatives will ensure better returns to capital than simply “brown development”. Globally coordinated stimulus packages targeted specifically toward green
sectors will lay the foundation for sustainable economic growth in the future. We need to move fast and far in order to reap the dividends of enhanced efficiency in industrial energy use. The UNIDO’s collective response through its *Industrial Development Report 2011* is indeed a scholarly input, underpinned by practical insights, to achieve enhanced efficiency in industrial energy use.

**References**


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