

Review #1: Stabilizing the Climate, October 20th, 2021; How Asia is crucial in the battle against climate change, Oct 27th, 2021, “How Asia Is Crucial in the Battle against

Climate Change.” The Economist, The Economist Newspaper,

<https://www.economist.com/special-report/2021/10/27/how-asia-is-crucial-in-the-battle-against-climate-change>.

Ever relevant to globalization, climate change is at the forefront of concerns for many governments. As businesses expand, so do the issues caused as a result. CO₂ and greenhouse gas emissions are naturally released from certain industries more than others. The article, “How Asia Is Crucial in the Battle against Climate Change”, expands more into what part Asia plays into the global issue of climate change and what they are doing to contribute to CO₂ emissions.

The first takeaway I got from the article is that Asia has a complete dependency on coal. The article shares that “Asia produces and consumes three-quarters of the world’s coal” (Economist 2021). This has had detrimental effects to the environment, with CO₂ emissions “representing about a quarter of the world total” (Economist 2021). The article gives an anecdote about a young man who provides for his family solely by illegally obtaining coal and selling it to government officials. Grease payments, which is described as a form of corruption in the book “Global Business Today” by Charles Hill, is common, so people illegally selling the coal are able to obtain property rights. Coal producers and plants are also “a big source of funds for political parties” (Economist 2021). With the government and economy benefitting from these polluting industries, it is unlikely most of Asia will follow other nations in reducing CO₂ emissions. Application wise, if companies are wishing to do business in the coal industry, Asia is the perfect place to do it. However, these companies would only further a global climate crisis.

To further the previous point, the next big highlight of the article is the big difference between technological feasibility and political feasibility of making policies that help reduce greenhouse gas emissions. Asia has the technology to cut down emissions by 2060 (Economist 2021), but will they? The article states that “when Asian governments do promise policy change, they often lack the administrative capacity to enforce it” (Economist 2021). Due to the large population benefitting from the coal industry, there is little pressure for the government to address these issues. “The coal industry is concentrated in a few relatively poor states, which would suffer disproportionately from any attempts to stifle it. So, legions of workers, investors, politicians, bureaucrats and even rail passengers can be counted on to lobby for coal” (Economist 2021). Additionally, few people also talk about it, even when natural disasters occur. The article suggests that a possible reason for this is that a lot of Asian governments have censors on media, therefore deterring talks about climate change (Economist 2021). Businesses that are working towards net zero CO₂ emissions need to realize that their goals may not be aligned with businesses in Asia because few companies will produce in an environmentally friendly manner. Therefore, conducting trade would not be wise.

While Asian governments previously had little incentive to scale back from coal use, the future is bright for them economically if they start to go greener. This is primarily in relation to outside help. The article states that “big Western development agencies have stopped lending to coal plants, as have many rich-world banks” (Economist 2021). Because of this, large debts can’t be helped, and it is increasingly difficult to start up new coal plants. While there are many still running, the rate at which they can grow is steadily declining. The book in chapter three also mentions that innovation is encouraged in market economies and democracies (Hill 74). As many Asian countries are slowly leaning towards democratic reforms, there has been an increase

in new technologies. For example, China is leading the industry in electric vehicles and solar panels (Economist 2021). These technologies promote sustainable and green practices that help reduce CO2 emissions into the atmosphere. As these industries are growing in popularity, businesses may want to consider joining China based companies on this to get first-mover advantages.

Climate change is a pressing issue causing our world to slowly deteriorate. Knowing that humans contribute to it directly, especially in the manners of business, should raise global concern. While it may, is it enough to incentivize businesses to cut down or look for cleaner alternatives? Unfortunately for Asia, the answer has been no up until recently. With a democratic shift involving growing innovation, there is future potential for slowing down greenhouse gas emissions.

Sources

“How Asia Is Crucial in the Battle against Climate Change.” The Economist, The Economist Newspaper, <https://www.economist.com/special-report/2021/10/27/how-asia-is-crucial-in-the-battle-against-climate-change>.

L., Hill Charles W. *Global Business Today*. McGraw Hill LLC, 2022.