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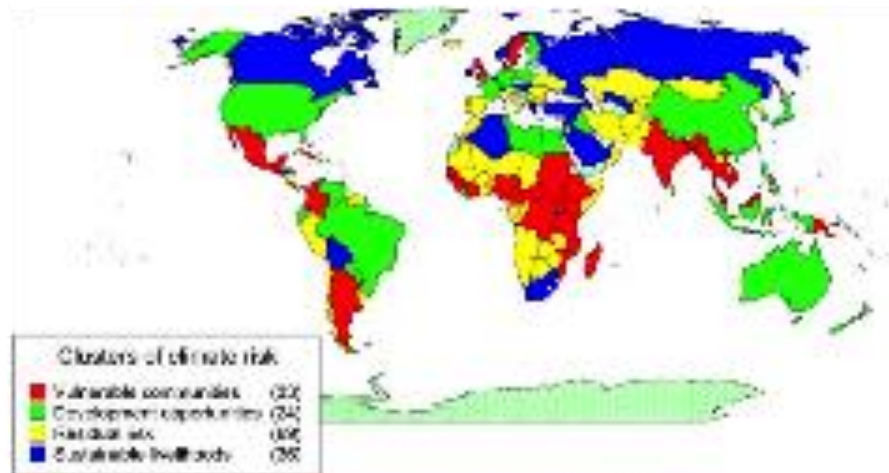
Title: Environmental Economics

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Major	Economics
Degree	Bachelor
Course Title	Environmental Economic
Type of Document	Assignment
Year	

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3. The Equity Issues involving Global Warming policy in developed versus developing countries.

Numerous issues are arising from equity involving Global Warming Policy between developed and developing countries, hence a global issue where one group of party will suffer more than the other group of party due to disparity and unfairness of distribution of wealth, technologies, environmental dependency, location, and adaptive capacity, etc. This essay will discuss about areas where issues in equity involving Global Warming Policy hinder economic growth and living standard of both the developing and developed countries. Issues such as cost and constrain that each group of countries must bear will be discussed thoroughly by the comparison of distribution and level of adaptive capacity as well as the level of strains that place on each group of countries depending on their stages of development. This essay will further analyze the Level of severities and impacts of inequity in global warming policy by using economics interpretation and tools. Base on the interpretation, a recommendation will be provided depending on the suitability of the solution to the problem.



Source: Tol et al, (2004)

As shown by the map, Tol et al (2004) assert strongly that countries in the stage of developing economy will face larger impacts from global warming whether in form of natural disaster or cap in economic growth due to limited adaptive capacity than those whom in the stage of developed economy. Furthermore, the level of the current carbon emission is caused by the industrialization of the developed countries and the span of time and pollution that they have been using in constructing and growing their own economy. This is one of the primary and earliest fact of the inequity issue arising from global warming as shown in a scenario of benefits that developed countries had been gained from carbon emission and industrialization for over two hundreds years, hence the inequality and disparity of economic growth and wealth distribution that each group of countries has

experienced so far (Sachs, 2005). As anticipated by the map, all the potentially vulnerable and invulnerable countries are consequently separated by the fact that whether these countries have or have not experienced industrial revolution; countries that are vulnerable can be seen as those countries that contain low Gross Domestic Product and low adaptive capacity, hence countries in South-East Asia and majority of Africa, who have low opportunities to develop and cope with the global climate policy. Developed countries such as the United States of America, Canada, Australia, Russia, and part of Europe have higher chance of livelihood, thus containing higher opportunities to develop and cope with the policy.

The global warming policy issues can be seems to be inequitable to those countries that are currently experiencing rapid growth in productivity such as India and China, where such cap on their productivity will lead to slowdown in economic growth (Mastel, Kho, & Janzen, 2009). Even if most western and developed countries, described by Mastel et al (2009), are cooperating and attempting to delegate responsibilities, however, their imposition are continually being denied by leading developing countries, hence the level of emission will not be reduced even if major emitter such as the United States of America willing to comply with global trading scheme. So in order to raise mutual equity for both the developing and developed world, an international agreement between participants of major emitters from both parts of the party must agree on some common grounds and fully commit to the reduction of carbon emission (willis, 2006). However, developing countries are not willing to oblige because of the threats that these policies may impact on theirs productivity, on top of the damage of global warming may cause to those countries that are heavily agricultural-dependent (Tol, 2004). Equity issues involving global warming do not necessitate only complexities in delegation of responsibilities but also the risk and constraint of development progress of many countries, especially those who are in developing stage, furthermore the responsibilities of developed countries must be even more extensive, which not only include reduction of their carbon emission but also the research and development in green technology (Mastel et al, 2009).

Initially, global warming and climate change are viewed as bad public goods in a global scale, hence the characteristic of non-excludability and non-rivalry therefore contains no incentive for any individual or private firm to participate or share the cost, however, the risk implication is too high to be ignored. Willis (2006) states that the non-rival cost and non-excludable cost are associated with the release of carbon dioxide and chlorofluorocarbons into the atmosphere are tremendous in both local and international scale, nevertheless the cost associate with identifying human emission and the compensation of sufferers in a local scale are extremely difficult due to asymmetric information. Carbon emission is a global issue, hence requires not only local but international policy and mutual agreement from all countries in order to exercise and delegate the cost and benefit equitably, however, the global warming policies create no incentive for any country to bear the cost if there is less benefit gained from capping their carbon emission. Consequently, the inability to create incentive for the cooperation of countries and the inability to

identify specific emitter whether in local or international scale lead to severe free riding problem, thus further lead to countries taking advantage of other countries in taking the initiative effort of constructing their own carbon emission-control efforts. In order to ease these problems, government of each country, by recognizing scientific agreement of the inevitable problem and severity of future consequences, must step in order to collectively enforce and contribute, while encouraging private collective action in which creates benefits for participants and minimizing the cost (Willis, 2006).

The success of the Montreal Protocol and Kyoto Protocol lead to clearer recognition of the problem, hence taking less regard of cost and recognizing the social benefit of preventing and mitigating the problem. The relatively low cost of the co-operation, a clear responsible for producers and countries that are historically viewed as major emitter create incentives and opportunities for other countries to join and contribute to the solution, hence reducing free riding problem. Developing countries who are suffering from the problem will be compensated by multilateral fund and the technology (Baumert, Herzog, & Pershing).