

Sustaining Economic Growth in Asia: The Environmental Challenge

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Four Main Messages

- A. Environmental problems are **Economic problems**
- B. Need to sustain **Economic Growth**
- C. More **pragmatism** in environmental policies and management
- D. Five Major environmental **Challenges** affecting Asia

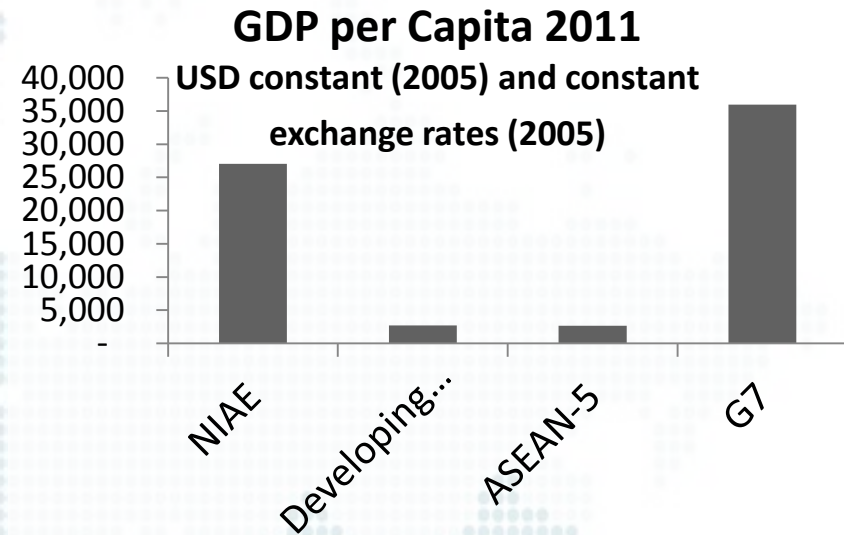
No Such Thing as a **Free** Lunch

- Environmental problems are Economic problems
 - ✓ Scarcity
 - ✓ Opportunity cost
 - ✓ Rational choice
- Cost-Benefit Analysis
 - ✓ Trade-offs
 - ✓ Cost to society
 - ✓ Marginal abatement cost
 - ✓ Emphasis on net benefit
 - ✓ Present and Future generation
- **Economic instruments** can be used to **solve** environmental problems

Meeting the Needs of the Present

	East Asia and Pacific	South Asia	Sub-Saharan Africa	Europe and Central Asia
HDI	0.683	0.558	0.475	0.771

Source: UN Human Development Report 2013



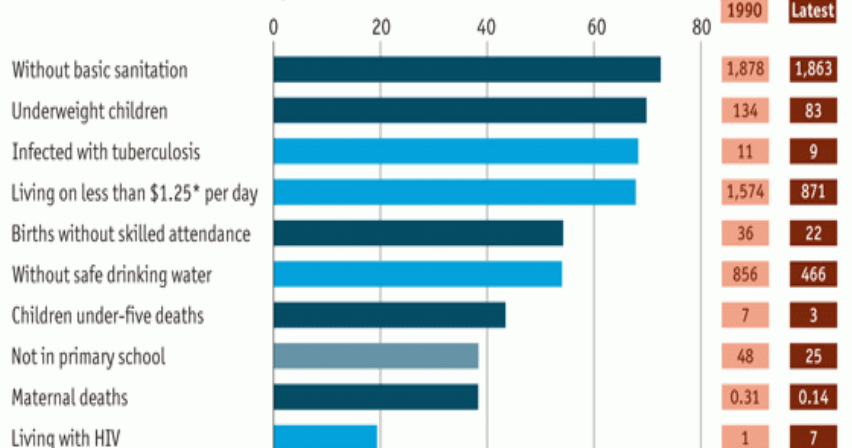
Source: UNCTAD, 2013

Asia Pacific

Share of developing world's population, %

Progress to corresponding Millennium Development Goal:

■ slow ■ on track ■ early achiever



Source: United Nations Economic and Social Commission for Asia and the Pacific

*At purchasing-power parity

Period	Average Annual Real GDP Growth (%)	
	Developing Asia	ASEAN-5
2000-2010	8.38	5.14
2011	7.8	4.5
2012	6.64	6.10
2013	7.13*	5.88*
2016	7.71*	5.63*
2018	7.72*	5.70*

Source: IMF World Economic Outlook, Apr 2013

Sustainable Development Present vs Future Generation



- Development that **meets the needs of the present** without **compromising the ability of future generations to meet their own needs** (Brundtland Commission)
- **Growth carries cost**
 - ✓ **Locally**
Poor air quality in major Asian cities (Beijing, Pune, etc)
 - ✓ **Regionally**
Damming of Mekong by China, endangering livelihood of fisherman
'Slash-and-burn' in Indonesia, causing seasonal haze in SEA
 - ✓ **Globally**
Asia the largest CO₂ contributor . China largest contributor with 21.0%, rest of Asia 10%. (2012)
- Need to pursue the **twin goals** of
 - ✓ Continued economic growth and affluence
 - ✓ Environmental conservation and protection

Good Local Environmental Management

Need for **Bottom-up** versus **Top-down** approach to environmental governance

- A. Getting the prices right
- B. Greater employment of appropriate and inclusive Cost-Benefit Analysis (CBA)
- C. Accounting for externalities and non-market goods
- D. Expanding market solutions
- E. Establishing baselines for environmental variables and pollutants and green accounting
- F. Setting priorities by adopting damage schedules
- G. Pursuing green technology
- H. Working with stakeholders

Key Environmental Challenges for Asian Governments



- A. NIMBY (Not In My Back Yard) Syndrome
- B. Need to price Green Goods
- C. The Challenge of Solid Waste Disposal
- D. Issues of Transboundary Pollution
- E. The Challenge of Climate Change

Key Environmental Challenges for Asian Governments

A. NIMBY Syndrome



B. Need to price Green Goods



D. Climate Change



C. Solid Waste Disposal



D. Transboundary Pollution



A world map composed of small dots, with the text "Thank you" overlaid in green. The map is rendered in a light blue color, and the text is in a bold, green, sans-serif font. The dots are arranged in a grid pattern, with some dots missing to form the shape of the continents. The text is centered over the map, specifically over the Indian subcontinent and Southeast Asia.

Thank you