



CLIMATE CHANGE AND COMMERCE: CHALLENGES AND OPPORTUNITIES

Sanjay L. Argade

Department of Commerce, K. J. Somaiya College, Kopergaon

Email: slargade@rediffmail.com

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ABSTRACT:

Climate change is the biggest universal issue, which need to fight and face it with patience, effective strategies and find remedies to overcome from this situation. Climate change covered all aspects, which is available in the world including human life, trade, and commerce also, so that climate change became challenge before the globe. In present days, trade and commerce is done through internet/online. Internet facility definitely interrupt climate, because huge data is stored and communicated through internet. Business transactions made easily and without any difficulty by means of electronic media, tools and techniques. E-commerce and advertising has potential to make transactions effectively. Although climate data has the complex nature, scientific study of climate change brings some opportunities in the business world. Climatechange creates big challenges in front of businessperson as well as brings number of opportunities in front of them in trade and commerce. It is an opportunity in front of traders that to mine large data from climate and use it as to mitigate customers' demands. For this, there is a need of climate science applications. Modern climate science applications can be used as big data technique instead of traditional data techniques. Scientific data techniques results in get more accurate and helpful information to produce goods and services as per the demands of customers. More and more climate change affects all business activities, which need to take correct actions to safeguard the interest of marketers.

Key words: Climate Change, ecosystem, green buildings, carbon emissions, carbon-efficient transportation, renewable energy.

INTRODUCTION:

In the present era of modern technology, all companies are using technological gadgets to achieve success in all activities. Data collection and analysis became necessary to interpretation so far, companies are dealing with big data which is available in space definitely affects climate. Corporates are continuously incorporating big data sources and tools and techniques, technological gadgets, internet of Things, artificial intelligence (AI) and machine learning solutions, advanced computing power, software's and systems in routine activities. These all activities are run electronically by using internet. Huge technology and software's acquired big space in globe and results in complications in the form of climate change.

Climate change is became a complex and critical problem worldwide. Climate change not only influenced the lives and livelihoods of the people but also socio-economic development universally. Climate change have already affected corporate sector, agriculture, human health, ecosystems and water supplies on the earth. It is observed that climate change has been influenced rich countries as well as poor countries. Climate change forces people to migrate and change the life pattern adjusts with changes occurred in surroundings. Companies are required to change their policies and required to develop new strategies as per changes occurred in surroundings. Because of climate change sea level has risen and ice goes to diminish as well as emission of gases through

greenhouses disturbed atmosphere since pre-industrial evolution. Industries are suffered a lot by climate change in India and worldwide. So that it should be tackle by creating green buildings, energy management and land-use planning.

CONCEPT AND DEFINITION OF CLIMATE CHANGE:

Commerce climate is the general economic environment within a society of enterprises and locations comprising of the attitude of the government, politicians, labour organizations, financial and lending institutions toward businesses and business activity, attitude of labour unions toward employers, current taxation policies, inflation statistics through which forecast generally explore a positive twist regarding a financial system.

“PARIS AGREEMENT”:

170 countries have signed the Paris Agreement. Worldwide governments have started to develop environmental policies by participating in Paris Agreement and committed to reduce carbon emissions and increase in low-carbon investing. This is a strong signal to businesses and investors that corporate future should be of low-carbon.

The concept of low-carbon not only creates risks and challenges before corporate sector but it also brings new opportunities in front of corporate sector.

CHALLENGES OF CLIMATE CHANGE BEFORE CORPORATE SECTOR:

1. Managing the Politics of Global Change Policy:

Although India is the fourth largest emitter of greenhouse gases, Europe and US emits half of the greenhouse gas (CO₂) since 1750. In aggregate emission of greenhouse gas, India is

on back foot because industrial development corporations were established in Europe and America itself. United Nations Framework Convention on climate change, developing countries have pressed developed countries to pay attention for their past excesses. Kyoto Protocol was established for this purpose, but it failed to achieve it.

Paris Agreement promised to limit global temperature increase to just 1.5% over pre-industrialization levels. As per this policy, each country participated in Paris Agreement has developed its own targets. India itself has promised to reduce its emissions up to 33-35% by 2030. In this regards India is on proper way to help global average temperature rise 2-degree Celsius, but other countries participated are failing to meet particular target.

2. Reducing India’s Coal Dependency:

As stated above, although India is able to reduce greenhouse gas emissions, another challenge are that, India should focus the dependency on coal should be reduce. Approximately 68% greenhouse gas emissions in India come from energy production, which is depends upon coal power plants. Government of India is trying to replace coal energy by renewable energy. However, unfortunately, India is not achieving it because; renewable energy conversion in to grid became costly.

In fact, energy production is mostly responsible to emissions. Today, India is coal-dependent nation, but in future, in India, more than half of electricity generation may be depend on non-coal items, by 2040.

3. Reforming Climate-incentive Agriculture Policy:

Government of India trying to fix minimum support price with the help of electricity and fertilizer subsidies. This policy encourages

farmers to take water-incentive crops. Crop patterns in India are established by availability of water. More water is used and utilized to grow crops in India, this results in wastage of water and damage the quality farms. Water is used in India in large quantity, hence India has become a net exporter of water. Food and fertilizer subsidies in India are not just costly, but also responsible to climate change.

4. Balancing Growth and Environment:

The UN established “Wealth Index” to measure capital (infrastructure) produced, facilities like education and medical emergencies provided and natural resources used. Growth and environment should go hand-in-hand to sustain nation’s growth. Like UN, the government of India should focus Wealth Index to maintain balance between growth and environment. It is true that, fastest growing economies have consumed more natural resources, that’s why, it results in climate change. There is a challenge in front of developing and developed countries to reduce the consumption of natural resources.

OPPORTUNITIES OF CLIMATE CHANGE IN CORPORATE SECTOR:

1. New markets in renewable energy:

Nowadays, the renewable energy market continues to grow fastly. Renewable energy requires low cost to create and make available. As a result, the cost of solar energy has fallen dramatically. Because government policies have restricted and reduces the fossil fuel usage. Renewable energy creates clean energy and it requires investment in new infrastructure for the storage and delivery purpose. According to International Finance Corporation, new markets in renewable energy will be raised by 2025.

2. Green Buildings:

Green buildings have attracted more investment than renewable energy. Green buildings create a

lot of energy saving innovations. Green energy investments never end because these are the basic needs of community.

3. Climate-Smart Agriculture:

Climate-smart agriculture enables carbon emissions. Climate-smart agriculture useful in food security. It is useful in community health problems. Climate-smart agriculture provides safe food items and removes critical illness, so that healthy society can be live in natural conditions.

4. Green Market:

As the population grows, the transportation sector growing fastly with green markets. In coming years, we will see trillions more investment in green markets. Considering that, hybrid and electric cars and bikes innovated to reduce carbon in the atmosphere. In this way, masses can take fresh breath and live long as they like. The sale of hybrid and electric vehicles grown up by 40% in the year 2016. On the side of government, governments are also making investment in sector of hybrid and electric cars and bikes.

5. Green Investment Portfolios:

Near about 23 trillion dollar, investment in climate-intelligent investment opportunities are expected to be realized in emerging economies 2020 to 2030 with allowing businesses to further diversify their operations and green-investment portfolios internationally. Fact is that, there are no limitations and restrictions to invest in green investment portfolios. Although there least opportunities for direct green investment still we have many ways to invest and participate in transition to a low-carbon economy. e.g. businesspersons can invest in improving their energy efficiency and waste management to reduce greenhouse gas emissions. According to ‘World Wildlife Fund’, approximately 500 companies started carbon-

reduction projects in 2016, which realized that, 3.7 billion dollar savings.

6. Climate Bonds Initiatives:

In these days, innovations in the financial services sector allow businesses to finance other institutions low-carbon initiatives. Green bonds are enables finance projects, which have climate benefits, allow investors to fund a wide range of low carbon and climate resilient assets, and projects. It is noticed that, green bond initiatives increased in numbers.

7. Exchange-Traded Funds:

Exchange-traded funds make available cheap and transparent ways to investors to purchase shares and debentures in sustainable industries, which are conscious about environment. These funds provide hedging against climate-related risks.

In short all the climate-related opportunities supports to a lower-carbon perspectives to tackle risks with in opportunities.

CONCLUSION:

Emission of greenhouse gases disrupted the atmosphere and increased temperature; particularly increased temperature is responsible for climate change. Natural system is affected by climate changes. Climate change has challenges as well as opportunities, difference is only that, the globe has tackled the situation and makes growth of respective economies.

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