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Climate change and sustainable development of Vietnamese enterprises

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Abstract

Climate change is a huge challenge today in the world and in Vietnam, especially for the sustainable development of businesses. Industrial manufacturing enterprises have been negatively impacting climate change across the globe. Unable to reverse the trend of climate change so we can slow this process. The paper analyzes the evolution of climate change and how to overcome the negative constraints that climate change has on the sustainable development of businesses. The paper provides a number of policy implications for authorities and managers on the issue of limiting and reducing the impact of climate change on the sustainable development of businesses.

Keywords: climate change, sustainable development, business, Vietnam

1. Introduction

In recent years, the phrase "climate change" has been interested and sought by many people. In fact, the earth's climate is gradually heating up, and there are obvious changes in temperature such as prolonged hot weather and rain and storms. It is also an issue that all countries in the world are paying more attention to than those abnormal climate changes, not only in the world but also in Vietnam we have partly suffered.

According to the survey in the first few months of 2019, Vietnam is on the list of 5 countries in the world most seriously affected by climate change. More specifically, 40% of the Mekong Delta area, 11% of the Red River Delta area and 3% of other coastal localities will be flooded, in particular, 20% of the area. Ho Chi Minh City will also be at risk of flooding. Then 10-12% of the population will be directly affected, losing 10% of GDP. The current situation of climate change is complicated and faster than scientists' prediction.

The weather in Vietnam in recent years has been increasingly abnormal. Droughts, floods, landslides, storms and storms have complicated changes, seriously affecting the economy heavily dependent on our country's agricultural production. In particular, Vietnam is considered as one of the countries most seriously affected by climate change, with a coastline of 3,260 km when the sea level rises by 1 meter, 40% of the Mekong Delta area, 10% of the Red River Delta area will be flooded, directly affecting 20-30 million people and directly affecting the production and business activities of businesses.

According to the projected climate change of Vietnam, by the end of the 21st century, there will be about 40% of the Mekong Delta area, 11% of the Red River Delta area and 3% of the regions. Other roads in coastal areas will be flooded. At that time, about 10-12% of Vietnam's population would be directly affected, with a loss of about 10% of GDP. Especially, HCMC will be flooded over 20% of the city area. Ho Chi Minh City is one of the 10 cities in the world most threatened by climate change. The strongest impacts on the city are temperature, rainfall and storm surge. Inundation in urban areas, saline intrusion more and more deeply into upstream, rising sea level affects production activities, clean water supply, infrastructure and people's life in the city. On a square kilometer, Ho Chi Minh City has the population, domestic waste, water demand and traffic density is 17 times the national average. These are really huge challenges for ensuring a good living environment for the people and making the city more sensitive to the impacts of climate change.

From that, it shows that Vietnam has been greatly affected by climate change and more specifically, directly affecting people's lives more and more significantly affecting production and business activities and sustainable development of businesses in Vietnam.

Being aware of the seriousness of that problem is also the reason that the authors choose the topic "Climate change and its implications for the sustainable development of businesses in Vietnam".

2. Theoretical framework

Climate change of the earth is a change of the climate system including: Atmosphere, hydrosphere, biosphere and lithosphere currently and in the future, by natural and artificial causes in a certain period ^[1,9].

Factors that can cause climate change to occur are changes in atmospheric radiation, including processes such as solar radiation changes, Earth's orbit deviations, mountain tectonics, and ants, creating continental drift and changes in greenhouse gas concentrations. Many of the different environmental responses on climate change can enhance or reduce initial changes. Some components of the climate system, such as oceans and icecaps, respond slowly to changes in solar radiation because of their mass. Therefore, the climate system may take centuries or longer to fully respond to external changes ^[1].

The main cause of global climate change is the increase in activities that generate greenhouse gas emissions, overexploitation activities of sinks and greenhouse gas tanks such as biomass, forests, other marine, coastal and land ecosystems.

2.1. Consequences of climate change

The ecosystem is destroyed

The change will cause fresh water shortages, polluted air environment, Natural energy resources are gradually exhausted and some other problems. Typically the consequences of climate change are affecting ecosystems such as causing bleaching of corals due to warming seawater. Due to the loss of biodiversity the Earth's temperature is increasing so this will make some species at risk of disappearing or even becoming extinct. The main reason is that the habitat of these animals is threatened by human deforestation. For us, it is not outside the sphere of influence, the condition of deserted land and invasive sea water also threatens our residence.

Disease

When the ambient temperature rises, it is accompanied by natural phenomena such as floods, drought, which will create conditions for infectious animals such as rats and mosquitoes to breed. Infections will affect the health of many parts of the world population.

Sea level rise

Today, due to rising temperatures, sea levels are also gradually rising. Increasing temperatures will cause the glaciers, sea ice or some of the world's ice continents to melt and cause the amount of water flowing into the sea and oceans to increase.

2.2. Sustainable development

Sustainable development has become one of the most important issues for businesses and the Board of Directors. Sustainable development covers a wide range of issues such as corporate governance and business ethics, climate change

and emissions reduction, safety and environmental health management, corporate social responsibility, strategy and economics, responsible supply chain management, and non-financial reporting ^[11].

3. Climate change and implications for sustainable development in Vietnam

3.1. The impact of climate change on economic growth

Globally, climate change will reduce economic growth and create unsustainable growth cycles. Using models for assessing global economic effects, studies show that climate change will seriously impact productivity, output and reduce growth rates in countries affected. of climate change, especially in developing countries. The research results show that the average economic growth rate in developing countries most affected by climate change will decrease from 1% to 2.3% / year ^[7, 11]

In Vietnam, natural disasters are increasing both in scale and repeat cycle, thereby losing many achievements of the country's socio-economic development process. In the period of 2002-2010, the damage caused by natural disasters nationwide was the lowest of 0.14% of GDP (2004) and the highest was 2% of GDP (2006). On average, during the past 15 years, natural disasters caused about 1.5% of GDP per year ^[9, 10]

3.2. Impacts of climate change on some key sectors

The impact of climate change on agriculture and fisheries

Agricultural production depends heavily on natural factors such as: land, water resources, climate, hydrological regime, temperature, humidity so it will be the industry most seriously affected by climate change in Vietnam ^[10, 11].

The impact of climate change on industry

Industries, especially coastal industrial zones, will be severely affected by climate change. Sea level rise of about 1m by the end of the 21st century will cause most of the industrial parks to be submerged, the lowest is over 10% of the area and the highest is about 67% of the area. Industrial raw materials, especially food, textile and garment processing industries, will be significantly reduced because they are not supplied from raw material areas in provinces in the Mekong Delta was the most heavily flooded in Vietnam. This has put more pressure on the restructuring of industries in terms of industry type, percentage of processing industry and high technology. Increasing temperatures increase energy consumption in industries: increasing ventilation costs, cooling underground mines and reducing the efficiency and output of power plants. Increased electricity consumption for domestic use and cooling costs in commercial industries also increase significantly as temperatures tend to increase. Unusual storms and rising sea levels will negatively impact the operation, exploitation of power transmission and distribution systems, drilling platforms, oil and gas pipelines to the mainland, supplying oil to oil tankers; increase the cost of maintenance and repair of energy works; affecting the supply and consumption of energy, national energy security ^[10, 11].

4. Solutions to adapt to climate change for Vietnamese enterprises

To reduce the rate of climate change is related to many areas such as the economy we have to do. Currently all countries in the world are using fossil-derived fuels such as kerosene and coal. It is necessary to use fossil fuels appropriately to reduce greenhouse gas emissions. We need to save energy, use other forms of energy such as biofuels, wind energy, solar energy, atomic energy to replace fossil fuels like coal, oil. There are many interdisciplinary measures and require appropriate policies for each country and each locality with the utmost goal. On the other hand, we have to make adaptation measures to live together with climate change and avoid maximum damage, policy and communication response measures. When we build dikes we plant mangroves on the outside to protect them. In order to address the global climate change problem, it is necessary to strengthen measures to reduce greenhouse gas emissions from industrialized countries and to encourage greater participation of developing countries. Measures to encourage these countries to limit emissions and at the same time ensure economic growth ^[4].

Awareness of climate change of many businesses is limited, not paying attention to environmental protection, implementing production and consumption models for low carbon emissions, green growth and sustainable development. Therefore, raising awareness for the business community as well as mobilizing the participation of business community to join hands with the Government in the fight against climate change is extremely important ^[5, 10]. The most difficult problem is that natural capital is running out. To sustain production, businesses need to invest more in other capital sources to make up for the shortage of natural capital, which is human technology.

5. Conclusions and recommendations

Initial assessment results show that climate change has impacted the performance of businesses in our country. The report also assesses climate change understanding and awareness on the economic sector and its impacts and assesses climate change adaptation policies for economic development of businesses in Vietnam. The study proposes solutions to cope with climate change and to adapt to climate change conditions in Vietnam of enterprises. Climate change adaptation requires investment and development in three areas. First, creativity is needed in adapting to climate change. Secondly, one should continually strengthen important development initiatives to support climate change adaptation. Thirdly, we need to implement climate change adaptation on investment and policy.

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