



Guest Editorial

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Reconceptualizing the Asian Miracle: Asian Business and Management in an Era of Global Environmental Sustainability

The World Bank issued a report in 1993 with the provocative title, ‘The East Asian Miracle’, that examined the economic development experience of a group of East Asian countries whose rapid and sustained growth from the mid-1960s to the end of the 1980s may never be repeated again.

While the rapid economic growth of the East Asian region has been well documented in the World Bank report and elsewhere, what stands out about the report now is the lack of reference to negative social and environmental consequences that might have resulted from such rapid and sustained economic growth. The World Bank report describes government interventions as one way, among others, of ‘getting the basics right’, in terms of providing a secure and safe environment for private investment (World Bank, 1993). Interestingly enough and somewhat puzzlingly, there is little or no discussion of getting the basics right on any matters other than achieving rapid industrialization.

China and to a lesser degree India represent the new Asian miracle narrative, but, nearly two decades after the publication of the ‘East Asian Miracle’ report, it is not clear whether we are any closer to understanding how an economy or business enterprise might grow without depleting ecological resources and causing harmful industrial pollution problems.

Under the direction of Professor Harukiyo Hasegawa, founding editor of *Asian Business and Management* (ABM) and Dean of Doshisha University Business School, this journal has launched a 3-year project whose goal is to contribute to the growing but still relatively new academic scholarship at the nexus of business management, environmental sustainability and Asia, and highlight corporate environmental and social responsibility issues as core Asian business management priorities. For this inaugural ABM special issue on ‘Business and Natural Environment in Asia’, we invited authors of particularly promising papers to submit their work; all articles underwent anonymous peer review and revision before being accepted for publication.

In the first article of this issue, ‘Strategy, Climate Change and the Japanese Firm: Rethinking the Global Competitive Landscape of a Warming Planet’, Jacob Park argues that there is a critical yet unmet need to improve our



understanding of how Japanese companies and other advanced industrialized countries manage their corporate environmental and social responsibility concerns. Using business and climate change links in Japan as a case study, his article examines the current and future direction of Japanese business responses to the climate change issue and seeks to advance our understanding of the important links between climate change, business strategy and Japanese companies. Since industry typically uses more energy than any other end-user in both industrialized and emerging economies, the success of any international policy to reduce the level of global greenhouse gas levels by 50 per cent or more by 2050 is going to depend a great deal on the financial, organizational and technological resources of the private sector in Japan and other countries.

In the second article, 'A Road Map for Regional Emissions Trading in Asia', Christine Loh and Andrew Stevenson conclude that emissions trading schemes present significant financial opportunities and regulatory obstacles for Asian businesses as well as new challenges in regional and global co-operation on North-South technology transfer and development. They describe the importance of Asian business sectors working in cooperation with governmental and civil society actors towards the design and development of the most comprehensive and beneficial regional emissions trading solutions.

Nicole Darnall ('Creating a Green Brand for Competitive Distinction') then examines how an environmentally pro-active organization can gain competitive distinction, drawing on examples from Damaí Lovina Villas and Restaurant, a boutique Indonesian hotel. The article offers a framework, particularly relevant to smaller organizations operating in Asia, that companies can use to assess their green branding options, and considers the legitimacy of these branding options by assessing the trade-offs associated with firms' unilateral actions to self-advertise their environmental activities and participation in voluntary programmes requiring self-monitoring, third-party certification or both.

The fourth article ('A Cross-Country Empirical Comparison of Environmental Supply Chain Management Practices in the Automotive Industry') employs a 'pressures-practice-performance' framework to compare the adoption and influence of environmental supply-chain management (ESCM) practices within the automotive sector in the UK and China. Using an empirical study of 128 organizations, 39 in the UK and 89 in China, Qinghua Zhu, Jo Crotty and Joseph Sarkis investigate comparative ESCM pressures, practices and performance within the automotive industry. Although the study compares industrial facilities in the UK vs China, they conclude that there are more similarities than differences in terms of ESCM pressures, practices and performance. One of their surprising conclusions is that Chinese automotive organizations generally implement higher levels of ESCM practices than UK automotive organizations, but this difference has not resulted in significantly greater performance improvements.



Water pollution has become a critically important environmental management concern in China and the fifth article ('Water Pollution in China: How Can Business Influence for Good') examines how and why private firms can and should use their influence to address water pollution problems in China. Despite China's comprehensive system of environmental laws and standards, Rebecca Nelson notes that poor water quality remains widespread, with detrimental effects on society and economy. Nelson argues that academic literature on water pollution in China has traditionally focused on increasing the effectiveness of government enforcement of laws relating to water pollution. Furthermore, she argues that it is necessary to look beyond the state to address water pollution problems in China and businesses, or that what she refers to as 'influencing firms' may have significant capacity to influence other businesses (or 'target firms') to improve China's environmental situation.

Industrialization is a double-edged sword and implies some level of necessary trade-offs between economic growth and environmental stewardship. Industrialization increases employment and economic prosperity and at the same time generates pollution and depletes natural resources. While Asian governments have strengthened legislation and institutions in recent years to improve overall environmental performance, environmental pressures due to expanded consumption and production activities threaten to undo any progress achieved so far (UNESCAP, 2005). Although governments in the Asia-Pacific region must continue to play a central role in regional and national environmental governance, it is becoming abundantly clear that in the words of the Asian Development Bank, 'a sustainable future for the region is not possible without the active engagement of the private sector' (ADB, 2005: 6). The five papers here highlight the limit and potential of engagement between the private sector and natural environment in the Asia-Pacific context.

In addition to acknowledging the work of the anonymous reviewers whose work was pivotal in completing this special issue, I also salute and thank Professor Harukiyo Hasegawa for his leadership, encouragement and support throughout the editorial process.

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