

Strategies for Climate Change Mitigation and Adaptation: Role of Multinational Enterprise(MNE) Subsidiaries in sub-Saharan Africa .

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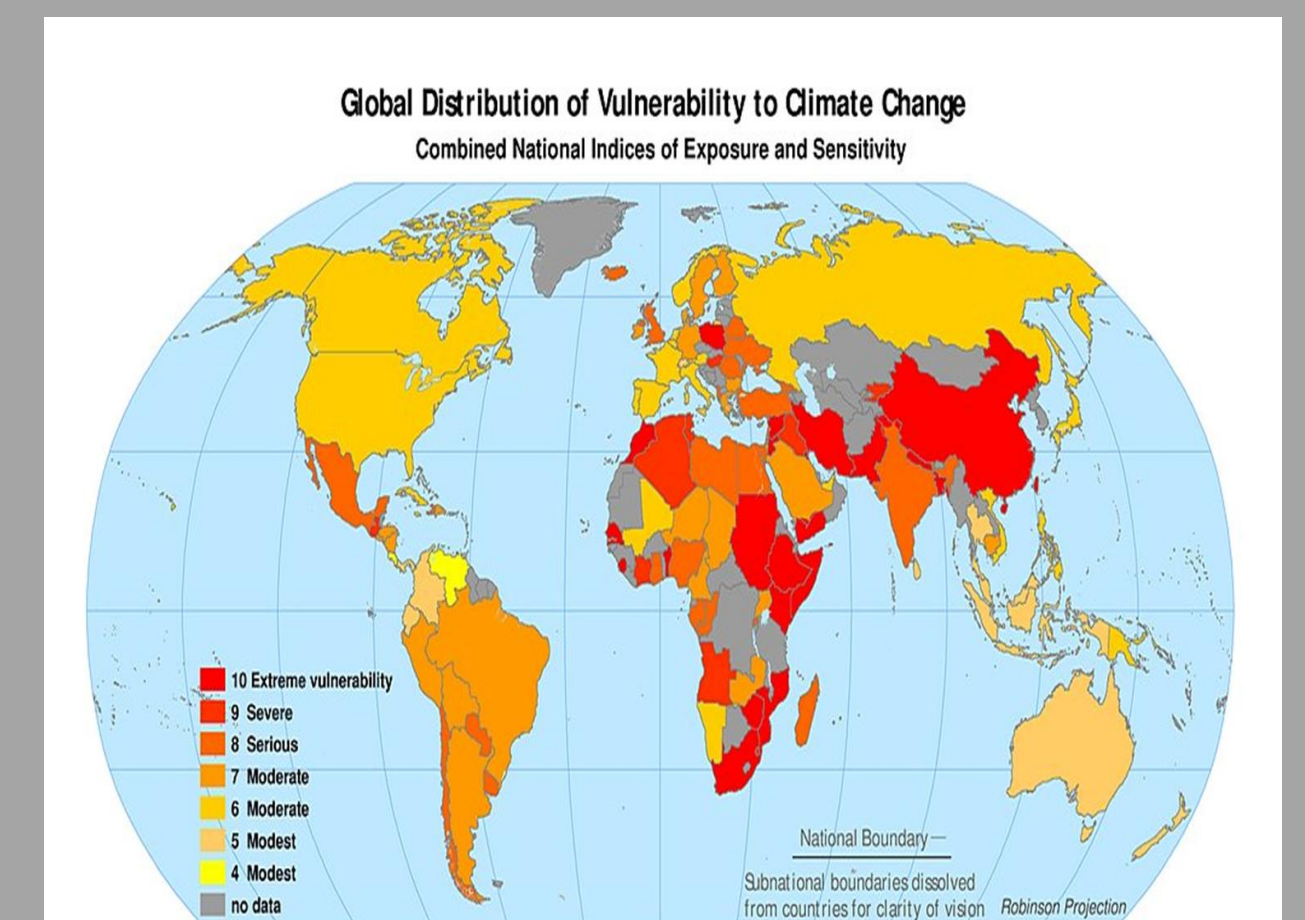
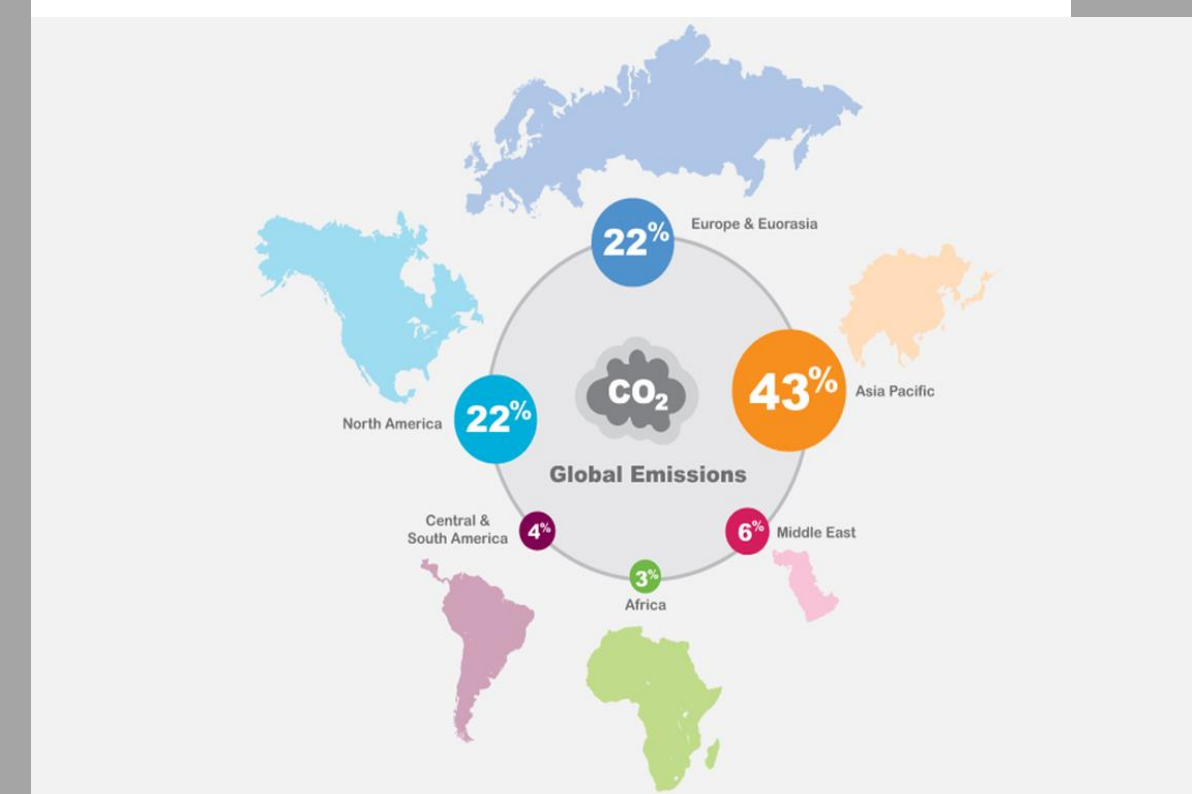
1. Introduction



Climate change is considered as the most pressing environmental problem of our time. It is estimated that, by the end of the present century, global temperature could rise by 2.7 °C even if national commitments to reduce emissions are fulfilled. Rise in temperature- which has led to climate change- has an impact on almost every aspect of our lives. Reports suggest that rampant warming will displace millions of people and could also take up to \$72 trillion off the world's gross domestic product (GDP).

2. The Paradox

Continental Distribution of carbon emissions



Even though Africa produces less emissions than any continent, it is one of the most vulnerable regions in the world in terms of the impacts of climate change. Little attention has been paid to how overseas subsidiaries-especially in sub-Saharan Africa- are responding to climate change.

3. Arising questions



- What strategies and actions has been implemented by MNE subsidiaries to mitigate and adapt to climate change in sub-Saharan Africa?
- What motivates MNE subsidiaries in sub-Saharan Africa to engage in strategies towards reducing greenhouse gas emissions ?

4.Role/Strategies of MNEs in mitigating climate change

Rising societal and regulatory attention to climate change has engendered MNEs to act in reducing global warming. Also stakeholder pressure has forced MNEs to consider how climate change can affect their operations and supply chain. MNEs have the financial capability to strategise and invest in research and development initiatives geared towards reducing global warming.

Despite the challenges, engaging in adaptation and mitigation of climate change presents opportunities for firms:

- It is projected that there will be \$7.4 trillion investment opportunities in renewable energy by 2040.
- Generally, firms that invest in greener methods of operations tend to gain competitive advantage in terms of reputation.

5. Conclusion

- Prima facie, subsidiaries in sub-Saharan Africa are under less pressure to develop climate change strategies as compared to their parent companies (mostly in advanced economies).
- This leaves room for the project to evaluate how these differences influence the strategic decision process of subsidiaries with regards to climate change.
- The results will help to understand not only how MNEs approach global warming but also to understand at a granular level -in the context of developing countries- how climate change mitigation and adaptation works across different networks of MNEs.

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