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Asia shows Europe the long game

The continent's path proves that protecting the climate and securing prosperity are two sides of the same coin. Europe would do well to take note

The momentum for ambitious climate policy in Europe seems to have faded. Green parties are losing ground, while conservative and right-wing populist forces are gaining influence. 'Peak Green' was the title of a recent article by Ernst Hillebrandt — and it struck a chord. But his diagnosis remains incomplete. While Europe is entering a phase of green disillusionment, a different dynamic is unfolding in East and Southeast Asia. In countries such as Japan, South Korea, Vietnam and China, climate change has long been regarded as a key challenge — and at the same time as a lever for growth, technology and competitiveness.

People in the region are acutely aware of the risks posed by climate change. In surveys, political and economic elites regularly rank it as the greatest threat — ahead of unemployment and geopolitical tensions. According to the 2024 Southeast Asia Climate Outlook Survey, nearly 60 per cent of respondents expect climate change to significantly affect their lives over the next 10 years, and around three-quarters are concerned about food security. In South Korea, 85 per cent see climate change as a serious threat, as do 81 per cent in Japan and over 90 per cent in the Philippines — significantly more than in many European countries.

Part of a long-term strategy

Throughout the region, climate change is seen as a real threat to prosperity, security and future opportunities. This awareness shapes political priorities and economic strategies — with a clarity that Europe has lost of late.

This dynamic is most evident in China, where climate-friendly growth is part of a long-term industrial policy strategy. No other economy links investment in green technologies so closely with geopolitical calculations and economic modernisation. Industrial policy governance creates

decisive incentives through long-term subsidies, credit programmes and planning cycles.

The result: today, around 80 per cent of solar modules produced worldwide come from Chinese manufacturers; for batteries, the figure is over 60 per cent. At the same time, Chinese car manufacturers such as BYD, Geely and SAIC are making their way onto international markets and are overtaking their Western competitors in terms of unit sales, exports and innovation cycles. In 2024, China exported more electric cars than Germany and Japan combined for the first time.

What good are ambitious goals if they are called into question on a weekly basis?

This sector in particular starkly illustrates what Europe is missing: reliability and confidence in its own strategy. The commitment that China has shown since the 2000s was once also evident in Europe — the European Green Deal and the provisional ban on combustion engines are proof of this. But what good are ambitious goals if they are called into question on a weekly basis? When government initiatives fall on deaf ears in the executive suites and the political discourse is driven by a culture war waged by the right, which evokes speed, engine noise and the smell of petrol to sell a sense of freedom that is, frankly, heavily coded as masculine.

The momentum is also clearly visible beyond China. South Korea is investing billions in hydrogen technologies and the circular economy, while Japan is linking climate protection with technological innovation — from energy efficiency to the digitalisation of electricity grids.

Both countries show that climate policy can go hand in hand with maintaining industrial leadership. Companies such as Hyundai, SK and LG Energy Solution are setting global standards in batteries and fuel cells, while Mitsubishi and Panasonic, for example, are setting benchmarks in efficiency and control technologies.

This shows how industrialised countries can position themselves both with and against China: they recognise Chinese dominance in certain value chains, but try to target those segments in which Beijing has not yet achieved complete supremacy.

Developing countries such as Vietnam and Indonesia also see green growth as part of their economic catch-up strategy. In Vietnam, the Just Energy Transition Partnership is supporting the restructuring of the

energy infrastructure in order to attract future industries such as semiconductor manufacturing and data centres. Indonesia is linking its green industrial policy with raw material sovereignty: nickel and bauxite may only be exported if they are further processed in the country — for example, in battery and solar production.

People, countries and companies in the region have understood that climate policy means securing the future.

As different as the approaches may be, the underlying principle is similar: climate policy is understood as a long-term project that combines safeguarding prosperity with reducing emissions, beyond legislative cycles. Behind this lies a normative claim: the right to development as part of global climate justice.

While all of this is true, the downsides of this development must also be acknowledged. The expansion of renewable energies goes hand in hand with persistently high coal consumption in order to satisfy the growing demand for energy. This rapid growth is leaving a massive ecological footprint — from smog and air pollution to water shortages.

In Vietnam, for example, the Formosa Ha Tinh Steel case showed how serious the ecological and social costs of industrial modernisation can be: in 2016, a Taiwanese steel company contaminated large parts of the central Vietnamese coast with chemical waste. Hundreds of thousands of people lost their livelihoods, while protests were quickly suppressed.

The incident remains a reminder of the risks of a development that subordinates ecological standards to growth targets. Civil society criticism is often limited, especially in authoritarian states where ecological movements have little institutional space. This reality must be acknowledged: seeing the ambivalence without weighing it against each other.

China provides another piece of the puzzle for the winning formula: green growth only works if it is organised across sectors. In the words of Adam Tooze: ‘On the one hand, we need solar cells, on the other, electric cars – and everything else in between: batteries, power lines, charging stations, industrial processes, even agriculture.’ In Germany, one of the successes of the transformation is that by 2025, more than 50 per cent of electricity will come from renewable sources. At the same time, the building and construction sector continues to lag behind its climate targets, similar to the transport sector.

A glance at East and Southeast Asia shows that ‘peak green’ is not a law of nature. People, countries and companies in the region have understood

that climate policy means securing the future. If Europe wants to maintain its competitiveness and ecological credibility, it must recognise that climate protection and prosperity are not opposites — but two sides of the same future.



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