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## Political Economy of Cooling: Political System References

	China	Brazil	Mexico	Indonesia	Thailand
<b>Political System</b>					
<b>Government</b>	Climate change is high on China's policy agenda domestically & embedded in planning frameworks including the 14 <sup>th</sup> Five Year Plan. Ministerial & sub-national plans are expected to outline a strategy to decarbonize the economy by end of 2021. <sup>1</sup> In 2019, China published a national Cooling Action Plan laying the foundation for a sustainable cooling transition across sectors <sup>2</sup> and, in 2020, updated its energy efficiency	The election of President Bolsonaro in 2018 resulted in both rhetorical & policy shifts pitting environmental considerations against economic growth, reduced focus on climate policy, & rolled back environmental regulations undermining forest protection. <sup>4</sup> Meanwhile, Brazil's energy efficiency regulations for air conditioners have been enhanced by new labelling regulation that better distinguishes	Mexico has a legacy of leadership with landmark legislation on climate <sup>6</sup> . However, current energy policy prioritizes revitalizing the oil & gas industry through Petroleos Mexicanos. <sup>7</sup> Mexico has strong institutional capability to advance efficient, climate-friendly cooling – & is developing a National Cooling Strategy <sup>8</sup> - however budget constraints & chronic underfunding of energy efficiency result in limited impact. <sup>9</sup>	Under President Widodo's second term administration, Indonesia's priorities are economic development <sup>10</sup> & poverty reduction <sup>11</sup> . These are fuelling investment in high carbon power <sup>12</sup> . The Low Carbon Development Initiative showcases growing interest in low-carbon policy, particularly in transport, however further policy development & cooperation is needed across government <sup>13</sup> . Indonesia has begun	Thailand's political system is marked by deep division between democratic & military rule. <sup>15</sup> The current government's priority is 'recharging' the economy <sup>16</sup> – which faced slow growth prior to the Covid-19 crisis - with climate policy secondary to energy & economic development. <sup>17</sup> Thailand's energy policy aims to position the country as a regional trading hub for fuels & power, encompassing



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	regulation for room AC & heat pumps. <sup>3</sup>	efficient from inefficient equipment. <sup>5</sup>		developing a National Cooling Action Plan. <sup>14</sup>	high & low carbon development. <sup>18</sup>
<b>Business</b>	<p>According to the Center for Strategic &amp; International studies, the Chinese Communist Party is strengthening its presence among Chinese companies<sup>19</sup>. A small number of large players dominate the conventional cooling industry. Gree, Midea, &amp; Haier have a roughly 70% domestic market share &amp; are therefore important for implementing energy efficiency standards<sup>20</sup>.</p>	<p>State owned enterprises are an important component of the economy<sup>21</sup>. Multinationals are active in sectors such as agribusiness &amp; automobiles<sup>22</sup>. The Federation of Industries of São Paulo is cited as an influential industry group<sup>23 24</sup>. The AC manufacturing sector is dominated by 8 multinationals manufacturing products largely unique to the Brazilian market, which hold 98% of the AC sector<sup>25</sup>.</p>	<p>In Mexico, large companies &amp; multinationals are an important component of the economy<sup>26</sup>. A World Economic Forum report ranks Mexico 91<sup>st</sup> globally in terms of how dominant a few large firms are in the economy.<sup>27</sup> According to Transparency International's Corruption Perception Index, Mexico ranks 130<sup>th</sup> globally<sup>28 29</sup> indicating that corruption is an issue for the business sector<sup>30</sup>. Mabe, a large domestic AC manufacturer committed to phase-out HFCs in 2020.<sup>31</sup></p>	<p>State-owned enterprises are dominant &amp; influential in the political system<sup>32 33</sup>. The Transparency International Index indicates corruption remains a challenge for business<sup>34</sup>. Limited cold storage capacity undermines the competitiveness of several industries including agriculture &amp; an expanding local fishery industry<sup>35</sup>.</p>	<p>State-owned enterprises<sup>36</sup>, family-owned conglomerates<sup>37 38</sup> &amp; multinationals<sup>39</sup> all play significant roles in Thailand. The Transparency International Index indicates corruption remains a challenge for business<sup>40</sup>. Multinational companies are active in the cooling sector with Mitsubishi &amp; Samsung holding the largest shares of the Thai AC market<sup>41</sup>.</p>



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<p><b>Public Discourse</b></p>	<p>According to the Human Freedom Index, increasing government control is a defining feature of public discourse in China.<sup>42</sup> Government strongly shapes discourse through state-controlled media including television, radio, &amp; censorship of online content.<sup>43</sup> Think tanks &amp; academia are closely involved in policy development using a collaborative approach with government.<sup>44</sup></p>	<p>Brazil is home to significant &amp; long-standing environmental activism, in particular, among Indigenous groups in relation to stewardship of the Amazon<sup>45</sup> however, levels of intimidation &amp; violence perpetrated against activists are high<sup>46</sup>. Freedom of press<sup>47</sup> &amp; space for civil action are shrinking.<sup>48</sup></p>	<p>According to the Press Freedom Index, violence against journalists<sup>49</sup> &amp; highly concentrated ownership of media<sup>50</sup> limits press freedom in Mexico<sup>51</sup>. Coverage of climate issues has increased<sup>52</sup>, however media coverage is dominated by issues of corruption &amp; security. Mexico has an active civil society however, according to the CSO sustainability Index, the landscape for CSOs to access funding &amp; influence decision-making has deteriorated.<sup>53</sup></p>	<p>Social media use in Indonesia is on the rise<sup>54</sup>, but traditional media is influential &amp; often aligned with the interests of politically connected owners.<sup>55</sup> Civil society is engaged by government<sup>56</sup> &amp; press freedom is ranked highly though concerns are rising over restrictions to free expression.<sup>57</sup> Local anti-coal movements are flashpoints for protest.<sup>58</sup></p>	<p>Freedom of expression in Thailand is limited by strict legislation that is criticized for silencing political dissent &amp; promoting self-censorship, within both traditional &amp; online media.<sup>59</sup> Environmental concerns are primarily channelled through local anti-coal &amp; land development movements<sup>60</sup> &amp; protests against poor air quality in the capital, Bangkok<sup>61</sup>.</p>
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