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# Global Trade and the Environment

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By now it should be clear that our environment is becoming ever less capable of sustaining the growing impact of our economic activities. Everywhere our forests are overlogged, our agricultural lands overcropped, our grasslands overgrazed, our wetlands overdrained, our groundwaters overapped, our seas overfished, and nearly all our terrestrial and marine environment is overpolluted with chemical and radioactive poisons. Worse still, our atmospheric environment is becoming ever less capable of absorbing either the ozone-depleting gases or the greenhouse gases generated by these activities without creating new climatic conditions to which human beings cannot indefinitely adapt.

In such conditions, there can only be one way of maintaining the habitability of our planet, and that is to set out methodically to *reduce* the impact. Unfortunately, the overriding goal of just about every government in the world is to maximize this impact through economic globalization. Increased trade is seen to be the most effective way of increasing economic development, which we equate with progress and which is believed to provide a means of creating a material and technological paradise on Earth that will methodically eliminate all the problems that have confronted us thus far.

Unfortunately, economic development itself, by its very nature, *increases* the environ-

mental impact of our economic activities. This point is well illustrated by the terrible environmental destruction that has occurred in Taiwan and South Korea, the two principal newly industrialized countries that in the last decades, following the World Bank's dictates to permit heavy interventions by foreign transnational corporations, have achieved the most stunning rates of economic growth. The bank holds them up as models for all Third World countries to emulate.

### THE CASE OF TAIWAN

In the case of Taiwan, as Walden Bello and Stephanie Rosenfeld have carefully documented in their book *Dragons in Distress* (1990), forests have been cleared to accommodate industrial and residential developments and to provide space on plantations for fast-growing conifers. The virgin broadleaf forests that once covered the entire eastern coast have now been almost completely destroyed. The vast network of roads built to open up the forests to logging, agriculture, and development have caused serious soil erosion, especially in the mountain areas, where whole slopes of bare soil have slid away.

Following "free trade" principles, efforts to maximize agricultural production for export-oriented plantations have led to the tripling of fertilizer use between 1952 and 1980, which has led to soil acidification, zinc losses, and decline in soil fertility, with water pollution and fertilizer runoff contaminating groundwater—the main source of drinking water for many Taiwanese. The use of pesticides has also increased

massively, and it is a major source of contamination of Taiwan's surface waters and groundwaters. Because of deregulation, pesticide sale is subject to no effective government controls. The food produced is so contaminated with pesticides that, according to sociologist Michael Hsiao, "many farmers don't eat what they sell on the market. They grow another crop without using pesticides, and that is what they consume."

A substantial number of Taiwan's ninety thousand factories have been located in the countryside, on rice fields along waterways and near private residences. In order to maximize competitiveness, factory owners disregard whatever waste-disposal regulations exist and simply dump much of the waste into the nearest waterway. Not surprisingly, 20 percent of farmland, according to the government itself, is now polluted by industrial wastewater. Nor is it surprising that 30 percent of the rice grown in Taiwan is contaminated with heavy metals, including mercury, arsenic, and cadmium. Human waste, of which only about 1 percent receive even primary treatment, is flushed into rivers, providing nutrients for the unchecked growth of weeds, which use up the available oxygen and kill off the fish life. This also explains why Taiwan now has the world's highest incidence of hepatitis. Agricultural and industrial poisons and human waste have now severely polluted the lower reaches of nearly every one of Taiwan's major rivers, many of which are little more than flowing cesspools, devoid of fish. In Hou Jin, a small town near the city of Kaohsiung, forty years of pollution by the Taiwan Petroleum Company has not only made the water unfit to drink but actually combustible.

The shrimp-farming industry has achieved a fantastic growth rate, with prawn production increasing forty-five times in just ten years. Shrimp farmers, however, have themselves become deprived of the fresh water they need because of the buildup of toxic chemical wastes in rivers and wells from upstream industries. As a

result, the mass deaths of prawns and fish have become a regular occurrence.

Air pollution has also increased massively, reaching levels that are double those judged harmful in the United States. The incidence of asthma has quadrupled since 1985, and cancer has now become the leading cause of death in Taiwan, its incidence having doubled since 1965. Even if the annual rate of economic growth in Taiwan were cut to 6.5 percent, stresses on Taiwan's already degraded environment would double in a decade—a horrifying thought.

Theoretically, once Taiwan has achieved a certain level of GNP, it might afford to install technological equipment to mitigate the destructiveness of the development process. However, with the advent of the global economy, competitiveness has become the order of the day. This has meant the elimination rather than the application of regulations, including environmental regulations, that increase costs to industry. In fact, not even the rich countries can now afford environmental controls, as the new GATT rules reflect.

## THE CREATION OF CONSUMER CULTURES

Creating a global economy means seeking to *generalize* this destructive process, which means transforming the vast mass of still largely self-sufficient people living in the rural areas of the Third World into consumers of capital-intensive goods and services, mainly those provided by the transnational corporations (TNCs) (Menotti 1995).

For this to be possible, the cultural patterns that still imbue most Third World cultures and that commit them to their largely self-sufficient life-styles must be ruthlessly destroyed and supplanted by the culture and values of Western mass-consumer society. To this end, Western advertising firms, equipped with the latest global communication technologies, are already exporting the gospel of consumerism to the most dis-

tant areas of the Third World. Their purpose is to export the socially and environmentally devastating and utterly unsustainable Western life-style to the five billion or so people who have not yet entirely adopted it. Of course, only the appetite for this life-style can be exported—the life-style itself only an insignificant minority will ever enjoy, and even then for but a brief period of time, for the whole enterprise is ecologically doomed.

The biosphere is incapable of sustaining all six billion of us at the consumption levels of the North. Indeed, the destruction that the global environment has suffered in the last fifty years, since global economic development has actually got under way, is certainly greater than all the destruction we have caused since the beginning of our tenancy on this planet. Our planet cannot possibly sustain a repetition of the last fifty years, let alone a similar period of still greater environmental destruction, without becoming incapable of sustaining complex forms of life.

To bring all Third World countries to the consumption level of the United States by the year 2060 would require 4 percent economic growth per year. The annual world output, however, and in effect the annual impact of our economic activities on the environment, would be 16 times what it is today—which is not even remotely conceivable. Nonetheless, America's Big Three automakers soon hope to finalize deals in China, with the hope of bringing automobiles to each person who now rides a bicycle or simply walks (Menotti 1995). The extra carbon dioxide emissions from several hundred million more automobiles would make nonsense of the tentative prognostics of the United Nations Intergovernmental Panel on Climate Change and lead to a massive escalation in global warming. If every Chinese were to have a refrigerator as well, which is an official goal of the Chinese government, emissions of CFCs, and HCFCs would make nonsense of the Montreal protocol to cut down on emissions of ozone-depleting substances.

## THE EMPHASIS ON EXPORT

One of the principles of economic globalization and "free trade" is that countries should specialize in producing and exporting a few commodities that they produce particularly well and import almost everything else from other countries.

A very considerable portion of the world's most basic commodities is already produced for export—33 percent in the case of all plywood, 84 percent of coffee, 38 percent of fish, 47 percent of bauxite and alumina, 40 percent of iron ore, and 46 percent of crude oil (French 1993).

Since globalization has advanced, timber has also now become an export crop. In Malaysia, more than half the trees that are felled for timber are exported. This brings in one and a half billion dollars a year in foreign exchange but at a terrible environmental cost. Around 1945, Peninsula Malaysia was 70 to 80 percent forested. Today the trees are mostly gone. The result is escalating soil erosion, the fall of the water table in many areas, and a general increase in droughts and floods. The Malaysian states of Sarawak and Sabah are being stripped so rapidly by TNCs that in a few years all but the most inaccessible forests will be destroyed, and the culture and life-style of the local tribal people annihilated as well.

As country after country is logged out, the loggers simply move elsewhere. In Southeast Asia loggers move to New Guinea, Laos, Myanmar, and Cambodia, the last countries that are still forested—and, significantly, those that have remained outside the orbit of the world trading system. At the current rate of forest destruction, these countries will be deforested within the next decade. Already, Mitsubishi and Weyerhaeuser are moving into Siberia—the last major unlogged forest area on the planet.

Measures to control logging are unlikely. In most Southeast Asian countries, for instance, the politicians and their families own the conces-

sions, and the transnational logging companies they deal with are too powerful to control (Marshall 1990). Only a collapse of the world economy is likely to save the remaining loggable forests.

Somalia has become increasingly dependent on exports of sheep, goats, and cattle, which have grown at least tenfold, and of camels, which have increased twentyfold since 1955. This has contributed to "a breakdown of the traditional, ecologically sensitive, nomadic system of livestock rearing—leading to overgrazing, soil erosion, and the degradation of range lands, all of which will diminish the ability of the land to provide sustenance for the Somali people" (French 1993). Internal warfare and gangsterism has been one result.

Tobacco is another crop grown for export worldwide, accounting for 1.5 percent of total agricultural export. In the case of Malawi it represents 55 percent of the country's foreign exchange earnings. Robert Goodland (1984) notes that "tobacco depletes soil nutrients at a much higher rate than most other crops, thus rapidly decreasing the life of the soil." But the heaviest environmental cost of tobacco production lies in the sheer volume of wood needed to fuel tobacco-curing barns. Every year, the world loses some 12,000 square kilometers of forest (some experts estimate 50,000 square kilometers), which are cut down, with 55 cubic meters of cut wood burnt for every ton of tobacco cured (Goldsmith and Hildyard 1990).

Coffee is also largely a high-export crop, and its production causes the most serious environmental degradation. As Georg Borgstrom (1967) writes: "The almost predatory exploitations by the coffee planters have ruined a considerable proportion of Brazil's soils."

The same can be said of peanut plantations in French West Africa. Indeed it has been estimated that "after only two successive years of peanut growing, there is a loss of thirty percent of the soil's organic matter and sixty percent of

the colloidal humus. In two successive years of peanut planting, the second year's yield will be from twenty to forty percent lower than the first" (Franke and Chasin 1981).

What the export-oriented logging industry is doing to our forests and the livestock-rearing schemes and intensive plantations are doing to our land, the high-tech fishing industry, itself dependent on exports—with 38 percent of fish caught worldwide exported—is doing to the seas. Today, nine of the world's seventeen major fishing grounds are in decline, and four are already "fished out" commercially (Wilkes 1995). Total catches in the Northwest Atlantic have fallen by almost one-third during the last twenty years. In 1992, the great cod fisheries of the Grand Banks off Newfoundland in Canada were closed indefinitely, and in Europe mackerel stocks in the North Sea have decreased by fiftyfold since the 1960s.

As fish stocks are depleted in the North, the fleets are now congregating in the south, but the volume of fish exported from developing nations has increased by nearly four times since 1975, and southern fisheries are already under stress (French 1993). The predictable result is the depletion of Third World fisheries too, with the most drastic consequences for local fishing communities.

The expansion of many export-oriented industries gives rise to a whole range of adverse environmental consequences affecting most aspects of peoples' lives. An obvious case in point is the intensive prawn-farming industry that has been expanding rapidly not only in Taiwan but throughout Asia and some parts of the Americas and Africa.

To accommodate prawn farms, about half of the world's mangrove forests have already been cut down. In Ecuador 120,000 hectares of mangroves have been destroyed for this purpose. In Thailand the figure is 100,000 hectares. The consequences of mangrove destruction are catastrophic for local fishing communities, as many

fish species necessarily spend the early part of their life cycle among the mangroves.

Another environmental consequence of prawn farms is a reduction in the availability of fresh water for irrigation in nearby rice paddies, the reason being that prawn farms require large amounts of a fresh water–sea water mix in order to produce the brackish water that the prawns require. In the Philippines the overextraction of groundwater for prawn farms in Negros Occidental “has caused shallow wells, orchards and ricelands to dry up, land to subside and salt water to intrude from the sea” (Wilkes 1995).

Because shrimps are carnivorous and feed on fishmeal, prawn farming has also further increased the pressure on world fish supplies. By 1991, 15 percent of world fishmeal supply was consumed by prawn farms. This has seriously reduced the supply of inexpensive locally available fish, such as sardines, for local consumption.

As more and more land is required for the cultivation of export crops, the food needs of rural peoples must be met by production from an evershrinking land base. Worse, it is always the good land that is devoted to export crops—land that lends itself to intensive, large-scale mass production. Production for export always has priority since it offers what governments are keenest to obtain: foreign exchange. The rural population is thus increasingly confined to often forested but nevertheless rocky and infertile lands, or steep slopes that are very vulnerable to erosion and totally unsuited to agriculture. These areas are rapidly stripped of their forest cover, ploughed up, and degraded. This has occurred, and continues to occur, just about everywhere in the Third World.

An example is provided by the rapid growth of the soya bean cultivation in Brazil—now the second largest soya bean exporter after the United States. One of the results of such growth has been the forced migration of vast numbers of peasants from their lands in the southern state of

Rio Grande do Sul and into Amazonia, in particular to the states of Rondonia and Para, where they have cleared vast areas of forest to provide the land from which they must now derive their sustenance. The land, which is largely lateritic, is totally unsuitable to agriculture and after a few years becomes so degraded that it is no longer of any use. This forces the peasants to clear more forest, which provides them with land for another few years—a process that could theoretically continue until all available forest has been destroyed.

I recently toured the province of Kwa Zulu Natal, in the company of South Africa’s leading conservationist, Ian Player, who for a long time was director of Natal’s national parks. He showed me that most of the good agricultural land had been converted into plantations producing cash crops, in particular sugar cane and eucalyptus, largely for export. The “tribal lands” to which the bulk of the Zulu population has been consigned occupy rocky and infertile slopes that are eroding fast. The various tribal groups are desperately seeking more land. They know that they cannot obtain access to the plantations, because the lands provide foreign exchange, so they are lodging claims for much of the land that at present forms part of the national parks. In the meantime, because of the deforestation required to accommodate the plantations and the subsistence agriculture in the tribal lands—and also because sugar cane and eucalyptus are highly water-intensive crops (sugar cane being ten times more so than wheat for instance)—the local rivers have dried up and only flow during the rainy season. We flew over one dried-up river bed after another, where in Ian Player’s youth there were magnificent rivers with clean water and abundant fish life.

## INCREASED TRANSPORT

So far we have only considered the local effects of extractive export industries, such as logging,

ranching, fishing, and prawn farming. But the produce of such industries and that of mining minerals, oil, coal, natural gas, and manufactured goods, must be transported to the countries that import them. With the development of the global economy the volume of such produce and the distances over which it must be transported increase significantly.

Already in 1991, four billion tons of freight were exported by ship worldwide, and this required 8.1 exajoules of energy, which is as much as was used by the entire economies of Brazil and Turkey combined. Seventy million tons of freight that year were sent by plane, and this used 0.6 exajoules, which is equal to the total annual energy use of the Philippines (French 1993).

A European Union task force calculated that the creation of the single market in Europe in 1993 would greatly increase cross-border traffic with a consequent increase in air pollution and noise by 30 to 50 percent. With the growth in trade between North America and Mexico, cross-border trucking has doubled since 1990, and this is even before trade barriers were reduced between the two countries. The U.S. government predicted that after the signature of the North American Free Trade Agreement (NAFTA), cross-border trucking would increase nearly sevenfold. The ratification of the GATT Uruguay Round can only increase the worldwide transport of goods even more dramatically—which means that a vast number of new highways, airports, harbors, and warehouses must be built, which in itself can only cause serious environmental destruction.

The trans-Amazonian highway, for instance, which is designed to supply Asian markets with more timber and minerals, is ripping through one of the most richly forested areas of the tropics. Like previous World Bank-funded highways carved through primary forests (such as the notorious Polonoereste Project, which

catalyzed the deforestation of Rondonia and the annihilation of most of its tribal groups), the trans-Amazonian will fragment habitat and open up previously inaccessible lands to loggers, miners, ranchers, and settlers.

In its aim to expand and accelerate the transport of goods along the Río de la Plata, the Hidrovia project of the MercoSur countries will dry out Brazil's Pantanal (the world's largest wetland, which contains the highest diversity of mammals), while worsening flooding downstream. The building of more ports, essential for exporting and importing goods, destroys coastal habitats by demolishing wetlands and mangrove forests, increasing chemical spillage, and dredging the bottoms of bays and lagoons. The increased transport itself will give rise to even more environmental devastation, considering the pollution caused by the extra combustion of fossil fuels—particularly the effect of increased CO<sub>2</sub> emissions on global warming—and the accidents during transport that lead to oil and chemical spills. Indeed, if the environmental costs of increased transport were properly internalized, much of world trade would be revealed as uneconomic, and we would return to a more localized, less environmentally destructive trading system (Menotti 1995).

## INCREASED COMPETITION

A European Community (EC) report has seriously questioned the effectiveness of current environmental regulations in protecting our environment as the impact on it continues to grow. The report points out that there has already been a 13 percent increase in the generation of municipal wastes between 1986 and 1991, a 35 percent increase in the EC's water withdrawal rate between 1970 and 1985, and a 63 percent increase in fertilizer use between 1986 and 1991. The report predicts that if current growth rates continue, carbon dioxide emis-

sions will increase by 20 percent by the year 2010, rendering unapplicable the EU countries' commitment to stabilize them by the year 2000.

Clearly then, these regulations must be seriously strengthened. However, in the free-for-all of the global economy no country can strengthen environmental regulations that increase corporate costs without putting itself at a "comparative disadvantage" vis-à-vis its competitors—and running afoul of GATT.

The push for a global carbon tax illustrates the problem. The European Union (EU) and Japan both proposed adopting an international tax on fossil fuels as a first step in a campaign to reduce carbon dioxide emissions. In the United States, however, the Clinton administration decided that it could not get such a tax through Congress; it was called "electorally impossible." So the EU and Japan dropped the idea. Fossil fuel use and carbon dioxide emissions thereby remain almost entirely out of control (Menotti 1995).

In other words, responsible producers who seek to minimize environmental impacts must compete against those who do not and are therefore "more competitive." This, among other things, endangers—indeed condemns—the world's remaining ecologically sustainable economic activities.

An important example is the dilemma of Amazonia's rubber tappers, who extract latex from the rubber trees scattered throughout much of the Amazonian forests in a perfectly sustainable manner. They will encounter increasing difficulty in competing with rubber grown on Asian plantations that have been created by clearing entire tropical forests. They will especially feel pressure from transnational tire companies with plants in Brazil—such as Michelin and Good-year—as tariffs on natural rubber imports are due to be eliminated in the next decade (Menotti 1995).

Also, in order to increase competitiveness,

corporations are increasingly undertaking cost-cutting measures that include reducing, often drastically, the number of their employees. This can significantly increase environmental accidents. A case in point is the Exxon *Valdez* disaster, which would probably not have occurred if Exxon had not eliminated eighty thousand jobs, including reducing the crews of its supertankers by one-third (Hawken 1993). In addition, before the days of "competitiveness," the supertanker would normally have navigated in a safe but slow shipping lane. Instead, it moved to a much faster though more dangerous lane, passing through ice floes from the Columbia glacier. The Bhopal disaster also probably would not have occurred if Union Carbide had not indulged in cost-cutting measures at the risk of safety (Hultgren 1995).

## DEREGULATION

Until recently, corporations were limited in their efforts to cut costs by a host of national regulations that protected the interests of labor, the unemployed, the poor, and, of course, the environment. To the hard-nosed businessman, these regulations were bureaucratic red tape, serving only to increase costs and reduce competitiveness and profit. Pressure has mounted everywhere to get rid of these regulations as quickly as possible. The term used to achieve this short-sighted goal is *deregulation*, and it has recently become the order of the day. When George Bush was vice president, he headed the Reagan administration's Task Force on Regulatory Relief, which, according to Public Citizen's Congress Watch, was involved in thwarting workers' safety regulations, obstructing consumer product safety controls, rolling back highway safety initiatives, and weakening environmental protection. In 1989, during the Bush administration, the work was taken over by Vice President Quayle's Council on Competitiveness. The council was active in

opening up for development half of the United States' protected wetlands while tabling over a hundred amendments to the EPA's implementation proposals for the 1990s Clear Air Act.

Whatever deregulation could not be achieved within countries has now been neatly achieved by the new GATT and WTO agreements and through the creation of "free trade zones."

There are now some two hundred free trade zones in the Third World, usually situated near key communication centers. Foreign industries are enticed to establish themselves in these zones by being freed from any effective labor or environmental controls. In such areas, deregulation has been systematic and complete, and environmental devastation has occurred on a literally horrific scale. As Alexander Goldsmith argues in his chapter, the ratification of GATT effectively transforms the whole world into one vast free trade zone.

Further instances of the environmental consequences of increased competitiveness and deregulation are found in those Third World countries that in the last ten years have been subject to brutal International Monetary Fund (IMF) and World Bank structural adjustment programs.

For example, Costa Rica was subjected to nine IMF and World Bank structural adjustment programs between 1980 and 1989. The massive expansion of the banana industry and of heavily subsidized cattle ranching greatly facilitated the increase of exports. But the expansion took place at the cost of self-sufficient small-scale agriculture and of the country's forest cover, which dropped from 50 percent in 1970 to 37 percent in 1987 and still further since. Increasing banana production has also been directly destructive to the environment. Huge amounts of chemical fertilizers and pesticides have been used, which are washed into the rivers and end up in the sea, severely damaging coral reefs.

Ninety percent of such reefs have been annihilated in some areas.

By signing the GATT Uruguay Round Agreement, our politicians are effectively subjecting the entire world to one vast structural adjustment program, which ruthlessly subordinates all environmental, social, and indeed moral considerations to the overriding goal of maximizing trade. The environmental consequences can only be grave.

More effective than deregulation carried out by national governments within their own country is a process that we can call *cross deregulation*—deregulation that is conveniently imposed on countries by their own trading partners under the GATT Uruguay Round Agreement. For example, the EU's April 1994 *Report on U.S. Barriers to Trade and Investment* suggests that the commissioners should seek to overturn a large number of Californian and U.S. federal environmental laws that it felt can successfully be classified as GATT illegal trade barriers. These include California's Safe Drinking Water and Toxic Enforcement Act (Proposition 65), which requires warning labels on products containing known carcinogenic substances. Among the U.S. federal laws targeted by the EU are the "gas guzzler" law and other laws that aim to encourage the production of smaller, more fuel-efficient cars. [For a more extensive list of the laws threatened by GATT challenges, see chapter by Ralph Nader and Lori Wallach.]

It has been estimated by the U.S. chief negotiator at one of the preparatory meetings for the Rio environmental conference that 80 percent of America's environmental legislation could be challenged in this way, and most of it could be declared illegal before WTO panels.

Meanwhile, the United States and other countries can also obligingly challenge European Union environmental laws, resulting in a process whereby countries deregulate each other to the benefit of TNCs.



## THE "STANDARDS" OF FREE TRADE

It is important to realize that the new free trade agreements were designed and promoted by associations of businesses for whom environmental regulations are no more than costs that interfere with profits and therefore must be minimized.

From the very start of the negotiations that led to the signing of these treaties, the environmental issue has been avoided altogether whenever possible. As Canadian Greenpeace activist Steven Shrybman reports (1990), the Canadian government actually sought to justify this omission in the case of the Canada-U.S. agreement on the grounds that "it is a commercial accord between the world's two largest trading partners. It is not an environmental agreement," and "the environment is not therefore a subject for negotiation; nor are environmental matters included in the text of the agreement." Shrybman goes on: "This is an astonishing statement, in view of the fact that the agreement explicitly deals with such issues as energy, agriculture, forest management, food safety and pesticide regulations, matters that could not bear more directly on the environment."

Nor is it surprising that the very word *environment* appears nowhere in the mandate of GATT. Neither is it mentioned in the constitution of the World Trade Organization, save in a cursory manner in the preamble.

Public pressure has, of course, forced the bureaucrats to take some notice of environmental issues, and there is even talk of "greening the GATT." But, whatever the rhetoric, environmental standards that will increase costs to industry are summarily rejected. Thus in 1971 the GATT secretariat stated that it was inadmissible to raise tariffs so as to take into account pollution abatement costs. In 1972 it refused to accept "the polluter pays principle," even though it had been adopted by the Organization for Economic Cooperation and Development (OECD) Council that same year.

It is thereby not surprising that the international standards for food safety set by the Codex Alimentarius (a little-known U.N. agency that now fixes international food safety standards) are not designed to influence countries to increase their pitifully lax environmental standards but, on the contrary, to reduce them. Thus 42 percent of the Codex standards for pesticides are lower than EPA and FDA standards. Fifty times more DDT, for instance, may be used on or left in residual amounts on peaches and bananas, and thirty three times more DDT may be applied on broccoli.

In the interests of the international harmonization of standards, the EPA and FDA standards will almost certainly be challenged. They are too high, but if they were lower, they would not be challenged, for, as Ralph Nader puts it, "the international standards provide a ceiling but not a floor" for environmental and health protection (testimony before the House Small Business Committee, April 26, 1994). Governments might theoretically set standards that are higher than the WTO standards, but only if the standards can avoid being classified as nontariff barriers to trade and hence as GATT-illegal. This is extremely difficult.

The global economy we are creating can therefore only massively increase environmental destruction—not only by increasing its impact on an environment that cannot sustain the present impact but also by eliminating regulations designed to contain this impact, and which necessarily increase corporate costs.

Clearly, there is no way of protecting our environment within the context of a global "free trade" economy committed to continued economic growth and hence to increasing the harmful impact of our activities on an already fragile environment.

We must reverse our course. As Tim Lang and Colin Hines recommend in their book, *The New Protectionism* (1993), we must seek to emphasize local production for local consumption,

reduce global trade, and ensure strong environmental standards at all times. There is no evidence that trade or economic development are of any great value to humanity. World trade has increased by twelve times since 1950 and economic growth has increased fivefold, yet during this period there has been an unprecedented increase in poverty, unemployment, social disintegration, and environmental destruction. The environment, on the other hand, is our greatest wealth, and to kill it, as the TNCs are methodically doing, is an act of unparalleled criminality. What is more, it can only be in their own very short-term interests to do so, for, as their leaders should realize, there can be no trade and no economic development on a dead planet.

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Global environment basically consists of international interactions of a firm over which it has no control. So, now in this global market with such a high level of competitiveness, all companies must be mindful of the global environment. Let us look at a few such factors of the global environment. Quick summary with stories. Meaning and Features of Business Environment. 3 mins read. Some countries have a political system more suitable for flourishing and advancement of businesses. Trade treaties and trade agreements between various countries can make this process simpler. But there can also be many barriers like import quotas, tariffs, excessive duties, etc. Hostilities between countries can also lead to a complete cut-off in trade relations and even embargoes. Different Economic Systems. Global value chains (GVCs). Other statistics. Economic research. Trade and environment, as an issue, is by no means new. The link between trade and environmental protection – both the impact of environmental policies on trade, and the impact of trade on the environment – was recognized as early as 1970. Towards the end of the Uruguay Round (1986–1994), attention was once again drawn to trade-related environmental issues, and the role of the soon-to-be-created World Trade Organization. Tenth Ministerial Conference: Briefing notes. WTO technical assistance on trade and the environment aims to help developing countries participate more effectively in the work of the Trade and Environment Committee and in the negotiations. Committee meetings. The Global Environment & Trade Study (GETS) was a non-profit research institute established in 1994 to study the complex linkages between international trade and environmental sustainability. GETS supported numerous research projects on the legal, economic, and ecological aspects of trade and environment. GETS was centered at Yale University. GETS also studied the expanding role of civil society in global governance. The expansion of global trade and the increasing integration of global value chains raise questions about how trade and the environment interact with each other. What are the effects of trade on the environment? And inversely, how can a changing natural environment (e.g. climate change impact) modify trade patterns? Is trade liberalisation good or bad for the environment? What are the short term and long term consequences and can an optimal combination of trade and environment policies harness the benefits of trade while minimizing environmental costs? Trade can have both positive and negative Prepared for Policy Forum on Trade and Environment, Sponsored by Government of British Columbia, and School of Public Administration, University of Victoria and the North American Institute, Victoria, British Columbia, February 17-18, 1995. Introduction. Thank you for inviting me to join you in British Columbia's Policy Forum on Trade and Environment. How would you like to begin or improve the process of reconciling issues of trade, environment and development? Should we continue to automatically link trade and environment policies, individually characterized by conflict, and as theatres of co