

ENVIRONMENTAL PROTECTION AND EXPANSIONIST BUSINESS INTERESTS: A DILEMMA IN THE 21ST
CENTURY GLOBAL COMMUNITY

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The 21st century has seen a tremendous rise in international trade and global economic expansionism. This is inspired by the desire of countries to increase the level of their economic activity and ensure the availability of goods and services. This desire has resulted in nations of the world engaging in international trade or marketing. International trade is the exchange of capital, goods and services across international borders and territories ¹. Simply put, international trade entails the importation or exportation of goods and services between countries so as to guarantee a rise in GDP (Gross Domestic Product), growth in production and maximum utilization of resources.

The benefits of international trade are numerous; International trade raises the standard of living, provides employment opportunities, creates economic growth and development and enables customers enjoy a great variety of goods². For instance, in terms of clothing, consumers may decide to get the cheap quality clothing from countries like Bangladesh or the more expensive brands like Chanel and Gucci from France and Italy respectively. Notably, the advent of internet and generally technological advancement has made international trade a lot easier. Customers can order and get products delivered to them via social media channels and other platforms like eBay, Jumia, Amazon and so on. Another benefit of international trade as Eli Heckscher and Bertil Ohlin propounded (called the H-O model of trade) is that international trade distributes raw materials to other countries that may not have them. Although some countries are endowed with an abundance of a particular economic resource; Qatar (oil), Iceland (Fish, metal), Congo (diamonds), New Zealand (butter), no country has all the resources it needs to cater to all its needs and thus countries must depend on one another to obtain supplemental resources.

International trade makes it possible for countries to benefit from each other's resources mutually improve their Gross Domestic Product (GDP).

International trade has birthed multinational companies like Nestle, Chevron, Coca-Cola, Fed Ex Express, Heineken, LG Electronics, Nike Inc., Toyota etc. These top companies employ a number of business strategies to sell their products in the global market. Such strategies as

¹ Wikipedia, 'International Trade' (Wikipedia, 14 December 2019)

<https://en.wikipedia.org/wiki/International_trade/> accessed 23 December 2019.

² Tejvan Pettinger, 'The importance of International trade' (Economics Help, 26 March 2019)

<<https://www.economicshelp.org/blog/58802/trade/the-importance-of-international-trade>> accessed 23 December 2019.

creating a strong brand culture, vending as if there were no borders, having good promotion and advertising, having standardized prices and good packaging have all aided in the population of domestic markets with foreign goods³.

Trade expansionism is certainly not a detestable thing. In fact, the obvious effects of international trade are positive via economic growth and development. However, it does have some devastating effects on the environment. As a result, we are faced with a bothersome dilemma; are we to promote international trade and trade expansionism at the expense of the environment or would we rather restrict trade and its attendant advantages in order to protect the integrity of the environment. The difficulty presented by this dilemma becomes obvious when one considers the almost equal importance of both environmental integrity and international trade. On one hand, our environment constitutes the context in which we exist and the stability and safety of our environment is undoubtedly vital for our continued existence and survival. On the other hand, the importance of international trade cannot be downplayed. There is a need for international trade as there is no one country that is endowed with all the resources it needs to sustain itself; this apparent lack of self-sufficiency combined with the need for increased and improved international relations makes international trade not only desirable but also inevitable.

The conflict between global trade expansionism and environmental interest has of recent been the subject of worldwide concern and contention. The most direct argument made in favour of the environment is that increased international trade and unbridled economic growth causes harm to the environment by increasing environmental pollution and depleting natural resources. This is exemplified by the effect of petroleum and plastics on the environment. The environmental hazard posed by petroleum is not of new origin and in fact has been long recognized and assumes different forms. Firstly, in the process transforming crude oil into petrochemicals, toxins which are harmful both to humans and to the environment are released into the atmosphere. Secondly, oil spillages during drilling or while transporting or using petroleum also cause serious environmental damage such as pollution of water bodies and devastation of arable land. Even supposedly minor oil leaks from cars, airplanes and boats also contribute a fair share to environmental damage.

A very good case in point here is that of the Niger Delta areas of Nigeria where Shell Petroleum Company carries on drilling activities in the oilfields. The Nigerian Department of Petroleum Resources reported that an estimated 1.89 million barrels of petroleum were spilled into the Niger Delta between 1976 and 1996⁴. There have been even more spills in more recent times. These

³ Martin, 'Global Marketing: Strategies, Definition, Issues, Examples' (Cleverism, 26 September 2019) <<https://www.cleverism.com/global-marketing-strategies/>>

⁴ Wikipedia, 'Environmental Issues in the Niger Delta' (Wikipedia, 20 December 2019) <https://en.wikipedia.org/wiki/Environmental_issues_in_the_Niger_Delta> accessed 23 December 2019.

spills have caused extensive environmental damage in the host communities; mangrove forests and aquatic life are being destroyed and entire ecosystems are

dying off. These are all attributable to the lack of proper environmental oversight or regulation. Since oil is the mainstay of Nigeria's economy, it becomes difficult to strike a balance between the economic interest in oil and the environmental effects of prospecting and drilling for oil in these host communities. The Nigerian government is quite understandably reluctant to enforce stringent policies for the protection of the environment where doing so will involve placing significant restrictions on the oil trade and consequently affect the country's revenue. The Gulf oil spill of 1991 is evidence of the long lasting environmental damage caused by oil spillage. It is estimated that over 11 million barrels of oil were spilled in that event; marshlands and mud tidal flats still contain large quantities of oil today and full recovery is expected to take decades. There have been other notable oil spillage incidents with similarly devastating environmental consequences such as the 2010 Deepwater Horizon spill and the Ixtoc I spill both occurring in the Gulf of Mexico.

Perhaps a better known environmental hazard caused by petroleum is that caused as a result of burning gasoline. There is no scarcity of automobiles in the world today and virtually all of these automobiles run on gasoline which when burnt, releases significant amounts of Carbon dioxide (CO₂) into the atmosphere which depletes the ozone layer and increases global warming. This raises a serious question about the environmental cost of international trade seeing as petroleum is the most traded commodity and accounts for about 5% of total commodities traded in the world today and a continued demand for petroleum necessitates continued production and trading of same which in turn entails all the above-listed consequences.

Plastic pollution is another environmental challenge which is encouraged by increased trade. A lot of products are packaged in non-recyclable plastic containers. The United Nations (UN) reports that around the world, one million plastic drinking bottles are purchased every minute and up to five trillion single-use plastic bags are used worldwide every year⁵. After using the product contained, the plastic is discarded and since plastics are largely non-biodegradable, most of it ends up in landfills, dumps or the natural environment. Some of the plastic is incinerated and in doing so, harmful toxins are released into the atmosphere. Rivers carry plastic waste from deep inland to sea and so it ends up as a sea pollutant also, creating

⁵ UN Environment, 'Our Planet is Drowning in Plastic Pollution: This world Environment Day its time for a change' (UN Environment Report, 2018) <<https://www.unenvironment.org/interactive/beat-plasticpollution/>> accessed 23 December 2019

problems for the fishes and other inhabitants of the ocean. It is estimated that if this trend continues, the ocean will contain more plastic than fish by 2050.

This problem of environmental degradation as a consequence of industrialist activities is widely acknowledged. In fact, it has become a political subject as there are now many environmental protection organizations such as Greenpeace and the Intergovernmental Panel on Climate Change (IPCC) which very publicly and massively advocate for the environment. The subject also contributes to the political polarization in some countries most notably the United States where the Democratic Party and its stakeholders seem to favour environmental protection at the expense of business interests as has been manifested by such proposals as the Green New Deal of recent whereas, the Republican party appears to be in favour of business and economic expansionism as a primary interest which takes precedence over environmental concern.

The protection and preservation of man's environment is one of the most significant issues facing humankind today. The relevance of this concern was emphasized when the Nobel Peace Prize for 2007 was awarded to Al Gore and Inter Governmental Panel on Climate Change for their effort to create awareness about man-made climate change. The concern is also reflected in international conventions and articles. Article 24 of the African Charter on Human and People's right promulgated on October 21, 1986 specifically provides that: 'All people shall have right to general satisfactory environment favourable to their development'. Article 11 of the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights states that 'everyone shall have the right to live in a healthy environment and to have access to basic public services'.

This growing concern has been aggravated by the fact that environmental problems are not contemplated by the World Trade Organisation (founded in 1995 with the objective of liberalizing trade and is headquartered at Geneva, Switzerland). There are over 200 international agreements (outside the World Trade Organisation) touching on current environmental issues. They are called 'Multilateral Environmental Agreements (MEAs)'. About 20 of these accords include provisions that affect trade like they restrict trade under certain circumstances for the benefit of the environment. Among them are the Montreal Protocol for the protection of the ozone layer, the Basel Convention on trade or transportation of hazardous goods across international borders and the Convention on International Trade in Endangered Species (CITES).

It is also important to note that some adverse environmental consequences of international trade undercut the principles set by the SDGs (Sustainable Development Goals) envisaged to be achieved by 2030. These goals include:

Goal 15-To protect, restore and promote life on land,

Goal 14- To protect life below water,

Goal 6- To provide clean water and sanitation and

Goal 12- To ensure responsible production and consumption.

It is comforting that countries are beginning to wake up to the problem and are striving to put measures in place to prevent further extensive damage to the environment. Countries like the US, Taiwan, France and even Rwanda and Kenya in Africa have banned the use of plastic bags. Although Nigeria has lenient policies against environmental pollution, some other countries have taken a definite stand against it and impose liability on defaulting persons⁶. Rwanda imposed a fine of fifty thousand francs on persons who make use of plastic bags. In 2015, a Dutch court ruled that Royal Dutch Shell can be held responsible for oil spills at its subsidiary in Nigeria, thus opening the way for other compensation claims against the company. International organizations such as the UN (through the United Nations Environment Program) and the European Union (EU) are also implementing environmentally sound policies and practices and are exploring ways to achieve sustainable development in countries. The increasing awareness has led to emergence of international treaties and conventions for the protection of the environment. The United Nations Framework Convention on Climate Change (UNFCCC) which was adopted in 1992 aims to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. The UNFCCC has been signed by 165 countries including Nigeria and has been ratified by 197 States. The Kyoto Protocol which is an extension of the UNFCCC is an international commitment to reduce greenhouse gas emissions and in turn reduce global warming. Also in 1972, the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other matter was adopted as an international measure against marine pollution.

The big question however is whether economic and environmental sustainability are compatible. It seems that in every conceivable scenario, trade-offs must be made. In order to maximally protect the integrity of the environment, there has to be significant restriction on trade and this is not entirely desirable because not only does trade create the wealth that could be used to enhance human wellbeing, it also enhances access to efficient and environmentally-friendly technologies. What appears to be clear is the necessity of

⁶ Persons here includes both natural persons and legal persons i.e. companies

compromise. After all is said and done, the important thing is to ensure that environmental sanctity and integrity is not sacrificed on the altar of liberalised trade.

In order to ensure that we do not engage in international trade at the risk of rendering our environment uninhabitable, there are some steps that can be taken and some measures that can be put in place. The seemingly paradoxical relationship that exists between trade and environmental integrity has made it necessary to explore possible ways to reconcile environmental protection with global economic expansionism. The recommendations for this purpose include relocation of companies that produce significant amounts of greenhouse gases, implementation of a threshold quota system, investment into renewable energy and social licensing. Of course all these proposed measures have the most effect when they are enacted as laws in various countries. Consequently, the legislative process is probably the most powerful tool for changing man's attitude towards the environment.

It is often argued that economic growth is especially due to manufacturing. In Nigeria, over 70% of industries are situating in Lagos state. This translates to more than seven thousand manufacturing industries with either wet processes or dry processes, both of which have their environmental impact. Lagos is the most populous city in West Africa with a population of about 7.5 million people and with such number of persons and companies, the state is faced with a myriad of environmental challenges including air pollution. It is quite true to state that with the increase in a country's wealth and revenue comes an increase in the levels of pollution in the country. One of the ways to curtail the effects of this pollution is the relocation of companies that produce significant amounts of carbon dioxide (CO₂) and other greenhouse gases to an industrial area. There is little structure and desirability in the Nigerian land and house planning system. Companies are set up in residential areas, most of which engage in one form of processing or the other which invariably causes air pollution, water pollution or some other type of pollution. Their activities of course impact negatively on the host communities and on the lives of the inhabitants of the community. It becomes necessary, as a solution to this, to relocate these companies to exclusively industrial areas where they can carry on their businesses without causing quite as much harm. This particular solution is certainly not sustainable as the companies will still produce quite as much CO₂ which is equally harmful to the environment. It is however only intended for the benefit of the communities and persons therein who would otherwise suffer as a result of the companies' activities. Thus this method only treats one of the symptoms of the problem and not the problem itself. Another viable means of curbing environmental damage as a result of economic expansionism is what is often referred to as the threshold quota system. The threshold quota system entails allocating to each company a definite amount of an environmentally detrimental product like plastic and mandating these companies to produce nothing more than the quota which was allocated to them. This is a systematic way of

reducing the amount of such products in the environment. The threshold quota system can be conceptualized in two forms viz

- (i) Limiting the production level of some products which pose danger to the environment like plastic which creates problems of disposal and paper which encourages deforestation.
- (ii) Conversion of some percentage of waste into energy.

Limitation of the production of plastics, paper and other products similarly detrimental to the environment has a direct result of reducing the amount of such products that would otherwise be available and pose danger to the environment. The use of plastic in today's world is such that plastic has acquired the status of ubiquity and with the problems of disposal it poses, the world could certainly benefit from a reduction in the amount of plastic produced which invariably translates to a reduction in the amount of plastic which is washed up into the ocean and which choke aquatic life. Several countries including Kenya, the United Kingdom, Taiwan, Zimbabwe, Australia, India, Canada, France and Rwanda have all placed a ban on plastic bags and some even on plastic packaging entirely. These countries have recorded significant environmental improvement.

The other aspect of the threshold quota system involves the use of waste to generate alternative energy sources⁷. Several countries in the world like Sweden have set up waste incineration plants in order to generate energy for heating purposes. Sweden is considered to be the country which has most successfully converted waste generated by business interest expansionism into energy. Other countries that have toed this path include Denmark, UK, Norway, Germany, US and the United Arab Emirates. Some countries have developed means of turning plastic waste into building materials. Companies in Mexico, Kenya and the Philippines have already begun implementing this. UNICEF has announced its partnership With Colombian Social Enterprise Concepts Plastics to begin production of plastic bricks in Africa for the building of classrooms for children. With such innovations in place, there is a reduction in the build-up of plastic waste on land and at sea.

Perhaps the most sustainable solution to the problem of environmental degradation is the reliance on renewable sources of energy. Access to modern energy sources is assumed to be a precondition for the alleviation of poverty and for sustainable development and expansion. Nigeria relies primarily on its crude oil exports for the generation of revenue and this has informed the welcoming disposition of the country to investors who are interested in the oil sector in the country. Consequently, there has been dire environmental degradation caused by

⁷ <https://www.greendiary.com>

the release of CO₂ into the atmosphere, oil spillages both into water bodies and on farmland. It has been stated that the positive multiplier effect of constant power supply cannot be overemphasized; the greater the energy consumed, the greater the carbon emission resulting from consumption⁸. Not only is Nigeria's major export crude oil, its major source of energy is also crude oil. As can be imagined, this has resulted in a lot of environmental challenges. These problems can however be tackled by turning to other sources of energy apart from fossil fuels; thus investment in renewable energy sources like solar, wind and biowaste energy is a viable solution to the problem of environmental pollution from petroleum.

As has already been stated, the best tool for changing man's attitude towards his environment is legislation. Countries should make legislations that aim to protect the integrity of the environment and not only just making it but also enforcing these legislations is very important. The laws regulating the production of environmentally hazardous substances should be tightened and Companies and persons should be held strictly liable for environmental pollution. In Nigeria for instance, the Oil Spillage Act (1990), the Petroleum Act (1959) and the Petroleum Industry Governance Act (2019) should be given force and maximally implemented to better protect the environment against the incidents associated with petroleum as a source of revenue. Furthermore, regulations should be put in place to control the influx of businesses that are not environment-friendly.

The issue of environmental integrity has taken the centre stage in this contemporary world. There seems to be a cloying desire among certain groups of people to alter man's behaviour in favour of the environment. The challenge however is that international trade, which is unavoidable, seems to be doing much to harm the environment. In a world where international trade and environmental integrity are both equally important, we must continue to find ways to reconcile both in order to ensure sustainable growth and development.

⁸ Ekpo H.A, *Promoting Inclusive Growth in Nigeria* (2013)

This award-winning article was written as an entry for the International Law Students Association (ILSA) Unizik Chapter in the maiden edition of the Victor Ojeah International Law Essay competition and was adjudged the second best article. The article which was written by three members of the association; Chukwuebuka Uzonna Ifedigbo, Chima John Uzochukwu-Obi and Chidiebube James Chimaobi, explores the existential issue of environmental integrity as affected by man's quest for economic expansionism. It also goes further to highlight viable solutions to the highlighted problems. The article provides astounding insight into the problems associated with economic expansionism while also suggesting ways to forestall further devastating effects on our environment.