
THE EFFECT OF GLOBALISATION ON ENVIRONMENT POLITICS

Anagh

*International Relations and Political Science
Central University of Kerala, Kasargod*

Abstract: Globalization has created a market dynamic that fosters new competition, demands higher levels of efficiency and requires true expertise in supply chain optimization. As global commerce equalizes the business landscape, speed becomes even more critical and supply chains become the new competitive weapon. Although globalization can help create additional value and increased efficiencies for national economies, it has an obvious negative impact in terms of the ecological costs of transportation. However, global trade's more severe but less-understood threat to sustainability is its incompatibility with the carrying capacities of our natural ecosystems.

The last half-century has seen momentous and accelerating changes in humankind's economic activities, political relations, and social and demographic profile. A prominent feature of this change is the increasing scale of human impact on Earth's natural biophysical systems: the climate system, stratospheric ozone, biodiversity, terrestrial and marine food-producing ecosystems, and the great cycles of water, nitrogen, and sulfur. These systems sustain the conditions on which life depends, and their weakening may therefore have profound long-term implications for human population health. Much of the recognition of how these unprecedented large-scale environmental changes may jeopardize human health has emerged, albeit tentatively, during this current decade.

Introduction: "Globalisation (Globalization) – The integration of the world's economies brought about by the rapid improvements in communication and transportation. Globalisation involves the spread of economic, social and cultural ideas across the world, and growing uniformity between different places that result from this spread. It has come about as a result of increased integration of national economies through growth of international trade, investment and capital flows, made possible by rapid improvements in technology. It is clear that globalisation is something more than a purely economic phenomenon manifesting itself on a global scale. Among the visible manifestations of globalisation are the greater international movement of goods and services, financial capital, information and people. In addition, there are technological developments, more international cultural exchanges, facilitated by the freer trade of more differentiated products as well as by tourism and immigration, changes in the political landscape and ecological consequences. In this paper, we link the Maastricht Globalisation Index with Sustainability Indices to analyse if more globalised countries are doing better in terms of sustainable development and its dimensions. The results seem to suggest that the process of globalisation may render world development more sustainable.

The world cannot sustain globalisation. This group argues that environmentally sustainable development (**Sustainable development** - Is development that meets the needs of the present without compromising the ability of future generations to meet their own needs) can only be achieved with a reduction in the rate of resource use and associated pollution. The theme of this argument is basically that the allocation of resource consumption needs to be changed. The developed world must reduce their resource use and pollution level in order for the developing world to increase theirs. Proponents of this view believe globalisation in the end will destroy us all if we do not change our consumption habits.

It is very clear that the poor or developing nations have not grown anywhere near as rapidly as the wealthy ones in real per capita terms over the past few decades. The reasons for the lack of growth can be attributed to a variety of factors such as geography, lack of resources, bad governance, corruption, war and other kinds of inhibitors to development.

It does appear the lack of development and growth for many countries is something more than these individual factors. There seems to be something more systematic at work. Globalisation as it currently works seems to only bring benefits to some countries and almost none at all to Africa, Central Asia and much of Latin America.

Even if it is accepted that there have been many poor or inappropriate policy choices made by some developing countries, there are legitimate points or objections that can be made about the basic rules which govern the game. One of these is that most wealthy countries do not want and will not allow any significant migration of labour from poor countries to their own.

The resulting effect of this constraint on the freer movement of people (some skilled labour aside) has resulted in the much slower equalization of incomes, substantially lower flows of remittances and a much reduced build up of skills from returning workers.

History shows that globalization isn't inevitable, and current world trends may not be favorable

Given recent events in the global stock markets, one approach would be to ask if the stanza about the Depression is about to be repeated, and not for poetic effect. Of course, if there were to be a melt down in Japan, stagnation in Europe, and a double-dip recession of uncertain depth in the US, we could anticipate more flare-ups of protection and an increasing move towards interventionist economic management. Economic barriers would rise and trade and capital flows would slow. That is one possibility, but not the one focused upon here. Rather than focus on a short to medium term problem, it moves to a medium to longer-term question, posing as an argument.

It is clear that most poor nations have not grown as fast as the rich ones in per capita terms in the last few decades. Some of this can be attributed to geography. Much of this is due to more variable factors specific to those poor nations – bad governance, corruption, war, or other kinds of predatory behavior, often associated with economic transition. But the crash of Argentina's economy, the frequent Latin American financial crises, and the Asian Crisis of 1997 - affecting even several better performing economies - do suggest something more systemic at work. Globalization as it now functions seems to work well for rather few nations and almost not at all for Africa and Central Asia or much of Latin America.

After acknowledging the many poor policy choices made by developing nations, there are legitimate points to be made about the basic rules of the game. Most rich nations do not want and will not allow legal immigration in any quantity from poor nations. Many immigrants who are economic migrants have to present themselves as refugees, or slip in illegally and live without legal protections and services. This restraint on the freer movement of people, some skilled professions aside, results in slower equalization of incomes, lower flows of remittances, and much less of a buildup in skills from returning workers. If the argument is freer movement of goods and capital, why not people? The reason is that no important interest group in the rich nations argues for this, and there is little popular support for immigration in the rich nations. Nations with high minimum wage levels and welfare payments are especially reluctant, as integration of less-skilled migrants is more difficult. But in all rich nations, migration aggravates the impact of technology, which is already reducing the demand for less educated labor.

In addition to this, there are well-organized constituencies that insist on protection and outright subsidy for their production, even when this competes directly with goods that the poor countries could produce more cheaply. Farm subsidies, recently increased by 80% in the US, and even higher as a fraction of value in the EU and Japan, are one famous example. In particular, \$2 billion in cotton subsidies to US cotton farmers will reduce African exports by \$250 million. Further examples in steel, textiles, and other goods make it even more difficult for nations without very good endowments of education and other skills to find niches that help get growth deeply rooted. Why should protection and subsidies be so well entrenched in the rich nations? Perhaps their aging populations are less mobile and

willing to change jobs. Perhaps the political systems are too well structured to allow special interest groups to get their own way. But without more flexibility on these goods, the poor nations are apt to move slowly themselves on lower protection in services or better intellectual property protection. This will further slow them down.

It has become commonplace to mention the rise of global communications. CNN can now be found in African villages, even if the TV is run off of a generator or battery. Does it seem likely that a world in which billions see affluence on the TV screen, but are denied the ability to migrate or the reasonable hope of even moderate gains at home, will be a peaceful one? Can the rich world continue to become even richer while a billion people live in absolute poverty and billions live in relative poverty and see no reason why their life should be the way it is? Is it enough to strengthen borders and barbed wire so that the flow of workers is only a trickle?

There has been some attempt to link poverty and terrorism, but the link is weak and unconvincing. Very poor people do not hijack airplanes or explode dirty bombs. Very angry, well-educated and moderately well financed groups do that, though sometimes their foot soldiers are selected from the poor or desperate. But surely a world in which there is so much inequality and frustration will lead to a feeling among many that the system is not worth defending. Would resentment be a fatal flaw to globalization if the rich found they did not need nor want to do very much for the poor?

Here we come to one uncertainty about the sustainability of globalization. Are the terrorists capable of so changing the balance of costs and benefits from greater flows of goods and, to some extent, people that fundamentally different modes of economic organization will be chosen? Many would argue no. Estimates by the OECD talk about delays at customs, a few percent higher costs of shipping, and adjustments in the insurance market. None of this is good, but it scarcely changes life as we know it. Moreover, as procedures and technology improve, these costs would shrink. Even if the 1-1.5% of GDP higher cost of public and private security is added in, it is only an irritant.

The problem, of course, with such estimates is that they look at existing responses to past and anticipated problems of a similar nature. To take just a few examples, what would happen to popular attitudes and levels of spending if smallpox were to spread around the world? Even if the US had enough vaccine doses for its population and were able to distribute them, what about the billions of others that might be infected? Would cities remain centers of commerce and society if dirty bombs were exploded in them? What would happen if an aggressive program of economic vandalism attacked pipelines, energy and utility infrastructure, or computer systems? In a recent statement, Warren Buffet suggested it was only a matter of time before an American city faced a terrorist nuclear bomb attack. Events well short of that would surely create a very different public attitude towards trade, migration, and even current production and location patterns common in modern industrial society. The question is whether such events are very likely, and if they are, what the societal response would be.

A society under attack of this kind will tend to emphasize safety. Risk taking would be discouraged. Trade and travel would certainly diminish, and with that incomes and production would drop. The public would accept greater intrusions on privacy and freedom in a quest for security. Dissent would tend to be silenced or heavily discouraged. At worst, such a world might usher in a kind of new dark ages. Less pessimistic people might see the chance for greater emphasis on support for basic needs. Some would argue that trade would prove robust in the face of such challenges, though the need for passenger jets would be less if tourism were curbed, and generators would be less in demand if electricity networks were subject to constant disruption. Even basics such as clothing and shoes - the mainstays of many poorer nations - might be easier to make with automated plants in rich nations rather than in the current manner. The technology is developing to replace many of the human operations, and if security for trading goods proved expensive, the balance could well tip towards self-sufficiency.

With some examples of terrorism and virtually all cases of reduced trade, a great deal of harm would be done to developing nations. These include India and especially China, which have increasingly chosen to integrate into the global economic system, but many other nations could be placed with them. The economic dislocation associated with the Great Depression is probably the only recent model we have for the likely damage that would be done to many poor countries. It would be a giant, backwards step.

To avoid such an outcome, or possible outcome, what is needed? Clearly, globalization would have to work better - and be seen to work better - for many more people. There would have to be a widely shared sense that we all had so much to lose from such economic vandalism and criminal terrorism that there would be a real alliance against these people and their activities.

References:

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