

TRADE EXPANSION AND ENVIRONMENTAL DEBATE IN THE CONTEXT OF THE GLOBAL ECONOMIC MELTDOWN: EXPLORING THE DILEMMA OF AFRICAN STATES

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ABSTRACT

It is the legitimate desire of a state to seek economic prosperity for its people. The quest for prosperity and better living conditions necessarily propels a voracious exploration of the environment for natural resources and industrial production. In order to generate wealth, trade expansion is an indispensable instrument which necessitates aggressive industrial production and its usual corollary: environmental degradation. For most developing nations particularly African countries, the dilemma of balancing the desire for trade expansion with the quest for environmental conservation and protection is a tenuous one. This has been further accentuated by the global economic meltdown which places enormous strain on available resources and stimulates a greater momentum to explore the environment for further trade expansion in the context of global contraction. This paper explores the dilemma that is confronting African states with a view to unraveling possible way forward for state policy.

Keywords: economic meltdown, trade expansion, environmental degradation, African state, economic growth.

INTRODUCTION

All nations have the desire to guarantee a reasonable standard of living for their people. The quest for comfortable living conditions places on the environment enormous pressure in terms of resources that are required to meet such expectations. Therefore, the connection between man's insatiable quest for development and its destructive effects on the environment has been a topical issue for several decades. Nevertheless, intellectual engagements of environmental issues such as climate change for example and development discourse such as poverty tend to have proceeded separately. Until recently, there has not been sustained effort to link both spheres in a systematic fashion (Huq, Reid and Murray, 2006; Swart, *et al*, 1998). This is partly because both fields are dominated by separate disciplines: climate change and environmental issues by the natural sciences and development issues by social sciences.

Generally speaking, natural scientists popularized the problems of global warming, ozone layer depletion, rising sea level and de-glaciation among others. On the other hand, the development community ordinarily comprises of an array of social sciences that attempt to identify and analyze the social, political and economic obstacles to development with scant attention given to environmental dimensions of development (Vogler, 2001). However, significant progress has been made to bring environmental issues to the center-stage of development discourse. In this paper, the aim is to examine how the pressure to survive the global economic crises has created greater drive for trade expansion and its implication on the global environmental debate. In other words, how does the global economic meltdown aggravates the existing dilemma between trade expansion and economic growth on the one hand and commitment to environmental protection, preservation and conservation in Africa?

Although there is ample theoretical and empirical support for the role of trade in engendering economic growth and poverty alleviation (Bhagwati, Calderisi, 2006; Ayittey, 2008), ceaseless trade expansion generates contentious issues with respect to the

environment. The next section examines some of the contentious issues in the global environmental debate.

AN OVERVIEW OF SOME CONTENTIOUS ISSUES IN THE GLOBAL ENVIRONMENTAL DEBATE

There are several thorny issues on the global environmental agenda. These are the controversial aspects of the debate on the environment. At the core of the international debate on the environment is the economy. The quest for economic growth, improved standard of living and more comfortable life styles is a legitimate persistent desire of states. Reconciling such desires with the concerns over the capacity of the earth to support ceaseless economic growth is highly contentious subject. Let us take the example of greenhouse gases which are produced from the consumption of fossil fuels. If there are stringent controls of the emission of gases produced by fossil fuels, it would put the oil exporters out of business. This explains why OPEC member states and other interested parties are less enthusiastic about instituting strict regimes of control with respect to the consumption of fossil fuels.

By the same token, some developing countries are reluctant and suspicious of the eco agenda because of the effects it would have on their domestic economic livelihood. China requires steady energy supply to power its ballooning economic growth. Power plants that depend on coal (now considered “dirty energy”) would have to be shut down for China to meet international standards on the emission of carbon dioxide. Such action would amount to economic suicide which no state is prepared to take. In any case, the champions of a cleaner and greener development path have been through the dirty roads in the past. Why then should China, India and other emerging markets truncate their rising economic prowess on the altar of environmental concerns? A host of other issues concerning the environment bother on the economic survival of many countries except the few technologically advanced ones whose standards could hardly be considered feasibly attainable in developing countries. In addition to the controversial economic aspects of the global debate on the environment, there are legal, cultural and political aspects.

With respect to the legal aspects, indeed, international law has its obvious limitations since the international system lacks a central authority in the mould of what exists within nation-states. This leaves a vacuum that renders international law to little less than mere sententious platitudes. On the other hand, the dangers posed to mankind by problems emanating from or relating to the environment requires firm legal frameworks that would regulate the conduct of states in tackling environmental challenges in order to prevent an apocalypse. The desirability of such regulatory legal frameworks notwithstanding, there is a number of highly contentious areas.

Let us consider the case of global warming and climate change as an example. It has been established that certain greenhouse gases such as carbon dioxide, methane, nitrous oxide and some of the gases that are used in refrigerators and aerosols as substitutes for the CFCs are acknowledged causes of harm to the ozone layer. Therefore, greenhouse gases are acknowledged as causes of global warming. The problem is that, how do we identify the wrongdoer, the victim or a representative of public interest in order to institute a legal action with respect to the emission of greenhouse gases? If a state is accused of emitting greenhouse gases into the atmosphere, the state could easily claim that its own share of greenhouse gases is only a tiny proportion of the gas emissions worldwide. So, who should be sued?

Another problem is that a number of countries are now relatively light polluters but have a long history of heavy pollution while some current heavy polluters have no history of pollution. How can this be disentangled for the purpose of adjudication? Similar controversies arise when the side of a possible claimant is considered. The diffusion of injury and responsibility among widely dispersed potential claimants and respondents commit environmental issues to the realm imprecise legal contexts (Lowe, 2007).

Another controversial aspect of the global environmental debate has to do with cultural and traditional practices that either harm the environment or may be harmed by environmental concerns. The relationship between man and his environment is deeply rooted in cultural and traditional practices that are shared by generations of people inhabiting a particular area. Some of these traditional practices may not conform to and may even conflict with today's best practices in environmental governance. Balancing environmental conservation and protection with the preservation of the way of life of indigenous peoples is a vexed subject in global environmental debates. Whaling, bush burning, poaching of endangered wildlife are some of the contested issues that come between cultural practice and environmental concerns. Most important though is the issue relating to population explosion and earth's carrying capacity. This usually polarizes the debate along North-South divide. While in some cultures, population control is not popular, there are concerns that the current growth rate of world population is unsustainable given that the earth is already over-stretched.

There are also political dimensions of the global environmental debate. Very often, issues concerning the environment are a subject of intense political contestations between groups. As noted earlier, the Cold War rivalry between the East and the West was played out in international conferences on environment. This was clearly manifest in the Stockholm Conference when the Eastern bloc declined to participate. Meanwhile, the debates on environment are less of ideology than they are of survival. Most of the controversies are generated by North-South dichotomy rather than East-West (Miller, 1995). This has become even more apparent with the ending of cold war. It is convenient for states to hide under scientific uncertainty to avoid international criticism or decline accession to international regimes on environmental governance as the Bush administration did in its rejection of the Kyoto protocol on climate change.

At times, opinions of scientists are colored with political undertones and national preferences. Perhaps, the most politically sensitive issues are those that relate to the differential capability of states when it comes to tackling problems emanating from the

environment. Information on the state of the environment usually originates from the affluent developed countries while calls for restraints are often interpreted by developing countries as subterranean ploys to arrest their development process. Building consensus on global or regional governance initiatives are therefore subjected to cumbersome political negotiation processes which delay actions.

TRADE EXPANSION, ECONOMIC GROWTH AND ENVIRONMENT: ENGAGING THE DILEMMAS IN THE CONTEXT OF THE GLOBAL ECONOMIC MELTDOWN

The next question is how has the global economic meltdown worsened the economic fortunes of developing nations? How has it propelled a greater urge to expand trade and further degrade the environment? In the first place, developing countries particularly African countries are vulnerable to fluctuations in global financial flows (Ayittey, 2008). This is because of high degree of external dependence of African economies to various forms of financial transfers in the form of foreign aid, investments and remittances as well as export earnings. Each of these sources of foreign exchange has been severely affected by the contraction in the global economy as a result of the global economic meltdown (*Global Future*, 2009).

For instance, since most donor countries are battling with domestic economic austerity measures and its socio-political fallouts which has toppled some governments and took people to the streets in demonstrations against harsh economic conditions, foreign aid budgets (as a component of the overall budgetary allocations including defence) have witnessed significant cuts. Thus, an important component of financial transfer has been seriously crippled by the global meltdown. The same fate has befallen the investment (portfolio and fixed) component of financial receipts by African economies. Given the crises in metropolitan economies, investment outflow to developing countries have ebbed.

Another source of foreign exchange that has recorded dramatic decline is remittances by migrant workers. As a result of the crises, most foreign migrant workers have either lost

their jobs or had massive pay cuts. This has curtailed their ability to remit money to their home economies. The global crises have equally reverberated in the domestic economic performances of the various African states where the values of stocks and other securities have plummeted (*NiseReel*, 2008; Saliu and Aremu, 2009). This has resulted in job losses and the gradual decline in state capacity to meet its domestic and international financial obligations. Meanwhile, out of the various sources of financial transfer highlighted above, the state has little or no control over each of them except trade.

While governments of African countries have virtually no control over the volume of aid disbursements by donor countries and much less, remittances by overseas migrant workers, it could stimulate export trade through a variety of incentives and instruments. This makes export trade expansion an important tool with which African countries strive to leverage the shortfall in liquidity as a result of the global economic meltdown. Given the dwindling resources from other sources and the contraction of their respective economies, African states have no choice than to strengthen their exploitation of natural resources in order to expand export trade.

Commodity-exporting nations like Zambia, Mozambique and Namibia, for instance, have had to increase the volume of export of copper, zinc and other solid minerals even at lower prices. Other countries that depend on water resources (e.g. cut flowers from the Naivasha region in Kenya) or forest resources for export have had to accelerate the pace of exploitation in order to meet up rising obligations. All these are at the expense of environmental conservation which, in the face of economic survival, seem to have been relegated to the background. A similar pattern could be seen in the oil-exporting countries (Angola, Sudan, Equatorial Guinea and Nigeria) where aggressive oil-explorations have wrecked monumental havocs on the environment.

While such massive exploitations have yielded, albeit momentary, economic benefits to local economies, the environmental damages therefrom spread beyond a nation's territorial confines. Water pollution and depletion, deforestation and its effects on bio-diversity, endangered wildlife and other environmental hazards have transnational implications. This

poses significant threats to peace and stability across the region as the tension along the Nile riparian states and other international waters in Africa already indicates. Therefore, there is need for coordinated African response to the global economic meltdown in order to harmonize state policy frameworks with respect to resources exploitation and management, trade and environmental governance.

CONCLUDING REMARKS

From the outset, this paper aims at examining the nexus between the quest for trade expansion in the context of global economic meltdown and what this portends for the global environmental concerns. It sets the stage by unraveling the apparent disconnection between the eco community (predominantly science based) and the development community (largely social science based). The gradual synchronization of these fields was also noted. Thereafter, an overview of the major thorny issues on the global environmental agenda was explored. These relate to economic, cultural, legal and political aspects. Most importantly, however, is the fact that the global economic meltdown has aggravated the liquidity crunch in African economies and in the light of economic survival, environmental concerns seems to take the back-stage. Meanwhile, while economic benefits of unbridled exploitation of the environment may be localized, its unpleasant costs spread beyond borders. The threats that these issues pose to regional peace and inter-state harmony should not be discountenanced. The paper advocates a coordinated regional response to global economic meltdown in order to forestall further crises resulting therefrom.

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