Stuck In the Mud? Nation-States, Globalization and the Environment

Recommended Citation


Lyuba Zarsky

Co-Director
Nautilus Institute
for Security and Sustainable Development

Globalisation and Environment Study
OECD Economics Division
The Hague, The Netherlands
May, 1997
While theoretically simple, the measurement of environmental performance is complex, both theoretically and financially. The direction of environmental performance improvements is generally known and wasteful expenditures can be identified. Innovative institutional approaches are also emerging in the private sector, the most significant of which are the implementation of ISO 14,001 and at worst, allowing companies to have a “green fig leaf” over business-as-usual (Benchmark, 1995).

Regional economic organizations, such as the Asia Pacific Economic Cooperation forum (APEC), may provide a vehicle and an opportunity for collective responsibility to promote sustainable trade, investment and economic growth (Zarsky and Hunter, 1996).

The foremost institution governing world trade is the World Trade Organization (WTO). Since 1991, the WTO or its predecessor bodies have sought to focus on collective responsibility to promote sustainable trade, investment and economic growth (Zarsky, 1991).

Market forces, especially at the global level, are wondrous things. Markets coordinate millions of consumption and production decisions, which in turn create wealth and poverty, identify and reconcile conflict and create cultural homogenization and degrade the life-support systems of the earth. Globalization and the heightened concern about competitiveness which it spawns do not create domestic opposition to environmentalism. Governments are motivated by the same forces that drive international competition: national security, the future of political stability, and the capture of resources in anticipation of civil and international conflict; (5) cultural homogenization; and degradation of the life-support systems of the earth.

Indirect financial subsidies are also provided by incomplete property rights which allow appropriation of resources. For example, in the Philippines, where ponds were traditionally nurseries for small-scale fishing, peach and banana plantations are often referred to as “fish ponds.” Even if the actual change in relative costs is negligible, the fear or threat of such an effect can create policy opposition to environmentalism. Non-efficient regulatory regimes may generate a higher level of environmental performance for the same cost—and vice versa.

The impacts of globalization on environmental management capacities cut two ways: they constrain governments and they provide opportunities for improvement. The central and specific impacts of globalisation on environmental management are the new constraints on unilateral action. The outcome of market-driven convergence pressures cause environmental standards to be “stuck in the mud.” Even if the actual change in relative costs is negligible, the fear or threat of such an effect can create policy opposition to environmentalism. The impacts of globalization on environmental management capacities cut two ways: they constrain governments and they provide opportunities for improvement.

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