

# Environment and Globalization: Understanding the Linkages

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Lead Authors: [Adil Najam](#), [David Runnalls](#), [Mark Halle](#)

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Although the contemporary debate on globalization has been contentious, it has not always been useful. No one doubts that some very significant global processes—economic, social, cultural, political and environmental—are underway and that they affect (nearly) everyone and (nearly) everything. Yet, there is no agreement on exactly how to define this thing we call “globalization,” nor on exactly which parts of it are good or bad, and for whom. For the most part, a polarized view of globalization, its potential and its pitfalls has taken hold of the public imagination. It has often been projected either as a panacea for all the ills of the world or as their primary cause. The discussion on the links between environment and globalization has been similarly stuck in a quagmire of many unjustified expectations and fears about the connections between these two domains.

Although the debates on the definition and importance of globalization have been vigorous over time, we believe that the truly relevant policy questions today are about who benefits and who does not; how the benefits and the costs of these processes can be shared fairly; how the opportunities can be maximized by all; and how the risks can be minimized.

In addressing these questions, one can understand globalization to be a complex set of dynamics offering many opportunities to better the human condition, but also involving significant potential threats. Contemporary globalization manifests itself in various ways, three of which are of particular relevance to policy-makers. They also comprise significant environmental opportunities and risks.

1. **Globalization of the economy.** The [world economy](#) globalizes as national economies integrate into the international economy through [trade](#); foreign direct investment; short-term [capital](#) flows; international movement of workers and people in general;

and flows of technology.<sup>[2]</sup> This has created new opportunities for many; but not for all. It has also placed pressures on the global environment and on natural resources, straining the capacity of the environment to sustain itself and exposing human dependence on our environment.<sup>[3]</sup> A globalized economy can also produce globalized [externalities](#) and enhance global inequities.<sup>[4]</sup> Local environmental and economic decisions can contribute to global solutions and prosperity, but the environmental costs, as well as the economic ramifications of our actions, can be externalized to places and people who are so far away as to seem invisible.

2. **Globalization of knowledge.** As economies open up, more people become involved in the processes of knowledge integration and the deepening of non-[market](#) connections, including flows of information, culture, ideology and technology.<sup>[5]</sup> New technologies can solve old problems, but they can also create new ones. Technologies of environmental care can move across boundaries quicker, but so can technologies of environmental extraction. Information flows can connect workers and citizens across boundaries and oceans (e.g., the rise of global social movements as well as of outsourcing), but they can also threaten social and economic networks at the local level. Environmentalism as a norm has become truly global, but so has mass [consumerism](#).
3. **Globalization of governance.** Globalization places great stress on existing patterns of global governance with the shrinking of both time and space; the expanding role of non-state actors; and the increasingly complex inter-state interactions.<sup>[6]</sup> The global nature of the environment demands global environmental governance, and indeed a worldwide infrastructure of international agreements and institutions has emerged and continues to grow.<sup>[7]</sup> But many of today's global environmental problems have outgrown the governance systems designed to solve them.<sup>[8]</sup> Many of these institutions, however, struggle as they have to respond to an ever-increasing set of global challenges while remaining constrained by institutional design principles inherited from an earlier, more state-centric world.

The relationship between the environment and globalization—although often overlooked—is critical to both domains.<sup>[9]</sup> The environment itself is inherently global, with life-sustaining [ecosystems](#) and [watersheds](#) frequently crossing national boundaries; [air pollution](#) moving across entire continents and oceans; and a single shared [atmosphere](#) providing climate protection and shielding us from harsh [UV rays](#). [Monitoring](#) and responding to environmental issues frequently provokes a need for coordinated global or [regional](#) governance. Moreover, the environment is intrinsically linked to [economic development](#), providing natural resources that fuel growth and ecosystem services that underpin both life and livelihoods. Indeed, at least one author suggests that “the economy is a wholly-owned subsidiary of the [ecology](#).”<sup>[10]</sup>

While the importance of the relationship between globalization and the environment is obvious, our understanding of how these twin dynamics interact remains weak. Much of the literature on globalization and the environment is vague (discussing generalities);

myopic (focused disproportionately only on [trade](#)-related connections); and/or partial (highlighting the impacts of globalization on the environment, but not the other way around).

It is important to highlight that not only does globalization impact the environment, but the environment impacts the pace, direction and quality of globalization. At the very least, this happens because environmental resources provide the fuel for economic globalization, but also because our social and policy responses to global environmental challenges constrain and influence the context in which globalization happens. This happens, for example, through the governance structures we establish and through the constellation of stakeholders and stakeholder interests that construct key policy debates. It also happens through the transfer of social norms, aspirations and ideas that criss-cross the globe to formulate extant and emergent social movements, including global environmentalism.

In short, not only are the environment and globalization intrinsically linked, they are so deeply welded together that we simply cannot address the global environmental challenges facing us unless we are able to understand and harness the dynamics of globalization that influence them. By the same token, those who wish to capitalize on the potential of globalization will not be able to do so unless they are able to understand and address the great environmental challenges of our time, which are part of the context within which globalization takes place.

The dominant discourse on globalization has tended to highlight the promise of economic opportunity. On the other hand, there is a parallel global discourse on environmental responsibility. A more nuanced understanding needs to be developed—one that seeks to actualize the global opportunities offered by globalization while fulfilling global ecological responsibilities and advancing equity. Such an understanding would, in fact, make sustainable development a goal of globalization, rather than a victim. As a contribution towards this more nuanced understanding of these two dynamics, we will now outline five propositions related to how environment and globalization are linked and how they are likely to interact.

#### **Box 1. Defining globalization.**

##### **What is Globalization?**

There are nearly as many definitions of globalization as authors who write on the subject. One review, by

Scholte, provides a classification of at least five broad sets of definitions:<sup>[1]</sup>

- **Globalization as internationalization.** The “global” in globalization is viewed “as simply another adjective to describe cross-border relations between countries.” It describes the growth in international exchange and interdependence.
- **Globalization as liberalization.** Removing government imposed restrictions on movements between countries.
- **Globalization as universalization.** Process of spreading ideas and experiences to people at all corners of the earth so that aspirations and experiences around the world become harmonized.
- **Globalization as westernization or modernization.** The social structures of modernity (capitalism, industrialism, etc.) are spread the world over, destroying cultures and local self-determination in the

process.

- **Globalization as deterritorialization.** Process of the “reconfiguration of [geography](#), so that social space is no longer wholly mapped in terms of territorial places, territorial distances and territorial borders.”

<b>How does globalization affect the environment?</b>	<b>Means of influence</b>	<b>How does environment affect globalization?</b>
<ul style="list-style-type: none"> <li>• <i>Scale</i> and composition of economic activity changes, and consumption increases, allowing for more widely dispersed externalities.</li> <li>• <i>Income</i> increases, creating more resources for environmental protection.</li> <li>• <i>Techniques</i> change as technologies are able to extract more from nature but can also become cleaner.</li> </ul>	<b>Economy</b>	<ul style="list-style-type: none"> <li>• Natural <i>resource scarcity or/and abundance are drivers of globalization</i>, as they incite supply and demand forces in global markets.</li> <li>• The need for <i>environmental amelioration</i> can extract costs from economy and siphon resources away from development goals.</li> </ul>
<ul style="list-style-type: none"> <li>• Global interactions <i>facilitate exchange of environmental knowledge and best practices</i>.</li> <li>• <i>Environmental</i></li> </ul>	<b>Knowledge</b>	<ul style="list-style-type: none"> <li>• Signals of environmental stress travel fast in a compressed world, <i>environmentally degraded and unsustainable locations</i> become</li> </ul>

<p><i>consciousness</i> increases with emergence of global environmental networks and civil society movements.</p> <ul style="list-style-type: none"> <li>• Globalization facilitates the spread of existing <i>technologies</i> and the emergence of new technologies, often replacing existing technologies with more extractive alternatives; greener technologies may also be spurred.</li> <li>• Globalization helps spread a homogenization of <i>consumption-driven</i> aspirations.</li> </ul>		<p>marginalized from trade, investment, etc.</p> <ul style="list-style-type: none"> <li>• Sensibilities born out of environmental stress can push towards <i>localization</i> and <i>non-consumptive development in retaliation to the thrust of globalization</i>.</li> <li>• Environmental stress can trigger alternative technological paths, e.g., dematerialization, alternative energy, etc., which may not have otherwise emerged.</li> <li>• Environmentalism becomes a global <i>norm</i>.</li> </ul>
<ul style="list-style-type: none"> <li>• Globalization makes it increasingly difficult for states</li> </ul>	<p><b>Governance</b></p>	<ul style="list-style-type: none"> <li>• Environmental standards <i>influence patterns of trade and investment</i> nationally</li> </ul>

<p>to rely only on <i>national regulation</i> to ensure the wellbeing of their citizens and their environment.</p> <ul style="list-style-type: none"><li>• There is a <i>growing demand and need for global regulation</i>, especially for the means to enforce existing agreements and build upon their synergies to improve environmental performance.</li><li>• Globalization facilitates the involvement of a growing <i>diversity of participants and their coalitions</i> in addressing environmental threats</li></ul>		<p>and internationally.</p> <ul style="list-style-type: none"><li>• The nature of environmental challenges requires the incorporation of environmental governance into other areas (e.g., trade, investment, health, labour, etc.).</li><li>• Stakeholder participation in <i>global environmental governance</i>—especially the participation of NGOs and civil society—has become a model for other areas of global governance.</li></ul>
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## Notes

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