

***Globalization and Its Impact on the Law of International
Business–
The Environmental Perspective of Liberia.***

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Introduction

The topic under discussion brings to mind that since all nations form part of an artificial sphere on whose surface is drawn a map of the earth, the attempt by man to gather all business activities of human kind in a round mass as a unit in the global village is indeed possible. Therefore, Laws enacted to regulate business activities must be of international standard to ensure that corporations, be it foreign or domestic, conform to generally accepted international practices without negatively impacting on the environment in which they operate.

Notwithstanding the obligation imposed on corporations of contemporary Liberia to ensure that they practice international business transactions within their respective designated environment without causing any impairment to the environment of operation, there are few cases involving foreign corporations whose presence in Liberia have somehow caused some impairment to their designated environment and as a result, the country suffered the loss of both human lives and property.

The case of the erstwhile National Iron Ore Company (NIOC), then operating in the Mano River Area, the erstwhile Liberia Mining Company (LMC), then operating in Bomi County, the erstwhile Liberia American Mining Company (LAMCO), then operating in both Buchanan, Grand Bassa County and Yekepa, Nimba County and the Firestone Rubber Plantation Company are few of the several multinational corporations whose operations are being made subjects for discussion.

Moreover, the discussion of the environment and the ecosystem services being relevant, we will however make same a subject for discussion to cover trade and environment.

The Operation of NIOC, LMC, LAMCO and Firestone In Liberia

It is a known fact that following the commencement of operation in Liberia by the NIOC, LMC, LAMCO and Firestone, the unemployment rate at the time was reduced to some extent by the employment of many Liberian citizens by these multinational corporations.

During the period under review, the Environmental Protection Agency (EPA) now existing and operating under the laws of Liberia had not been created and perhaps the Law for the protection of the environment now in vogue had also not been enacted, although the law of international business transactions was then in existence.

While from a global perspective, Liberia did experience growth in its economy, the operation of these multinational corporations did impact on the environment negatively. For instance, the washing of iron ores by LAMCO directly polluted the St. John River and thus deprived citizens living in the environment from fetching safe drinking water from the River as was normally done prior to the operation of LAMCO. Also, the case of NIOC is a classic example of how globalization does impact the environment. In the area of Mano River where the NIOC did operate at the time in Liberia, the Country witnessed a landslide which resulted into the death of many Liberians. It is noted that the

landslide witnessed for the first time in the country was the result of the compilation of huge dirt by NIOC from its mining operation in that part of the country.

As already stated, there being no environmental law and agency to ensure the enforcement of such law of the environment, the environments in which these multinational corporations operated were left unprotected, thus affecting the citizens, although they were employed and earned wages and salaries.

Environmental and Ecosystem Services

It is no secret that in view of the dawns of the twenty-first century, goods, money, people, ideas and pollution are making travels around the world with uncontrollable speed and scale (French 2000). This trend which is most times referred to as globalization does impact peoples all over the world and thus raise several questions which require answers.

From a global perspective, nations have over the last decade witnessed growth in their economy. Notwithstanding, it seems that the production and consumption patterns have made no success in satisfying the basic needs of the people of the world, particularly in developing countries. The use of the natural resources of nations without efforts exerted to sustain them has caused great damage to the environment and thus impact on the law of international business transactions. Instead of being managed to satisfy the fundamental needs of human kind as intended by the law of international business, the natural resources are being used to satisfy a selected few. From studies conducted in this respect, one can reliably say that Economic Globalization has brought negative impacts that are evident in the trade-related loss of natural resources and abrupt investment shifts that have negative results (UNEP, WSSD, 2002). The Third Global Environmental Outlook report (GEO3) is clear on the point that the forces of globalization continue to present a challenging new context for the implementation of environmental policy, presenting new opportunities but also posing risks of poverty and marginalization for a large segment of the world's population.

While we agree that the dominance of economic globalization processes are viewed as the root causes of the damaging effects on the environment, it may also be seen as having both devastating and beneficial outcomes (AMOI).

As a result, one can certainly say that economic globalization has indeed contributed to positive changes in increasing access to goods and services, foreign investment and local employment and integrating the economy and the environment by employing market based instruments (UNEP, WSSD, 2002).

The 55/2 United Nation Millenium Declaration did highlight the concern that the central challenge we face today is to ensure that globalization becomes a positive force for all the world people. The Declaration is clear that while globalization offers great opportunities, it however at present gives benefits that are not shared equally. Also, the costs of globalization are unevenly distributed. Therefore, it is only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable.

Trade and Environment

There is a need to point out that the problem for the environment posed by globalization and the rapid growth of international trade are of some concerns. UNEP has therefore enhanced its working relationship with both the World Trade Organization(WTO) and the United Nations Conference on Trade and

Development(UNCTAD) to address the crucial nexus between trade and environment, including through the UNEP-UNCTAD Capacity Building Task Force on Trade Environment and Development (CBTF).

The Trade and Environment Review intended to give analysis to the relationship between environmental requirements and market access for developing countries was prepared in 2006 by the UNCTAD. As a result, the UNCTAD has been exploring the trade and sustainable development opportunities arising from emerging markets for environmentally preferable products. Important UNCTAD initiatives in this area include the International Task Force on Harmonization and Equivalence in Organic Agriculture Organization of the United Nations(FAO), as well as ongoing and planned activities under the UNEP- UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF).

The CBTF is a joint initiative of UNEP and UNCTAD, launched at UNCTAD in Bangkok in 2000. Its overall objective is to help strengthen the capacities of interested developing countries to effectively address trade.

Conclusion

In concluding, it is proper to note that while we agree that investment activities undertaken by multinational corporations in developing countries do contribute to their economic development, those investment activities should not contravene the commercial and environmental laws of those countries, as to so do negatively impact on the law of international business. Moreover, since it is of public knowledge that laws enacted to regulate business activities must meet international standard to ensure that corporations conform to generally accepted international practice without negatively impacting on the environment in which they operate, the institution mandated to enforce the environmental law must be allowed to first conduct environmental survey prior to the commencement of operation by corporations.

