8

Transnational Corporations and Global Environmental Politics

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Transnational corporations (TNCs) have an enormous impact upon the global environment. Indeed, at first glance, it is clear that they consume much of the earth’s resources and produce huge quantities of waste as well. As Elliott (1998: 123) observes: ‘The contribution of [TNCs] to global pollution and to resource depletion is significant.’ Moreover, the largest 500 TNCs ‘generate more than half the greenhouse gas emissions produced annually’ (Thomas 1994: 19). Quite fundamentally, if we did not have TNCs spreading new forms of resource extraction, production and technological development around the world, then we could well not have many of the global environmental problems that we are experiencing today (and therefore, the global environmental politics that surround these problems).

TNCs, however, do exist, and their activities directly affect the global environment, both positively and negatively. Consider, for example, the case of ozone layer depletion (Rowlands 1995). Though chlorofluorocarbons (CFCs) are not the only ozone-depleting substances in existence today, they have caused most of the damage to the planet’s ozone layer. Indeed, the well-publicized political debates during the 1980s about the global management of stratospheric ozone were largely motivated by CFC production and use. Interestingly enough, however, CFCs were created by an employee of a TNC. In 1928, Thomas Midgley Jr of General Motors was ‘asked to work on developing a new coolant for refrigerators to replace the highly toxic chemicals that were being used in the rapidly growing industry’ (Soroos 1997: 148). His response was the invention of CFCs, substances that do not occur naturally. By employing the man who invented CFCs, General Motors inadvertently set a significant part of the global environmental agenda.

Alternatively, however, TNCs may be perceived to be, as Choucri argues, ‘central to the “solution”’. She continues: ‘Global enterprises are the major technological innovators, the institutions of technological change, and agents of commercialization for new technology (both organizational and mechanical)
worldwide’ (Choucri 1993: 208). Like Choucri, many believe that, by virtue of their access to technology and resources, TNCs will continue to help to determine what appears to be possible or not. The development of particular technologies (products or processes) may encourage decision-makers (and societies more broadly) to reach agreements to advance global environmental goals. In the case of the ozone layer issue, many have commented that progress in international negotiations appeared to be closely correlated to the development of substitutes for ozone-depleting substances (e.g. Rowlands 1995: ch. 5). TNCs, in some instances, catalysed the process: ‘More recently, CFC producers also have given impetus to an accelerated timetable for CFC phase-out by unilaterally pledging to phase out their own uses of CFCs ahead of the schedule already agreed to by the Montreal Protocol parties’ (Porter and Brown 1996: 62–3). Indeed, Levy and colleagues argue that the correlation is widespread within the field of global environmental politics: ‘More energetic international actions for ozone protection, acid rain, regional seas protection, and controlling oil pollution from tanker operations were all facilitated by the availability of technological options which made such objectives appear feasible’ (Levy et al. 1993: 421).

But the corollary may hold as well. TNCs’ resistance to the development of new technologies may hinder global environmental efforts. Consequently, TNCs, at times, slow the pace of international regime formation. Again drawing upon the ozone layer experience, Porter and Brown argue that ‘the US chemical industry delayed movement toward any regime for regulating ozone-depleting CFCs in the early 1980s, in part by simply reducing their own research efforts on substitutes for them’ (Porter and Brown 1996: 62). Thus, TNCs appear to influence the ways in which different policy alternatives are perceived by decision-makers and the general public.

It is also important to note that other kinds of decisions on the part of TNCs – decisions in areas apparently far removed from the environment – have significant consequences for global environmental politics. By this, I am referring to more explicitly political (rather than economic) issues. Ken Conca recognizes such connections: ‘Those policies and practices that most strongly shape environmental futures lie outside of those arenas that the dominant discourse or customary usage label as “environmental”’ (Conca 1993: 312). He argues that, together, these kinds of policies and practices constitute ‘implicit’ environmental politics – that is, a range of (superficially) non-environmental policies and practices, which nevertheless affect the environment in important ways.

Lobbying for free trade is but one example; influencing the discussion on international investment protocols is another. These may not be primarily environmental, but may well produce significant consequences for the environment (and environmental politics) nevertheless. For example, greater liberalization of trade and investment may encourage more widespread diffusion of particular technologies, which, depending upon its impacts, may either help to