

Environmental Exploitation of Resources in Foreign Countries

Group #4

BUS682–Business and Society

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I. The Issue of Environmental Exploitation

In different countries around the world, income is not distributed equally. It is dramatically differentiated. This leads to destructive practices of overconsumption and poor resource management in the non-renewable resource industry. The resource curse can be used to broadly explain the issue at hand. The term resource curse refers to underdeveloped nations that have vast amounts of non-renewable natural resources and end up focusing too much of their economy on the use of those resources. It almost always ends up in inefficiencies and ultimately wastes these non-renewable resources because they are exploiting them for personal gain or in many cases for survival. There is an unfortunate cost to inefficiencies when practicing Earth depletion. Pollution and waste are at the forefront of this problem. Due to a lack of infrastructure and governmental policies around environmental standards, these underdeveloped nations do not have proper waste management, or laws and policies aimed at environmental protection. Overconsumption can also occur because manufacturing requires the use of resources such as water, energy and raw materials. The processes for manufacturing and resource retrieval in these countries use outdated technology. Also, there are no consequences or incentives for resource conservation and the focus for overseas companies is production maximization. This can lead to rapid depletion of the non-renewable resources. Companies mine or harvest at unsustainable rates having environmental impacts in the long run. Another factor to consider is the supply chain for the products that are used in manufacturing. It is a complex process and one that lacks proper regulation. It is also extremely difficult to monitor and hold people responsible for inefficient resource use. Monitoring isn't difficult just in the supply chain process. Many nations also have illegal operations for logging and mining who fly under the radar because the government does not have the manpower or just does not care about it over other issues in the

country. The exploitation of the world's resources and subsequent harmful effects from this exploitation must end. It is the duty of all operations around the world to ensure sustainability and enforce policies that do not directly or indirectly harm the planet.

II. Why this issue is Important

Natural resource extraction is quintessential for production systems. This need for natural capital perpetuates the environmental exploitation of resources. This enables enterprise profit to increase, while degrading the social fabric and environments that form society. As put by Lauren Pollock of *PIT Journal*, “Global economic growth leads to the increased consumption of natural resources, pollution, and loss of biodiversity”. The purpose of this project is to identify the root causes of this constant pursuit of productive capacity that crosses the threshold of robbing earth for its bounty and inadvertently affecting those dependent upon it.

The economic theory “Tragedy of the Commons” coined by William Foster Lloyd helps address the modern challenges faced both to businesses and average consumers. In the rise of Free-Market economics and the Industrial Revolution...

“Lloyd observed that when a pasture field (the "commons") is available to all, individual cattle-owners have a short-term interest in increasing the size of their herds. But, unchecked, the size of the herds on the commons will soon exceed its carrying capacity.”

This theory describes how people will maximize short-term gain over the environment, and critiques Adam Smith’s “Invisible Hand”. This tragedy embodies decisions that are made from personal interest regardless of those that may be affected. It contributes to degradation and eventual depletion of common resources shared by all. Over consumption, pollution, waste,

deforestation, and water scarcity are just a few of the damaging effects already plagued upon local communities due to unregulated business behavior and government intervention. For instance, in “*Senegal, Exploitation of Resources*”, the Gambian government in partnership with Westwood Company Ltd extracted timber from nearby Casamance, a southern territory in Senegal. This was already after depleting its own resources of timber that it relied on for exports. Thus, the illegal exploitation of Senegal’s resources shows the conflict between business and society in the natural environment.

It is important to look at this deterioration of the environment to help craft responsible management practices promoting sustainability. Sustainability as defined in *Chapter 9: Sustainable Development & Global Business*, is about meeting the needs of the present without compromising the needs of the future. For this to change, identifying the dependency upon environmental exploitation underscores this group's mission to develop research helping mitigate its impact. Business and Legislative bodies must act with proper goals, actions, and plans, this includes but is not limited to:

- Leading interactively with stakeholders and reinforcing social responsibility.
- Shaping organizational culture and values around sustainable leadership.
- Planning out supply chains and operations while considering environmental impacts.
- Taking a well-balanced approach to Private/Government Regulation and Public Policy
- Making sure corruption and bribery is replaced with transparency and integrity

For too long has business interest and greed corrupted government action, perpetuated societal divide, and ultimately driven a lack of integrity and respect for the environment. This innovative framework seeks to perpetuate stewardship and responsibility.

III. Drivers and Ethics

Ethical Theories of Utilitarianism, Virtue, and Rights frame the interdependent framework guiding this. Utilitarian Theory produces an ethical dichotomy of maximizing environmental benefits while minimizing environmental costs. This Ethical theory results in a Utility spread, with benefits (+) and Costs (-) as our parameters. When looking at effects such as waste, overconsumption, and harm brought against the environment, these implicate negative costs (-) detracting from benefits in the equation. By focusing on Long-term sustainability, Benefits may arise within the local society and environment, helping increase the economic capacity and ability for future generations to sustain themselves. A positive spread can form the basis for ethical justification, but this doesn't necessarily mean that it is the correct solution.

To strengthen the ethical positioning, cross-examining Utilitarian analysis with Rights theory further interrelate their relationship in making decisions that satisfies all criteria. Rights theory defends the notion that moral and legal rights are entitled to all. For instance, in the earlier Senegal case it should be the right of the people who live on their land that get a say in how to use their environment. If these Rights are being respected and supported, this provides an ethical utility benefit. Obstructing these rights would be an ethical cost. Under exploitation, Rights are sacrificed at the expense of somebody else's intentions, whether it be direct or indirect. In this case, defending people's right to a safe and self-determining environment rids the cost of environmental marginalization and oppression. But in order for these beliefs in innate Rights to succeed, those that enforce them must value them. As shown in *Chapter 5: Ethics and Ethical Reasoning*, Principle-centered thinking which supports universal human rights is of the highest

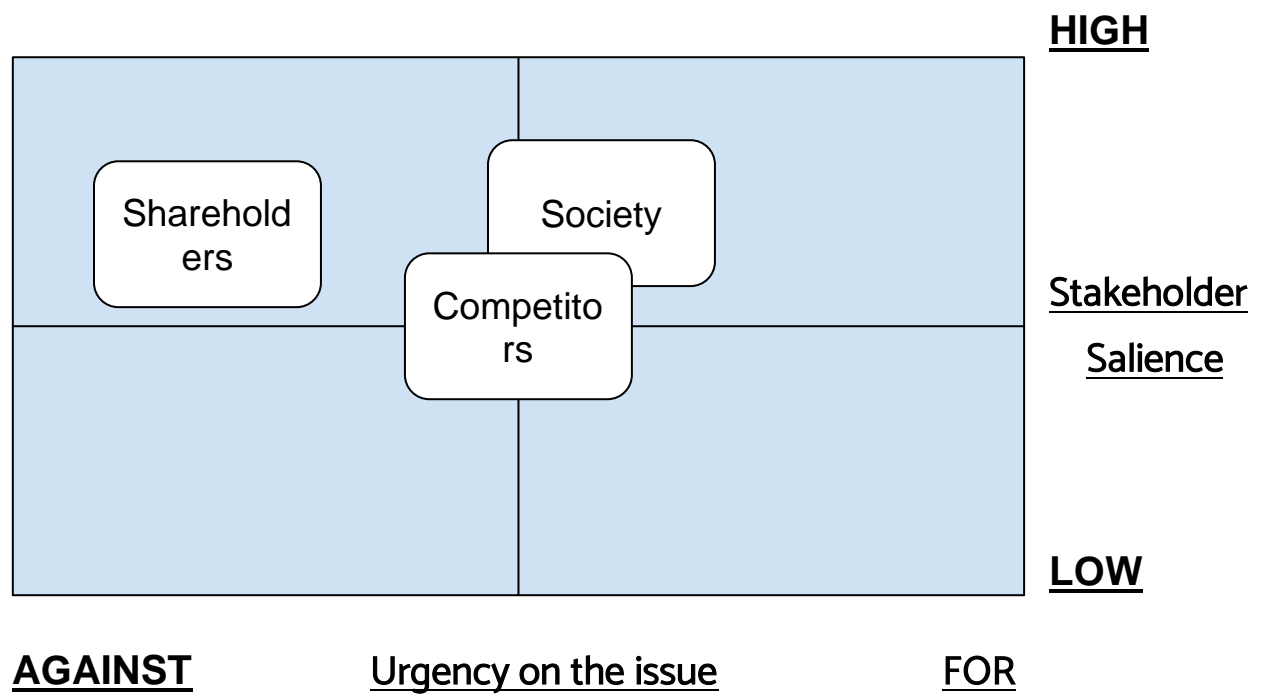
moral development. Business leaders and government officials must take this principle-centered approach to reinforce Right theory

What inspires this type of behavior is where value theory comes into play. Character and values guide an ethically virtuous character and influence the people around you. When people, let alone leaders, take a defensive stance with stakeholders, disregard morality, and avoid action increasing harm, this shapes a culture that reinforces that character. This is detrimental to the benefits of utility, and principles of rights. A Business leader that cares for stewardship and protection of resources may define a character that maximizes the greatest goods and respects the rights of those inadvertently affected by environmental exploitation. This creates a culture for sustainability at the level of Top Management which can then be facilitated throughout the organization

Ultimately, these ethical theories form an interdependent approach to solving challenges a Business or Government may face in trying to address Environmental Exploitation. This perspective of sustainability is crucial to the application of this approach. One can justify the Benefits, Rights, and Values to that of supporting economic growth for the local community, and by taking it away we are taking away their right to grow as a nation, regardless of if environmental exploitation occurs. This, however, can take away from Sustainability in favor of Short-term gain. Thus, it is the perspectives and ethical approaches that are undertaken that help drive decision-making.

Drivers for Exploitation focus on the benefits of economic prosperity, which can enable further free-market progress of enterprise. However, this is done at the expense of the locales and regions that are being exploited by only serving self-interest rather than common good. It is the ones that are running the business that are subject to beneficial profits, and it is the laborers that exploit the environment implicating costs. If Business interests really in fact cared about the perpetuation of their economy, it will do more in sustaining it and enabling it to prosper rather than leaching from its resources. This violates the right for these economies to prosper and disenfranchises people's ability to enjoy their lives due to economic progress and prosperity. Drivers against Exploitation focus on the real benefits that appeal to the common good, long-term benefits, and respect for self-determination. These people that are subject to environmental exploitation must not be governed or controlled by corporate interests but must freely decide on their terms and with sustainable action. This must follow an ethical model that perpetuates the self-achievement of society.

IV. Stakeholder Mapping



V. Stakeholder Analysis

Some of the most important stakeholders in the business landscape include Governments, Society, Competitors, and Shareholders. Each of these groups holds distinct interests and wields specific types of power that influence organizational decisions.

Governments focus mostly on promoting economic growth, leading to better economic circumstances for society and an enhanced a better quality of life for individuals. however, governments aim to acquire income from taxes to support public services. Public health is also very important, as a good population enhances productivity and lessens the strain on healthcare systems. Governments frequently establish rules and guidelines to ensure that businesses are operating in a way that aligns with larger societal objectives.

The main concern of society is safety and environmental protection, with people wanting businesses to operate without putting public safety at risk. The increasing awareness of industrial activities' lasting effects on the environment has led to a rise in concern for environmental protection. The desire to guarantee a sustainable future and protect the well-being of current and future generations motivates society's interest in these areas.

Competitors are focused on cost-benefit evaluation and market share. Competitors benefit greatly from cost-benefit analysis, as it assists in lowering production costs and enhancing efficiency, leading to a competitive edge. Competitors are also interested in market share, working to capture a substantial segment of the market's revenue to increase profitability and enhance their

industry position. Competitors may use tactics like innovation, pricing strategies, and marketing campaigns to accomplish these goals.

Shareholders, commonly known as stakeholders in the financial context, are primarily focused on maximizing their monetary gains. They anticipate earning dividends from the company's profits and aim for growth in the value of their shares in the long run. Shareholders are motivated by the potential for wealth creation and are generally focused on the company's financial performance, including its profitability, growth prospects, and risk management practices.

There are four types of stakeholder power: voting power, economic power, political power, and legal power. Governments possess political power, enabling them to implement laws, and society is voting power, influencing government policy or corporate behavior through public opinion and activism. Competitors have economic power. Shareholders have legal power as they can impact corporate governance by voting on significant corporate choices and taking complete legal action.

VI. Stakeholder Coalitions

Environmental NGOs and Advocacy Groups provide strong support to stakeholder coalitions. Their role to raise awareness, lobby for stronger regulations, and promote sustainable practices ultimately benefits the long-term values found in sustainable management. Potential coalition opportunities that manifest can form with local communities, international organizations, and government agencies to advocate for environmental protection and sustainable resource use.

Government Agencies are crucial to delivering public policy and regulation. This role implements and enforces environmental regulations, provides incentives for sustainable practices through policy, and monitors compliance through standards or acts. Potential coalitions to form with these governments are NGO partnerships, sustainable businesses, and international bodies that strengthen regulatory frameworks and enforcement mechanisms both on a domestic and globalized scale.

Businesses and Industry Leaders serve as crucial figureheads helping emphasize character and values in business and society. Their role as leaders can influence the adoption of sustainable practices, investment into green technologies, and ensure transparency in supply chains by modeling this behavior. Potential coalitions amongst these leaders can create forums for interactive decisions in the business community. This can form alliances with other companies, NGOs, and governments to promote corporate social responsibility (CSR) and sustainable resource management.

Local Communities are the basis of society before extending beyond into the natural environment. They are critical resources to helping sustain successful business practice through labor and other critical resources. Local community's role is to advocate for environmental justice, report illegal activities, and participate in sustainable development initiatives. These ultimately drive the prosperity of their society by forming the fundamental values and decisions that transform the community. Potential coalitions that may arise for communities are supported by NGOs, local governments, and businesses to protect local resources and promote community-based sustainable practices.

International Organizations are the enforcers of globalization and mechanisms that can help facilitate better business practice. Their role provides guidance, funding, and assistance for sustainable development undertaken by developing or developed countries. These institutions also help reinforce environmental protection initiatives through collective global leadership. Potential coalitions amongst these international organizations range from national governments to Global NGOs, and international businesses to implement international standards and best practices perpetuating a sustainable economy.

VII. Recommendations

By adopting the following strategies, businesses in different industries can cut down their environmental footprint and help manage global resources sustainably. Not only do these actions protect the planet, but they also boost the long-term success of companies, especially as more consumers and stakeholders expect eco-friendly practices.

Manufacturing & Industrial Sector

Tackling environmental exploitation in foreign countries needs a thoughtful approach across various industries. In manufacturing, companies can shrink their environmental impact by sourcing materials sustainably, making sure their suppliers meet strict eco-friendly standards. Programs like Fair Trade, Rainforest Alliance, or FSC certification for wood are great ways to confirm materials are responsibly sourced. Embracing green supply chain practices like reducing waste, reusing, and recycling also helps conserve resources and lessen environmental harm. Manufacturers should work closely with suppliers to keep these practices consistent. Investing in cleaner production technologies and renewable energy is key too. By cutting back on fossil fuels, companies can lower their carbon footprints and support global climate change efforts.

Agriculture & Food Sector

In farming and food production, using sustainable practices is crucial to avoid harming the environment. Techniques like agroforestry, organic farming, and precision agriculture can help keep productivity high while reducing negative impacts. These methods improve soil health, cut down on the need for chemicals, and protect biodiversity which are key factors for long term

sustainability. It's also important to manage land responsibly to prevent deforestation and protect natural habitats. By focusing on preserving biodiversity and soil health, businesses in this sector can help safeguard ecosystems where they operate. Water conservation is another big concern, as farming uses a lot of water. By adopting efficient irrigation and water management, farmers can lower water usage and protect local water sources from being depleted or contaminated.

Retail & Consumer Goods Sector

The retail and consumer goods sectors have a significant role to play in addressing environmental exploitation through the enforcement of ethical sourcing policies. These policies should prioritize environmental responsibility, particularly in supply chains that extend to foreign countries where regulatory oversight might be less stringent. By developing and enforcing such policies, retailers can ensure that the products they sell are produced in an environmentally sustainable manner. Educating consumers about the environmental impact of their purchases is also crucial. By raising awareness and encouraging the consumption of eco-friendly products, retailers can drive demand for sustainably produced goods, thereby influencing production practices upstream. Innovation in packaging is another area where retail businesses can make a substantial impact. By reducing the use of single-use plastics and investing in sustainable packaging alternatives, these businesses can significantly reduce the environmental damage associated with packaging waste. This not only benefits the environment but also appeals to increasingly eco-conscious consumers.

VIII. Conclusion

In closing, the exploitation of environmental resources in foreign countries is a complex and urgent issue that requires our attention. This paper has examined various aspects of this problem from its root causes to its consequences. Factors such as the resource curse, inefficient practices, and weak regulations all contribute to the ongoing depletion of non-renewable resources in underdeveloped nations.

We have seen on a global level that short-term gains are often prioritized over long-term sustainability. The example of illegal timber extraction in Senegal highlights the real-world impact of these practices. Without significant changes, the environmental and social costs will continue to occur.

Our stakeholder analysis revealed a complex collection of interests and motivations, ranging from local communities to multinational corporations, each with a unique perspective on this issue. By mapping these stakeholders and exploring potential coalitions, we have gained insight into possible next paths forward.

The ethical framework discussed, which combines utilitarian, rights-based, and virtue ethics approaches, offers a foundation for evaluating and addressing this problem. It is essential that business leaders and policymakers adopt a principle centered mindset that values sustainability and respects the rights of all stakeholders.

Implementing our recommendations will require cooperation and commitment from all involved parties. While the challenges are significant, there is hope for positive change if we can align economic interests with environmental stewardship and social responsibility.

Ultimately, addressing the exploitation of resources in foreign countries is not just an environmental imperative, but a moral obligation to both present and future generations. By working together and embracing sustainable practices, we can help create a more equitable and environmentally sound global economy.

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