

PASSAGE 4

In countless other places, companies locating overseas are causing environmental harm. Japan has come in for heavy criticism from environmentalists in Southeast Asia for allegedly locating extremely harmful processes abroad because they no longer can pass environmental muster at home. A Malaysian subsidiary of the Mitsubishi Kasei Corp. was forced by court order to close after years of protests by local residents that the plant's dumping of radioactive thorium was to blame for unusually high leukemia rates in the region. Several multinational corporations operating in South Africa, including local subsidiaries of the Bayer Pharmaceuticals concern and a Duracell battery plant, have been implicated by local environmentalists in toxic catastrophes that they believe have caused cancer and other severe health problems among workers.

Despite the threats, international markets also help diffuse many environmentally helpful products around the world. Trade in pollution control technologies is on the rise, particularly as environmental laws are strengthened in developing countries. International trade also can put pressure on companies to match the environmental immolations of their international competitors, as in the U.S. industry's response to Japan's advances in fuel efficiency.

Meanwhile, there are indications that contrary to some people's expectations, being open to foreign investment can help prevent the creation of pollution havens, rather than cause them. Research by Nancy Birds and David Wheeler of the World Bank found the dirty industries developed faster in Latin American economies relatively inhospitable to foreign investment than in open ones. Another World Bank study looked at the rates at which 60 different countries adopted a cleaner pulping technology and concluded that the new technology made its way to nations open to foreign investment far more rapidly than to those closed to it.

The authors of these studies suggest several possible explanations for such trends. For one, closed economies protect capital-intensive and pollution-intensive industries in situations where low-cost labour otherwise, would have been drawn to less polluting industries. Second, companies trying to sell their goods in industrial countries need to please the growing number of "green 1 consumers" there. Finally, the equipment used by multinationals tends to be newer and cleaner than that employed by national industries.

Questions

- (a) Why is Japan under heavy criticism? (2)
- (b) What did the court decree in Malaysia? And why? (2)
- (c) How does a certain industry cause cancer to the local residents? (2)
- (d) What could be the role of international markets in controlling pollution? (2)
- (e) What is a "pollution haven"? (2)
- (f) What does the research by Nancy Birds and David Wheeler say? (2)
- (g) What does "the other study" by World Bank reveal? (2)
- (h) Who is a "green consumer"? (2)
- (i) How do you explain capital "intensive and pollution intensive"? (2)
- (j) How can we save the local residents from the pollution hazards? (2)

(a)

Japan is under heavy criticism because its industries abroad are causing environmental damages. The strict environment laws in Japan makes it harder for dirty industries to settle there so they settle abroad and harm the environment of other countries.

(b)

The court ordered the Mitsubishi Kasei Corp to stop its operation in Malaysia. The ban was imposed on the company on the request of local residents. The company was involved in environmental malpractices. The waste of plant was dumped locally. The dump had radioactive thosium which was causing Leukemia in the region.

(c)

Certain industries cause cancer to the local residents if they mishandle the industrial waste. Even the local workers working in such industries can develop cancer. The pharmaceutical industry and battery plants have been involved in such activities.

(d)

International markets can play their constructive role in controlling pollution by promoting environmental friendly technologies. International markets should

offer environmental friendly alternative solutions to developing nations. Moreover, international trade can force industries and companies to reach standard environmental friendly levels.

(e) Havens mean admirable place. The term pollution havens refers to the places where environmental quality has degraded. Such locations are suffering from land, water and air pollution.

(f) Nancy Birds and David Wheeler found that the economies which are open to foreign investment have developed environmental friendly industries. Contrarily, the close economies of countries like Latin American countries have developed dirty industries.

(g) Another study of the World Bank shows that environmental friendly technologies have reached to the countries who are open to foreign investment. Countries which are hesitant of foreign investments are developing or adapting environmental friendly technologies slowly.

(h) Green consumer is the one who is inclined towards environmental friendly technologies.

and products. In order to satisfy growing numbers of such consumers, industries should adopt environmental friendly methods.

(i)

Capital intensive and pollution intensive industries are those which generate large revenues and heavy pollution. Such industries adapt low cost labours to generate wealth.

(j)

Local residents can be saved from menace of pollution by adopting healthy technologies and industries. Latest and cleanest technologies can lead to safety of residents. Foreign investment shall be welcomed by countries to save local residents.

(k)