Stakeholder structural asymmetries that govern environmental ethics in an international border region

Track: Bridging borders for peace and security

Abstract

Environmental ethics has been at the forefront of business and government in recent decades. Various stakeholders have addressed policies that attempt to protect the environment and the stakeholders. Nonetheless, environmental problems persist, especially between countries. Different forms and levels of structural asymmetries exist between the United States and Mexico. This conceptual paper attempts to define and characterize the various forms and levels of asymmetries affecting environmental ethics at the US-Mexico border. These asymmetries hide problems and undermine their resolution. This study focuses on a particular environmental problem, the import, export, and management of toxic wastes in the Texas-Tamaulipas border region.

Keywords: Environmental ethics, stakeholders, international asymmetries

Introduction

The purpose of this paper is to identify the structural asymmetries created and sustained by the many stakeholders along an international border and that affect directly or indirectly environmental ethics of the border space. The crux of environmental ethics lies on the relationships various stakeholders establish in order to benefit or profit the most from the existing conditions, negotiations, and changes. Those relationships generate structural asymmetries or imbalances. These imbalances may challenge the analysis, understanding, and resolution of environmental problems deeply affecting all parties involved. Issues such as water management, air pollution, the buying and selling of toxic materials, as well as the export and import of these materials among firms, all expose various levels and forms of asymmetries that characterize environmental ethics in an international border region.
The structural asymmetries created and sustained by the many stakeholders interacting along an international border like the U.S.-Mexico border have several levels and forms. This is particularly true for the US-Texas and Mexico-Tamaulipas border region. Stakeholders such as firms primarily manage their relationships with stakeholder groups rather than societies (Clarkson, 1995). International conflicts are difficult to resolve because of this asymmetrical structure among countries. One problem is that these asymmetrical structures may give one group control over national decision-making and thus conflict with managing systems (Mitchell, 1991).

The problem is that the effects of an asymmetric structure in an international conflict are likely to exercise a strong influence on the behavior of the parties involved and the outcomes of the conflict (Mitchell, 1991). Conflicts that occur between nation-states of unequal power are resistant to conflict management. On the other hand, non-state actors such as non-governmental organizations (NGOs) have become increasingly important mediators in these international conflicts (Frazier and Dixon, 2006). Stakeholders that are structurally different suggest that they operate at different levels. Some stakeholders may operate at the international, national, state, or even local levels. Furthermore, when stakeholders operate along an international border, different forms of structural asymmetry may arise. Asymmetries such as information, political, cultural, legal, and market (economic) take shape among the distinct levels of asymmetry.

Thus, the following research questions guide this study:

RQ1: What forms of structural asymmetry among stakeholders govern the generation and the solution of an environmental ethical problem, specifically the import, export, and management of toxic wastes along an international border region?

RQ2: What levels of structural asymmetry among stakeholders govern the generation and the solution of an environmental ethical problem, specifically the import, export, and management of toxic wastes along an international border region?

The following research paper is divided into four parts. The first part of this paper establishes the theoretical framework, citing prior research. This prior research includes stakeholder conflict and controversies in environmental ethics. Furthermore, this part of the paper illustrates the stakeholder asymmetries model for evaluating environmental ethics. The model is divided between forms of structural asymmetries and levels of structural asymmetries. A total of nine propositions are derived from this model. The second and third parts of the
Theoretical Framework and Propositions

Environmental ethics has also been defined as a theory and practice about the concern, values, and duties regarding the natural world where humans and non-humans interact. Environmental ethics starts with human concerns for a quality environment. (Ihuoma, 2012).

Environmental ethics came into being as a result of heightened awareness of the environmental crisis beginning in the 1960s and 1970s. Environmental degradation was a negative side effect of human effort to dominate nature. Traditional moral philosophy was almost entirely concerned with human actions with respect to other human beings. Furthermore, traditional moral philosophy has considered non-human actors and the environment to be more means to human ends, and not ends themselves. Therefore, the primary objective of environmental ethics is to reshape moral philosophy and ethical theory so that non-human actors and the environment as a whole may be directly enfranchised.

Environmental ethics that is properly formulated demands a holistic as well as non-anthropocentric approach. Human actions directly damage the environment and therefore, indirectly harm human actors that are party of the ecosystem. Consequently, environmental ethics is concerned with the extinction of species, the degradation of ecosystems, soil erosion, and water and air pollution rather than the actions of individuals (Becker and Becker, 2001, pp. 467-470).

Since the first “Earth Day” in 1970, the public and private enterprise have supported initiatives to protect the natural environment. Many businesses have written environmental policies, promote recycling, and have made investments in waste-reduction efforts. The natural environment, and its relationship to environmental ethics, is the physical world. The physical world includes all biological entities as well as the relationship among nature, individuals, organizations, and business strategies. The atmospheric issues that most affect the natural environment are atmospheric issues, water issues, and land issues (McAlister et al, 2003, pp. 279-281).

The atmospheric issue of primary concern is air pollution. Air pollution has three identifiable sources: factories and power plants; cars, trucks, planes, and trains; and windblown dust and volcanic eruptions. Air pollution can be blown over long distances by winds and linger in the environment if weather conditions permit. Air pollution
can cause respiratory problems in the entire ecosystem. Asthma, bronchitis, allergies, birth defects, cancer, brain and nerve damage are but a few conditions that arise in humans and animals where there is air pollution (McAlister et al, 2003, pp. 281).

Water issues are primarily concerned with water quality and water quantity. Water pollution affects water quality. Water pollution arises from the dumping of raw sewage, toxic chemicals, and oil and gasoline spills. Water pollution affects rivers, oceans, and underground water supplies. Fertilizers and pesticides used in farming also drain into water supplies with each rainfall. When water pollution reaches the oceans, particularly chemical pollution, algae thrives and uses up all of the nearby oxygen killing sea life. Water pollution problems are of primary concern in heavy industrialized regions. Water pollution can affect potable water quality for human consumption putting entire communities at risk. One of the problems associated with water quality is that different states and branches of government ignore regulations that improve water quality. Water quantity is also another problem affecting water issues. Many parts of the world do not have sufficient supplies of water. Rivers, lakes, and seas around the world are drying up and are many times smaller than their original sizes due to industrialization and irrigation. Regions of high population growth also stress water supplies making it difficult to provide sufficient water to cities and towns (McAlister et al, 2003, pp. 283-285).

Land issues include land pollution and waste management. Sources of land pollution are the dumping of residential and industrial wastes, mining, and poor forest conservation. Land pollution puts entire ecosystems at risk. It endangers wildlife habitats, causes soil erosion, modifies watercourses (that causes flooding), contaminates groundwater supplies, and can contribute the human and animal illnesses. Poor waste management practices also affect land pollution. Many communities fail to dispose of waste in an environmentally safe way. Furthermore, consumers are increasingly throwing out more garbage per capita over the years. Much of the problem comes from the fact that about 50% of all consumer garbage is made out of plastic, which does not decompose (McAlister et al, 2003, pp. 285-286).

There is much debate, however, about the relationship between humans and non-humans in the framework of environmental ethics. What distinguishes ethics from environmental ethics, is that the latter goes beyond anthropocentric perspectives to include non-human subjects. Specifically, environmental ethics provides a moral framework to non-human entities including, plants, animals, and ecosystems. This distinction is important because
in order to evaluate managerial decision making, and the human stakeholders involved, an appropriate perspective is called for.

Some foundational approaches to environmental ethics traditionally include utilitarianism or deontology. These two approaches may be useful to analyze decisions made on the margin, such as animal testing or meat production, the approaches may not be relevant to managers. Indeed, although the concern for the natural environment is commendable, from a managerial or corporate stakeholder standpoint, it is difficult to internalize environmental standard in specific business strategies (York, 2009).

Whereas utilitarianism emphasizes on the consequences for the involved subjects and deontology emphasizes on the inherit principle upon which an act is committed, York (2009) suggests virtue ethics for analyzing environmental ethics.

**Stakeholder Conflict and Controversy in Environmental Ethics**

A major conflict facing different stakeholders along the US-Texas and Mexico-Tamaulipas border is the controversy surrounding the import and export of hazardous materials through the region. Some stakeholders in the United States, have found it profitable to export hazardous materials to Mexico for recycling, primarily Spent Lead Acid Batteries (SLABs). Recycling SLABs is cost prohibitive in the United States due to the regulatory and environmental standards. Thus, many US firms export these SLABs to Mexico, primarily along the border region, for recycling where these standards are either loosely enforced or nonexistent. The result has been contamination of land resources in Mexico, putting stakeholders indirectly at risk. Furthermore, the different forms as well as the different levels of stakeholders make it difficult to address these environmental problems, specifically the import, export and management of toxic wastes (Commission for Environmental Cooperation, 2016).

When evaluating environmental ethics, stakeholders need to be identified. Stakeholders are individuals or groups to whom an organization is responsible. Some stakeholders are customers, investors, shareholders, employees, suppliers, governments, communities, among many others. In turn, these stakeholders have a claim of an organization’s products, operations, markets, industry, or outcomes. As a result, the stakeholders develop relationships among each other and these stakeholders not only are influenced by businesses, but also have the capacity to affect business (McAlister et al., 2003, pp. 67-68).
For this study, there are three diverse groups of stakeholders: individual, organizational, and governmental. Individual stakeholders may be employees, investors, customers, and neighborhood residents. Organizational stakeholders may be suppliers, trade associations, chambers of commerce, firms, businesses, non-for-profits, non-governmental organizations (NGOs), environmental non-governmental organizations (ENGOs), political groups, neighborhood associations, churches, universities, and study centers. Lastly, governmental stakeholders include all levels of government: local, state, and federal. They also include all branches of government at each level: executive, legislative, and judicial. Each level and each branch of government includes departments, secretariats and ministries, commissions, local fire and police departments.

The Stakeholder Asymmetries Model for Evaluating Environmental Ethics

The stakeholder asymmetries model for evaluating environmental ethics incorporates the individual, organizational, and governmental stakeholders for each country, in this case, The United States and Mexico. Each stakeholder group is present at each level of asymmetry, that is, the local, state, national, and international levels. The model also suggests that there are two way relationships between each level of asymmetry. Usually at the international level, stakeholder groups have a formal channel to communicate with each other. In most cases, it is through each country’s chief diplomatic office. This is because the border between the United States and Mexico often makes it difficult for stakeholders to address and resolve environmental problems directly. Nonetheless, stakeholder groups at the lower levels do attempt to negotiate with each other. Although the model appears to assign relatively equal weight to all stakeholders, forms of asymmetries such as informational asymmetries, political asymmetries, cultural asymmetries, legal asymmetries, and market asymmetries often stifle attempts to address an environmental problem by one or more stakeholders. See Figure 1.

[Figure 1 about here]

Forms of Structural Asymmetries

The difficulty in addressing environmental conflicts may arise from the fact that there are different forms of asymmetries. Forms of structural asymmetry include informational asymmetry (Kulkarni, 2000), political asymmetry (Krasner, 1985, p. 3), cultural asymmetry (Bisschop, 2016, p. 37), legal asymmetry (Medina, 2015), and market (economic) asymmetry (Wang and Young, 2014). These forms of asymmetries may inhibit the governance of environmental ethics in an international border region.
Informational asymmetries

Informational asymmetry refers to the knowledge a firm possesses regarding products, processes, and wastes. Conflict among stakeholders may arise from informational asymmetry. Stakeholders other than the firm, usually do not have this information. Informational asymmetry provides some stakeholders opportunities for profit maximization in the short term. However, this short term informational asymmetry may diminish over time. When a conflict arises between a firm and a community, the community may retaliate against the firm or influence governmental policy to reduce informational asymmetry (Kulkarni, 2000).

The asymmetries that are attributable to a stakeholder’s information lead to the first proposition:

P1: Informational asymmetries in the US-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

Political asymmetries

Political asymmetries express the ways nations can challenge the “principles, rules, and norms of existing international regimes (Krasner, 1985, p. 3).” Some nations allocate power democratically within their systems while others have an authoritarian allocation mechanism. Powerful nations can threaten or coerce weaker nations into submission. International conflicts are difficult to resolve because of the asymmetrical structure among countries. Stakeholders involved in prolonged conflict have little difficulty with the conception that conflicts are asymmetric. This asymmetrical structure may give group control over national decision making and conflict-management systems. The effects of an asymmetrical structure in international conflicts are likely to exercise a strong influence on the behavior of the parties involved and the outcomes of the conflict (Mitchell, 1991).

The second proposition focuses specifically on the political asymmetries that exist between the United States and Mexico. Thus,

P2: Political asymmetries in the US-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

Cultural asymmetries
Cultural asymmetries include heightened environmental awareness. Environmental awareness, particularly in industrialized countries, leads to environmental regulations (Bisschop, 2016, p. 37). Indeed, it has been well established in the literature that stakeholder pressure influences the adoption of environmental practices (Sarkis et al. 2010). Despite Mexico’s poor environmental record, when compared to the United States, companies operating in Mexico have been exposed to greater scrutiny and more rigid international environmental standards (Daily et al. 2012).

The cultural asymmetries that exists between the US-Texas-Mexico-Tamaulipas region suggests the following:

P3: Cultural asymmetries in the US-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

Legal Asymmetries

Governing environmental policy between the United States and Mexico has been described as complex. This is due to its transnational nature. As a consequence, international treaties are vital between the United States and Mexico (Medina, 2015). Since the early 1980s, the U.S. and Mexico have signed five bilateral agreements governing the environment: 1) The La Paz Agreement, 2) The Integrated Environmental Plan for the Mexican-U.S. Border Area, 3) Border XXI, 4) Border 2012, and 5) Border 2020. Although these bilateral agreements exist between the US and Mexico, the enforcement of these rules differs in each country. Even though a binational institutional framework exists to address environmental concerns between both countries, many stakeholders along the border have become ambivalent.

These legal asymmetries that exist between the United States and Mexico are reflected in the fourth proposition:

P4: Legal asymmetries in the US-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

Market asymmetries

Market asymmetries include economic resources that stakeholders have to promote or challenge these principles, rules, and norms. Some nations have more economic resources than others to pursue economic agendas.
As a result, countries have emphasized economic growth, particularly Gross Domestic Product (GDP). To achieve GDP growth, many countries around the world have pursued economic development and higher productivity at the expense of the environment. Many countries, particularly developing countries, have embraced globalization in order to attract economic growth promising a market unimpeded by the government. Indeed, some wealthy countries have transferred environmental degradation to the developing world in pursuit of their own economic gain (de Bettignies et al, 2009, pp. 95-96). Previous research has found that despite beliefs to protect the environment, many individuals in developing countries may not have the financial or economic strength to act on these beliefs (Robertson et al. 1999). Indeed, when managers are displeased with a firm’s financial performance, they may less likely to take environmental ethics into consideration (Wang and Young, 2014).

These market asymmetries that exist between the United States and Mexico are reflected in the fifth proposition:

P5: Market (Economic) asymmetries in the US-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

Levels of Structural Asymmetries

The difficulty in addressing environmental conflicts may also arise from different levels of asymmetries. Levels include local, state, national, and international. These four levels are important because the different stakeholders operate at each of these levels. Furthermore, certain stakeholders, such as those that operate at the international or national level, oftentimes have key decision-making power when managing the import, export, and management of hazardous wastes (Commission for Environmental Cooperation, 2016). These levels of asymmetries may inhibit the governance of environmental ethics in an international border region. One of the key stakeholders that operates at all levels is the government. This is particularly true when addressing environmental concerns. All political systems, whether authoritative or competitive, must negotiate with key stakeholders. In the United States, stakeholders make demands to the executive and legislative branches of government as well as contribute sums of money to political parties and their candidates (Camp, 2014, p. 143). In the United States and Mexico, the government operates at the local, state, and federal levels. In addition to these three levels of government, a supranational or international level operates above both countries. Bilateral and multilateral institutions such as the
United Nations, the World Trade Organization, the Council for Environmental Cooperation, and many others, govern agreements and guidelines between the United States and Mexico.

The asymmetries that exist between the local level and the state, national, and international levels are reflected in the sixth, seventh, eighth and ninth propositions:

P6: Local asymmetries in the U.S.-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

P7: State asymmetries in the U.S.-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

P8: National asymmetries in the U.S.-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

P9: International asymmetries in the U.S.-Texas-Mexico-Tamaulipas border region will negatively govern environmental ethics, specifically the import, export and management of hazardous wastes.

**Theoretical Implications**

The theoretical contribution of this paper is that it will attempt to uncover how the various stakeholders make ethical decisions when confronting an environmental ethic problem, specifically the contamination of land resources through the import, export, and management of toxic wastes. This is important because environmental ethics incorporates non-human actors, such as ecosystems and land resources, into question. As the literature review illustrates, there are five forms and four levels of asymmetries that exist between the United States and Mexico. Each of these forms and levels expose asymmetries that illustrate the problems of environmental ethics that take place along an international border space. The forms and levels of asymmetries that exist between countries each illustrate that the abuse and contamination of ecosystems in the weaker country, in this case Mexico, often stops or prevents environmental protection from taking place. Indeed, the contamination of non-human actors such as land ecosystems are a direct result of these asymmetries. Eventually, the contamination of non-human actors such as land ecosystems have devastation consequences for humans and non-humans alike.

This research hopes to illustrate how informational asymmetries can contribute to environmental degradation when key stakeholders can withhold crucial information from other stakeholders when making...
decisions about the import, export and management of toxic materials that may put an ecosystem at risk. Political asymmetries are also important because stronger stakeholders, such as those in the United States, can coerce weaker stakeholders, such as those in Mexico, to make decisions that are harmful to their own ecosystems, which may result in harming its community. Cultural asymmetries also play a significant role in developing the theoretical understanding of environmental ethics. The culture of environmental awareness may be stronger in some countries while weaker in others. This too, can impact a community’s ecosystem. Legal asymmetries, especially the difference in enforcement of laws, can have serious consequences for environmental ethics. Despite binational agreements between the United States and Mexico, the lack of enforcement of many environmental laws can create serious environmental problems between nations. Market asymmetries also generate serious environmental concerns between countries, especially concerning the import, export, and management of toxic wastes. Countries like Mexico, usually do not have the financial resources to regulate, clean up, and counteract economic motivations that incentivizes key stakeholders to contaminate the ecosystem.

In addition to the forms of asymmetries that exist between the United States and Mexico, the levels of asymmetries that exist between the countries also facilitate the difficulty of addressing environmental contamination. Local, state, national, and international levels each have their own key stakeholders and each may respond differently to the five forms of asymmetries. Informational, political, cultural, legal, and market asymmetries are all present at each level. These various levels of asymmetries often make it harder to resolve the environmental problems that affect ecosystems, in this case, land ecosystems when they are put at risk by the import, export, and management of toxic wastes.

**Managerial Relevance**

The import, export, and management of hazardous materials have ethical implications for all stakeholders. The contamination of land resources and ecosystems have increased as a side effect of increased international business and trade. The ethical problem that is to be addressed is the fact that many managers, specifically in richer more advanced countries like the United States, can purposely mislabel toxic wastes for export to less developed countries like Mexico. Therefore, the management of these toxic wastes can contaminate land resources and indirectly put other stakeholders in poorer countries at risk. The resolution of these environmental conflicts, however, sometimes can be hindered because of structural asymmetries that exist between countries. This is because
of the asymmetric nature between both countries’ economies. Mexican stakeholders at all levels (i.e., national, state, and local) often need the investment, jobs, and wages that are offered by stakeholders in richer countries like the United States. When the land is contaminated, specifically when toxic wastes are mishandled through importing, exporting, or mismanagement, individuals are put at risk. Stakeholders in richer countries often export the risk to poorer countries like Mexico, to avoid expensive regulations and safety procedures. Stakeholders in countries like Mexico may reconcile environmental harm to non-human actors as a cost to increased economic development, even if the harmful effects may eventually impact human beings indirectly.

Nonetheless, managers of companies that mismanage toxic wastes can be held responsible for their actions. This is particularly true when some stakeholders, usually ENGOs and NGOs, hold managers and politicians responsible. To spare managers litigation expenses, corporate shaming, and cleanup costs, among other expenses, managers need to consider the attitudes, knowledge, and ethical judgements that are made by all stakeholders in order to avoid harming non-human actors.
References


Appendix A: Stakeholder Asymmetries Model for Evaluating Stakeholder Levels