

Is a Trade War Good for the Environment?

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As the trade war being waged between USA and China deepens, both sides seek to find a compromise to lessen the impacts to their respective economies. The tit-for-tat measures have affected a number of businesses dependent on export and import trade.

But is it possible that there are positives to emerge from a reduction in the flow of goods across the world? Some maintain that trade - and globalisation in general - are good for society as it opens up economic opportunities for all by allowing products made in one country to flow to another. In the spirit of inclusiveness, less developed economies are given the chance to upgrade and nurture their domestic businesses due to demand for their products from others many miles away. Sadly, this is not always the case; there is the propensity for richer economies to exploit the others. So, potentially a trade war that puts a halt to unfair exchange could be a way of redressing this situation.

But from another perspective, a trade war or the halting of the flow of goods has further implications that could be good for the environment. Without imported goods, people will have to buy local goods. Being made locally, the carbon footprint of transportation is reduced as goods travel shorter distances. The [International Transport Forum](#) estimates that international trade-related freight transport currently accounts for around 30% of all transport-related CO2 emissions from fuel combustion, and more than 7% of global warming emissions. These distances - and carbon emissions - would be avoided if trade ceased.

Sourcing of domestic raw materials for products has the added advantage of creating local livelihoods; furthermore, this leads to better management of natural resources to ensure that the latter are utilised responsibly. In urbanised countries, innovative ideas could be developed to harness limited spaces for resources, for example to improve agricultural yield, empty roof spaces on city buildings could be used for growing food through techniques like hydroponics.

If a country cannot import resources from outside, then this incentivises minimisation of wastage. Circular economy concepts can be deployed such as recycling used materials back into re-usable products or into materials for alternative purposes. Waste that is unavoidable can be formed into refuse derived fuel (RDF); and organic waste can be composted or used to generate methane for energy. Trade restrictions further means that we have to rein in excesses of lifestyle. We will end up manufacturing only what is needed, and growing only as much as we need to eat.

With less imported products in circulation and a demand for local products, there will be an uplift in national pride and a reversion to traditional living suited to native habitats. Too much of society today is influenced by global brands urging young and old alike to adopt habits and patterns that are alien to their cultures. Fast food is an example. Mealtimes used to be important as occasions for nourishment and fellowship. Having fresh local food instead of imported convenience food would help not just to resurrect community dining but also provide healthier fare on the tables. Public health would improve from better diets leading to less obesity and diabetes, two of the scourges of modern living.

An additional bonus to restricting the flow of goods is the reduction in plastic packaging. Each year roughly 40% of the 8 billion tonnes of plastic produced globally, according to the [National Geographic](#), goes into packaging. Much of this is to help transport goods around the world. However, less than 9% of this material is collected and recycled. Plastic waste from one-trip packaging remains around for hundreds of years. A return to local products with biodegradable packaging suited for shorter distances can only augur well for the natural environment.

Trade wars are not new. In 1816, facing a federal deficit, the government of a newly formed country began imposing tariffs on British goods that included cotton, woollen products and iron to protect what it declared to be strategic industries. The intention was to wean the nation off British dependence to develop its own capabilities. That country went on to become the United States of America. We should learn from history.

We should take advantage of the current trade war to reboot our economies away from consumer-driven existences to a kinder and greener way of living. The merits are all there. Local businesses will have a ready-made market of domestic customers to bolster their businesses without the complications of overseas shipping costs and taxes. This in turn stimulates local labour and talent for productive and efficient workforces at home. Demanding customers in turn – accustomed to high overseas quality standards - will drive up domestic standards to meet their expectations. This increases investment in industry and R&D, something governments and investors do best.

This is not to suggest that we end up as hermit kingdoms but it is nevertheless an opportunity to review what is necessary for us to live responsibly. That way, we can leave a sustainable future for the next generation.

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