

Chapter 8

The Negative Role of Environmental Pollution on International Trade: Strategy Recommendation to Solve This Problem

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ABSTRACT

The purpose of this study is to determine the main causes behind companies causing carbon emissions. In this way, the main reasons for companies to make carbon emissions have been explored. For this purpose, six different variables that are thought to be effective on this issue were determined. After that, an examination was made with fuzzy DEMATEL method in order to determine which of these factors are more important. The findings indicate that legal deficiency is the main reason for companies to cause carbon emissions. In this situation, it is a must to take necessary measures for the solution of this problem. In order for overcome legal deficiency problem, it is understood that the legal infrastructure should be adapted to this process. In order to increase the international trade volume, it is necessary to impose penal sanctions on companies and to regularly inspect these companies. In addition to these, incentives can be given to companies that are in competitive sectors and to create an awareness on this subject, governments can facilitate training programs.

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INTRODUCTION

In today's economies, it has become important to increase the trade volumes of countries and to cooperate with mutual and maximum benefit in trade. At this point, international trade takes an important place (Borchert and Yotov, 2017). International trade includes product and service exchanges between countries. The two most important pillars of international trade are import and export. Both multinational or international businesses and world countries are trying to trade with different practices in the field of economic cooperation and increase their trade volumes. While these practices increase the trade volume, the balance factor in the foreign trade volumes of the countries also comes to the fore. Every country wants to balance export and import in foreign trade volume and even increase its export. The increase in exports means excess foreign currency and directly affects the country's budgets, growth and GDP directly (Yüksel, 2017). As a result, the brand value of countries increases and begins to take an active and active role in world politics. We are in an economy world where globalization is increasingly felt. Globalization has led to the disappearance of borders between countries. This situation gives world trade different dimensions day by day.

Economic globalization, which means integration of the national economies, can also cause some damage to the national economies with the intensification of commercial activities (Zhou et al., 2016). One of the most negative aspects of globalization is that the markets deepening day by day become integrated and complex with each other. This complexity can multiply the impact of the crisis, especially in times of crisis (Kalkavan and Ersin, 2019). A crisis that started in today's world, where capital flows are quite and instantaneous, does not stay in the countries where it took place, as can be seen from previous examples, and can turn into a crisis that provides stagnation all over the world in a very short time. In contrast to these, globalization has pushed many companies, especially companies operating internationally, to implement new strategies (Dinçer et al., 2019).

Many companies are now at the stage of being affected by events in the outside world as well as their own countries. Therefore, businesses that want to survive must be well adapted to the phenomenon of globalization and at the same time be constantly sensitive to the opportunities and threats posed by globalization (Ersin and Baş, 2019). Globalization has enabled many companies to open up to other countries and has facilitated some of their business. However, with the globalization, a competitive environment has been created in many markets. Companies that could not keep up with this competitive environment and cannot stay up to date have become doomed over time (Kalkavan, 2020). The ability of businesses to compete and sustain their existence in the global market depends on how well they adapt to globalization, to what extent they can use their superiority and to improve their competitiveness. Undoubtedly, they need to analyze the benefits and threats of globalization well (Eti et al., 2020).

If companies succeed in improve and adapt themselves to changing conditions in the world, countries can get benefit from this situation. Companies that become qualified and have a strong position in foreign markets make it possible to create new markets and employment areas for their countries (Bretos and Marcuello, 2017). This makes a positive contribution to countries in both the medium and long term. In developing countries, the economy also improves, and the economic growth is sustained. For this reason, international trade needs to be developed accurately and efficiently. In this process, ways to get rid of the obstacles facing international trade should be sought. Economic crises, social turmoil, political tensions and environmental problems are some of the factors that prevent international trade from developing in a sustainable manner. Environmental problems, which are one of the factors affecting international trade, have become a very popular subject especially in recent times. Environmental issues have become one

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