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## **RESOURCE EXPLOITATION OF DEVELOPING COUNTRIES UNDER THE GUISE OF NEOLIBERALISM**

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### **Abstract**

Since the 1970s, a transformative trend in global trade policy began to emerge, characterised by the strategic relocation of industries, particularly those detrimental in several respects, most notably within the environmental context, from economically advanced nations to less developed ones. This trend necessitates the transfer of resource-extracting industries (REIs) to continue their extraction activities in emerging nations, purportedly justified by these countries' enhanced capabilities in resource management and extraction. However, a thorough examination of the extraction practices of these REIs reveals that numerous ethical dilemmas remain unresolved. This article endeavours to critically assess

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the practices of REIs based in developed countries that extract significant resources, such as cobalt and oil, from developing countries. I will demonstrate that the resource extraction processes of REIs in these nations blatantly contravene established norms pertaining to human and environmental rights, resulting in a profound manifestation of injustice termed exploitation. Affluent REIs conduct such exploitative extractions by adhering to neoliberal ideologies that predominantly serve their own interests over those of the host developing states. By embedding neoliberal ideology into their expansive trade strategies, REIs have effectively established a form of *corporate imperialism* that adversely impacts socio-economic conditions in developing countries. Consequently, neoliberalism emerges as a political ideology that fosters exploitation and rights violations, enabling REIs to secure financial gains at the expense of developing nations. Therefore, it is advised that resource-rich developing nations either eschew the integration of neoliberalism into their mineral policy frameworks or, if integration is considered essential, approach such incorporation with meticulous care while ensuring the protection of the rights of the working populace and the preservation of the environmental sanctity.

**Keywords:** Resource exploitation, Under developed countries, Neoliberalism, Integration, Environmental Sanctity, Public policy.

## Introduction

Minerals are increasingly pivotal to the technological needs of sophisticated capitalist economies, yet their accessibility is diminishing and the costs associated with their extraction and

processing are escalating in developed countries<sup>1</sup>. Consequently, the focus has shifted to other regions, particularly developing nations, where mineral extraction has become more viable due to abundant resources, relaxed environmental regulations, and the availability of inexpensive labour. These factors have positioned third-world countries as prime targets for the operations of the REIs. However, critical examinations of certain international extraction methodologies have raised significant concerns, emphasising the importance of cautiously permitting these operations.

The article will commence with an exploration of two pivotal case studies in Section I, which delve into the practices of mineral mining in developing countries. These studies will focus on cobalt extraction in the Congo and oil extraction in Nigeria. Section II, will elucidate how the actions of REIs in these developing countries can be classified unequivocally as exploitative, given their blatant violations of both human and environment rights in these regions. This section will provide an in-depth examination of the perilous working conditions and severe environmental degradation that are intrinsically linked to

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<sup>1</sup> In past centuries, mining and processing of raw minerals has occurred in industrialised countries, with the United States as a global leader (Korten, 2001, p. 8). As time progresses and environmental awareness grows, industrial countries are implementing increasingly costly mining regulations, leading to a decline in certain industries."A clinical study of workers in two Indianapolis secondary lead smelters in 1976 revealed that most of the workers had a history of elevated blood levels, and many had taken drugs to be able to work at all" (ibid., p. 10). Following reports such as these, the U.S. lead industries have gone through a new standard mandated by OSHA, which is quite cost-effective for firms to maintain.

the operational practices of these REIs. Proceeding to Section III, the discussion will demonstrate how REIs exploit “neoliberal trade practices” to both justify and perpetuate their exploitative endeavours. In doing so, I will depict how these entities use neoliberal strategies to sustain *corporate imperialism*, thereby rendering their approach to resource extraction as fundamentally unacceptable and necessitating comprehensive reforms. If such practices are permitted to continue, it is imperative that significant modifications be introduced into neoliberal policies to ensure they do not perpetuate violations of human and environmental rights. To effectively safeguard these rights, it is crucial that governments and policy makers in developing countries approach the integration of neoliberalism into their policy frameworks with judicious caution and deliberate oversight.

## I. Case Studies

### **Congo: Cobalt Mining and Its impacts**

Congo, a developing country in Southern Africa, is the source of 60% of the world’s cobalt, an essential element in lithium-ion batteries. These batteries are necessary for smartphones and laptops to be portable (Frankel, The Washington Post, 2016).<sup>2</sup> This demand attracts resource extracting industries (REIs). Dongfang International Mining, a Chinese company, extracts cobalt and supplies it to companies such as Apple to produce iPhones, iPads etc.

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<sup>2</sup> Todd C. Frankel. (30 September, 2016). The Cobalt Pipeline: Tracing the path from deadly hand-dug mines in Congo to consumers’ phones and laptops. Retrieved from <https://www.washingtonpost.com/graphics/business/batteries/congo-cobalt-mining-for-lithium-ion-battery/> [accessed 17 September 2023]

Labourers are required to excavate manually throughout the day and into the night. Approximately 100,000 cobalt miners in Congo use hand tools to dig hundreds of feet below ground, operating with no control and few safety protocols, as reported by workers and government authorities and corroborated by evidence gathered by The Washington Post during trips to isolated mines. The most adverse circumstances impacting the cobalt miners in Congo include their engagement in mining activities without the use of pneumatic drills or diesel draglines, posing an irreversible threat to their health and well-being.

According to the Washington Post, the increasing global demand for cobalt is sometimes met by labourers, including minors, who toil under perilous and arduous conditions. Fatalities and injuries are prevalent and according to health experts, mining activities expose local residents and the environment to dangerous metal levels associated with health issues such as respiratory disorders, congenital disabilities, and air pollution.

Despite these detrimental effects in their manufacturing and processing practices, cobalt-rich batteries are seen as “green” rather than being viewed as a hazardous technology due to their reduced weight and superior energy density compared to traditional lead-acid batteries. These batteries are revolutionising the current state of global electronics technology.

### **Nigeria: Oil Extraction Issues**

Also, oil is extracted in Nigeria, a developing country, by Shell Oil Company, an Anglo-Dutch company headquartered in London, which is the largest extractor. “Nigerian crude oil is light and sweet, low in sulphur, and yields a generous amount of diesel, jet fuel, and gasoline, which are the most profitable products of global refineries” (Eklavya Gupte, Nicholas Baldwin,

Newsdesk-Nigeria, 2020).<sup>3</sup> “In Nigeria, oil has been more of a curse than a blessing” (Kenneth Mohammad, *The Guardian*, 2021<sup>4</sup>). According to a recent *Washington Post* story, the Niger Delta has reportedly become one of the world’s most polluted regions. (Rachel Chason, *The Washington Post*, 2023).<sup>5</sup> This raises concerns that Shell owed a duty of care to victims who suffered catastrophic harm due to any of its global subsidiaries’ widely used health, safety, and environmental shortcomings. However, little has been done to resolve the ethical concerns.

## II. Resource Exploitation

Some REIs are transnationally owned in emerging nations, are justified by their industrialized nation counterparts as more effective at utilising raw materials<sup>6</sup>. However, numerous emerging issues, such as those seen in cobalt extraction in Congo, where human rights violations frequently occur, call these assertions

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<sup>3</sup> Retrieved from <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/oil/031220-analysis-nigerian-crude-struggling-to-clear-as-market-share-battle-kicks-off> [accessed 18 September, 2023]

<sup>4</sup> Retrieved from <https://www.theguardian.com/global-development/2021/nov/09/a-wealth-of-sorrow-why-nigerias-abundant-oil-reserves-are-really-a-curse> [accessed 18 September 2023]

<sup>5</sup> Retrieved from <https://www.washingtonpost.com/world/2023/03/27/shell-nigeria-niger-delta-oil/> [accessed 18 September 2023]

<sup>6</sup> ZafirRinat. (2013). Food for Thought: How Rich Countries exploit the resources of Poorer ones and Get Away with It. Retrieved from <https://www.haaretz.com/2013-09-12/ty-article/rich-nations-still-exploiting-world/0000017f-f6f8-d044-adff-f7f9a6600000> [accessed 12 July 2023]

into doubt. The foremost governmental authority of Kolwezi, Congo, Richard Muyej, has acknowledged challenges related to fatalities and environmental contamination linked to these mining activities. He expressed remorse over the financial limitations of his administration, which hinder its ability to independently address these concerns, and reiterated that these corporations have a responsibility to generate economic prosperity within the regions where they operate (Frankel, *The Washington Post*, 2016, p. 18). This extraction practice raises several economic, political, and ethical issues, yet instead of focusing on the ethical issues related to workers' health and safety, the REIs are primarily concerned with making profits, often at the cost of workers' lives.

From real-world case studies, it is clear that a distinct kind of wrongdoing, termed exploitation, occurs through these mineral extraction activities. The *Stanford Encyclopedia of Philosophy* defines exploitation as taking unfair advantage of another person, involving the use of another person's vulnerability for personal gain. According to deontology and other human rights-based approaches, exploitation can be defined as profiting from the poverty or vulnerability of impoverished workers in developing countries. However, every employee deserves to be treated with respect. The two case studies clearly show that the rights of impoverished workers are being violated through unsafe mineral extraction practices. The 17 principles of Environmental Justice (EJ) adopted at the First National People of Colour Environmental Leadership Summit in 1991 in Washington D.C., may be highlighted here, particularly principle 8 which affirms the right of all workers to a safe and healthy work environment without being forced to choose between an unsafe livelihood and unemployment. The violation of this indicates environmental injustice.

Ruth J. Sample argues that an exploited individual serves, in some capacity, as a tool for the exploiter's objectives (2003, p. 12). She provides instances of exploitative behaviours, such as a visit to a community in Pacific Rim County, where a factory owner proposed establishing a shoe factory paying workers \$2 per day, although the area's prevailing daily salary was \$1. This was sufficient for the workers to sustain themselves and their families. The employees accepted this arrangement. According to David C. Korten, companies like Nike produce shoes that are sold at retail prices ranging from \$73 to \$120 in Europe and the United States, with production costs around £5.60 (2001, p. 115). Sample suggests that, in this instance, exploitation involves the comparative enhancement of the workers' circumstances, yet such scenarios are seen as exploitative, particularly with the issue of equal benefit sharing. Although miners deliberately choose risky mining jobs for such remuneration, they would prefer even higher compensation. However, if the workplace is unsafe and personnel are exposed to carcinogenic agents without safety materials, it adversely affects their health and is entirely disadvantageous. Furthermore, they are used only to fulfil the businesses' objectives, highlighting the REI's indifference to the health and safety of their personnel operating in perilous environments. Consequently, they use their strategies to mitigate economic inflation and evade adherence to rigorous and costly domestic environmental regulations. Moreover, they strive to protect both their inhabitants and the environment.

The Stanford Encyclopedia of Philosophy suggests that exploitation might be detrimental or mutually advantageous (<https://plato.stanford.edu/entries/exploitation/>, p. 1). Not all forms of exploitation are detrimental. Exploitation may sometimes



be mutually advantageous, resulting in both parties departing in an improved state compared to their prior condition. However, most philosophers, like Alan Wertheimer, Robert Goodin, and Ruth J. Sample, believe that the exploitative nature of mutually beneficial exchanges arises from their inherent unfairness. Employing this distinctive characteristic, exploiters seek to rationalise their exploitative actions. REIs may justify their exploitative behaviour by emphasising the advantages miners receive in the form of salaries. However, the thorough assessment of their health and well-being remains unresolved. Kyle Whyte's (2014) portrayal of Rhonda Anderson, a Detroit environmental justice organiser with the Sierra Club, is crucial for understanding. The community of Detroit 48217, located near industries such as "Marathon Petroleum, Severstal Steel, U.S. Steel, and Detroit Edison's Rouge Power Plant", experiences a toxic burden level 46 times higher than the state average (Whyte, 2014, p. 114). Rhonda Anderson states that the community is overwhelmed by several polluting sources, which mostly affect individuals' health and quality of life (ibid). What quality of life can one expect if, despite living to 70 or 80, the latter two decades are plagued by cancer, cardiovascular illness, or asthma? Consequently, it may be inferred that exploitative activities may seem to benefit the exploited individual, although they ultimately undermine their long-term well-being, while the exploiter secures their own wellbeing via these interactions. Exploitation is troublesome due to the susceptibility of affected individuals to their lifetime well-being.

Yet such rights-violating and exploitative practices are seen as a necessary, and only a few, including the exploited persons, seldom object to these purportedly economically beneficial but rights-violating acts owing to the pervasive *neoliberal ideology*

in society. I describe neoliberal ideology as a rationale that seeks to legitimise the resource exploitation by REIs in developing nations as a legitimate practice.

### **III. Liberalism vs. Neoliberalism**

Comparatively philosophical liberalism vs neoliberalism: Though they differ considerably in their philosophical foundations, ethical presumptions, and views of justice, liberalism and neoliberalism are based on the heritage of individual freedom and market interaction. Though frequently confused in political debate, a closer look reveals that liberalism is a more general normative philosophy of freedom and equality while neoliberalism is a more recent, market-centered rationality that reinterpreted liberal values in ways that emphasise competition, privatisation, and economic efficiency.

1. As an ideology, liberalism sees people as independent, logical agents with moral value. Emphasising people's inherent rights and moral competence, philosophers such as John Locke, Immanuel Kant, and subsequently John Rawls<sup>7</sup> give their philosophical discussions.

On the other hand, although neoliberalism—especially as expressed by intellectuals like Friedrich Hayek and Milton Friedman<sup>8</sup>—values personal freedom—it redefines people primarily as economic players. Viewed as entrepreneurial actors, humans are in charge of their own success or failure in competitive marketplaces. Autonomy turns into a question of market engagement, and moral value is usually connected to production or economic contribution.

2. Ethics and Justice Liberals give priority to human dignity, fairness, and equality. Usually using laws, rights, and

redistributive policies, liberal thinkers like John Rawls (1971) believe that society has responsibilities to solve structural disparities. Universal moral equality is the normative goal.

By contrast, neoliberal theory often gives efficiency first priority above fairness. Justice is reinterpreted as market fairness—that is, the fairness of free trade rather than distributive results. Sometimes, structural inequities are considered as the outcome of personal decisions rather than systematic pressures, therefore reducing the seeming need for group accountability.

### 3. Interpretive Freedom

Generally speaking, liberalism supports both negative freedom—freedom from coercion—and positive freedom—the capacity to act freely under a fair society. Thinkers such as Isaiah Berlin in his *Two Concepts of Liberty* (1958) separate these two, and liberalism often seeks to strike a compromise between them.

Neoliberalism is almost all about negative liberty—freedom from government intervention. Though profound material inequality or restricted access to resources coexists with market freedom, it argues that this type of liberty is the ultimate one.

### 4. Moral Agency and Responsibility

Liberals see people as moral actors, but society also has shared responsibility for maintaining just institutions. Liberal views usually acknowledge the social circumstances needed for people to really express their freedom.

Under neoliberalism, accountability is very individualistic. Social results are considered as the product of personal merit or lack. Structural elements are emphasised

less, and the concept of group responsibility is mostly disregarded in favour of personal responsibility.

In a nutshell, it could be said that, although liberalism acknowledges the social character of freedom and responsibility and aims to defend individual rights by means of fair institutions, neoliberalism reinterpreted these obligations using the rationale of market competition and personal entrepreneurship. Therefore, neoliberalism marks a normative restriction of liberal values but providing economic reason, top priority over justice, and substitutes market-based moral reasoning for community responsibility.

#### **IV. Impacts of Neoliberalism in Daily Life Related Ethical Issues**

Particularly in the domains of economic inequality, public services, and democratic accountability, neoliberalism has come under extensive criticism for the actual consequences it has on society. Neoliberal policies clearly lead to the commodification of housing, education, and healthcare, among other necessities. Giving market mechanisms top priority helps to ensure that access to these services depends more on wealth, so aggravating inequality and marginalising the economically impoverished.

Furthermore underlined by neoliberalism are personal responsibility and competitiveness; it also tends to discredit group institutions, including trade unions and social safety nets. This results in an individualistic culture whereby social injustices such as poverty or unemployment are seen as personal shortcomings instead of structural ones.

Moreover, neoliberalism might undermine democratic procedures. Public interests may be subordinated to corporate

priorities when market logic controls policy decisions. This can cast citizens as consumers instead of political players, so limiting the extent of democratic participation.

Neoliberalism ethically presents major questions. Redefining moral value in terms of economic productivity marginalises those who are unable to fully engage in the market: the elderly, disabled, unemployed, or precarious workers. This can devalue human dignity and worth, so weakening the liberal idea of inherent human equality. Moreover, the focus on competitiveness creates settings of stress, burnout, and alienation, so weakening the moral fabric of daily life. Efficiency, profit, and self-reliance come first; ethical issues, including care, empathy, and solidarity, come second.

Although liberalism acknowledges the social character of freedom and responsibility and aims to defend individual rights by means of just institutions, neoliberalism reinterprets these obligations under the prism of market competition and personal entrepreneurship. Therefore, it could be said that neoliberalism marks a normative shrinking of liberal values, gives economic reason top priority over justice, and substitutes market-based moral reasoning for collective responsibility. This change has significant ramifications for our conception of freedom, equality, and the function of the government in modern society.

## **V. The Source of Resource Exploitation: Neoliberal Ideology**

Neoliberalism is an ideology that is not adequately defined yet. Because of its socio-economic and political intersections, it is very difficult to set a proper definition of it. This section focuses

on assessing neoliberalism as an ideology that adversely affects the environment and human rights protection in developing countries within the context of global trade practices.

According to Wendy Brown, “Neoliberalism is most commonly associated with a bundle of policies privatising public ownership and services, radically reducing the social state, leashing labour, deregulating capital, and producing a tax-and-tariff friendly climate to direct foreign investors” (2019, pp. 17-18). In the present-day setting, proponents of neoliberalism contend that the *reduction of rules* and the transformation of social activities into market-driven processes lead to an increased array of options, thereby fostering enhanced individual autonomy. As a public policy, neoliberalism involves the deregulation of private corporations.

Boas and Gans-Morse says, “Neoliberalism is contemporarily used to refer to market-oriented reform policies such as eliminating price controls, deregulating capital markets, lowering trade barriers and reducing, especially through privatisation and austerity, state influence in the economy” (2009, pp. 137–161). Freedom as a concept has a prominent position within the framework of neoliberal ideology. After being elected as the President of the USA in the 1980s, Ronald Reagan restricted the availability of workers, liberalised businesses, and mineral extraction, and freed up the financial authorities within the home and abroad. In the present-day setting, proponents of neoliberalism contend that the reduction of rules and the transformation of social activities into market-driven processes lead to an increased array of options, thereby fostering enhanced individual autonomy.

While examining the anatomy of neoliberalism, David Harvey, in the introduction of his *A Brief History of Neoliberalism*, finds that neoliberal theory suggests that excessive government involvement in markets should be avoided due to the potential for powerful interest groups to distort these biased state interventions for their own gain (2007, p. 2). Therefore, by highlighting the issues with state regulations, proponents of neoliberalism justify the unrestricted practices of corporations, commonly referred to as REIs. The plausibility of Harvey's analysis of neoliberal strategy can be comprehended coherently through the reference to Central African country Equatorial Guinea's authoritarian government. Followed by the discovery of a large oil deposit in the 1990s, this country has become the fourth-highest average-income country in the world<sup>7</sup>. In spite of this, the people of the country are suffering from malnutrition and a nasty living environment (Wener, 2008, p. 7). The ruler of this country is Theodoro Obiang, who sells two-thirds of its oil to transnational companies like Exxon Mobil and uses the money behind the security forces to strengthen his power over the country by restraining the opposition party and freedom of speech of the media<sup>8</sup>. In this context, I propose public participation in mineral policies as a potential solution to the issue at hand. I believe that in the era of mass exploitation, if the decisions concerning mineral policies are not made mandatorily democratically, powerful groups can take advantage of such relaxed rules for their personal benefit by manipulating the governments.

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<sup>7</sup> CIA, World Factbook 2007, "Rank Order-GDP-per capita (PPP)."

<sup>8</sup> Freedom House, *Freedom in the World*, "Equatorial Guinea" (2006); U.S. State Department, "Equatorial Guinea Country Report on Human Rights Practices (2006)."

From the ideological perspective I understand neoliberalism as *a lens* that shapes the thought of the members of a society in a certain way that a practice is right if it aligns with the strive for economic development, and a practice is wrong if it contradicts economic development of a nation. It defines morality in terms of market relationship leading to the emergence of an extremely competitive socioeconomic environment. This is such a lens that convinces people to sanction a rights-violating or exploitative practice as right on the grounds that it is beneficial for economic progress. While justifying any action, the significance of considering whether it is infringing rights or not, whether it is impeding the wellbeing of people or not seems to be discreetly neglected under neoliberal philosophy. Ideologically, it aims to prioritise actions that promote economic progress over those that uphold the establishment of moral rights.

A specific inquiry must be made about the fundamental factors that enable the REIs to effectively implement their exploitative activities in the developing countries. It is essential to investigate and discern the core ideology behind extraction processes, enabling developing countries to judiciously integrate them into their policy frameworks. A detailed analysis of neoliberal trade policies reveals their widespread use in a nation's extraction policy. The primary rationale for such frequent use is evident, as it aligns with the objectives of affluent REIs by allowing them to leverage the fundamental principle of freedom inherent in neoliberalism. The REIs utilise the neoliberal concept of freedom to perpetuate their exploitative practices by preventing any interference from the host government.

As mentioned above, the mineral extraction practices of REIs are environmental injustice as they are rights violating and



exploitative. Initially, this injustice occurs between rich and poor nations, as affluent REIs exploit the aspirations of impoverished nations to achieve financial prosperity through the attraction of foreign direct investments (FDI). By exploiting this vulnerability, the REIs impose conditions influenced by the neoliberal notion of freedom on host countries, ensuring their financial advantage while rendering the host nations' governments incapable of intervening in the practices of REIs regarding the maintenance of workers' and environmental rights. Motivated only by economic advancement, host countries acquiesce to circumstances, leading to the widespread abuse of workers' rights and environmental degradation. The policymakers of the host countries must exercise caution since they are obligated to safeguard the rights of citizens and the environment. It is concerning that in many instances, problems related to rights protection are often overshadowed by cost-benefit analysis.

Neoliberalism endeavours to justify the REIs unjust practices in such a way that the citizens even the exploited ones hesitate to raise their voices against their wellbeing violations. As they continue to think that although the practices are right violating exploitative but they are justified on the ground that they are economically beneficial. So, they start to adapt with their appalling conditions. The emergence of such a feeling of compromising and adaptation with injustices in people's thinking is detrimental to fighting unfair practices in society.

## **VI. Corporate Imperialism**

In the name of ensuring freedom (which is the basic principle of neoliberal ideology) by means of reducing trade barriers and government interference in corporate activities, neoliberalism aids

the affluent REIs to establish a sort of economic dependency in the global south. This sort of dependency hinders economic autonomy and self-sufficiency and establishes corporate imperialism or imperialism in terms of socio-economic factors. This section will shed light on the establishment of corporate imperialism as a result of uncritically following policies inspired by neoliberal ideology.

Norman Girvan (1976) regards the increasing importance of international businesses as a defining aspect of twentieth-century capital accumulation, representing the logical progression of the Leninist perspective on imperialism. He says,

By corporate imperialism, we mean a system of international capitalism that has two basic characteristics. First, fundamental power in this world system is held by the owners and managers of capital, who exercise the power over other groups and institutions in order to appropriate surpluses and accumulate further capital...The second crucial feature is that these relationships are institutionalised within the framework of large, integrated, transnational corporations (1976, pp. 11-12).

As minerals increasingly contribute to the technical demands of advanced capitalist production while simultaneously becoming less abundant and more costly to extract and process in the developed countries, mineral production in other regions of the world has become more critical. REIs continue their practices focusing only on the procurement of raw resources and the accumulation of capital. There is little or no integration with the national economy of the host nation. Mining activities are instead incorporated into intricate corporate structures based on western headquarters.

Corporate imperialism constitutes an *environmental injustice*, as it involves the dominance of developed countries

over less developed ones for securing their economic benefit, leading to the exploitation and violation of the rights of the working class and the natural environment in developing nations. Therefore, the REI's approach to resource extraction via the integration of neoliberal ideology of freedom into their functioning mechanisms is unacceptable and must be repudiated. If approved, the requisite adjustments must be enacted in the neoliberal practices to ensure they do not violate human and natural rights.

## **VII. Some Suggestions**

The governments of developing countries should not blindly accept all conditions set by the REIs, which adhere to neoliberal doctrine. They should only accept these conditions after evaluating their effects on residents and the natural environment, keeping in mind that the transaction is reciprocal and benefits both parties to varying degrees. The developed countries are not solely assuming the role of benefactors, as the developing nations are also benefiting the developed ones. The policymakers of the developing countries should comprehend that the developed nations are also in need of assistance from the developing ones for sustaining their continual economic advancement via the availability of natural resources, cost-effective industrial environments, and labour use. Therefore, while allowing the REIs to operate within their territories, the policymakers of developing states must take into account their commitment to the welfare of their citizens and the environment.

The existing neoliberal norms in the developing nations that are predominantly shaping the thoughts of the citizens dictating that they must pursue economic growth through aid from

developed countries must be challenged. Their focus should be on developing an effective way for improving their socioeconomic conditions rather than seeking help from the developed. The capability approach proposed by Martha Nussbaum in *Frontiers of Justice: Disability, Nationality, Species Membership* (2007), holds significant relevance in this context. The developed countries' REI practices are primarily designed for their own benefit, which is a normal phenomenon. Through their practices, they are fostering a form of economic dependence on developing countries, which is detrimental to the overall development of the developing countries in the long run. The developing countries must be more focused on developing their capabilities than on achieving economic prosperity by engaging in global trade.

As discussed above, when corporations implement policies based on the neoliberal ideology of quantitative cost-benefit analysis and qualitative well-being statistics, several unjust issues, such as rights violations and exploitation, arise. Policies that respect others' rights may be more effective at ensuring environmental justice. The capability approach framework developed by Martha Nussbaum could be applied as an effective means for ensuring environmental justice in the global south, as the approach includes "a moralised compassion for those who have less than they need to lead decent and dignified lives" (2007, pp. 156–157). Nussbaum identifies the ability to pollute the environment as a poor capability and advocates for its legal inhibition (*ibid.*, p. 166). Also, Amartya Sen in his book *Development as Freedom* (2001), bases his case on capabilities due to the reality that individuals have distinctive requirements of resources. He thinks that people's capabilities should be improved when the complex structure of society prevents them from meeting their needs in a fair way (*ibid.*, pp. 164–165).

Sen believes that development should focus on enhancing people's capabilities, including access to education, healthcare, economic opportunities, and political participation.

Therefore, instead of blindly following the neoliberal ideology, both the governments of the developing and developed nations may focus more on how the capabilities of the stakeholders could be enhanced so that they could not become the victims of environmental injustices. To safeguard the rights of the impoverished victims of developing nations, developed countries and REIs must reinvest a significant portion of the financial benefits in the poorer nations, improving public infrastructure such as basic education, healthcare facilities, an unpolluted environment, etc.

### **VIII. Conclusion**

The widespread adoption of neoliberal ideology in a society engenders a complex social structure that induces its members to rationalise any activity, even those that violate rights and exploit individuals, as necessary for economic prosperity. They seem to regard the adverse consequences as inevitable, hence demonstrating less interest in deconstructing the complex structure. From a neoliberal perspective, they see this passive approach to changing social standards as conventional. The REIs use this market-driven competitive neoliberal ideology to rationalise their cost-effective, dangerous mineral mining activities. By highlighting their contribution to the economic advancement of developing countries, the REIs portray themselves as humanitarian organisations. Nonetheless, it is crucial to acknowledge that they are also deriving advantages from the trade agreements they partake in. In comparing the

welfare of citizens and the environment in developing nations to that in developed countries, it is evident that the exchange is unequal, since developed nations gain more advantages from ensuring the well-being of their citizens and the environment.

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