

Consensual Standards and TREES

Trade negotiators, especially from smaller, trade-dependent economies like Canada, are correctly cautious about suggestions to use border measures to enforce environmental goals unilaterally in other countries. In the real world, the line between environmental protection and outright protectionism is often a fine one, especially in the hands of trade regulators in our principal export markets subject to domestic lobbying seeking unilateral "creative" action against competitive Canadian exports. Moreover, if unilateralism is encouraged, a smaller, more trade-dependent and therefore more vulnerable country may find itself adjusting its environmental standards toward the not necessarily appropriate level of larger trading partners.

Yet it should be possible to work toward commonly agreed minimum standards on specific issues affecting the global environment that take into account variations among countries based on climate, topography, population density and so on. The work now underway in the aftermath of last summer's UNCED meeting in Rio de Janeiro on sustainable forest practices hopefully will lead in that direction. A carefully crafted global convention on forest practices could emerge from this process.

Minimum standards harmonization on this or other matters (for example, reduction targets for carbon dioxide emission levels implemented by means of a carbon tax) could also be achieved regionally. If so, then the use of tariff surcharges or other border measures when such standards are violated would seem reasonable, as long as they are subject to consultations and challenge under dispute settlement procedures to ensure that the measures are not a disguised restriction on trade. The right to take such border measures to address practices in another jurisdiction (could we call them Trade-Related Environmental Enforcement Safeguards - TREES?) with respect to endangered species is already implicitly accepted in GATT practice, and explicitly authorized in NAFTA. In these circumstances, the carefully circumscribed use of border measures to address production processes that have a negative impact on the global commons and that are banned or limited through international agreement should be acceptable.

User Charges

It makes sound environmental and economic sense for users to pay the full cost of the resources used to produce a good. The IMF and IBRD frequently make this proposal a part of their structural adjustment programmes - and with good reason. The "polluter pays" or "user charges" concepts capture the same principle from different angles.