Dangerous Liaisons: The World Trade Organization and the Environmental Agenda

The trading system can and does, in fact, play an important supporting role. Trade is one of the central forces driving international economic growth, which in turn is a critical factor in advancing the goal of environmental protection. The evidence is clear that an open, predictable and non-discriminatory trade regime is a prerequisite for increased wealth, which is a prerequisite for a better environment. Changing the rules to allow for easier use of discriminatory and extraterritorial trade restrictions may have short-term appeal for some, but it would be counterproductive for the trading system in the long-run. Denying export opportunities, especially to developing countries, would simply eliminate a source of the income necessary to deal with an environmental problem. It also would undermine the international trust and cooperation that will be necessary for long-term success - few governments would tolerate for long such intrusions into their domestic jurisdiction through the use of trade penalties by others. Such an approach would, moreover, invite protectionist abuse.

There undoubtedly will be much debate over these issues. Nonetheless, one thing is clear - while the GATT/WTO can provide support in a number of ways, including by ensuring that the trade rules do not get in the way of decisions by the international community on environmental policy and programmes, it cannot itself make or arbitrate those decisions. Nor should it be called upon to enforce or police environmental standards or programmes that have not been accepted internationally. This approach is neither desirable not negotiable. After all, the GATT/WTO is nothing more than an organization bringing together for trade purposes the same governments that gather in other organizations for environmental purposes. Those that are not yet in a position to agree on environmental issues in environmental fora are unlikely to agree in the GATT/WTO on the use of trade penalties to force those issues.

The role in the GATT/WTO, therefore, should be support and non-interference, not intervention; fine tuning the interface between environmental programmes and the trade rules, not creating blunt instruments. Ultimately, the WTO should be left to do what it is mandated to do and, in fact, does best - liberalize and regulate trade, which, over time, will be its most important contribution to future generations.



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