

There were a few trade and investment related effects associated with the initiative. Principal among these was the fact that European companies using dyes for their products, such as leather, began importing benzidine dyes since the focus was on benzidine and not the dyes themselves.

As European manufacturers ceased production of benzidine dyes, manufacturers outside Europe met demand for this commodity. This cessation created a marketing opportunity for other manufacturers in the global market because replacement dyes matching the benzidine dyes in both price and technical properties are still not available. Consequently, European companies involved in this initiative incurred substantial costs producing alternative dyes. On the domestic front, companies had to compete with European producers still manufacturing the less expensive benzidine dyes, as well as benzidine dye imports. Moreover, this cost differential could have had potential impacts on export markets. In other words, companies could lose out in the export market due to the availability of cheaper dyes.

However, in 1994, the German Consumer Goods Ordinance banned benzidine dyes in the production of certain consumer goods. A similar action was adopted in the Netherlands a few years later. This trend will help level the playing field, at least in the domestic markets.

Another negative impact of this initiative was that the marketing opportunities were occurring in the less developed countries, unconstrained by national regulations to protect workers. Health risks were now transferred to these countries, plus the risk levels were magnified because of inferior levels of occupational protection.

Conclusions

This case illustrates how a voluntary initiative can have negative impacts if it is not considered in a broader context. For instance, in a global economy, unless there is international cooperation, the overall result can be the transfer of risk to other jurisdictions – most often less developed countries. Equally, VNRI can have negative impacts on the domestic industry if alternative sources of supply are available, if domestic demand is maintained, and import restrictions do not exist.

As well, a significant contributing factor to the unsatisfactory results of this initiative was the failure to convince other jurisdictions of the carcinogenic potential of benzidine dyes and to initiate appropriate steps internationally to control the associated risks in manufacture, processing and use.

References

Proceedings of the OECD Workshop on Non-regulatory Initiatives for Chemical Risk Management. Inter-Organization Programme for the Sound Management of Chemicals. OECD Environmental Health and Safety Publications Series on Risk Management No 7. "Voluntary Cessation of Manufacture of Benzidine Dyes." Woodward, R. and Clarke, E. Paris 1997.