

WORLD EXPORT DEVELOPMENT FORUM – W·E·D·F 2008

BREAKOUT SERIES 2: ENVIRONMENTAL STANDARDS FOR GLOBAL MARKETS: IMPLICATIONS FOR DEVELOPING COUNTRIES

The Issue:

The pressure to act in an environmentally responsible manner is not reserved to companies; policy makers also feel the heat to take a stance against environmental degradation. Since policy makers respond to their constituents, increased environmental regulation is inevitable as conscientious consumerism gains momentum and conscientious consumers call on their policy makers to take action.

This has several implications for developing countries, especially if the promulgation of environmental standards for imports becomes widely prevalent. If this happens, voluntary standards may become more like mandatory requirements as non-conforming exporters are cut-off from the markets of environmentally concerned importers. After all, if a country loses its export markets, it might have little choice but be coerced into compliance.

And since policy makers must respond to their constituents, the voices of excluded exporters may not necessarily be heard. Indeed, developed countries primarily lead the charge against environmental degradation. In this regard, developing countries tend to be standard-adopters and not standard-setters.

The Proposition:

Firstly, developing countries can appeal to the WTO. Under the Technical Barriers to Trade (TBT) Agreement, members cannot implement regulations that cause unnecessary barriers to trade.¹ Developing countries may succeed in proving that environmental regulations are barriers to trade, but it could be difficult to prove that environmental regulations are unnecessary. After all, protecting the environment is certainly a necessary objective for ensuring future sustainability.

Secondly, international organizations may need to take further action to protect developing countries. If there were an international forum that administered environmental standards for global markets, then perhaps developing countries would feel less disenfranchised.

Focus of the debate:

The debate will address the following questions:

1. How are the environmental standards of developed countries affecting the exports of developing countries?
2. Are import bans on environmental reasons justified? Or are these standards a pretext for protectionism?
3. How could developing countries have a better claim to setting standards?

¹ Agreement on Technical Barriers to Trade, Apr. 15, 1994, WTO Agreement.