

Linkages between Environmental Standards and Poverty: A People-centred Approach



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List of Acronyms

CO ₂	:	Carbon Di-oxide
CTE	:	Committee on Trade and Environment
CITES	:	Convention on International Trade in Endangered Species of Flora and Fauna
EKC	:	Environmental Kuznets Curve
FDI	:	Foreign Direct Investment
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
LDCs	:	Least Developed Countries
MDGs	:	Millennium Development Goals
TEDs	:	Turtle Excluder Devices
UNDP	:	United Nations Development Programme
WB	:	World Bank
WTO	:	World Trade Organisation

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Introduction

Environmental degradation and poverty are major threats to the world. These two are entwined in a complex way by which each reinforces the other and makes it even more difficult to control both, particularly for poor countries that experience resource constraints. They have often been the cause of conflict of interests between the poor South and the rich North and remain the two important issues that question the propriety of the process of globalisation.

Poverty issues of the South are possibly not well understood or debated in the developed countries, where they are comparatively more concerned with environmental issues. This has led to the evolution of economic policies with an environmental bias, both in the individual developed countries and the international policy environment, where the domestic policies of the developed countries often set the pace.

This lopsided development of policy has led to the evolution of environment protection norms that emphasise on preventing the exploitation of the environment, while missing the very people within the environment that the policy tries to protect. In the process, the importance of inter-relationship between poverty and environmental degradation was undermined.

The result of this policy development is that the poor countries are forced to make the tough choice about dividing their scarce resources between poverty alleviation and environmental friendliness. Understandably, these countries give priority to poverty alleviation, as it is the graver issue in their countries. This paper argues that this is also a sound policy as poverty is one of the primary causes of environmental degradation in developing countries, and therefore reduction in poverty will have definite environmental endowments.

As the coming sections of this paper show, the efforts to link trade and environmental issues to improve environment quality are fraught with the possibility of being misused. These measures, some fear, could provide ample camouflage for the protection of domestic industry. Many academics are of the opinion that environmental concerns should be dealt with at the root of the problem, and doubt the utility of using trade measures against environmental degradation.¹ In fact, the impact of trade-related environmental measures on poverty could actually be negative.

The objective of this paper is to shed light on this debate and to explore alternatives to the established notions on this subject. The paper hypothesises that linking trade and environment may not achieve its objective of environmental protection. On the contrary, this could harm trade, the poor, and the environment. The paper argues that use of resources is one of the important strategies to eradicate poverty, rather than limiting or curbing use and consumption of resources. It further advocates de-coupling of trade and environment linkages, and to follow it up with measures to provide assistance to the poorer section of the population for achieving the twin objective of poverty eradication and protection of the environment.

Background of the Problem

Most countries face a variety of environmental problems with differing intensity that call for immediate action both at the national and international levels. Though environmental problems affect all indiscriminately, the worst hit are the poor due to their lack of capabilities to survive environmental degradation.

On the other hand, 2.74 billion people, or more than half of the world's population, are living in poverty, earning just US\$2 per day or less.² If parameters like access to health, education, sanitation etc are also taken into account, the scenario is worse.

Growing concerns about extreme poverty are manifested in the formulation of eight Millennium Development Goals (MDGs) by 189 countries at the United Nations Millennium Summit in 2000.³ The MDGs set targets ranging from halving extreme poverty by 2015 to ensuring environmental sustainability. Choice of environmental sustainability as one of the MDGs reflects the recognition of the direct relationship between poverty and environmental degradation. The widening net of globalisation and inter-linkages between countries has meant that, like opportunities, the adverse impacts of globalisation are also not restricted to national boundaries or the economic sphere alone. While freer international trade is one of the major conditions for everyone reaping the benefits of globalisation, the lack of it could result in skewed distribution of benefits and affect many countries.

As the impacts of different environmental problems varied, the urgency shown in dealing with them was also different across the rich and the poor countries.

This divergence is the result of high awareness and genuine concern about environment problems in the rich countries. High awareness, coupled with scientific evidence about the worsening environmental quality, forced the governments of these countries to adopt high standards to regulate economic activities that were seen as harmful to the environment. These countries have invested heavily in developing environment friendly technologies and materials. But, despite awareness and scientific evidence, the developed countries have arguably failed to act in the desired manner, on issues like greenhouse gas emissions, where they had high economic and political stakes domestically. It turns out that the developed countries, like the developing, do not always adopt environmental measures seriously if they are particularly costly.

Environmentalists in the developed countries wanted to regulate trade that allowed environmentally harmful products to be imported, damaging their domestic environment further. Moreover, they took it up as their moral duty to stop production and distribution of goods produced in methods inimical to the environment even in other countries, particularly to target environmental problems that are global or regional in impact. They convinced their governments to enforce extraterritorial applications of domestic environmental standards and laws that aimed to regulate or prevent trade, in order to force other countries to produce in environmentally preferable ways. It is also held that by improving environmental quality, these standards could positively impact the poverty of the developing countries.

The growing concern about the impact of trade on environment resulted in the World Trade Organisation (WTO) formally bringing environment within its purview. The Doha Ministerial Declaration 2001 (Para 31-33) agreed to launch negotiations on certain aspects of the trade-environment linkage and mandated the Committee on Trade and Environment (CTE) to pay specific attention on eco-labelling and market access issues for the developing countries. Similarly, the World Bank (WB) has incorporated environmental sustainability as one of the criteria for assessing new projects for funding.

Poverty

Poverty is the state in which people are unable to afford the necessities of life. There are different methods of measuring poverty. They can be broadly divided into monetary approaches and capability based approaches. The monetary approaches use income or consumption as an indicator of well-being. The capability approach, propounded by the likes of Amartya Sen, takes into account indicators like education, health, and even freedom, and define poverty as deprivation of these basic capabilities. However, Sen unequivocally accepts that lack of income can be the principal reason for deprivation of capabilities.⁴

This paper draws from both the approaches of poverty measurement in its analysis. The income approach is useful in understanding the direct impact of trade and environment linkage. The capability approach, on the other hand, is more useful for a comprehensive understanding of the ramifications of the direct effect of trade-environment linkages on poverty.

Escaping poverty through economic growth

Sustained economic growth can help reduce poverty in two ways. Firstly, it directly increases average household incomes. If these increases in the national income are distributed among average households living in extreme poverty (people surviving on US\$1 a day), the extent of income poverty is directly reduced.

However, poverty reduction in this case will be subject to the conditions that growth is not followed by an increase in inequality and the poor have access to opportunities. Growth may be ineffective or even adversely affect poverty if it merely increases the incomes of a few and benefits are not distributed within the society. Lack of access to opportunities is a major source of rise in inequality when the economy experiences growth. Economic growth reduces income poverty most when initial income inequality

is low. The challenge in poor economies, where inequality is already high, is to ensure that the poor have the entitlements and capabilities to receive the fruits of growth of the economy.

Secondly, economic growth can also work indirectly by enhancing overall capabilities in the economy. Growth helps in raising government revenues and enables increased public investment in education, basic infrastructure, disease control and health, especially maternal and child health. If these investments manage to reach their targets, they help in expediting economic growth and welfare by raising workers' skills and productivity.⁵

Nevertheless, the gains from government investments can only be sustained with economic growth, as budget deficits would catch up sooner or later affecting the ability of the governments to invest.

Government investment or even monetary assistance for the poor should be viable from the economy's point of view, at least in the short run. The poor tend to spend their entire income to meet their basic needs, mostly on consumption. This spending habit creates an additional demand on the economy, especially for agricultural and food items. Moreover, direct monetary assistance allows choice for the poor people in their consumption, rather than the government deciding what they should be eating by selective subsidisation.

But these can only be short-term policies, as too much of government support may not convert into enhancement of capabilities of the poor and may result in them being misused by political vested interests.

Arguments for and against Linking Trade and Environment

Many arguments are put forward by the advocates of linkages on trade and environment issues.⁶ This section elaborates on each of them and tries to offer their counter arguments.

Unfair advantage

The unfair advantage argument is that lower environmental standards in developing countries give them an unfair advantage in terms of reduced costs over countries that follow higher standards. Proponents of this argument call for a creation of 'level playing field' to ensure 'fair trade'. They advocate exerting pressure on developing countries to adopt better environmental standards to ensure that the level playing field is achieved.

The choice of environmental standards in different countries clearly depends on their income levels and the preferences of each country. Developed countries had far worse environmental quality than their current levels, when their per capita incomes were at the same levels as those of today's developing countries.⁷ The rich countries have developed employing polluting methods of production. Higher environmental standards in these countries were achieved in the past few decades (though some of them still pollute significantly, as in the case of greenhouse gas emissions). Given this backdrop, the demand on developing countries to reduce pollution seems unfair.

Many developed countries are erstwhile colonial powers. During the colonial rule, these powers have arguably exploited natural resources and deteriorated the environment of

their colonies, many of which are today's developing countries. The returns from such transfers hardly reflected the environmental costs to the domestic societies. Understandably, the developing countries resent being criticised for poor environmental standards as they feel that they have a right to decide on the level of environmental quality they want, or, more importantly, can afford. Further, they hold that the unfair advantage argument, by targeting specific sectors like textiles, clothing and fisheries etc, may retard their growth.

Polluter pays principle

Another argument in favour of the linkages is the principle of making the polluters pay for the social cost that they inflict on the environment through their 'anti-social' activity. The polluter is made to pay the full social marginal cost of their activities by adding it to her/his cost of production through taxes, levies or charges.

However, the amount of pollution and the social cost for each society varies, depending on the capacity of the relevant environment to absorb the pollution, before limiting levels are reached. Thus, the social cost for the same operation in different countries would be different.

Moreover, this economic argument, though rooted in the moral principle that those who degrade should be made accountable, neglects the reality that for the poor, consumption for sustenance is so basic and critical that concern for environmental degradation comes a distant second. In the rural areas, denial of rights over common property is also one of the major reasons for the vulnerability of the poor to extreme poverty and destitution.

Race to bottom

This oft repeated argument stems from the fear that lower environmental standards in the developing countries will give rise to a 'race to bottom', in terms of environmental quality, as developed countries will be forced to loosen their standards in order to be competitive. Alternatively, it is argued that footloose capital will withdraw from high-standards' countries and be invested in countries with lower standards in order to escape cost escalation and maximise profits – called dirty industry migration. To deal with this pressure, it is suggested to use trade restrictions.⁸

This argument has found little empirical evidence to validate its case. Competitive reduction in standards may not be happening, as there are very few commodities in which the developed countries (with high standards) and the developing (countries with lower standards) are direct competitors. If at all they are, the developed country producers have been successful in effecting product differentiation in most cases, which creates its own niche product grouping. The exports from the developing countries with low environment quality, usually, will be catering to a genuine demand for such low-priced commodities.

The 'dirty industry migration' argument has been contested, as there is little empirical evidence to support it. A recent study, conducted in 119 countries and in five high polluting industries, has found no evidence to support the hypothesis that industries facing above-average abatement costs with environmental regulations would prefer

pollution havens and relocate their activities. There is hardly any conclusive evidence that the developing countries deliberately keep the standards low to attract foreign direct investment (FDI).⁹ So the case for linking environmental standards with trade to discourage polluting industry migration is relatively weak.

Licence to pollute is neither the means by which countries with low standards attract foreign investment nor is it the major factor that influences the investor's decision to invest. The developing countries attract FDI through costly measures like tax breaks, tax holidays, land grants and preferences than the opportunity to pollute.¹⁰ The investor looks at factors like market segment growth, infrastructure, cheap labour, security of the investment and other concessions that they are able to gain during negotiations with the government. Moreover, there may be a direct correlation between low environmental standards and broken supplies of electricity, water, corruption, and law and order problems that might dissuade the investor from taking the risk.

Moral arguments

One of the major arguments in favour of linking trade to environmental standards is that the adoption of lower standards, such as harvesting shrimp in methods that endanger turtles, is morally reprehensible and trade measures should therefore be used to force countries to raise their standards. These arguments are based on the inherent assertion that socio-political processes in other countries do not reflect the wishes of the people or that the people in those countries do not know what is good for them.

This argument, like other pro-linkage arguments, emanates from the perception that standards, whether moral or environmental, could be the same all over the world. This imposes one society's ethics on others by interfering with their independence and sovereignty. Usually the means employed for this purpose (like unilateral trade ban) or their hidden objectives may stand as poor examples of morality.

Legitimacy

Some argue that inclusion of environmental standards in trade agreements is essential to ensure legitimacy of the latter in the eye of the general public. But legitimacy of the international trading system depends not only on its inclusion of topics popular with certain sections of the public of some countries, but also on equity between countries and its ability to deliver growth and prosperity. Legitimacy of the trading system erodes if restrictive rules are imposed on the poor who live off the environmental resources and may not be adequately represented in the decision-making bodies, even in their own countries.

Precautionary principle

Precautionary principle states that even if science does not provide a conclusive proof of possible negative impact of a particular policy, governments are entitled to take precautionary measures against potential risks to environment, health and safety, provided that such measures are based on sound science and do not amount to protection for domestic producers.¹¹

Precautionary principle gives the opportunity to some governments to apply discriminatory trade restrictions even when there is no consensus of scientific opinion to back the action. The principle is generally applied on primary products that are a major source of export earning for the developing countries. Precautionary principle gives some countries the right to enforce trade restrictions unilaterally. Further, when precautionary principle is applied, the burden of proof shifts to the country affected by the trade restriction, contrary to the WTO rule that the country that adopts the standard should justify the measure.

International spillover

There are environmental issues with cross border spillover like acid rain, or river pollution at the regional level, global warming, ozone depletion or loss of biodiversity on a trans-border scale. These issues are often cited as the reasons for linking environment and trade issues.

When the problem is international, the solution has also got to be international. If international trade itself is the cause of environmental problem, intervention would have been legitimate, but that is rarely the case. There is a body of literature that shows that even in the case of international environmental problems, the environmental or economic utility of trade measures is limited. Sometimes the outcomes of a trade ban are diametrically opposite to what is expected, like in the case of the trade ban related to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES). International co-operation is a better option than trade restrictions in these issues. In many cases, small financial and technical assistance programmes could have achieved the environmental objective without committing much resource, as Bhagwati points out.¹²

2

Impact of Poverty on Environment

The Question of Poverty

Despite years of effort, poverty has not improved to the extent desired. Increasing world population adds to the more than 1.2 billion extremely poor people – one in every five on earth – who survive on less than US\$1 a day. During the 1990s, the share of people suffering from extreme income poverty fell from 30 to 23 percent largely due to China's achievement in lifting 150 million people out of poverty. But when China is excluded, the number of extreme poor actually increased by 28 million.¹³

South and East Asia have the largest number of people in income poverty, though both regions are making impressive gains. In Latin America and the Caribbean, the Arab States, Central and Eastern Europe and sub-Saharan Africa, the number of people surviving on less than US\$1 a day has increased. A lack of sustained poverty-reducing growth has been a major cause of increasing poverty.

In South Asia, India had more than 300 million people living in poverty in the 1990s. Four countries of the region, viz Bangladesh, Bhutan, Maldives and Nepal are categorised as least developed countries (LDCs). All the countries of the region have low gross domestic product (GDP) per capita and low Human Development Index (HDI) rank. Ironically, the countries of the region are rich in natural resources. There is high incidence of poverty among the people living in areas close to forests or sites of natural resources.

However, economic growth alone is not enough for poverty alleviation. Poverty has worsened even in some countries that have achieved overall economic growth, mainly due to unequal distribution of the income generated through growth. In the past two decades, income inequality worsened in 33 of 66 developing countries, for which data is available.¹⁴ Growth can reduce poverty or worsen it, depending on its pattern, on structural aspects of the economy and on public policies. Growth is likely to benefit poor people if it is broad-based rather than concentrated in a few sectors or regions, or if it is labour intensive and if government investments are in human development (as in basic health, education, nutrition, and water and sanitation services).

Another essential element for poverty reduction is that the distribution of the benefits should also take care of gender equity. Women, mostly, are excluded from the overall progress of the society in poor countries. But their empowerment in terms of better access to basic necessities like income, health, education, and ownership rights can result in growth being sustainable and equitable.

The Poverty-Environment Linkages

The poor are heavily dependent on their natural and physical environment for survival and sustenance. Natural and environmental resources form the major source of income for most of the poor. Some 900 million poor people living in rural areas depend on the consumption and sale of natural products for much of their livelihoods. For instance, in Tanzania, poor people derive as much as half of their cash incomes from the sale of forest products such as charcoal, honey, firewood and wild fruits.¹⁵

Poverty and environmental degradation are closely linked. Poverty exacerbates environmental degradation and environmental degradation exacerbates poverty.

Many environmental problems stem from poverty. In rural areas, there are close links among high infant mortality, high fertility, high population growth and extensive deforestation, as peasants fell tropical forests for firewood and new farmland.

Environmental degradation inflicts serious damage on poor people, because their livelihoods often depend on the use of natural resources, and their living conditions may offer little protection from pollution of the air, water and soil. They generally have fewer resources compared to other sections of the society to both survive and recoup after an environmental damage.

On the other hand, environmental restoration also imposes additional burden on the poor. Amelioration of the impact of environmental damage requires sizable economic resources. It increases cost of living by increasing the prices of necessities of life, access to shelter, health and sanitation facilities. In such a scenario, it is an impossible task for the poor, whose resources are insufficient to meet even their basic needs, which is the reason for them being poor in the first place.

Moreover, the poorer sections of society usually experience social, economic and political deprivation. They are mostly unorganised and fail to exert enough political pressure to draw favourable distribution of resources in democracies. This lack of political clout makes their problems and demands largely invisible in the public sphere. Even when the resources are allocated, the powerful and organised sections of the society often fret them. Another impact of the lack of visibility of the problems of poorer sections is that usually their plight, if at all recognised, is recognised last. This results in insufficient and ineffective support from the government to deal with their problems.

At the same time, poverty may induce the poor to deplete resources and degrade the environment at rates that are incompatible with long-term sustainability. In such cases, degraded resources may precipitate a downward spiral, by further reducing the income and livelihoods of the poor. This “poverty-environment nexus” has become a major issue in the recent literature on sustainable development. Empirical research suggests that the nexus is country-specific.¹⁶ Geographical, historical and institutional factors may all play important roles in determining the relative importance of poverty-environment links in different contexts.

Thus, the poor become the agents and the victims of environmental degradation at the same time.

Poor people often degrade the environment because they have been denied rights to their natural resources. Lack of ownership rights, and more importantly user rights, make it difficult for them to conserve the very natural resources they depend on for survival. In most poor countries environmental resources are treated as public goods. This creates a situation, called 'free riding' in economic terminology, which allows the entire society to exploit the resources into exhaustion. Even when property rights are defined, the locals who have major stakes in the conservation of the resources are left out of ownership and often alienated from their natural habitats. This alienation creates a vicious circle wherein the locals become agents and victims of environmental degradation.

Many environmental problems arise from the production and consumption patterns of non-poor people, particularly in rich countries. Rich countries, it is alleged, consume a lot of fossil fuels and deplete many of the world's fisheries. They are also heavy users of tropical hard wood and products from endangered species. From an alternative point of view, it can be said that the rich countries are able to afford these goods, to the extent that is more than what they actually need. But the consequences of the wasteful consumption of the rich are borne by the poor. The rich can survive the environmental damage, with the help of resources at their disposal or even by relocating themselves away from the affected regions. The poor, on the other hand, are forced to stay on and fall victim to pollution; or migrate to other areas to live in conditions worse than before.

The poverty-environment nexus has a strong gender component. Women and girls are hurt disproportionately by environmental degradation often because they are responsible for core tasks necessary for survival, like collecting fuel, fodder and fetching water in poor societies. In many rural areas, deforestation forces rural women and girls to endure more physical exertion and spend more time and energy collecting fuel-wood.

The table 2.1 indicates the relationship between resource use, income level and poverty scenario of a representative list of countries from around the world. The countries are chosen, according to their Human Development Index (HDI) rank, income levels and category they fall under, like high HDI or low-income etc. HDI prepared by the United Nations Development Programme (UNDP) is a good indicator for comparative analysis of poverty across countries, as it takes into account not just economic indicators but multiple social indicators as well.

Country/ Category	Traditional fuel consumption (as % of total energy use)	Electricity consumption per capita (2000) (kilowatt- hours)	GDP per unit of energy use (2000) (PPP US\$ per kg of oil equivalent)	CO₂ emissions per capita, (metric tons) (1999)	GDP per capita (2001)	% Population earning below US\$1 per day 1990- 2001	HDI Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Norway	1.1	24,422	5.1	8.7	36,815	-	1
Sweden	17.9	14,471	4.4	5.3	23,591	-	3
United States	3.8	12,331	4.2	19.7	35,277	-	7
Canada	4.7	15,620	3.3	14.4	22,343	-	8
Japan	1.6	7,628	6.1	9.1	32,601	-	9
Costa Rica	54.2	1,630	11.7	1.6	4,159	6.9	42
Mexico	4.5	1,655	5.5	3.9	6,214	8.0	55
Brazil	28.7	1,878	6.7	1.8	2,915	9.9	65
Thailand	24.6	1,448	5.1	3.3	1,874	<2	74
China	5.7	827	4.1	2.3	911	16.1	104
India	20.7	355	5.5	1.1	462	34.7	127
Bangladesh	46.0	96	10.8	0.2	350	36.0	139
Nepal	89.6	56	3.7	0.1	236	37.7	143
Nigeria	67.8	81	1.2	0.3	319	70.2	152
Ethiopia	95.9	22	2.6	0.1	95	81.9	169
Mozambique	91.4	53	2.5	0.1	200	78.4	170
High HDI	3.3	7,245	4.9	10.8	22,005	-	-
Medium HDI	10.8	939	4.0	2.3	1,102	-	-
Low HDI	63.3	162	4.0	0.4	315	-	-
High Income	3.4	8,651	4.9	12.4	26,395	-	-
Middle Income	7.3	1,391	4.0	3.2	1,928	-	-
Low Income	29.8	352	2.5	1.0	432	-	-
World	8.2	2,156	4.5	3.8	5,133	-	-

Source: compiled from UNDP (2003), Human Development Report 2003. pp.245-247, 278-281, 300-303.

First, we analyse the relation between high income and high HDI in countries. Then, the relationship between resource use and HDI rank of countries is explained.

Income as a determinant of HDI

The analysis of the table shows that the high HDI economies have recorded overall consistent performance in GDP per capita annual growth rates. Countries with high GDP per capita, with the exception of US and Canada, fared better in terms of equality of income.¹⁷ Though, when income poverty line is taken into account, even these developed countries with high-income inequality perform much better than any of the low HDI countries.

In fact, this comparison is not possible between the high and low HDI countries as they have different measurements of poverty line. For instance, for the US, poverty line is set as US\$11 a day, in place of US\$1 for low-income countries. Under this measure, the US has a high poverty rate of around seven percent among the countries included in this study.

It is evident from the table that one of the conditions for achieving high HDI is high per capita income. High HDI rank of a country indicates that it has performed well in both social and economic indicators. Such countries had outstanding success in areas like health, education, mortality, female health and technology diffusion and creation. Achievements in these fields are imperative for a country to garner the ability to ensure poverty alleviation in the present and the future.

Further, the high-income countries have adequate financial resources to meet the needs of their citizens and to implement the welfare programmes of the respective governments. It is not a strange correlation that the high HDI countries have larger shares in the world trade as well. In the last three decades, many countries, especially from South East Asia, have developed with the help of trade.

The low-income countries lack this ability, despite possessing resources and human capital. They should also be able to use trade as a vehicle for development. Trade and environment linkages could impair the ability of these countries to prosper.

In order to critically examine this argument, it is important to see whether there is a relation between high HDI rank and the resource use by a country.

Resource use and HDI

The natural resource endowment of different countries is not comparable for lack of common measure between various resources. Hence, for analysis, we take into account two important outcomes of resource use – the energy consumed and the pollution created. Energy consumption is indispensable for the developing societies to achieve prosperity, both in the economy, as a whole, and in the domestic household sector. Lack of energy is one of the important factors for the underdevelopment in the agricultural as well as industrial sectors of the poor countries. Use of polluting energy sources is one of the major reasons of high incidence of respiratory disease and death, especially

among women in rural households.¹⁸ Therefore, use of efficient and clean energy, like electricity, can be a good indicator of overall performance of a country.

Whereas the GDP per unit of energy use (or energy efficiency of GDP) shows the efficiency of each unit of energy in terms of the GDP, it helped to generate; the CO₂ (Carbon di-oxide) emissions per capita shows the actual use of resources at their disposal (even if they are polluting).

It is clear from the table that high HDI countries consume much more electricity, which is a cleaner and more efficient energy. Even though the lower HDI ranked countries have energy efficiency of GDP similar to the high HDI countries they score poorly in the per capita use of energy. In general, they have high dependence on traditional fuels for most of their energy requirements. It is only logical to say that they should have access to efficient energy, like electricity, even if its production is polluting (like greenhouse gas emissions during electricity generation using coal, or diesel). But, on the whole, their use may protect the environment as the energy efficiency of these fuels is much higher than the traditional fuels, and the high energy efficiency results in lower resource use per unit of energy produced.

Yet, to put pressure on the developing countries to reduce emissions through reduction in the consumption of traditional fuels and coal will be an erroneous strategy, as these countries do not have the means to produce energy in environment friendly ways and the poor of these countries will fail to meet their energy needs.

Furthermore, the table shows that all the high HDI countries have a high CO₂ emission per capita (in other words, pollution per capita) than any of the lower ranked countries. Since these emissions were important to their economic development, there was little effort to abate them. Nevertheless, these countries have high domestic environmental standards on many other environmental indicators. This shows that for development of poor countries it is crucial to have the right and ability to use the resources in the way those societies want to, and can.

Many of the poor countries included in this analysis are rich in natural resources, and that is the most important resource they have. Countries like Nepal have hardly used their potential for employing natural resources and remain underdeveloped. Will it be ethical to ask Nepal not to use its natural resources and deny the opportunity to pull its poor above poverty? Denying a country's right to exploit its natural resources is tantamount to denying the only opportunity for the poor of that country to ward off poverty. It will not be preferable by any moral standard to ask these countries to produce only in ways acceptable to the developed countries, as the environment friendly techniques required by those standards might not be cost-effective or even relevant in the developing countries.

Given their domestic compulsions to meet the challenges of poverty and development, it may not be desirable or even possible for a country in its initial stages of development to be environment friendly. Though, the transition to environment friendly production and consumption will be beneficial for the country in the long run, provided it is managed

well along with economic growth. Growth can create internal demand for environmental friendliness in the long run and provide the resources to achieve that, as the discussion in section four of the paper shows.

Imposition of unconscionable environmental standards interferes in the natural progress of developing countries to environmental quality by expediting the process, sometimes to unmanageable pace, for the poor countries, and can hurt the country and environment, as our discussion in the next section shows.

3

Impact of Environmental Standards on Environment and Poverty

Environmental Standards Uncovered

Environmental standards are criteria relating to the environmental friendliness of a product, set to ensure that products and the process of production achieves certain norms of environmental quality. The requirements on environmental quality may relate to aspects like raw materials and intermediate goods used in the production of a good, their production methods, distribution, functioning and disposal of the commodity in question; or all of these. Thus, the standard can apply to one or more levels in the production or over the whole 'life-cycle' of the product, including that of the intermediate goods.

Compliance to environmental standards can be either mandatory or voluntary.

In the case of mandatory standards, all goods of a particular variety produced and sold in the market will have to meet the benchmark of environmental quality set by the regulating agency, for example, auto emission norms known as 'Euro III, and Bharat II'.

Whereas, in the case of voluntary standards, as the name suggests, the acceptance of a particular standard is voluntary. In principle, it is entirely up to the producer to produce a good in specific methods demanded by the standard, thus voluntary standards allow both standardised and non-standardised products to be sold in the market. Though, in actual practice voluntary standards could also become mandatory, as importers usually insist on compliance to specific standards and labelling requirements.

Mandatory standards mostly draw their legitimacy from laws and regulations of governments; while voluntary standards are offered either by the government, non-governmental agencies or even the private sector.

Environmental standards may have objectives other than their primary function of protecting the environment. Firstly, the standards that have labelling requirements aim to provide direct information to the bonafide consumer about the environmental superiority of the product. Secondly, the labelling process informs the producer about the environment friendly products and technologies through their elaborate requirements on criteria. Thirdly, as studies by Bhagwati and Srinivasan¹⁹ and Markandya²⁰ show,

environmental standards in one country may have impacts on the imports of competing products from other countries that cannot easily acquire the labels or cannot acquire them on the same terms as host country manufacturers.

The schemes will be protectionist if a) they specify the use of technology that domestic producers have special access to; b) they give special attention to the demands of the local manufacturers and foreign suppliers are not consulted while setting the criteria; and c) if they require foreign producers to meet the same criteria, including those that are not important in the country of the manufacturers.²¹

The problems for foreign exporters can be exacerbated when the labelling scheme is supported by the procurement policies of the governments of importing countries. For example, government purchasing rules may stipulate that only products that sport domestic environmental labels are eligible for tender as an incentive measure for domestic eco-label schemes.

Poverty-Environmental Standards Linkages

The effect of environmental damage on the poor is negative, but the effects are exacerbated if environmental protection measures that follow impose costs in terms of forgone income, or adjustment costs. The impacts in many ways are akin to those of technological change and related unemployment, but with an important difference. In less developed countries, domestic unemployment due to the technological changes at the international level generally occurs over a period of time and the poor get more time to adapt to the changes or look for other sources of revenue. Since most of the environmental standards are applied through regulations and restrictions, and the fact that the poor stakeholders generally have less access to information on the evolving standards, the impact of standards will be sudden on the poor and their preparedness to meet the challenges will be low.

Environmental standards can have a mixed impact on poverty. The intensity of the impact may also be time specific. In the long term, environmental standards could help the poor by providing better working conditions (for instance, less hazardous methods of production and materials to handle) and training in new skills that will be necessitated by the changes in technology. In the short term, if the enforcement of environmental standards does not create unemployment, the impact could be neutral on poor workers. But, when environmental standards create unemployment or income loss as outlined in the following sections of this paper, the impact on the poor could be negative. Moreover, the negative impact may not be limited to the immediate geographical area, economic sphere or even the society, as the following discussion would show.

Loss of competitiveness

Compliance to foreign environmental standards can increase the cost of production of the local producers. In most cases it is seen that the foreign buyers are unwilling to pay extra for environment friendliness of the product. It can result in the small firms losing the export markets in which they were competing with low profit margins. Most of the LDC and developing country exports are low-value products, where the scope for increasing the price to meet the extra cost is limited.

Problems with the size of the firm

Environmental standards affect the small firms more than the large ones. It will be difficult for small firms with lower production capacities and low output to make the mandatory adjustments in production techniques required by the standards. This is due to the inability of the small firms to gain economies of scale in the long run that is essential in the successful shift to higher standards if the prices in the export market do not rise after standardisation. Many of these small firms could close down with the sudden loss of the export market that they are entirely dependent on and most of them are not in a position to diversify into different markets to offset this eventuality. The low-skilled and manual labourers of these firms will be rendered jobless and it can trigger a social crisis.

Lack of preparedness

The information gap or the absence of early warning mechanisms on new standards worsens the problems for the workers in small firms. The firms realise about the loss of market mostly after the ban comes into place. Consequently, the workers also realise about their job loss very late. This leaves both the firms and the workers with very little reaction time. In poor countries, jobs are scarce and finding a new job will be difficult. At times, when the firms make the necessary changes, skilled workers have to be employed or the existing ones have to be imparted training on new skills. Apart from adding to the cost for the firms, this can displace the labourers who are unable to learn the necessary skills. Such developments might be economically good in the long run, but from the social angle this is not preferable, as more people will become vulnerable to poverty.

Impact on society, family, and gender equations

Most Indian families in the low-income group are headed by males who might be the sole income earner of the family. These families are typically characterised by low standards of living and poverty. Their ability to gain access to better facilities is limited by their poor economic conditions. Since their incomes were insufficient to meet even their basic consumption needs, they will not have any accrued savings for the difficult times ahead. In such a situation, job loss for the head of the family would result in the whole family being pushed further into poverty. The workers have to go in for jobs that they do not have any skills for, mostly with lower wages. This will force the other family members to take up menial jobs with abysmally low wages to compensate for the loss in income. Children are pulled out of schools and made to work, often in hazardous employment. Women are affected more as they are seldom economically self-dependent and may not possess skills for employment. They will be forced to seek employment besides engaging in household work. This will leave them with little time to look after the children or spend time in recreational activities. The reproductive health of women will also be affected, as there will be less or no income to avail quality health facilities. The jobless could turn to antisocial activities like crime and prostitution, to eke out a living.

Impact on specialised trades

At times, the job loss due to an environmental measure could wipe out a particular craft completely and render the whole labour force unemployed. For instance, taking a cue from the Convention on International Trade on Endangered Species of Flora and Fauna (CITES) ban on ivory trade, countries the world over banned trade in ivory artefacts,

and domestic trade was also made illegal. In India, labourers who specialised in ivory carving and made a good living out of it were pushed into unemployment and poverty along with their families and dependants. Their jobs were so specialised that most of them did not possess any other skill to earn a living. On the other hand, poaching of Indian bull elephants picked momentum after the ban, as ivory was fetching a higher price in the illegal international wildlife market. Many elephant herds in India were left without bull elephants and faced extinction. The net result was that the ban proved to be a policy that was environmentally and socially flawed.

Physical uprooting

The job losses in the countryside create another set of problems that manifest even beyond the limits of the countryside. The jobless workers usually migrate to cities in search of economic opportunities.²² They add to the woes of the city by joining the unemployed in the cities and put pressure on the public utilities there. The migration from the rural areas is one of the major causes of the spread of slums in India. The poor in these slums often fail to gain access to overburdened government services like water, sanitation and education. There is a great chance that these migrants end up in more poverty and economic and social deprivation. They become objects of resentment for the people of the city. They could also end up as a law and order problem, when they turn to drug peddling and theft due to lack of employment.

Ironically, if these migrants were actually to find employment and better income in the city, there would be further influx of people from rural areas to the cities because of herd behaviour.

Success of preventive conservation

The very success of conservation programmes that intend to prevent use of resources could also lead to an environment-poverty nexus. In many cases related to the conservation of wild animals, it is seen that success of the conservation programme causes the wild animals' population to grow beyond the carrying capacity of the natural habitats and becomes unmanageable. The animals at the top of the food chain lose their prey-base and habitat. They usually foray into neighbouring human habitats, resulting in man-animal conflicts, affecting the poor further.

Box 3.1: Turtles, Trade and Trinidad & Tobago: Case Study of Impact of Environmental Standards

<p>The futility of extraterritorial application of environmental standards and the related problem for small country producers is exemplified by the experience of Trinidad and Tobago fishermen with the infamous 1996 United States' ban on import of shrimp harvested in ways harmful to turtles.²³ The US\$10mn shrimp exports to the US were small in the overall economic activity of Trinidad and Tobago. Therefore, the Trinidad and Tobago Government was not interested in challenging the US ban for fear of a backlash in the petroleum exports to the US, which were the major source of export earning for the country. The fishermen were forced to comply with the requirement of Turtle Excluder Devices (TEDs)</p>

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and import the equipment from the US at a cost of approximately US\$300 each, even though the area from where shrimp was harvested was turtle-free. Moreover, the particular species of turtle (Kemp Ridley) that TEDs were designed to protect was not found in the Trinidad and Tobago waters. TEDs, instead, killed the bigger Leather Back turtles found in the country's waters during shrimp harvesting, as the imported equipment was not designed to accommodate their size.

The cost of using TEDs was further increased as the imported nets were lost at sea frequently and their use reduced the catch. The locally developed cheaper alternative was not cost effective in the long run as it had to be replaced frequently due to inferior quality and was also lost at sea like the imported ones. The net effect was that the profit margin of the fishermen and competitiveness of their produce in the global markets were reduced. During the ban, the fishermen sold their catch in the local markets at half the price earned from export markets, because of oversupply and limits to price elasticity for the product in that market, and incurred economic losses.

The Government of Trinidad and Tobago had to allocate scarce resources to comply with the US standards and to establish a regime for turtle protection and have ongoing monitoring and implementation of the programme. These resources could have been useful for meeting the country's pressing social and environmental concerns that needed immediate attention.

The ban was not successful in reducing the alleged adverse environmental impact of shrimp harvesting as it continued during the ban. The real impact of the environmental requirement was on people, the fishermen – who were affected, and the society and environment at large, as resources were diverted. Small economies and small-scale operators are highly vulnerable to the adverse effects of environmental standards, more so if these standards are unjust and totally irrelevant to them. The larger question arising from this example is both political and economical. A small country's sovereignty and right to prioritise its needs were compromised. In the process of that country's efforts to fall in line due to fear of economic and political consequences in other areas, the interests of the weaker sections of the society were hurt the most.

Environmental damage affects the poor most. However, its remedy, i.e. environmental standards, when linked with trade, also affects the poor no less. At times, instead of reaping environmental benefits, the standards could actually cause environmental damage (by killing leather-back turtles, as in the above example). Therefore, similar to the poverty-environmental degradation and trade-environmental damage nexuses, there could be an environmental standard-poverty-environmental damage nexus as well, which needs to be explored further.

4

Linkages Between Trade, Environment and Poverty: Need for a Holistic Approach

The conventional understanding of environment management believes in controlling and restricting the use of environmental resources to conserve them. Since poverty and environment are directly linked, it is argued that conservation, even if forced, will help in reducing poverty. This is the classic *raison d'être* of environmentalists. This paper ventures to dispute this over-simplified premise and its methodology, since this has served the protectionists' interests more than either environment or poverty reduction. This paper advocates an alternative view that the focus should be reversed and poverty alleviation should be seen as a sustainable means for conservation of the environment.

It is important to avoid the over-simplification trap that the traditional conservationist approach fell victim to. In developing and least developed countries the linkage between the environment and sustenance is very strong and complex. The major drawback of the traditional approach is its failure to take into account the intrinsic role of income in poverty alleviation and environmental improvement. It is important to take measures to raise the opportunities of a country as a whole and the poor in particular, to secure income and afford consumption, and reap benefits in environmental quality, even if some time later. Freer trade is an important means to this end. Linking environmental standards with trade can certainly hamper LDCs' ability to gain from free trade.

It has to be stated upfront that the strategy this paper enunciates is not to reduce governments' role in either poverty alleviation or environment protection. Contrary to this perception, its strategy will reinforce the ability of governments to intervene strategically in poverty alleviation and environment protection by raising their revenue and reducing the dependence on public services. This way, governments' role is made more efficient and emphatic, even if it is made comparatively limited.

Box 4.1: Environment and Income: The Positive Relationship

Some economists argue that environmental damage can be inversely proportional to the income level. At the early stages of development, most countries produce relatively little pollution. With growth and increase in per capita income, pollution intensity increases as countries switch to activities that pollute more to cater to the growing demand. But, once a certain level of economic growth (higher per capita income) is achieved, the pollution intensity comes down, as the country would generate more income per unit of pollution generated. The point of declining pollution intensity will be different for different pollutants and vary across countries. This is known as the 'environmental Kuznets curve' (EKC) in economics.

EKC implies that economic growth could eventually redress the environmental impact of the early stages of development, and growth will lead to further environmental improvements in the long run. Despite the initial environmental degradation, possibly the only way to attain a decent environmental quality in most countries is to become richer. This argument establishes a direct relationship between higher income (growth) and environmental quality, and contests the argument that growth pollutes in the long run.

Many factors may contribute to the decline in environmental degradation in the higher stages of economic development. Factors like changes in economic structure towards information intensive industries and services, coupled with increased environmental awareness, enforcement of environmental regulations, improved technology and higher environmental expenditure are attributed for this turnaround.²⁴ These changes result in arresting environmental degradation and subsequently a gradual decline ensues. In a country, the demand for environment quality and the resources available for investment increases when people have high income at their disposal. This could be because at lower incomes necessities and comforts of life are a priority. Environment quality, which is a luxury good in this context, is demanded at higher incomes. In short, at different income levels, the demand for environmental quality and the ability to afford it will be different. Naturally though, in developed countries the focus is on environment quality and conservation of natural resources. Whereas, the developing as well as the less developed countries are more concerned with meeting the consumption demands of the people.

It is important to note that EKC analysis does not claim that with higher per capita income the negative environmental impact will be brought to zero. It is impossible to do so. Economic activity would demand that resources be put to use. Use of resources, however limited, would invariably result in their reduction and consequent environmental damage; the challenge is to make that use sustainable. It will be difficult for countries to forgo the utility of any particular resource, especially in poor economies. The traditional school of environment conservation ignores this fact and stresses on preservation of the environment by preventing the use of resources. But, on the whole, this policy has been a

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failure because of its inherent drawbacks, like difficulty in enforcement. The strategy to achieve sustainable development, instead, should have been to 'manage the use' of resources than measures aimed at prevention of use, like *trade measures*.

According to this argument, countries' choice of environmental standards depend, on their relative valuations of income and environmental degradation. Understandably the poor countries place a higher value on economic development over environmental degradation than developed countries. Therefore, harmonisation of environmental standards across countries is likely to be strongly welfare reducing.²⁵ Even if only a 'core' or 'basic' level of standards is applied as universal standards to improve welfare, the chances of these measures achieving their proclaimed environmental objectives are low.

A study by Perroni and Wiggle²⁶ employs a model of world trade to explore the implications of various trade-related approaches to global warming. It shows that both trade related process standards and tariff-based policies are rather ineffective in reducing global emissions. Further, they found that the economic case for optimality of free trade is not altered by the existence of different standards in different countries.

Positive Linkages Between Trade, Poverty, and Environment

Positive effects of trade may lead to spreading of new technologies for protecting the environment, such as microbial techniques for cleaning up oil spills. Moreover, trade rapidly spreads goods and technologies that have less negative impact on the environment, like fuel-efficient automobiles or solar power technology. It can improve the efficiency of existing technologies and result in saving natural resources.²⁷

The positive wealth effects of trade have definite environmental endowments. It is seen that wealthier economies have higher demand for better environmental standards. This may be the result of higher environmental awareness in these countries and a peculiar objective of competitive markets, viz profit maximisation, which is otherwise usually held as a reason for indiscriminate exploitation of environment. For this to be true, property rights of environmental goods should be well defined and the price of resources should reflect their true market value. The profit maximisation objective can reduce environmental damage in the long run through reduction in the use of costly raw materials; and the creation of markets for environment friendly technology. Competitive market conditions force firms to continuously improve the efficiency of their manufacturing processes and introduce new products. It creates the need to spread the use of those products and technologies for more profit and economic viability. In this way, environmental problems may induce their own solutions in market economies.

Environmental problems arise not because the poor disregard the environment they heavily depend on for survival. Instead, they are more concerned about issues like income, food and housing that are basic to their survival. These concerns leave them

with no option but to depend more on the environment. Environmental policies should take care of this dependency, rather than limit the consumption of environmentally sensitive goods by the poor. As it turns out, dependence of the poor on the environment, and thereby their chances of survival is critical to the internal security and peace of many poor economies.

If trade takes place with more equitable income distribution, it can positively affect environmental quality by lowering the dependency of the poor on their environment. But if trade policy (through environmental standards) aims to limit the subsistence consumption of the poor, it will have a greater negative impact on society. The poor could be driven into further poverty as they generally fail to garner support outside their communities. There could be serious livelihood implications, apart from possible adverse environmental effects.

How to Mitigate the Negative Impact of Environmental Standards on Poverty?

One of the best ways is to minimise the direct impact that environmental standards can have on poverty. The direct impact is the result of strict enforcement of environmental standards that disallow choice for the poor of developing countries in their consumption or production pattern.

Accepting the differences in production standards across countries (i.e. multiple standards with differing compliance requirements) is an important step in allowing choice for the poor of the developing countries. The differences in standards reflect the choices made by respective societies, according to the needs and assessments of their domestic conditions, in the same way in which the developed countries have set their high domestic standards. It should be accepted that the poor countries also have the right to prioritise their needs and the right to use their resources in the way they deem fit. Encroaching on their sovereignty to dictate terms about the way their affairs are managed could have detrimental effects on these countries.

Poor country resources cannot be treated as global commons that other countries have a right to preserve, as the same logic is not applied on the developed country resources or the environmental degradation that they cause. Poor countries should be compensated adequately for the resources they conserved before these resources could be made global commons.

In a similar vein, a country could also seek the right to decide on the quality and safety of the products consumed in the domestic market, as in the case of developed countries.

How can this right be reconciled with the right of the poor countries to choose its environmental quality?

For the answer we can look at the consumer markets; consumers have to pay extra, when they buy custom-made goods. Similarly, treat the environmental characteristic in the product as a customisation demand; and the consumers should be made to pay more than normal for added environment friendliness. The additional price should be enough to offset the marginal cost of new technology and other compliance costs; or, the

importing countries should be ready to transfer the environment-friendly technology or give assistance in attaining it, as the case may be. According to many exporters, support from the importers in providing information, and technical and financial assistance, have been the important reasons for the successful compliance to foreign environmental standards by many Indian firms.

5

Conclusion

Many poor countries have rich natural resources. But not all natural resources can be used for direct consumption by the poor; and poverty alleviation strategies need to achieve much more than just feeding the population. For instance, rich copper ore deposits of a country will not in itself ensure that the country meets the needs of the poor. The country should be able to convert copper ore into liquid resources that can help in meeting the needs of the poor. The domestic use of copper alone cannot do it and international trade has to take place. In a resource-rich country, trade can improve the liquidity of natural resources and raise valuable resources for poverty alleviation.

The ability of the poor countries to use trade as a tool for poverty alleviation is compromised if environmental standards are applied unilaterally. This paper argues that it can have major livelihood implications, apart from adverse environmental effects. Livelihood implications are related to loss of income; loss of habitat, culture, heritage, and shrinking social spaces. The outcome of these for the poor is low living and health standards and abject poverty. The livelihood effects could also lead to malnutrition, lower rates of education and in some cases child labour. The loss of employment affects the gender health and increases their vulnerability as well.

Adverse environmental effects are mainly due to standards irrelevant in the domestic settings of the poor countries being applied indiscriminately on trade with them.

It is important to ensure sustainable income to the poor to keep them out of poverty and reduce environmental damage in the developing countries and LDCs. For this, the right to own and use natural resources has to be granted to the poor. To this purpose, it is argued that, environmental damage in the interim period due to the dependence of the poor on their environment should not be too much of a concern, as long run growth can be a stimulus to improve environmental quality. The focus, therefore, should be to grant primacy of poverty concerns over environmental concerns in poor countries and to ensure that environmental objectives do not hamper the trade and poverty objectives.

The environment-trade linkage is consciously being legitimised in the trade regimes, especially in bilateral and regional trade pacts. At the current pace, it is only a matter of time before it becomes a part of the WTO, though there is still room for poor and developing countries to use their bargaining powers. But, for this, they have to be well informed and united in purpose, both within and outside the WTO. As of now, trade battles in the WTO are lost by accepting trade-environmental linkages in regional and

bilateral trading agreements. Developed countries have adopted a policy of isolation and conquer, where individual non-cooperating countries are isolated from the rest and forced or lured into accepting trade and environmental linkages. The poor countries can adopt a two-pronged strategy. 1) To huddle and resist, by making sure that the sensitive issues are not discussed seriously; and if at all discussed, only in a multilateral forum like WTO, where the proceedings are more under public and civil society scrutiny. The efforts to legitimise environment-trade linkages through regional and bilateral agreements should be resisted. And 2) if there is no alternative but to comply, get as much return as possible. So far, the developing countries were unable to act collectively and in a sustained manner due to the prisoners' dilemma situation they have put themselves in. This isolation paradox was the result of some of the developing countries cheating their folk for temporary gains.

The need of the hour for the developing and poor countries is to organise themselves and come out of the closet and either face the reality or lose both the battles – against poverty and encroachments on their economic sovereignty.

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- 3 The eight Millennium Development Goals are 1. Eradicate poverty 2. Achieve universal primary education 3. Promote gender equality and empower women 4. Reduce child mortality 5. Improve maternal health 6. Combat major diseases 7. Ensure environmental sustainability and 8. Develop a global partnership for development.
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World Bank (2004), *World Development Report 2004*, World Bank: Washington DC.

CUTS' PUBLICATIONS TRADE, ECONOMICS AND ENVIRONMENT

STUDIES

1. Policy Shift in Indian Economy

A survey on the public perceptions of the New Economic Policy in the states of Maharashtra, Rajasthan, Tamil Nadu and West Bengal in India conducted during June/July 1995 and recommendations to the government which were discussed at the above mentioned India-Nepal Training Seminar. (100pp, #9512, Rs.100/US\$25)

2. Policy Shift in Nepal Economy

A survey on the public perceptions of New Economic Policy in Nepal conducted during June/July 1995 and recommendations to the government which were discussed at the above mentioned India-Nepal Training Seminar. (80pp, #9513, Rs.30/US\$15)

3. Environmental Conditions in International Trade

A study on the impact on India's exports in the area of Textiles and Garments including Carpets, Leather and Leather Goods, Agricultural and Food Products including Tea and Packaging, for the Central Pollution Control Board, Ministry of Environment & Forests, Government of India. (39pp, #9508, Rs.200/US\$50)

4. Costs on Consumers due to Non-Co-operation Among SAARC Countries

A study by noted scholars on the costs on consumers of the countries in South Asia due to economic non-co-operation among them. (#9605, Rs.50/US\$25)

5. Tariff Escalation — A Tax on Sustainability

The study finds that the existence of escalating tariff structure, particularly in developed countries, results in "third-best" allocation of resources. It also harms both environment and development, and crucially the balance of trade. (Rs.100/US\$25, ISBN 81-87222-00-X)

6. Trade, Labour, Global Competition and the Social Clause

The social clause issue has remained one of the most heated areas of international debate for a number of years. The study says that the quality of that debate has not met its volume and the real issues underlying the issue have rarely been analysed as a whole. It attempts to string the various debates together. (Rs.100/US\$25, ISBN 81-87222-01-8)

7. TRIPs, Biotechnology and Global Competition

The study shows, with some evidence, that the provisions in the TRIPs agreement concerning biotechnology are of great concern to the developing world. According to the new General Agreement on Tariffs and Trade (GATT) agreement, all biotechnology products may be patented. Nearly 80 percent of all biotechnology patents are currently held by large multinationals. (Rs.100/US\$25, ISBN 81-87222-02-6)

8. Eradicating Child Labour While Saving the Child

In the scenario of a growing interest in banning child labour this research report argues that trade restricting measures have every potential of eliminating the child itself. The report provides logical arguments and a case study for those groups who are against the use of trade bans for the solution of this social malaise. It also makes certain recommendations for the *effective* solution of the problem.

(Rs.100/US\$25, ISBN 81-87222-23-9)

9. Non-trade Concerns in the WTO Agreement on Agriculture

This research report written by Dr. Biswajit Dhar and Dr. Sachin Chaturvedi of the Research and Information System for the Non-aligned and Other Developing Countries, New Delhi, provides a detailed analysis of non-trade concerns, covering the various dimensions indicated by the Agreement on Agriculture of the World Trade Organisation. (Rs.50/US\$10, ISBN 81-87222-30-1)

10. Liberalisation and Poverty: Is There a Virtuous Circle?

This is the report of a project: "Conditions Necessary for the Liberalisation of Trade and Investment to Reduce Poverty", which was carried out by the Consumer Unity & Trust Society in association with the Indira Gandhi Institute for Development Research, Mumbai; the Sustainable Development Policy Institute, Islamabad, Pakistan; and the Centre for Policy Dialogue, Dhaka, Bangladesh, with the support of the Department for International Development, Government of the UK.

(Rs.100/US\$25, ISBN 81-87222-29-8)

11. The Functioning of Patent Monopoly Rights in Developing Economies: In Whose Interest?

Advocates of strong international protection for patents argue that developing countries would gain from increased flows of trade, investment and technology transfer. The paper questions this view by examining both the functioning of patents in developing economies in the past and current structural trends in the world economy in these areas. The historical research revealed no positive links between a strong patent regime and FDI and technology transfer. Current trends are largely limited to exchanges amongst the industrialised countries and to some extent, the newly industrialising countries. While increased North/South trade flows are expected, negative consequences are possible.

(Rs.100/US\$25, ISBN 81-87222-36-0)

12. Negotiating the TRIPs Agreement: India's Experience and Some Domestic Policy Issues

This report shows particularities about the subject that distinguished the TRIPs (Trade Related Aspects of Intellectual Property Rights) negotiations from other agreements that make up the Uruguay Round results. It also analyses the way in which the TRIPs Agreement was actually negotiated and handled.

The research findings draw lessons from what actually happened and suggest how policy processes can be reformed and reorganised to address the negotiating requirements in dealing with such issues in the future.

(Rs.100/US\$25, ISBN 81-87222-50-6)

13. Multilateral Environmental Agreements, Trade and Development: *Issues and Policy Options Concerning Compliance and Enforcement*

This report examines the role of provisions for technology and financial transfer as well as capacity building as an alternative to trade measures for improving compliance and enforcement. It acquires specific significance in the light of the fact that the WTO members for the first time, in the trade body's history, agreed to negotiate on environmental issues at the Fourth Ministerial Conference of the WTO at Doha.

This study also examines pros and cons of Carrots and Sticks approaches, and analyses incorporation of these approaches in three major MEAs, the Montreal Protocol, The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Basel Convention, to find out which approach has been more successful in ensuring enforcement and compliance.

(Rs. 100/US\$25, ISBN 81-87222-58-1)

14. Market Access Implications of SPS and TBT: *Bangladesh Perspective*

As both tariffs and other traditional trade barriers are being progressively lowered, there are growing concerns about the fact that new technical non-tariff barriers are taking their place, such as sanitary and phytosanitary measures (SPS) and technical regulations and standards.

This research report intends to increase awareness in the North about the ground-level situation in poor and developing countries. At the same time, it makes some useful suggestions on how the concerns of LDCs can be addressed best within the multilateral framework. The suggestions are equally applicable to the developing countries. (Rs. 100/US\$10, ISBN 81-87222-69-7)

15. Voluntary Self-regulation versus Mandatory Legislative Schemes for Implementing Labour Standards

Since the early 1990s, globally there has been a proliferation of corporate codes of conduct and an increased emphasis on corporate responsibility. The idea is that companies voluntarily adopt codes of conduct to fulfil their social obligations and although these companies are responsible only for a fraction of the total labour force, they set the standards that can potentially lead to an overall improvement in the working conditions of labour.

Given this background, this paper examines how the failure of 1980s codes, regulated by international bodies, resulted in the proliferation of corporate codes of conduct and an increased emphasis on corporate social responsibility.

This paper further tries to explore whether voluntary codes of conduct can ensure workers' rights in a developing country like India.

(Rs.100/US\$25, ISBN 81-87222-76-X)

16. Child Labour in South Asia: *Are Trade Sanctions the Answer?*

South Asian Countries have the highest rates of child labour practices in the world. As a result of the advocacy by powerful political lobbying groups supported by Europe and the US, the trade sanction approach to encounter the issue of child labour has gained influence, since the nineties.

These sanctions were exercised to alleviate the problem of child labour by US policy-makers and also by some countries in the EU. But, the question arises – have the trade sanctions imposed by these countries in any way helped eliminate this

problem? This research report of CUTS Centre for International Trade, Economics & Environment tries to address this question.

It has explored the impact of these trade sanctions and finds that these sanctions resulted in the contradiction of the basic objective, i.e., elimination of child labour.

Besides highlighting the causes of child labour, the report makes some very useful recommendations on how the issue of child labour can be addressed best at the domestic as well as international level. (Rs.100/US\$25, ISBN 81-87222-82-4)

17. TRIPs and Public Health: *Ways Forward for South Asia*

Trade Related Aspects of Intellectual Property Rights — or TRIPs — has always been one of the most contentious issues in the WTO.

This research document tries to find an answer to one specific question: what genuine choices do policymakers in South Asian developing nations now have, more so after the linkage between the trade regime and pharmaceuticals? Starting with a brief overview of the key features of the corporate model of pharmaceuticals, the paper provides some insight into the challenges faced by the governments in South Asian countries. The aim is to anchor the present discussion of public health and the impact of TRIPs in the socio-cultural environment of this region.

(Rs.100/US\$25, ISBN 81-87222-83-2)

18. Bridging the Differences: *Analyses of Five Issues of the WTO Agenda*

This book is a product of the project, EU-India Network on Trade and Development (EINTAD), launched about a year back at Brussels. CUTS and University of Sussex are the lead partners in this project, implemented with financial support from the European Commission (EC). The CUTS-Sussex University study has been jointly edited by Prof. L. Alan Winters of the University of Sussex and Pradeep S. Mehta, Secretary-General of CUTS, India.

The five issues discussed in the book are Investment, Competition Policy, Anti-dumping, Textiles & Clothing, and Movement of Natural Persons. Each of these papers has been co-authored by eminent researchers from Europe and India.

(Rs.350/US\$50, ISBN 81-87222-92-1)

19. Dealing with Protectionist Standard Setting: *Effectiveness of WTO Agreements on TBT and SPS*

Sanitary and Phytosanitary Safeguards (SPS) and Technical Barriers to Trade (TBT) Agreements — enshrined in the WTO — are meant to keep undesirable trade practices at bay. These Agreements try to ensure adherence to standards, certification and testing procedures, apart from technical protection to the people, by countries while trading in the international arena.

This research report is a sincere attempt to fathom the relevance of SPS and TBT Agreements, their necessity in the present global economic scenario and, of course, the development of case law related to the Agreements, along with a brief description of the impact of this case law on developing countries.

(Rs.100/US\$25, ISBN 81-87222-68-9)

20. *Competitiveness of Service Sectors in South Asia: Role and Implications of GATS*

This research report attempts to emphasise on the relevance of GATS for developing economies, particularly in South Asia. It also examines the potential gains from trade

liberalisation in services, with a specific focus on hospital services, and raises legitimate concerns about increases in exports affecting adversely the domestic availability of such services. It highlights how the ongoing GATS negotiations can be used to generate a stronger liberalising momentum in the health sector. (Rs.100/US\$25, ISBN 81-8257-000-X)

21. Demystifying Agriculture Market Access Formula: A Developing Country Perspective After Cancun Setback

At the Cancún meeting, a draft ministerial text on agriculture emerged, known as the Derbez Text. It was not surprising that at Cancún the WTO members failed to accept a ministerial text on agriculture. The Derbez Text had made the framework very complex, which the paper, "Demystifying Agriculture Market Access Formula" tries to demystify. (#0417, Rs. 100/US\$25, ISBN 81-8257-033-6)

22. Trade-Labour Debate: The State of Affairs

The purpose of the study is not to rehearse the never-ending story on the pros and cons of the trade-labour linkage. It not only seeks to assess the current and possible future direction of the debate from the developing countries' perspective. It is hoped that this approach will provide developing countries with concrete policy suggestions in terms of the way Forward.

(#0410, Rs. 100/US\$25, ISBN81-8257-025-5)

23. Liberalising Trade in Environmental Goods and Services: In Search of 'Win-Win-Win' Outcomes

Trade in environmental goods and services has assumed a centre-stage position. The excellent analysis of this issue involved in environmental trade concludes with soundly reasoned policy recommendations which show the direction that future negotiations must take if the originally envisaged 'win-win-win' situation is to be achieved.

(#0402, Rs. 100/US\$25, ISBN 81-8257-019-0)

24. Protectionism and Trade Remedial Measures

This paper examines how protectionism has influenced the use of trade remedial measures. It examines the trends of imposition of trade remedial measures. In order to highlight the protectionist nature of anti-dumping measures, the paper looks at the manner in which the countries have interpreted the WTO agreement on anti-dumping. The paper also makes a comparison between anti-dumping measures and safeguard measures. It demonstrates that countries have preferred using anti-dumping measures over safeguard measures because the former can be easily used for extending protection to domestic industry for a longer time.

(#0420, Rs. 100/US\$25, ISBN 81-8257-039-5)

25. FDI in South Asia: Do Incentives Work? A Survey of the Literature

The present paper has looked at the understudied issues of FDI policies in South Asia, particularly from the point of view of the effectiveness of performance requirements imposed by host countries and the costs of accompanying incentives. As regards the costs of incentives, which a country offers to foreign firms, so far, only a few studies have tried to quantify them. These incentives are normally given

as *quid pro quo* with performance requirements. But, in the bargain, it has been found, these incentives tend to be particularly costly over a period of time.

(#0403, Rs. 100/US\$25, ISBN 81-8257-037-9)

26. WTO Agreement on Rules Of Origin: Implications for South Asia

The importance of rules of origin (RoO) has grown significantly over the years. RoO can be divided into two categories: non-preferential and preferential.

The paper tries to critically examine the WTO proposal on the harmonised rules of origin. The study has looked at its implications on South Asian countries, especially India. Further, in view of the contentious nature of the RoO pertaining to textiles, and the big stakes involved for South Asia, the study places special emphasis on textiles and clothing.

(#0422, Rs. 100/US\$25, ISBN 81-8257-038-7)

27. WTO Agreement on Agriculture and South Asian Countries

Agriculture, in all its manifestations, has always been a sensitive and emotional issue for all countries, but it is more so for the poor countries of the South.

This paper looks into various commonalities in the economic situation of South Asian countries, their sensitivity attached to agriculture, and above all, a common approach to globalisation. In view of these realities, the paper tries to explore a common agenda that South Asian countries can follow during future negotiations on the WTO Agreement on Agriculture. Now the Doha Round of trade negotiations has entered into a crucial phase after the July developments. The “July Package” has resulted in agreement over the framework for establishing modalities in agriculture. In light of this, there cannot be a more opportune time for publishing this paper.

(#0423, Rs. 100/US\$25, ISBN 81-8257-040-9)

28. Agreement on SAFTA: Is It Win-Win for All SAARC Countries?

One of the major objectives of this study is to sensitise various stakeholders (state as well as non-state actors) on the need for better regional cooperation, as it has been proved that such cooperation gives huge peace dividends. It provides a good account of existing trade between South Asian Association of Regional Cooperation (SAARC) countries and highlights lessons learnt from the efforts so far made for better intra-regional trade within South Asia. It also discusses possible implications of South Asia Free Trade Agreement (SAFTA) on South Asian countries.

(#0424, Rs. 100/US\$25, ISBN 81-8257-042-5)

29. Trade Facilitation and South Asia: The Need for Some Serious Scenario Planning

This paper tries to bring to the fore some practical political, economic and operational issues from the point of view of South Asian countries in particular and which may arise as a result of future multilateral agreement on trade facilitation. It throws light on some of the major policy issues and recommends approaches that would fit with the interests and priorities of South Asian countries. One of the major issues the paper tries to emphasise upon is that the problems of improving customs administration in the region are only a small part of a much greater problem relating to border management and domestic tax and revenue enforcement issues.

(#0425, Rs. 100/US\$25, ISBN 81-8257-041-7)

30. Movement of Natural Persons: A Case Study of South Asian Countries

The study looks at the case of South Asian countries, which have got huge potential to increase their export of services through Mode 4. It focuses mainly on four countries – Bangladesh, India, Pakistan and Sri Lanka. However, there are several constraints that South Asian countries face in exporting their services under Mode 4 to developed countries.

It focuses on the significance of Mode 4 for South Asia, the kinds of barriers faced by these countries in supplying services through Mode 4, and how the GATS negotiations can be used to advance their export interests under this particular mode of service supply. Besides, the study also highlights the role of complementary domestic policy reforms and measures, which are equally important for harnessing benefits if trade under Mode 4 is liberalised.

(#0427, Rs. 100/US\$25, ISBN 81-8257-044-1)

31. Enhancing Collective Export Competitiveness on Textiles and Clothing

The paper tries to underline the importance of enhancing collective export competitiveness of South Asian countries. It makes a strong case for enhancing collective competitiveness through cooperation rather than competition. Still, there is a need to promote healthy competition among firms within the region, and countries, for continuous improvement of efficiency and expertise.

The study also recommends the necessity of having an effective institutional arrangement for making such cooperation meaningful and successful. Over and above, the cooperation on textiles and clothing could be a good beginning to fulfil our long-term objective of enhanced cooperation on economic, trade and investment under the auspices of South Asia Free Trade Agreement (SAFTA).

(#0428, Rs. 100/US\$25, ISBN 81-8257-045-X)

32. Trade Facilitation – Reducing the Transaction Cost or Burdening the Poor!

Trade facilitation has been on the WTO's agenda as one of the four Singapore issues along with competition policy, investment and transparency in government procurement. CUTS had undertaken two projects under a programme titled: International Working Group on the Doha Agenda (IWOGDA) to analyse the contours of possible international agreements on all the four issues. In the first phase of the programme, analyses were done on competition policy and investment, whereas the second phase dealt with trade facilitation and transparency in government procurement.

The purpose of the programme is to bring together the diverse viewpoints and concerns on the issue of definition of trade facilitation; on Article V, VIII and X; and on dispute settlement; technical assistance and capacity building. Five case studies of developing countries have been incorporated to analyse whether trade facilitation measures reduce transaction costs. This report is an attempt to analyse and present the contentious, but fundamental, issues pertaining to trade facilitation in order to facilitate better understanding of these issues. It also aims to initiate discussions among the international trade community and act as a road map for future negotiations.

(#0431, Rs. 350/US\$50, ISBN 81-8257-047-6)

33. Eco-labelling: Does (Should) One Size Fit All?

Eco-labelling is one of the important policy tools available for environment protection. Eco-labelling schemes try to inform consumers fully about the product they purchase, with regard to the impact of production process of the environment in general.

The research report provides a developing country's perspective on the problem of harmonisation of eco-labels at the international level. The study includes analysis of conceptual issues; comparative costs of application for eco-labels and trade barrier issues arising out of the harmonisation demands. A comparative analysis of differing criteria requirements for three products across eco-labels from eight countries are presented to substantiate the case that across countries the environmental valuation differs and so do the standards. The study found that differences in standards across countries are an outcome of the country-specific needs and choices; and harmonisation of standards is untenable.

(#0501, Rs. 100/US\$25, ISBN 81-8257-049-2)

DISCUSSION PAPERS

1. Existing Inequities in Trade - A Challenge to GATT

A much appreciated paper written by Pradeep S Mehta and presented at the GATT Symposium on Trade, Environment & Sustainable Development, Geneva, 10-11 June, 1994 which highlights the inconsistencies in the contentious debates around trade and environment. (10pp, #9406, Rs 30/US\$5)

2. Ratchetting Market Access

Bipul Chatterjee and Raghav Narsalay analyse the impact of the GATT Agreements on developing countries. The analyses takes stock of what has happened at the WTO until now, and flags issues for comments. (#9810, Rs.100/US\$25)

3. Domestically Prohibited Goods, Trade in Toxic Waste and Technology Transfer: Issues and Developments

This study by CUTS Centre for International Trade, Economics & Environment attempts to highlight concerns about the industrialised countries exporting domestically prohibited goods (DPGs) and technologies to the developing countries that are not capable of disposing off these substances safely, and protecting their people from health and environmental hazards. (ISBN 81-87222-40-9)

EVENT REPORTS

1. Challenges in Implementing a Competition Policy and Law: An Agenda for Action

This report is an outcome of the symposium held in Geneva on "Competition Policy and Consumer Interest in the Global Economy" on 12-13 October, 2001. The one-and-a-half-day event was organised by CUTS and supported by the International Development Research Centre (IDRC), Canada. The symposium was addressed by international experts and practitioners representing different stakeholder groups viz. consumer organisations, NGOs, media, academia, etc. and the audience comprised of participants from all over the world, including representatives of Geneva trade missions, UNCTAD, WTO, EC, etc. This publication will assist people in

understanding the domestic as well as international challenges in respect of competition law and policy. (48pp, #0202, Rs.100/US\$25)

2. Analyses of the Interaction between Trade and Competition Policy

This not only provides information about the views of different countries on various issues being discussed at the working group on competition, but also informs them about the views of experts on competition concerns being discussed on the WTO platform and the possible direction these discussions would take place in near future. It also contains an analyses on the country's presentations by CUTS.

(Rs.100/US\$25, ISBN 81-87222-33-6)

MONOGRAPHS

1. Role and the Impact of Advertising in Promoting Sustainable Consumption in India

Economic liberalisation in India witnessed the arrival of marketing and advertisement gimmicks, which had not existed before. This monograph traces the the impact of advertising on consumption in India, since 1991. (25pp, #9803, Rs.50/US\$10)

2. Social Clause as an Element of the WTO Process

The central question is whether poor labour standards result in comparative advantage for a country or not. The document analyses the political economy of the debate on trade and labour standards. (14pp, #9804, Rs.50/US\$10)

3. Is Trade Liberalisation Sustainable Over Time?

Economic policy is not an easy area for either the laity or social activist to comprehend. To understand the process of reforms, Dr. Kalyan Raipuria, Adviser, Ministry of Commerce, Government of India, wrote a reader-friendly guide by using question-answer format. (29pp, #9805, Rs. 50/US\$10)

4. Impact of the Economic Reforms in India on the Poor

The question is whether benefits of the reforms are reaching the poor or not. This study aims to draw attention to this factor by taking into account inter-state investment pattern, employment and income generation, the social and human development indicators, the state of specific poverty alleviation programmes as well as the impact on the poor in selected occupations where they are concentrated. (15pp, #9806, Rs. 50/US\$10)

5. Regulation: Why and How

From consumer's viewpoint, markets and regulators are complementary instruments. The role of the latter is to compensate in some way the failings of the former. The goal of this monograph is to provide a general picture of the why's of regulation in a market economy. (34pp, #9814, Rs.50/US\$10)

6. Snapshots from the Sustainability Route — A Sample Profile from India

Consumption is an indicator of both economic development and also social habits. The disparity in consumption pattern has always been explained in the context of the rural urban divide in India. The monograph analyses the consumption patter of India from the point of view of the global trend towards sustainable consumption. (16pp, #9903, Rs.50/US\$10)

7. Consumer Protection in the Global Economy

This monograph outlines the goals of a consumer protection policy and also speaks about the interaction between consumer protection laws and competition laws. It also highlights the new dimensions about delivering consumer redress in a globalising world economy, which raises jurisdictional issues and the sheer size of the market. (38pp, #0101, Rs.50/US\$10).

8. Globalisation and India – Myths and Realities

This monograph is an attempt to examine the myths and realities so as to address some common fallacies about globalisation and raise peoples' awareness on the potential benefits globalisation has to offer. (40pp, #0105, Rs.50/US\$10)

9. ABC of the WTO

This monograph is about the World Trade Organisation (WTO) which has become the tool for globalisation. This monograph is an attempt to inform the layperson about the WTO in a simple question-answer format. It is the first in our series of monographs covering WTO-related issues and their implications for India. Its aim is to create an informed society through better public knowledge, and thus enhance transparency and accountability in the system of economic governance. (36pp, #0213, Rs.50/US\$10)

10. ABC of FDI

FDI — a term heard by many but understood by few. In the present times of liberalisation and integration of world economy, the phenomenon of Foreign Direct Investment or FDI is rapidly becoming a favourite jargon, though without much knowledge about it. That is why CUTS decided to come out with a handy, yet easy-to-afford monograph, dwelling upon the how's and why's of FDI. This monograph is third in the series of "Globalisation and India – Myths and Realities", launched by CUTS in September 2001. "How is FDI defined?" "What does it constitute?" "Does it increase jobs, exports and economic growth?" Or, "Does it drive out domestic investment or enhance it?" are only some of the topics addressed to in a lay man's language in this monograph. (48pp, #0306, Rs.50/US\$10)

11. WTO Agreement on Agriculture: Frequently Asked Questions

As a befitting reply to the overwhelming response to our earlier three monographs, we decided to come out with a monograph on *WTO Agreement on Agriculture* in a simple Q&A format. This is the fourth one in our series of monographs on *Globalisation and India – Myths and Realities*, started in September 2001.

This monograph of CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE) is meant to inform people on the basics of the WTO Agreement on Agriculture and its likely impact on India. (48pp, #0314, Rs.50/US\$10)

12. Globalisation, Economic Liberalisation and the Indian Informal Sector – A Roadmap for Advocacy

CUTS with the support of Oxfam GB in India, had undertaken a project on globalisation and the Indian Informal sector. The selected sectors were non-timber forest products, handloom and handicraft. The rationale was based on the premise that globalisation and economic liberalisation can result in potential gains, even for the poor, but there

is the need for safety measures as well. This is mainly because unhindered globalisation can lead to lopsided growth, where some sectors may prosper, leaving the vulnerable ones lagging behind. (ISBN 81-8257-017-4)

13. ABC of TRIPs

This booklet intends to explain in a simple language, the Trade-Related Intellectual Property Rights Agreement (TRIPs), which came along with the WTO in 1995. TRIPs deals with patents, copyrights, trademarks, GIs, etc. and continues to be one of the most controversial issues in the international trading system. The agreement makes the protection of IPRs a fundamental part of the WTO. This monograph gives a brief history of the agreement and addresses important issues such as life patenting, traditional knowledge and transfer of technology among others.

(38pp, Rs. 50/US\$10, #0407 ISBN 81-8257-026-3)

14. Trade Policy Making in India – *The reality below the water line*

This paper discusses and concludes the issues, in broad terms, that India struggles with trade policy making, essentially because domestic and international thinking on development and economic growth is seriously out of alignment, and that there are few immediate prospects of this changing, for a variety of entirely domestic political reasons. (#0415, Rs. 100/US\$10, ISBN 81-8257-031-X)

15. ABC of GATS

The aim of the GATS agreement is to gradually remove barriers to trade in services and open up services to international competition. This monograph is an attempt to educate the reader with the basic issues concerning trade in services, as under GATS. The aim of this monograph is to explain in simple language the structure and implications of the GATS agreement, especially for developing countries.

(#0416, Rs. 50/US\$10, ISBN 81-8257-032-8)

16. WTO Agreement on Textiles and Clothing – *Frequently Asked Questions*

This monograph attempts to address some of the basic questions and concerns relating to the textiles and clothing. The aim is to equip the reader to understand the fundamentals of and underlying issues pertaining to trade in textiles and clothing.

(#0419, Rs. 50/US\$10, ISBN 81-8257-035-2)

GUIDES

1. Unpacking the GATT

This book provides an easy guide to the main aspects of the Uruguay Round agreements in a way that is understandable for non-trade experts, and also contains enough detail to make it a working document for academics and activists.

(US\$5, Rs.60)

2. Consumer Agenda and the WTO — *An Indian Viewpoint*

Analyses of strategic and WTO-related issues under two broad heads, international agenda and domestic agenda. (#9907)

NEWSLETTER

Economiquity

A quarterly newsletter of the CUTS Centre for International Trade, Economics & Environment for private circulation among interested persons/networks. Contributions are welcome: Rs.100/US\$20 p.a.

BRIEFING PAPERS

Our Briefing Papers inform the layperson and raise issues for further debate. These have been written by several persons, with comments from others. Re-publication, circulation etc. are encouraged for wider education.

Contributions towards postage (Rs.20/US\$5) are welcome.

1995

1. GATT, Patent Laws and Implications for India
2. Social Clause in the GATT - A Boon or Bane for India
3. Greening Consumer Choice? - Environmental Labelling and the Consumer
4. Trade & Environment: the Inequitable Connection
5. Anti-Dumping Measures under GATT and Indian Law
6. Rational Drug Policy in South Asia - The Way Ahead
7. No Patents on Life Forms!
8. Legislative Reforms in a Liberalising Economy

1996

1. The Freezing Effect - Lack of Coherence in the New World Trade Order
2. Competition Policy in a Globalising and Liberalising World Economy
3. Curbing Inflation and Rising Prices - The Need for Price Monitoring
4. Globalising Liberalisation Without Regulations! - Or, How to Regulate Foreign Investment and TNCs
5. The Circle of Poison - Unholy Trade in Domestically Prohibited Goods
6. Swim Together or Sink – Costs of Economic Non-Co-operation in South Asia (revised in Sept. 1998)
7. Carrying the SAARC Flag-Moving towards Regional Economic Co-operation (Revised in Oct. 1998)
8. DPGs, Toxic Waste and Dirty Industries — Partners in Flight
9. WTO: Beyond Singapore - The Need for Equity and Coherence

1997

1. The Uruguay Round, and Going Beyond Singapore
2. Non-Tariff Barriers or Disguised Protectionism
3. Anti-Dumping Under the GATT - The Need for Vigilance by Exporters
4. Subsidies & Countervailing Measures
5. Textiles & Clothing - Who Gains, Who Loses and Why?
6. Trade in Agriculture — Quest for Equality
7. Trade in Services-Cul de Sac or the Road Ahead!
8. TRIPs and Pharmaceuticals: Implications for India
9. Movement of Natural Persons Under GATS: Problems and Prospects

1998

1. TRIPs, Biotechnology and Global Competition
2. Tariff Escalation — A Tax on Sustainability
3. Trade Liberalisation, Market Access and Non-tariff Barriers
4. Trade, Labour, Global Competition and the Social Clause
5. Trade Liberalisation and Food Security

1999

1. The Linkages: Will it Escalate?
2. Trade and Environment — An Agenda for Developing Countries
3. Dispute Settlement at WTO — From Politics to Legality?
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