



COMMENTARY: TRADE AND THE ENVIRONMENT AFTER SEATTLE— PERSPECTIVES FROM THE WILSON CENTER

Free trade, seen by many as the engine of world economic growth, has once again become the subject of bitter dispute. Nowhere was this more evident than at the meeting of the World Trade Organization (WTO) in Seattle at the end of 1999. There, environmentalists joined with trade unionists and advocates for developing countries in staging mass protests. These diverse groups claimed the WTO is unrepresentative and undemocratic, overlooking environmental interests and those of the world's poor in favor of big business. Inside the negotiating halls, the United States and the European Union clashed over agricultural subsidies and genetically modified organisms (GMOs). Developing country representatives complained that they remained marginalized in the official talks.

As a first step in addressing these complex linkages, we at the Wilson Center have drawn upon Wilson Center speakers and

world environment.

And we are moving on other fronts. We want the WTO to reduce tariffs on environmental and clean energy products, which would make them cheaper and more widely available. Since America makes some of the best of this technology in the world, I have asked my staff to develop an aggressive program to increase our exports of these products. I believe we can at least double them to \$18 billion, in five years.

One final point on WTO. I know that many of you are concerned that the WTO can over-ride international environmental agreements. And worse yet, that they can override U.S. law. Both the President and the Vice President have been very clear on this one. Nations have the right to set environmental standards, based on sound science, at the levels they believe are necessary—even if these are higher than international standards. This principle is absolutely consistent with WTO rules.

Second, at [the Department of] Commerce, we will be looking for new partnerships that expand trade and

protect the environment. Let me use forestry management as an example. Obviously, we should be working to develop a global forestry industry that is sustainable in the long run. This means we must remove distorting tariffs—which we have proposed in the WTO. It also means developing better tools to monitor the health of forests. And we believe one way to achieve this is by a marriage of the forest products, and space industries.

Today I am calling on them to begin working on that partnership. I hope it will develop new management tools that use satellite remote sensing to improve forest conservation. At the heart of this is doing a better job of sharing and using these satellite images around the globe. We will be the catalyst for opening the dialogue.

Before closing, let me make a final point. We cannot achieve any of these goals—despite the commitment of this [Clinton] administration—without your help. No way, no how. The fact is, we need your patience and your participation. This is a very new issue.

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PRESIDENT, GREEN CROSS INTERNATIONAL**

Remarks excerpted from his speech at a Director's Forum at the Wilson Center on 7 December 1999.

..[O]bjectively there are many problems and challenges that nations cannot meet alone. And therefore, there [is] a need to develop a global approach, a global vision and global institutions, in order to identify and harmonize interests and find ways out of these difficult situations...

But today the whole paradigm of development is changing, not just the end of the Cold War, the civiliza-

mony so that each nation, within the framework of its history, culture and mentality, cooperating with others, finds its own way.

At Green Cross International, we have been working on the preparation of the Earth Charter. It [is] a kind of set of ecological commandments..It is addressed to everyone—to politicians, to businessmen..Politics and business need a push from civil society. There should be mechanisms to influence politicians and businessmen because society [will not] like environmental problems that much. Even social problems, they accept with a lot of difficulty and certainly not environmental problems.

argue for a more democratic WTO.

If the public has a greater voice in the domestic trade policymaking process, better, more balanced trade policy and more public confidence in international trade will result. FoE recommends that the U.S. trade advisory system be opened to environmental organizations and other public interest groups, and that public notice be given when the U. S. government uses the WTO to threaten other countries' environmental laws. The United States Trade Representative's (USTR) office should not

be able to decide on its own whether to challenge an environmental law of another country without input from the public and appropriate environmental agencies.

2. Change the Balance of Power from Trade to Environment

A decade of advocacy has led environmental organizations to the conclusion that one of the main obstacles to environmental reform of trade policy is the USTR. Even though USTR lacks environmental expertise and is perceived as being beholden to business interests, it plays the lead role in setting U.S. policies on trade and the environment. In the lead up to Seattle, USTR blocked the environmental community's calls for WTO reforms that would have reduced threats to environmental laws. The solution to this problem is to give environmental agencies like the Environmental Protection Agency (EPA) and the Council on Environmental Quality (CEQ) the lead role in setting the environmental aspects of U.S. trade policy. USTR would then be responsible for representing these positions in trade negotiations. Until the balance of power shifts from USTR to environmental agencies, environmental reform of trade will be hard to achieve.

activities and deliberations, as well as the ability to participate in proceedings that affect public health and the environment.

4. Conduct Environmental Assessments of Trade and Investment Agreements

It is now widely acknowledged that trade impacts the environment. It should become routine policy to conduct environmental assessments of trade and investment agreements early in the negotiating process to anticipate the problems and provide for policy recom-

mendations that mitigate or avoid these problems. These assessments should follow the National Environmental Policy Act, and provide for public input.

Next Steps

The level of protests in Seattle was unprecedented and will continue to grow until real changes are made. The test now will be whether and how soon governments will respond to the calls for changing the way in which trade policy is made and whose interest it serves.¹

MARTIN ALBROW, WOODROW WILSON CENTER FELLOW AND PROFESSOR OF SOCIOLOGY, UNIVERSITY OF SURREY, ROEHAMPTON, U.K.

Is it confusion to want both free trade and the good society, or just the latest version of pragmatic politics, trying to find compromises between irreconcilable, equally logical alternatives?²

Seattle was primarily an event in the new global politics, in which, as in any other type of politics, parties make unholy alliances in their quest to control the agenda. Pure

gious representatives; transnational corporations with poor fisher people. Parties in national politics formed out of coalitions of interest, not ideology; we can expect the same in global politics.

Not all is confusion. The opposing sides reduce the complexity to one slogan, to being for or against globalization—no matter what that might mean. For the

“Established trade rules and practices have run up against deeply held notions of national sovereignty and concerns for environmental protection, health, human rights, labor rights, and the safety of the workplace.”

principle is a casualty, but there is a fine line between the assertion of principle and dogma. I would defy anyone to show that the idea of free trade in principle either excludes or includes worker’s rights. Yet many will go to the barricades on either side, and the lack of a determinable outcome fuels the demand to end ambiguity. The point is not the logic of the arguments but the ambition to be in charge of the situation.

This further suggests a widespread conviction that there is something to be in charge of, namely, global politics itself. *The importance of Seattle is that it intimates the coming consolidation of political alliances in the struggle to determine the direction of global economy and society.* We should not be surprised that the alliances are unholy: first world labor unions with third world reli-

gion, it just means we have reached this point and, in the words of President Clinton, “can[not] turn the clock back.”³

Ten years of academic exploration of complexity of “globalization” shows how we can not just be for or against it when it often means contradictory things. Thus, removing barriers to free trade is globalizing; so, too, is imposing global labor standards. The WTO, the International Labor Organization (ILO), and the International Forum on Globalization are all agents of globalization in different ways. But away with these academic niceties!

Globalization as a concept is the main casualty of Seattle. There is now little hope of saving it from being simply a device for political rhetoric. The concept, which

has expressed, more than any other, the way the world of the 1990s was different from what went before has now fallen a victim of the very changes it proclaimed.

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The World Trade Organization negotiations in Seattle gave us a preview of the complicated trade and environmental issues policymakers will be facing in the twenty-first century. Established trade rules and practices have run up against deeply held notions of national sovereignty and concerns for environmental protection, health, human rights, labor rights, and the safety of the workplace. Now that some of the smoke is clearing from Seattle (and Y2K hysteria has passed), it is time to take stock and draw a few lessons.

Lesson 1: Trade is rule-based, not “free.” Saying that WTO participants negotiate “free trade agreements” is a misnomer. International trade, like domestic trade, is based on a detailed set of rules and norms governing conduct. So although WTO agreements (like the GATT agreements before them) have succeeded in “freeing” trade from many of the tariffs that burdened it previously, trade is by no means free—as evidenced by the WTO agreements themselves, which are hundreds, often thousands, of pages long and filled with narrow and broad exceptions of all kinds.

The groups that gathered in Seattle were thus not debating the merits of trade and whether it should be “free” or “not free.” Rather, they were debating what the rules of international trading should be. The protestors who traveled to Seattle were only too aware of this and have been educating society at large by posing pertinent questions: Do we want an international trading system that is deaf to the voices of child labor and human rights abuses? Do we want one that is indifferent to the plight of endangered species and the global environment? Does it matter that some societies object to genetically altered organisms more than others? The rules for twenty-first century international trade will continue to grapple with questions of this kind.

Lesson 2: More than ever, trade politics is a volatile combination of domestic politics and foreign policy. Political leaders and scholars alike pin vast hopes on the

WTO liberal trade regime, expecting it to increase prosperity; alleviate poverty; protect labor rights; promote international peace, democratization, and societal openness; preserve the environment; lessen human rights abuses; increase market competition and efficiency; benefit consumers; and so on. Obviously, each and every one of these goals cannot be maximized at the same time. Choices will need to be made, as evidenced by President Clinton looking to the WTO to provide more access to foreign markets for U.S. companies, more environmental protection, integration of China into international (*read: Western*) institutions, and increased labor protection for children. Clinton's list reflects both his foreign policy goals and the pressures he is under from American interest groups.

Against this background, none of today's political players can afford to ignore the neoliberal trade agenda. Those involved in making foreign policy, for instance, cannot set policy on security and the environment without checking for WTO compliance and consistency with economic policy. Likewise, organized domestic interests no longer have the luxury of ignoring trade policy (and policymakers no longer have the luxury of being ignored). Today's trade politics involves not just the traditional players of labor unions and domestic manu-

..The management of national parks is a good example of how this tension [between economic development and environmental protection] has manifested itself in India. India has adopted a Western concept of national parks—essentially declaring certain areas inaccessible to human beings. But that is not practical for our country with a large and expanding population, not to mention a tradition of a symbiotic relationship between the people and the land. This Western method has isolated Indian communities from wildlife management, in many ways stunting their understanding of the importance of preserving the environment—and thereby working against the very goals the policy set out to achieve..

Contrary to [the] Western conception, it is possible for human communities and wildlife to live together, but this only happens if the community is given respon-

sibility for the resources of its land. If they have a vested interest in preserving the land and understand that it is theihe extesun soO apts N notldmodt theyact ofodt ha2 TD-0.0018 T

STEPHEN CLARKSON, PROFESSOR OF POLITICAL ECONOMY, UNIVERSITY OF TORONTO, CANADA,
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The author of Trudeau and Our Times and other works on Canadian politics, Clarkson is currently researching whether WTO and NAFTA constitute an “external constitution” for the three North American states of Canada, the United States, and Mexico.

Martin Albrow [see above] lamented that the concept of globalization had become the casualty of political rhetoric and had in the process lost its analytical utility. As a result he feels that a new language is needed to describe what is happening to global governance.

Until we get such a new lexicon, we may have to make do by transposing our present political vocabulary to the supranational. In so doing, it becomes apparent that, in the gradual development since World War II of a supranational political order, the creation in 1994 of the WTO marked a major and exciting advance. This substantial addition to the existing set of international institutions and regimes that comprise the emerging system of global governance was distinguished by what we could consider an embryonic constitutional order.

The evidence of what I call the “new constitutionalism” is as follows.

- The WTO is an institution with an international juridical personality that exists autonomously from its signatory member states.
- The WTO governs the trading behavior of its member states with hundreds of pages of rules based on

fifty years of trade policy development culminating in the breakthroughs achieved during the Uruguay Round (1986-94). The scope of these norms has been vastly expanded to include trade in services and agricultural products, including an elaborate set of provisions governing the way scientific standards are to be applied to the trade of sanitary and phytosanitary goods such as genetically modified food. These rules have to be incorporated in the domestic law of the signatory states. Because in some cases this required radical changes in the regimes of the signatory states—obliging them, for instance, to alter their agricultural protection schemes from quotas and other quantitative restrictions to tariffs—they constitute substantial amendments to these states’ own legal orders.

- Through its Trade Policy Review Board the WTO shows it has an administrative function. It monitors the extent to which the member states are implementing its trade rules and publishes oversight reports on each country noting where progress has been made and specifying which measures need to be changed.
- Through continuing negotiations the WTO has

ments the values of social justice that lurk, explicit and implicit, in the WTO texts.

The administration of the global trading system is also likely to make more room for representations from civil society. The already considerable efforts made by the WTO to increase its transparency will be enhanced

and helping countries with temporary balance of payments deficits. All of these institutions have come under attack for doing a poor job juggling their growing number of mandates, yet simultaneously there are calls for these institutions to continue taking on new policy issues.

This loading up of new mandates reflects the fact that patterns of global governance are becoming both more diffuse and complex, heightening the need for stronger international organizations with a greater capacity to address global and regional issues. Yet instead of a stronger set of global institutions, we are seeing performance difficulties that reflect, in part, what has been called “mandate congestion.”

Looking at the WTO’s evolution from the Global Agreements on Tariffs and Trade (GATT), we see that its mandate has also broadened over the years, from an initial emphasis on promoting trade liberalization by reducing tariff barriers on goods, to addressing non-tariff barriers, trade in services, intellectual property rights, agriculture, and other sectors. The WTO also has more power than its predecessor to settle trade disputes among states. Now many are calling for the WTO to add regulation of labor and environmental standards to its work. Such regulation can play an important role in reducing the negative side effects of more open trade.

Politically, it is difficult to imagine the WTO adopting these new standards since many of its member states see these issues as infringing on their sovereignty. Unlike the World Bank and IMF where voting on the executive board is weighted, the WTO operates on a “one country, one vote” basis. This structure reduces leverage for countries like the United States to push the WTO to address labor and environmental issues. In addition, the WTO is not home to a large, relatively autonomous bureaucracy, as are the World Bank, IMF, and United Nations. Its secretariat of 500 people is among the smallest of major international organizations. While all international organizations can be said to be “member-driven,” this claim has more force with the WTO, since its major actions are the rules agreed to through sets of interstate negotiations.

Rather than loading up the WTO with responsibilities it may not be equipped to handle, it is important to build closer links of cooperation with the other institutions that may be more appropriate fora—such as the International Labour Organization (ILO), or the United Nations Environment Programme (UNEP). Such cooperation will involve better equipping these institutions—or providing them with political support—to monitor or enforce the programs and treaties under their purview. Governments can also focus more

attention on redressing areas where the agreements they make under one institutional framework clash with agreements under another, such as areas where global environmental agreements conducted under UNEP’s auspices clash with trade rules agreed upon through the WTO.

Pressure from civil society will play a key role in the WTO reform process, but this pressure is best focused on member state governments in general, and trade ministries in particular—the primary sources of changing the WTO. Stronger national regulations are also the key to raising labor and environmental standards. Finally, activists can press their governments to strengthen other international organizations and to raise public awareness about the comparative advantages and responsibilities of the lesser-known organizations.