

Does the wto care about the environment?

[Environment](#), [Ecology](#)



Introduction

The World Trade Organization, (WTO), is a renowned international organization with a primary agenda to initiate and promote “ free trade” (Montgomery 2008). In order to attain this objective, the trade system tries to eradicate various barriers against the liberalisation of trade or any other existing trade barriers, irrespective of their cause being against unsustainable operations. This has led towards many controversies and intense criticism against the WTO, highlighting policies that overlook or prevent economic sanctions that may prevent the violation of human rights or other environmental concerns. The stress among economic sanctions and the WTO lies in the fact that the WTO was established to liberalise economic activities, while the principle of economic sanction is to confine trade by halting or regulating it.

Firstly, it is important to understand what economic sanctions are, and the significance of their existence. Economic sanctions on a general level refer to the direct policies that restrict trade between sovereign countries. These restrictions can take the form of financial or investment restrictions. These economic sanctions can be an embargo of exports from a country (or group of countries) to the target country, or vice versa, where imports from the target country are prohibited. In short, economic sanctions diminish the value of trade relations between groups of countries. (Montgomery 2008)

The World Trade Organization is an organization that promotes the expansion of trade and flow of goods and services between countries to enhance the standard of living of consumers all around the world (Smeets

2000). Sanctions being trade-restricting in their nature are considered inappropriate as they do not correspond with the WTO rules and regulations, and are discouraged by the organization at the same time. Besides, economic sanctions are imposed by the WTO under special circumstances where the organization feels that its authority is being undermined when its policies are not being enforced by the target country (Smeets 2000).

Moreover, in the rarity of the situation, World Trade Organization allows its member countries to resort to the ultimate option of trade sanctions in the adverse circumstance when the sovereign integrity or the security interests of the country are being undermined by a target country (Meadowcroft 2002). Organizations prevailing in the member states of WTO are skeptical in taking on sustainable approaches to produce commodities because they incur greater costs as compared to production methods that violate human rights and the environmental state. (Meadowcroft 2002)

Therefore, the goal of the trade system at WTO is “ to promote transparency in the international trading system by decreasing the possibility of each member state using any type of camouflaged, Non-Tariff Barriers in its trade” (Grundmann 1998). Therefore, all economic sanctions against human rights violations are essentially an infringement of the liberalised conditions of the WTO policies, because most of them depend on embargoes.

Furthermore, it has also been considered that all human rights violations are not explicitly related to international trade. Examples of such instances are the subversion of democracy in Haiti, or the use of forced labor in Burma (Montgomery, 2008). Another example is the extractions of trade compromise by the United States in retribution of the EU’s banana regime,

which was declared to be contradicting the WTO policies (Human Rights Watch, World Report 2005). Following are particular Articles from the trade system at WTO that signify how sanctions are considered inappropriate in terms of affecting free trade (1&2):

Article I: General Most-Favoured-Nation Treatment

Article XI: General Elimination of Quantitative Restrictions

1 – Human Rights Watch, World Report 2005: European Union available at www.org/english/docs/2006/01/18/eu12312.htm

2 – Article I & Article XI of the General Agreement on Tariffs and Trade (GATT 1947) available at www.wto.org/english/docs_e/legal_e/gatt47_e.pdf

3 – Article XI: The General Exception clause is also contained in Article 14 of GATS. The TRIPs also contains a general exception clause related with the granting of patents in Article 27. 2.

From the international environmental governance perspective, the introduction of Multilateral Environmental Agreements (MEAs) allowed member countries to pose sanctions against one another. This allowed member states to pose economic sanctions against a target country, in case it was unable to meet the terms and conditions set for the production of goods that was originally agreed upon. MEAs are parallel to the WTO trade system and allow the body to intervene and resolve a matter with the WTO principles that elicits the solution for the matter without considering the environmental consequences (Bradly 2006). For example MEAs on climate change or dangerous chemicals have been considered to influence the significant task in bringing sustainable development. However, due to the

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existing overlap among the numerous MEAs policies and articles included in WTO trade system, for instance limits on trafficking endangered species, a lack of clarity exists between the link among WTO rules and MEAs. The argument over whether or not a WTO quarrel might be highlighted over trade measures taken under an internationally conferred MEA has been exhausted. Due to this obscure reference to the governing policies plays a vital role in the requirements of MEAs (WWF Briefing Series, 5th ed). Thus, the international environmental governance can be considered at fault due to lack of political governance on the countries as well as the WTO. Upon pressurisation from the government, WTO could revamp its policies to help promote economic sanctions that govern human rights among its member states.

However, international organizations such as the WTO have dealt with issues such as environmental and human rights concern in segregation until recently. The increasing tension among commerce and sustainable production recommend that bodies (i. e. WTO) should revamp its policies and remove restrictions to accommodate sustainable environmental concerns from its member states. Jayadevappar (2000) established numerous instruments for revamping policies in GATT and NAFTA to attain a balance between trade and environmental eminence. He also examined the association linking sustainable production methods and trade by standardizing and governing the development procedure and goods. He also suggested GATT take self initiation to identify changes in its policies and identify revamps to accommodate concerns for the environment and sustainable production methods. Also, Sforza (1999) suggested in his study

that government intervention should take place in order to promote environmental governance to create a balance among commerce and free trade.

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