

Enhanced Trade Policy for Environmental Sustainability

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Abstract

Environmental sustainability primarily highlights sustainable development which focuses on economic development conducted without depletion of natural resources. It is very much necessary that trade policy and environment policy must be balanced. In a developing country strict trade policy will affect the economic development where as shaky trade policy will cause environmental imbalance. It can be pertinently noted that growth of trade has degraded the quality of environment. Even though some positive facet will arise through trade but the damage to the environment cannot be avoided. Globalization has created a drastic effect on the environment and natural resources. Humans tend to absorb more resources for creating a mark in the global trade markets. More exploitation of resources is happening by pollution which impinges on various facets of environment like air, water, land, atmosphere, wild life and human. Creating rules to curb the materials or processes which in turn destroy the natural sustainability will ensure a proper protection to the future generation. Recent climatic changes bring a warning that a stand should be taken at the earliest to balance the trade policies for a better future. Trade is vital aspect to end global poverty. Countries that are open to international trade be liable to grow faster, innovate, improve productivity and provide higher income and more opportunities to their people. Environment friendly by-product and organic food products will be best way to protect environment from the slow and steady mode of destruction. Thus well-organized and authoritarian trade policies should be established by the government to ensure environment sustainability.

Keywords: Environment, Sustainability, Trade policy, Development, Resources.

Introduction

Preservation of flora and fauna was symbolized as various attributes of God and since Vedic times the main motto of social life was to live in harmony with nature. People used to worship plants, trees, Mother Earth, Aakash, air, water and animals. But the system started malfunctioning during the British Raj when demands for raw materials for their fast-growing industrial economy had to be met through the commercial exploitation of India's natural resources. In order to protect the environment from degradation various reforms emerged, the first of such kind is Chipko movement of 1973¹. The genesis of the Chipko movement is not only to be found in the ecological or economic background, but in religious belief. It can be seen that industrial and commercial demands have destroyed the forests of villagers. They felt that it is difficult to sustain the livelihood in a deforested area as floods have created chaos in their livelihood. It is evident that the environment protection movement is inspired and guided by women. Women through their religious beliefs and Ahimsa have tried to protect the nature In short the Chipko movement is a kind of feminist movement to protect nature from the greed of men. In the Himalayan areas, the pivot of the family is the woman. Women worried about the nature and also conservation of nature for the natural resources. These women believed that each tree has a Vriksadevata (tree god) and that the deity Van Devi (the Goddess of forests) will protect their family welfare. They also believe that each green tree is an abode of the Almighty God Hari, ideology of Hindu religion. As and when the foreign culture penetrated into the society through trade and commerce the ideology of the people started changing even they came forward to destroy the nature. People started giving high priority for survival and freedom which overlooked their religious beliefs and hence respect for nature gets displaced by economic factors. Mahatma Gandhi cautioned that 'nature had enough for everybody's need but not for everybody's greed'². His Satyagraha movements is always a ideal example of how one could confront an unjust and uncaring though extremely superior power.

¹ JOSHI, G. 1981. Forest policy and tribal development. *Social Action*. Pg.446-468.

² Barua A. Towards a Philosophy of Sustainability: The Gandhian Way. *Sociology and Anthropology*. 2015;3(2):136-143.

Developmental Impact on Environment

Development in the context of any nation generally implies and means transformation and distribution of its economic resource into productive goods and services for the benefit and improvement of quality of life of its people. But unfortunately man had unscrupulously over exploited the natural resources. Development of trade and biased trade policies has always avoided the importance of environment to the society. Environmental issues can be seen today is as a result of continued growth of world trade particularly if trade promotes environmental degradation³. The continued growth of trade will definitely improve the economic welfare of nations. It will create implied losses are seen as particularly important for developing countries who seek higher standards of non-environmental consumption per capita and who place a relatively low valuation on the natural environment. Various issues of environmental degradation can be seen as Green House Gases Emission is creating massive loss to our environment. Some countries are paying compensation for causing the environmental quality poor, but this kind of compensatory transfer is not going to improve the quality of environment.

Car pollution is one of the major causes of global warming. Increase in the use of Cars and trucks have resulted in the emission of carbon dioxide and other greenhouse gases. As Greenhouse gases trap heat in the atmosphere, it has caused worldwide temperatures to rise. When greenhouse gases increases, it will in turn increase the Green House Emission Gases which result in increase in global temperatures⁴. Warmer global temperatures affect farming, wildlife, sea levels and natural landscapes.

The global gains from trade can be used for framing appropriate policies for addressing the environmental improvements. This should be the opening point for thinking about global environmental issues. Air pollution caused by SO₂ is considered to be the next worst problem caused to the Environment. The substantial air pollution problems in major cities have caused irregular climate issues, for example China is claimed that 16 out of 20 of the world's most polluted cities are in China. The World Bank has estimated the human and economic costs of this air pollution to be substantial. In India, Delhi is demarcated as the state with poor air quality by the Central Pollution Control Board.

Another main reason is the use of plastics. Plastics are considered as non degradable and cause harmful effects to the soil, ocean and air. Even the use of various chemical substances has contaminated the natural resources for future sustainability. Further land disturbances caused by allocation of forest for development have resulted in the extinction of natural habitat.

Need for Environmental Protection

Environment protection is necessary for sustainable development. The pollution, degradation of forests, depletion of ozone layer, green house gases results in global warming and climate has caused adverse effect on environment as well as human health. It is a need for conservation of Biodiversity, protection of wetlands and prevention of environmental pollution, promotion of ecological balance enables sustainable development.

Even though economic development speeds up agriculture, it becomes more demanding, resource extraction increase and industrialisation boosts; thus the rates of natural resource depletion begin to increase and the quantity and toxicity of wastes begin to rise.

All these human activities have resulted in the loss of 70 to 80 percentage of wildlife habitat. The importance of protecting ecology cannot be overstated. The ecological balance is maintained based on the food chain, the water cycle and our resource security. Any disturbance to this balance such as a resource depletion or removal, damaging tree cover and uncontrolled emissions can cause long-term and wide-scale problems for an environment.

Nowadays we can see that environment has started reacting to us, through natural calamities like flood, climate change, increased melting of ice in the poles, diseases and drought. This kind of extreme climatic conditions will

³ Dockner, E. J. and N. V. Long (1993), "International pollution control: cooperative versus noncooperative strategies", Journal of Environmental Economics and Management 25: 13-29.

⁴ Volume VIII: Estimating Greenhouse Gas Emissions of the Emission Inventory Improvement Program (EIIP) Document Series, ICF Consulting, Washington, DC, 2003.

result in the destruction of Earth. It is high time that we future- proof our environment for our sustenance and for future generations to enjoy the same levels of prosperity and health that we have enjoyed for generations⁵.

International trade policies on Environmental Protection

Trade permits countries to attain more of what they want, which includes environmental goods in addition to market-oriented output. World amalgamation is thus being accelerated through international trade in goods, services, resources and capital. As trade will help to optimize the utilization of global resources it will benefit all participating countries. This realization has caused the General Agreement on the Tariffs and Trade (GATT) to evolve into the World Trade Organization (WTO). This increase in trade has influenced the quality of the environment predominantly in exporting but also in importing countries. The belief that free trade among countries leads to maximum welfare has become questionable, as environmental degradation lowers that welfare. It is implied that a country which specialize in the production of a pollution intensive commodity, then it would definitely cause the environmental quality of the country to deteriorate. There is a trade-off between gains from trade and environmental deterioration in a country, compared to a country producing non-polluting goods, since income will increase only if gains from trade over compensate welfare losses from environmental damage.

Stricter environmental policies in a country would thus affect its comparative advantage and consequently its economic growth. Efficient green trade policy may take the form of trade restrictions or trade promotions, depending on the type of environmental problem and on whether the domestic net import of the relevant commodity is positive or negative.

Trade policies for Environment Protection

It is very appropriate to say that efficient environmental policies will create in smooth and profitable trade policies. Even though trade and commerce helps in economic growth free international trade will not curb the Green Gas Emissions. The efficiency in trade policy will be unfair in developing countries and the cost of cleanup will also be higher. Enforcement of the hefty compensation is not an easier task for the developing countries even though developed countries will be ready to bear the same. It can be substantiated that growth without emissions leads to efficient growth. Low mitigation is one of the options available for reducing the Green Gas Emission in global front⁶. Further the steps should be taken to a point where cost of mitigation should be used to common aggregate benefit.

One such step is taken by India in the issue of use of Fire crackers. The Supreme Court⁷ passed the order on Writ Petition filed by some of the residents of Delhi in 2015 for a ban on the sale of fire crackers on the concern of increasing air pollution. In this case the Supreme Court gave a new concept of green cracker which is considered to be creating less environmental degradation. The Court also defined 'green cracker' as something that could be an improved formulation or an all new formulation. The Council of Scientific and Industrial Research (CSIR) and National Environmental Engineering Institute (NEERI) started designing a green cracker. The conclusion, according to cracker manufacturers, was that by reducing the quantum of barium nitrate in a cracker and replacing it with another chemical, the emission of pollutants can be reduced by 30 per cent and the noise levels could drop from 160 decibels to 125 decibels. The Court had also mandated that the new formula should be approved by the Petroleum and Safety Explosives Organisation (PESO), which has a centre in Sivakasi. To add on to this new change CSIR and NEERI had recommended using barcodes or QR codes on all fireworks to identify genuine manufacturers. Thus only factories manufacturing green crackers are only allowed to do business. Even though this particular affects the traders but it will definitely save the environment from pollution.

Next important step for reduction of environment degradation affecting the trade policy is ban of one time use of plastics. The government banned single-use plastic bags, small bottles, cups, plates, straws and certain types of sachets. This initiative was taken as a result of series of cases which came as an alarming measure to control

⁵ World Commission on Environment and Development, *Our Common Future*, New York: Oxford University Press, 1987.

⁶ Bhagwati, J. (1993a), "The case for Free Trade", *Scientific American* 269: 42-49.

⁷ In the matter of Arjun Gopal & Others Vs Union of India & Others dated 23/10/2018

environmental degradation caused from plastic waste⁸. This step is a well respected step for better environmental protection. Single use plastic or disposal material can be used only once and is used by almost all consumer-facing industries including food processing and food delivery, retailers for packaging and selling finished goods, pharmaceuticals and agriculture. Studies have also confirmed that proper waste segregation and management could resolve the problem to a large extent. Plastic poses a major threat to us even in our day to day lives. Apart from the humongous effect it has on the animals, namely, being ingested by animals under the impression that it is food has led to death of many animals. It also however has detrimental effects on the health of humans as Plastics are made up of a variety of toxic chemicals. Use and exposure of the plastic causes lots of human health concerns. Chemicals leached from the plastics contain compounds like polybrominated diphenyl ether (PBDE), bisphenol A (BPA), and phthalates. These chemicals have been established to upset the endocrine system and thyroid hormones and can be very destructive to women of reproductive age and young children. Therefore, it is the need of the hour to regulate plastic consumption in India and to protect water bodies from pollution cause by plastic products. This ban is completely accepted by many states and even traders have benefited by manufacturing products which are bio degradable.

Another important step taken by the judiciary is the mandatory use of BS6 engines. In all aspects we are moving towards environment friendly options, so Government of India has announced new emission norms called Bharat Stage 6 emission norms. It is mainly introduced to regulate the output of air pollutants from internal combustion engines in motor vehicles. So basically these norms were introduced to keep pollution in check. The Supreme Court also has passed an order to the manufacturers to clear their BS4 stock till 1 April 2020⁹. In fact Billions of rupees have been invested in technology, research & development to make BS6 compatible Engines. It has also put pressure on the manufacturers & rethink their strategy and make some tough call of phasing out some of their vehicles because of their financial non-viability.

All these steps are definitely going to contribute for the welfare of the environment. It is true that traders are affected by these restrictions but the result is something which helps in sustenance of our generation and future generation.

Conclusion

Environmental pollution is a major problem in different parts of the world, which requires the policy makers to employ some improvement strategies. Law makers and judiciary are playing their role in controlling the environmental pollution in consonance with the development. There is a need to balance both the interests of the traders as well as safeguarding our environment for our future generations. Sometimes the scales may tilt in favour of our environment, which might end up penalizing the trade and commerce, but it is always important to remember that it is paramount to keep our environment safe enough for our kids and future generations.

⁸ Karuna Society for Animals and Nature and Others vs. Union of India, WP© 154/2012, Court on its own Motion v. Union of India, Suo Moto Writ Petition No. 284 of 2012.

⁹ M.C.Mehta v. Union of India, WP (Civil) No. 13029/1985.