

A Study on the Relationship Between Trade and Environment

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Abstract

The emergence and development of trade have had a great impact on human production and life activities, but the ensuing environmental problems have attracted people's attention constantly. Scholars begin to explore the relationship between trade and the environment and seek how to reconcile the conflict between them. Based on this, this article starts with a series of analyses and an understanding of the relationship between trade and the environment. The conflict between trade and the environment is not irreconcilable. The two are consistent in nature, centered on human development, interaction, and interdependence. Therefore, the impact between trade and the environment is also two-sided. Given the externality of environmental pollution, the irreversibility of environmental pollution, and the trade differences between countries, it is necessary to solve the conflict between trade and the environment under the WTO system. International trade law and international environmental law need to work together to promote the coordinated development of trade and the environment.

Keywords

Trade, environment, relationship, interaction, coordination under WTO, measures

1. Introduction

From the development of human society to the present, the emergence and development of trade has brought a great impact on human production and living activities. Through trade activities, people in various countries can obtain and enjoy high-quality and inexpensive products and items that are not available in their own countries, which greatly improves people's living standards. However, as trade develops more and more, the accompanying environmental problems continue to attract people's attention, such as air and water pollution caused by industrial production, marine pollution caused by trade and transportation, and resource depletion caused by over-exploitation. The problem has become a major issue facing the world and related to the future of mankind. What is the relationship between trade and the environment? What is the impact of trade and the environment? What are the provisions of the WTO on trade and environment? How to reconcile trade and environmental conflicts? The conflict between trade and the environment has increasingly become a hot topic in global discussions. This article will conduct a series of analyses on the relationship between trade and the environment.

2. The relationship between trade and the environment

2.1 Awareness of the relationship between trade and the environment

The relationship between trade and the environment is essentially the same. The development of trade is for the exchange of needs and the improvement of people's quality of life, and the protection of the environment is for the sustainable development of human life, both of which are centered on human development [1].

For trade, the environment is necessary, and the environment can directly or indirectly produce goods for trade exchange. For the environment, trade can promote the efficient allocation and utilization of natural resources on a global scale and reduce

resource waste. The relationship between the two is interactive and interdependent. If the environment is arbitrarily destroyed by trade, it will be constrained by the environment, reduce people's quality of life, and go against the original intention of trade. If trade protection is implemented on the grounds of the environment, it will hinder the development of trade and is not conducive to the optimal allocation of natural resources.

However, the consistency of the nature of trade and the environment shows that the relationship between the two is not irreconcilable. It is not that the development of trade has damaged the environment, but that human beings place too much emphasis on economic and trade development and neglect to protect the environment [2]. In the production and manufacturing process, an industrial cordon can be set up to limit excessive resource development. For pollution problems, it can be treated first and then discharged, instead of first discharged and then treated, to minimize the harm to the environment.

2.2 Factors affecting the relationship between trade and the environment

Externalities of Environmental Pollution. Externality means that the behavior of the subject affects a wider range of groups outside the subject, but does not obtain corresponding obligations or rewards. The environmental pollution caused by trade spreads among different countries along with trade behaviors, which makes the management of the overall trade market increasingly difficult, and drives some countries to "opportunistically", eventually leading to a vicious circle of the entire market environment [3].

Environmental pollution is irreversible. In traditional trade and economic activities, the extensive development method adopted by some countries has a serious impact on the environment. This kind of impact cannot be recovered in a short period. After uninterrupted trade activities, the carrying capacity of the environment has not been recovered, resulting in irreversible impacts. Similarly, the depletion of some natural resources is irreversible, and it may take hundreds of thousands of years to form a resource. However, through the expansion of trade, these resources are over-exploited, causing resource depletion.

Trade differences between countries. Different countries have different stages of development and have different demands on the economy and the environment. Developed countries with strong economic strength will export industries with high pollution and high resource demands to developing countries in order to protect their own environment. Developing countries are pursuing economic development, ignoring the damage to the environment, and due to the backward environmental protection technology, environmental pollution will also increase. In addition, developed and developing countries have markedly different regulations regarding policies on trade and environmental standards.

3. Interaction between trade and environment

3.1 The impact of trade on the environment

3.1.1 Negative impact

The occurrence of trade requires the input of resources to produce the required commodities. The production process will inevitably discharge pollutants and occupy the original natural space. These will be detrimental to the ecological environment. Second, the environmental cost of trade is not included in the prices of most traded commodities. Specialized production in some places due to comparative advantages will result in the overuse of natural resources and the production of large amounts of industrial waste. At the same time, due to the different development levels of different countries, the environmental protection standards are also different. Generally, developed countries have higher environmental standards, while some developing and poor countries have relatively loose environmental standards. The driving force for enterprises to carry out international trade is the pursuit of interests, and environmental protection is only a passive act under the law. This gives some polluting industries with high investment costs in countries with strict environmental regulations a place to go, and areas with low environmental standards have become "pollution sanctuaries" or "polluter's paradise" that investors seek and pursue [4].

3.1.2 Positive impact

Trade also has a significant positive effect on the environment. Trade promotes economic development and helps to achieve environmental protection. As an important means of national economic development, trade can promote the optimization and upgrading of industrial structures and take the road to sustainable development. At the same time, the global trade of enterprises can optimize the allocation of resources, improve the utilization rate of resources, and reduce the waste of resources. Second, the multilateral trading system has developed provisions to promote environmental policies among countries, and many regional trade agreements have gradually added environmental provisions. The multilateral trading system encourages the use of international standards, thereby contributing to higher levels of environmental protection [5]. Trade can also make some environmentally friendly products and technologies spread around the world, promoting the development of the environmental protection industry and the use of environmentally friendly products in countries lacking in technology. Thus, trade can improve economic efficiency and enhance environmental performance.

3.2 The impact of the environment on trade

The impact of the environment on trade is also twofold. In terms of negative impacts, first, when some want to protect their own industries and implement trade protection, they will use the environment and human health as an excuse to set up green trade barriers. This makes the environment a justification for restricting trade. Second, strict environmental regulations will increase the production cost of enterprises, reduce the competitiveness of enterprises in the international market, and are not conducive to enterprises' exports.

In terms of positive impact, first, when the world puts forward new requirements for environmental protection, the environmental protection industry will emerge as the times require, increasing new areas of trade. Eco-friendly products, eco-friendly technologies, and green foods created by some countries will be shipped to countries around the world to promote the development of trade. Second, although strict environmental regulations reduce the competitiveness of enterprises, this will force enterprises to increase investment in research and development, improve production processes, increase production efficiency, and reduce environmental pollution and waste of resources. In the long run, it will improve the competitiveness of enterprises and enable enterprises to obtain trade opportunities in the international market.

4. Coordination of trade and environment under the WTO system

4.1 WTO's attitude towards trade and environment

The WTO has welcomed environmental policy from the outset. WTO is a trade organization. Although its main purpose is to promote the development of global trade, it also includes improving the quality of human life and promoting sustainable development. In view of the "pollution externality", the development of trade sometimes harms the environment, so the WTO has the responsibility to coordinate trade and environmental issues. The preamble of the Marrakesh Agreement Establishing the World Trade Organization states that the environment should be protected and maintained in accordance with the goals of sustainable development. From the purpose of the WTO, the Committee on Trade and the Environment, to a number of specific treaties and rulings, the WTO's efforts to protect the environment are all explained, and these efforts are constantly strengthening. However, from the results, the environmental protection effect reflected by the WTO dispute settlement mechanism is not obvious. The fact that the environmental protection views put forward by relevant member states in previous cases are rarely supported is also evidenced by this fact [6]. After all, the WTO is only a trade organization, not an environmental protection organization. The regulations on the environment are limited, and they are all based on the premise and ultimate goal of promoting trade.

4.2 Environmental protection clauses under the WTO system

The WTO's Trade and Environment Committee is the main agency responsible for environmental protection management and intervention. It has classified the concept of environmental and sustainable development and progress in the economic activities of the WTO. It also established a kind of developmental relationship between market trade and the environment, so as to increase the intensity of environmental protection work and promote sustainable development and progress without damaging the fairness of the multilateral market trading mechanism. Under the leadership of the WTO Committee on Trade and Environment, major trading countries have formulated a number of normative programs for trade development and environmental protection, among which the SPS Agreement and the TBT Agreement have the most extensive influence [7].

4.2.1 SPS agreement

The SPS Agreement is the implementation of the Sanitary and Phytosanitary Agreement. It clearly regulates the hygiene management, planting, and breeding of animals and plants, emphasizes the avoidance of health and safety risks and formulates a series of hygiene management requirements around environmental protection [8]. Among them, each member needs to comply with the basic norms of the SPS Agreement, based on their own trade needs, do a good job in the management and control of health and safety risks, and maximize the protection of multilateral trade while fulfilling environmental protection rights and obligations, in order to promote the healthy development of multilateral trade and environmental protection. Conservation and effective development of a solid foundation.

4.2.2 TBT agreement

The TBT agreement is a technical trade barrier agreement. The basic content of the agreement is mainly to elaborate on standardization and conformity assessment in multilateral trade and to clarify technical regulations and related norms. Among them, the TBT Agreement does not unilaterally regulate technical barriers to trade. In terms of environmental protection, it also requires members to carry out trade management measures without threatening the safety of humans, animals, plants, and the environment. Work on multilateral trade management.

5. Measures to balance trade and the environment

Appreciate the value of NGOs. Compared with international organizations, NGOs can comprehensively coordinate the details of trade and the environment. With the guidance of international organizations, they can build non-governmental organizations with complementary management values [9]. At the same time, these NGOs are more comfortable in dealing with environmental issues, replenishing resources, and optimizing management in a timely manner to strengthen the balance between international trade and environmental protection.

Build awareness of trade responsibility. Most trading enterprises are based on the perspective of interests to conduct trade activities, which is the main force to create environmental conflicts. Therefore, we should implement environmental protection management for trade institutions and multinational enterprises, strengthen environmental protection awareness, improve trade quality supervision, and optimize the relationship between trade and the environment.

Improve the legal intervention capacity of international organizations in environmental protection. Through the intervention of international environmental protection organizations, the relationship between economic and trade development and environmental protection can be effectively balanced. And further use environmental protection legislation to strengthen the legal supervision capabilities of international trade organizations and international environmental protection organizations to ensure that trade development can be steadily promoted under the effective supervision of environmental protection [10].

6. Conclusion

Trade and environment complement each other. Trade cannot be used as an excuse to damage the environment, nor should the environment be used as an excuse to restrict freedom of trade. Actively developing trade is an important way to develop the economy and can also provide more revenue for the government. But while developing economy and trade, attention should be paid to the impact on the natural environment. The natural environment is the foundation of human existence and the premise of economic development. How to coordinate the relationship between trade and the natural environment is a common topic of international trade law and international environmental law. It is also an issue that must be paid attention to in the current economic development process.

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