

In Conversation: Diana Tussie

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Dr Diana Tussie was the leader of a research project that led to her role as editor of *The Environment and International Trade Negotiations*. In this book, a team of distinguished researchers from the developing world assess the trade and environment debate. In an interview with *Reports*, Dr Tussie reflects on the tensions between the environmental agendas of the North and South:

One of the key themes of the book is the difference between the "green" agenda of the North and the "brown" agenda of the South. Can you elaborate on this distinction?

The Northern agenda for the environment tends to be mainly global issues relating to deforestation, climate change, the ozone layer, etc. The South is relatively unconcerned with these global, longer-term issues. The South is more concerned with issues such as contaminated water — issues that are local and related to health and poverty. Many of the environmental problems that have priority in the South are of very little concern in the North.

It's not a question of who's right or who's wrong. It's a question of reconciling the two points of view.

Definitely. Everyone is right here.

Several writers make the point that trade policy is not the appropriate weapon to address environmental issues, and that the World Trade Organization (WTO), for example, can't separate "good trade" from "bad trade". Why is that?

First of all, because of the divisiveness of the agenda, there would be a weapon in the hands of countries concerned with their own agenda rather than the global agenda. So the weapons would only be useful in terms of certain countries, or people, or lobbies. The other question has to do with the mandate of the WTO. It has no scientific credentials on which to base a decision about what's "green" or what's not. It's burdening the WTO without solving the problem.

One of the ways that NGOs encourage people to become involved in global issues is to support fair trade, to buy products that have some kind of an "eco-label". The book suggests that eco-labelling is more complicated than that, and actually might be part of the problem.

If I were pushed, I would come out in favour of eco-labelling. I think everyone has a right to know what they're buying. It's more a question of profit. Eco-labelling would cement markets. You would have higher-priced markets, and lower-priced markets, depending on eco-labelling. A problem would be created along the way. Those goods without the right eco-label would be cheaper.

That might actually accelerate the problem if people start buying the cheaper products that cause more environmental damage.

One would expect there would be a division along income brackets. Higher income brackets would go for the eco-label, etc. You would rely on education and income in Northern markets, which again is another problem. But also, what type of issues would be applied to eco-labelling? Would they be global or local?

This would tie into the problem of dual standards — environmental standards for export and no standards for home markets.

That's right. We would see in the North a duality of consumer demand and in the South there would be a duality of production. It doesn't solve the problem, but people have a right to eco-labelling if they want.

Two of the products discussed in the book are related to forestry and agriculture. The book points out that the problem with timber-related eco-labels is that timber isn't really the major cause of deforestation. But what about coffee, which is a big consumer item? Are there issues bubbling under the surface for coffee eco-labels that the consumer isn't aware of?

The coverage for eco-labels will always be a bit dicey. What does ecologically sustainable coffee mean? Or what about consumers who buy coffee whose production respects social and human rights? This comes up often with textiles. It satisfies certain moral concerns, but it's not solving the problems of poverty and of social conditions we have not found a solution for yet.

One of the policy instruments talked about in the book with respect to forestry is the idea that the international community would compensate producing countries for potential loss of income. Do you think that's likely going to happen?

No, although that doesn't mean we shouldn't push for it. It's not likely in the present circumstances, although you might have micro-instruments like the ones discussed in the context of the *Climate Change Convention*. You might have bonds that come into the market rather than compensation. So the commitment not to deforest would be sold on the market rather than be a transfer of resources.

In terms of agriculture, what about the idea of taxing resource-depleting activities and then using that money to fund natural resource protection. Is that more plausible?

Yes, that's more plausible. But I think there are so many sources of pollution, it's like stopping a flood with your finger. Still, we should definitely move in that direction. Agriculture is probably one of the most contaminating productions.

It seems that one of the main problems is that international standards are controlled by a handful of countries in the North that control the marketplace. Is there some way to work around that so developing countries have more power?

More participation of developing countries and their companies is needed as well as greater participation from the big exporters, which are probably the best "behaved" in terms of the environment. You could work towards fairer international standards, but it would still go back to the duality of production in developing countries. I guess this is the message of the book: the limitation of international instruments. This leaves the question about the usefulness of local instruments. For the time being, I would give you a pessimistic answer, but it doesn't mean that I wouldn't try it anyway. I would want to raise awareness where pollution and contamination are happening. We all consider the environmental "3Rs" to be a priority.

Still, the book does suggest that alternative fora such as regional agreements and regional groupings like ASEAN (Association of Southeast Asian Nations) and MERCOSUR (Southern Cone Common Market, in South America) may be stepping-stones toward more comprehensive agreements.

I think developing countries are more interested in these kinds of regional groups as opposed to venues like the WTO because they can negotiate with their peers on a more level playing field.

Can you provide some background on ASEAN and MERCOSUR?

ASEAN has a long history of regional cooperation. It has provided a forum for discussing regional issues, primarily related to security, for nearly 30 years. MERCOSUR, a much newer group, was founded primarily to advance regional economic interaction through trade. MERCOSUR is a customs union that aims to become a common market. Although ASEAN has made significant progress towards liberalizing intra-regional trade, especially in the last few years, it hasn't shown that much interest in becoming a common market.

Are there similarities between the two groups? Where are they headed?

ASEAN and MERCOSUR share two important features that are relevant to how they address environmental issues. Firstly, both have only recently devoted significant time and high-level attention to environmental concerns. Both groups have been slow to move towards any form of harmonization of standards. But during the past few years, they have also become more outspoken on the need to protect environmental resources in the region. Secondly, both have institutional histories that must be overcome before they will be better able to address environmental concerns.

In both regions, at a country level if not a group level, the record of the past few years reflects a growing recognition of environmental issues, especially as they relate to managing natural resources. Moreover, the potential for expanding the role of the regional areas is substantial, both in South America and Southeast Asia. Although there are obviously stumbling blocks to such an expanded role, they are not insurmountable. They would require, however, significant changes in the way leaders of member states view the process and the priorities of economic development, regional integration and the environment.

About Diana Tussie

Diana Tussie is currently a senior research fellow in the International Relations Department at FLACSO, Argentina (Latin American Faculty of Social Sciences) and CONICET (National Council for Technical and Scientific Research) in Buenos Aires, Argentina. She obtained her PhD in international relations and economics from the London School of Economics and Political Science, Faculty of Economics.

The Book

- [The Environment and International Trade Negotiations](#)
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