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On Export Rivalry and the Greening of Agriculture – The Role of Eco-labels

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Abstract

Why do some countries establish their own national eco-labeling programs and some do not? In this paper, we provide both theoretical arguments and empirical evidence suggesting that the answer to this question can shed new light on three questions that have taken center-stage in the trade and environment debate: (i) does trade exacerbate the exploitation of the environment; (ii) are countries competing in export markets engaged in a race to the bottom in environmental performance; and (iii) do market-based environmental instruments benefit the rich and hurt the poor?

Our analysis shows that a country's decision to adopt eco-labeling programs is systematically related to a country's: (i) stage of development, (ii) existing environmental performance in the absence of eco-labeling initiatives, and (iii) scale of production. To be appended to this set of essentially non-trade related factors is a set of additional factors that apply in the presence of export rivalry. These include (i) a country's comparative cost advantage and net export orientation, and (ii) the extent of peer or strategic interactions between export competitors.

Kurzfassung

Warum führen einige Staaten eigene nationale Öko-Kennzeichnungs-Programme ein, und andere nicht? Diese Arbeit bietet sowohl theoretische Argumente als auch empirische Beweise an, die nahe legen, dass durch die Beantwortung der voranstehenden Fragestellung folgende drei zentralen Fragen aus der Diskussion über Handel und Umwelt neu beleuchtet werden können: (i) Trägt Handel zur Ausbeutung der Umwelt bei? (ii) Sind Staaten, die auf dem Exportmarkt konkurrieren, an einer Harmonisierung von Umweltstandards nach unten (race to the bottom) beteiligt? (iii) Profitieren die Reichen von marktorientierten Umweltinstrumenten, während sie den Armen schaden?

Unsere Analyse zeigt, dass die Entscheidung eines Staates, Öko-Kennzeichnungs-Programme einzuführen, systematisch zusammenhängt mit: (i) Entwicklungsstand, (ii) bestehenden Umweltschutzmaßnahmen abgesehen von Öko-Labeling-Initiativen, und (iii) Produktionsumfang des Staates. Zu dieser Gruppe von im wesentlichen nicht-handelsbezogenen Faktoren kommt eine Gruppe zusätzlicher Faktoren hinzu, die im Falle von Exportrivalität Anwendung finden. Hierzu gehören (i) komparative Kostenvorteile und Nettoexportorientierung eines Staates, sowie (ii) Umfang gleichrangiger oder strategischer Wechselwirkungen zwischen Exportkonkurrenten.

Contents

Acknowledgements	
Abstract	1
Kurzfassung	1
1 Introduction	2
2 Eco-labeling in Agriculture	5
2.1 Product Coverage and Labeling Criteria	5
2.2 Mandatory or Voluntary Labeling	6
2.3 Consumer Acceptance and Market Share of Labeled Products	6
2.4 The Time Pattern of Eco-labeling Adoption	7
3 The Basic Model	10
3.1 Voluntary Adoption of Green Production Technique	10
3.2 The Green Premium and Supply Response	12
3.3 General Equilibrium and the Incentives to Adopt Eco-labeling	13
3.4 Welfare Implications	15
4 Empirical Analysis	18
5 Conclusion	25
References	27

List of Tables

Table 1:	Environmental Initiatives, Stage of Development and Regional Distribution by Export Orientation	30
Table 2a:	Trade Links and Output Pre and Post Eco-labeling	32
Table 2b:	Export and Environmental Performance Growth	32
Table 3:	Proportional Hazard Regression: Export Destination and Export Orientation Peer Effects	33
Table 4:	Proportional Hazard Regression: Multinational Environmental Agreements	34
Table 5:	Proportional Hazard Regression: Industry Premium Differentials	35

List of Figures

Figure 1:	Kaplan-Meier Survival Estimates, by stage of development	36
Figure 2:	Kaplan-Meier Survival Estimates, by export orientation	36
Figure 3:	Linkage between Exports and Food Industry Water Pollution	37
Figure 4:	Peer Effects and Eco-labeling	38

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