

Comparative analysis of environmental provisions in Preferential Trade Agreements of the United States and the European Union

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1. Background and aim

After it has become a general conclusion that international trade has the possibility to bring negative environmental impacts to participant countries, as one of the measures to solve the issue within member countries, environmental provisions in Preferential Trade Agreements (PTAs, hereafter) is increasingly introduced. However, it is still ambiguous how those environmental provisions in PTAs reduce or prevent the negative environmental impacts of international trade. Therefore in this paper we take the case of the US and EU to conduct comparative analysis of the main environmental provisions in PTAs (the provisions of the environmental assessments, the environmental laws & standards, and the environmental co-operations), capture the features, differences, and merits of those provisions, by applying the questionnaire converted from the checklists, introduced by Cristina T. Less and Joy A. Kim (2008), and discuss the factor behind those differences.

2. Concluding remarks

From our research, the following three points are clarified. First, about the environmental assessments, it becomes clear that in the US the government conducts Environmental Reviews, targeting only on the environmental impacts in home countries. On the other hand, in the EU independent external consultants carry out Sustainability Impacts Assessments, focusing not only on environmental but also on economic and social impacts both in home and partner countries. Secondly, regarding the environmental laws & standards, it becomes conspicuous that both the US and EU has commitments to maintain and improve the environmental standards though only the US sets a commitments to enforce the own environmental laws. Finally as for the environmental co-operations, even though both the US and EU have wide scope of capacity building, only the EU has the support for poverty and environment. Thus we conclude the EU relatively pays more attention to their partner countries as well as home countries so the EU has better provisions in terms of the environmental assessments and co-operations due to their wider scopes and objectives. This can be because, as a part of the responsibility of the EU Sustainable Development Strategy, the EU actively promotes sustainable development worldwide and ensures that EU's internal and external policies are consistent with global sustainable development. It also becomes clear that the US has relatively better environmental laws & standards provisions with their commitment to enforce their own environmental laws. This can be because the US may have easier circumstances to introduce the commitment to enforce the own environmental laws than EU having various independent laws in a union.