

only after extensive negotiations and it is hard to imagine that something as diverse, complicated and vast as environmental protection which encompasses so many areas and jurisdictions can be agreed upon in a timely manner within the WTO.⁷¹⁶

Many activists blame the WTO for unfettered capitalism, and environmental exploitation. These critics are frustrated with the WTO and its lack of focus on environmental goals. Such groups have issues with the transparency of the WTO and its dispute settlement procedure, which does not concretely address environmental concerns. They also fear that multilateralism leads to lower environmental standards since poorer nations do not have the resources or necessary tools to combat environmental degradation leading to an overall lower quality of eco-system protection. This would necessitate leaving many meaningful sustainable standards out of such agreements, or to include them but not enforce them.

Complicating a world wide set of environmental 'rules' or obligation's is the fact that more than 100 of the WTO member's are developing countries. Their interests cannot be neglected in an organization where decisions are taken on the basis of consensus. Developing countries are systematically absent from not only informal but formal meetings due to a lack of resources and expertise to service such processes.⁷¹⁷ Most small nations do not have a representation in Geneva making the setting of standards that would satisfy all parties and vested interests in the process, next to impossible. Though environmentalists are preoccupied with safeguarding high sustainable development standards they are less concerned about the economics of the environment, and the effect that eco-development policies have on the trading system. Such concerns are more justifiably the prerogative of the WTO in maintaining an even trade arena.

SOURCES OF CONFLICT BETWEEN THE ENVIRONMENT AND TRADE

Kyoto is in general rather vague on the degree to which nations can interpret the accord and thereby interpret the policies to enforce

it. For instance the protocol states that to promote sustainable development each party shall implement policies and measures in accordance with national circumstances, and it provides a number of examples. These include policies to enhance energy efficiency, protect and enhance carbon sinks and reservoirs, promote R&D of sustainable energy producing technologies, and phase out fiscal incentives and exemptions in GHG emitting sectors.⁷¹⁸ These are broad ideas open to wide interpretation and implementation.

A main and seemingly irreconcilable issue is that national states will have differing degrees of the awareness of environmental problems, capacities to solve the problems, policies, and societal preferences. If an economist could somehow 'price' environmental policies and their effects we would find a wide variation in the price of national preferences regarding sustainable development. Such wide variations and societal objectives influence the prices, both nationally and internationally, of goods and services. Trade restrictions can distort prices and environmentally sound policies.

For Kyoto a wide variety of trade distortion measures could be taken that would affect the costs of production of traded goods and the competitive positions of producers in the marketplace. Examples include energy, carbon, and other various sur-taxes, mandatory and voluntary standards, subsidies for environmental friendly processes, eco-labelling, certification, and transfer of emission permits within or between countries. These measures certainly conflict at least in part with WTO rules. The real problem is that Kyoto is not clear or detailed on how such policies would be applied to the WTO MFN regime and what constitutes WTO non-compliance.

Nor is Kyoto clear on the direct role of government. Government intervention under the cover of the Kyoto agreement could seriously impair WTO policy. Kyoto would allow governments to raise taxes, regulations and standards to meet so-called targets premised on 1990 emission levels. By creating and enforcing high regulatory standards national governments would also be enabled to unfairly target non-Kyoto compliant trade. Governments could for instance raise the standards in fishing and agriculture and use such regulations to further discriminate against Third World products. Kyoto also may