

Greening U.S. Trade

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U.S. President Bush is now desperately trying to pass the trade bills he negotiated with Panama, Peru, Colombia, and South Korea. Unfortunately, these treaties fall far short of a Congressional mandate stating that U.S. trade bills must have significant environmental provisions. These bills won't have a prayer in the new Congress if the President and his team fail to ramp up the environmental components.

The first U.S. trade treaty with significant environmental measures was the North American Free Trade Agreement (NAFTA). Members of the environmental community were unsatisfied with these provisions, but were able to sleep thinking that they had at least set a precedent for all future deals. Rather than using NAFTA's environmental provisions as a baseline for improvement, the Bush Administration has rolled back many of NAFTA's key

environmental measures in these recent deals.

In a nutshell, NAFTA sees to it that all nations adhere to their environmental laws or face stiff fines; creates an environmental secretariat with government and non-governmental oversight that is committed to environmental cooperation among the parties; allows citizen groups to file complaints against firms that are violating the law; and commits significant funds to facilitate this environmental cooperation, to clean up environmental degradation, and to help small firms and citizens comply with environmental laws. Other U.S. agreements such as our trade treaty with Jordan built on this foundation.

By all accounts, such measures have not been enough to reverse Mexico's long-term trends of environmental degradation. Most significant forms of environmental degradation—such as air pollution, municipal solid waste, and water pollution—have all continued to increase significantly under NAFTA. Indeed, the Mexican government estimates that the environmental costs of such environmental degradation amounts to 10 percent of gross national product each year—amounting to more than \$45 billion per year.

What's more, the surge in U.S. corn exports has put added pressure on poor corn farmers in Mexico. This has caused not only increased poverty and migration, but it also threatens the rich stock of plant biodiversity cultivated by Mexico's farmers. Mexico's loss is not the United States' gain. The rise in U.S. corn production has provided a stimulus to some of the most environmentally destructive agricultural practices in the United States.

Nevertheless, there have been some interesting successes. The cooperation and funding components have made real inroads toward improving Mexico's environment. Through NAFTA's cooperation efforts, a commission among governments, scientists, and non-governmental organizations helped Mexico establish a law to track industrial pollution that is analogous to similar laws in the United States and Canada. Because the commission was able to learn from past lessons in the United States and Canada, the Mexican law is actually more comprehensive than its U.S. and Canadian counterparts.

In addition to these cooperative efforts, NAFTA set up a development bank to improve environmental conditions in Mexico, a fund to enable small- and medium-sized enterprises in Mexico to keep pace with environmental regulations, and a fund for citizen groups to monitor the environmental performance of companies. Each of these funding mechanisms, while small, has proven effective.

The trade deals with Panama, Peru, and Colombia lack all of the small success stories that were achieved under NAFTA. These deals do indeed see to it that nations adhere to their environmental laws or face stiff fines, and they allow citizens to file complaints. But they do not create a significant commission for environmental cooperation committed to improving the laws of the signatories, nor do they provide any new funding for cooperation, clean up, or compliance.

Last week, Democrats told the President that they wouldn't ratify these new trade deals unless they had a strong commitment to the environment. At a bare minimum, the President's team should install the provisions that were thought to be precedent setting under NAFTA and other past trade treaties. Specifically, they should establish a commitment to environmental cooperation that is overseen by governments and non-governmental organizations, and provide real funds for such cooperation in addition to environmental clean up.

For the President to get Democratic approval, he also will have to improve the agreements' labor standards, as well as provisions regarding intellectual property that make it hard for developing countries to innovate or develop drugs to mitigate public health emergencies. But greening these trade bills will be one step in the right direction.

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