Selective Enforcement of Trade Laws: A Problem in Need of Fixing to Advance Environmental Goals?

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Can evenhanded enforcement be achieved?

- WTO Reform – Centralized Enforcement
  - Identification of “similarly situated products”
    - Determination of competitive products
      - Relies on private market actors (purchasers)
      - No subpoena power to compel cooperation
Can evenhanded enforcement be achieved?

- WTO Reform – Centralized Enforcement
  - Identification of “similarly situated products”
    - Determination of whether the competitive products benefit from the same unlawful trade practice
      - **Subsidization:** problem of “fuzzy” subsidies
      - **Dumping:** requires a company-specific analysis
Can evenhanded enforcement be achieved?

- WTO Reform – Centralized Enforcement
  - Strong version – WTO prosecutor
  - Weak version – up to individual WTO members to bring cases
  - Bottom line issue:
    - WTO members remain subject to the same political and diplomatic pressures that prevent them from enforcing trade rules against imports of fossil fuels and wild-caught fish in the first place
Can evenhanded enforcement be achieved?

- Trade Remedy Reform
  - Consider the impact on consumers
    - Good idea
    - But how would this encourage trade remedy investigations of fossil fuels and wild-caught fish?
Would evenhanded enforcement solve the problem?

- **Problem:** Governments *under*invest in renewable energy and aquaculture AND *over*invest in fossil fuels and wild fisheries

- **Evenhanded enforcement:**
  - Trade actions against renewables and aquaculture would continue
  - Trade actions against fossil fuels and wild-caught fish: unlikely to be sufficient
Would evenhanded enforcement solve the problem?

What would work?

- **Renewable energy** – “green light” subsidies that promote price competitiveness with fossil fuels
- **Aquaculture** – “green light” subsidies that promote environmentally friendly practices
- **Fossil fuels and wild fisheries** – phase out subsidies
Conclusion

- Skeptical that trade enforcement can advance environmental goals
- Sometimes the obvious solution is the best solution
- Increased subsidization of renewables/aquaculture and phased out subsidization of fossil fuels/wild fisheries needed to prevent climate change and overfishing from reaching catastrophic levels