

Legal Framework for Coordinated Development of International Trade and Ecological Protection

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Based on the contradiction between the infinite demand of trade activities and the limited nature of environmental resources, this paper explores the coordinated development path of international trade activities and ecological environment from the perspective of law and policy. The ecological environment referred to in this paper is primarily concerned with environmental factors, particularly environmental pollution. First of all, this paper analyzes the current situation of international trade and the ecological environment, and it focuses on China. On this basis, the relationship between trade activities and ecological environment and the nature of the conflict between the two are explored. This paper holds that there is a dialectical unity relationship between the two, and the essence of the conflict between the two lies in the conflict between economic interests and environmental public welfare. Secondly, this paper examines and analyzes the current policies related to international trade and environment and resources, including multilateral principles, WTO rules and regional trade agreements, and focuses on the development trend of current environmental policies and trade policies, and the formulation of relevant trade policies increasingly focuses on environmental protection. Finally, in order to strengthen the coordination between the two and achieve a win-win situation between sustainable economic development and environmental protection, this paper puts forward some feasible suggestions, such as continuously promoting the integration of trade policy and environmental policy, advocating green trade, and drawing on existing excellent experience.

Keywords: International Trade, Ecological Environment, Green Trade, Coordination, High-quality Development

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Introduction

Driven by economic globalization and the Internet era, international trade activities are becoming more frequent and expanding in scale, which not only promotes economic growth and industrial upgrading but also provides higher-quality products and services. However, trade activities and nature are closely linked; countries enjoy the benefits of international trade, but also bear various pressures on the environment and resources (Wang, 2016), such as air pollution, biodiversity reduction and natural resource shortage.

Indeed, environmental protection and international trade are two aspects that interact and influence each other in economic development (Ding, 2013), and the conflict between them is inevitable. Specifically, trade activities have infinite demand for resources and environment, while the supply of resources and environment is limited, so the two are bound to conflict. When there is a conflict between economic interests and environmental protection, countries tend to protect the former at the expense of the latter, which intensifies the contradiction between trade and environment.

In order to alleviate this contradiction, international organizations and governments have made a series of efforts. Multilateral principles, World Trade Organization rules, regional trade agreements and even national laws are increasingly focused on protecting the ecological environment in trade activities. International organizations such as the WTO strengthen discussions and cooperation on trade and environmental issues through public forums and other forms demonstrating the importance of environmental protection in some case rulings. At the same time, governments have also taken a series of measures, such as Europe and the United States proposed low-carbon trade rules; China stressed the construction of ecological civilization, advocating “clear water and green mountains, is gold and silver mountains”, in recent years, also put forward the “two-carbon” strategy.

However, the problem between international trade and environmental protection is still severe. While developing international trade, how to reduce or avoid damage to the environment is still an urgent problem to be solved (Liu, 2020). The ecological environment is the basis of human survival, and the continuous promotion of “ecological international economy and trade” is not only related to the health and development of all mankind, but also closely related to the interests of future generations (Yang & Zhang, 2023).

Therefore, by analyzing the current situation of international trade and ecological environment, this paper explores the relationship between them and the essential causes of their conflicts, and examines relevant rules and policies, aiming to further promote the coordinated development of trade and environment and achieve a win-win situation between economic development and environmental protection.

I. Current Situation of Trade and Environment and Their Interrelationship

A. Status of International Trade and Ecological Environment

In the global perspective, the trade status of countries is different, but on the whole, it shows a steady growth trend. Not only is regular physical international trade growing, but online cross-border trade is also becoming a daily occurrence around the world. In the case of China, since its accession to the World Trade Organization in 2001, its foreign trade has continued to grow rapidly (Niu & Yi, 2022). The international financial crisis in 2008 led to a contraction in

trade activities, but this situation has been reversed since 2009. In 2019, global trade fell into a downturn again due to the impact of the COVID-19 pandemic. However, with the effective control of the epidemic in countries, global trade has recovered after 2020. In recent years, China's foreign trade has entered a stage of steady development, and China has gradually become one of the countries with the largest trade volume in the world.

However, the dramatic increase in trade activities has consumed a large amount of resources and, at the same time, increased environmental pollution. The waste gas and waste water generated by international trade activities have led to the deterioration of the global environment, and the world is facing some common environmental problems, such as climate change, water shortage and water pollution. In view of the above situation, international organizations and governments of many countries have taken active measures to deal with it. For example, the "Plastic Pollution and Environmentally Sustainable Plastics Trade" initiative has held its first informal dialogue in 2023, aimed at reducing plastic pollution and promoting sustainable trade (Hu & Zheng, 2023). At the same time, the WTO also focused on trade and environment issues at the 2023 public forum, calling on countries to strengthen cooperation and jointly deal with environmental problems caused by trade activities (Lei, 2023). China has also taken early actions, such as advocating the construction of ecological civilization and continuing to promote the "two-carbon strategy" to mitigate the impact of trade activities on the environment (Nie, 2023).

B. The Relationship Between Trade and Environment

Trade and Environment Interact

International trade and ecological environment are dialectical relations of mutual influence. The economic results obtained through trade are the material basis of environmental protection, and international trade develops on the basis of resources and environment (Li & Wei, 2018). In other words, international trade activities affect the global ecological environment, and conversely, the ecological environment is also related to the conduct of trade activities. There are several different views on the impact of trade on the environment. According to the harmful theory, trade activities expand the scale of production, consume more resources, emit more pollutants, and cause environmental pollution. The beneficial theory holds that resources can be allocated and utilized more effectively in the process of international division of labor, and international trade enables the spread of clean technologies and products between countries, and promotes the optimization of the environment. It has also been argued that the interaction between trade and the environment cannot be considered simply as a one-way effect, but is more likely to be a combination of multiple effects (Zhang, 2023). As for the role of environment on trade, the main performance is that good environmental conditions can promote the development of trade activities, while negative environmental factors will affect the conduct of trade activities, such as air pollution, water pollution and other disasters will have a negative effect on trade activities. In addition, environmental problems are becoming increasingly prominent, and more and more countries pay attention to the establishment of environmental regulations. Environmental regulation can promote the progress of technology, protect the natural environment of the country, and promote the sustainable development of trade and environment.

The Nature of Environmental and Trade Conflicts

Countries are often faced with a choice between economic interests and environmental protection when carrying out trade activities, so the conflict between ecological environment and international trade is inevitable. In the final analysis, the essence of the conflict between the two lies in the conflict between the goals pursued by the two. On the one hand, there is a conflict between the objectives of environmental protection and trade liberalization. The GATT emphasizes that an important objective of trade development is to promote trade liberalization. Achieving this, however, requires removing trade barriers and promoting the free flow of resources. Obviously, there is a conflict between this regulation and the goal of environmental protection (Jones, 2005). The WTO agreement emphasizes that trade liberalization should be driven by improving human living standards and promoting sustainable economic development. Although this regulation pays attention to environmental protection, in practice, the maximization of economic interests has become the primary driving force for national action (Baughen, 2023).

On the other hand, there is a conflict between environmental protection measures and international trade principles. Because trade activities are different from the ultimate goal of environmental protection, the makers of environmental and trade policy usually think only from their own perspective. Trade policy emphasizes trade liberalization, and no measure should create unnecessary obstacles to trade. But environmental policy emphasizes that trade restrictions can be adopted to protect the environment, which is often found in multilateral environmental agreements (MEAs). The principles of non-discrimination, prohibition of quantity restriction and fair trade stipulated in GATT are the embodiment of the principles of free trade. At the same time, environmental exceptions are established to protect human, animal, and plant life and health. Although this regulation reflects the balance between international trade and ecological environment, the conflict between the two is still very sharp in practice.

II. International Legal Regulation of Trade and Environment

A. Multilateral Principles and WTO Rules

In 1992, the United Nations Conference on Environment and Development adopted the Rio Declaration, which stressed that in order to achieve sustainable development, special attention should be paid to environmental protection. The Paris Agreement emphasizes that an open international economic system can help address the threat of climate change. The Marrakesh Agreement states that the objective of the WTO is to reduce trade barriers and eliminate discriminatory treatment in trade. Trade should be used as a tool to help countries achieve important public policy objectives, such as the sustainable use of the world's resources and environmental protection. WTO rules allow its members to take relevant trade measures for the purpose of protecting the environment, such as Article 20 of the GATT, which provides a basis for exempting WTO members from the GATT rules (Liu, 2017). That is to say, in certain circumstances, WTO members have the right to adopt policy measures that are inconsistent with GATT rules. In order to protect the ecological environment, WTO members may take necessary environmental protection measures.

WTO rulings in specific cases have also demonstrated the trade-offs between trade and environmental objectives of the multilateral regime. For example, the turtle and sea shrimp case, the Brazilian retreaded tire case. In the case of sea turtles and shrimps, in order to protect sea turtles, the United States prohibited the import of shrimps from countries that failed to use TED and released live turtles in shrimps fishing (Shaffer, 2010). In the case of Brazil

retreaded tyres, Brazil imposed import restrictions on retreaded tyres in order to protect the environment and human health (Bown & Trachtman, 2009). These two cases are typical cases of environmental protection as the cause of trade confrontation, and both involve the balance between environmental protection and trade policy.

B. Regional Trade Agreements and Environmental Protection

With the rapid development of global trade, the number of regional trade agreements is increasing, and the fields covered are also expanding. One clear trend is that agreements increasingly include provisions on sustainable development and environmental protection. Regional trade agreements give like-minded countries a chance to agree on strategies to tackle environmental problems. It can foster new environmental standards and measures by reaffirming WTO rules and deepening multilateral commitments (Yamaguchi, 2020), thus promoting environmental protection and sustainable development. Over the past few decades, countries have used regional trade agreements to cooperate on environmental issues. The first agreement to include environment-related provisions dates back to the 1957 Treaty of Rome. Since then, the number of environmental clauses has gradually increased. In 2005, regional trade agreements began to include more specific environment-related provisions. This is particularly evident in the regional trade agreements reached by some developed countries such as Canada and the United States (Song, 2008). Subsequently, many regional trade agreements with higher environmental standards have been concluded between developing and developed countries. Such provisions have also been included in regional trade agreements between developing countries, as in the case of the East African Community (Monteiro, 2016). Since then, the number of agreements containing environmental provisions has increased and the level of detail has increased, covering a variety of specific environmental issues, such as biodiversity and climate change.

C. Development Trend of Environmental Policy and Trade Policy

The international discussion on environment and trade began in the early 1970s, and then the attention of all parties to environment and trade gradually increased, and the integration of environmental policy and trade policy became stronger from weak. Its development is roughly divided into three stages: the first stage, the cognition stage. At this stage, international environmental agencies and trade organizations began to recognize that the environment and trade are closely related and affect each other. For example, in 1971, GATT established the first environment-related working group, the Working Group on Environmental Measures and International Trade. The second stage is the practice stage. During this period, the International Trade Organization began to push for the inclusion of environmental provisions in trade agreements or the liberalization of trade in environmental goods and services. In 1995, the Marrakesh Agreement establishing the World Trade Organization established the WTO with an environmental exception and a Committee on Trade and Environment. In the third stage, the deepening stage, the integration of environmental policy and trade policy is greatly strengthened (Wang, 2020). For example, in 2015, the United Nations Environment Programme officially launched the Environment and Trade Center to promote the coordination of environment and trade at the institutional level. Since then, many countries have solidified the integration of environment and trade as policies and institutions. Domestically, both the policies of the Party Central Committee and national laws reflect the integrated development of trade and environment. The Third Plenary Session of the 18th CPC Central Committee explicitly included environmental issues in the process of international trade and investment, the report of the 18th

CPC National Congress put forward “ecological civilization construction”, and the report of the 20th CPC National Congress clearly “promote green trade”. In the formulation of basic laws such as the Civil Code, the “green principle” is taken as the guiding principle of the law.

III. The Concrete Path for the Coordinated Development of Trade and Environment

A. Continue to Promote the Integration of Trade and Environmental Policies

The relationship between environment and trade is complex, but it is an unavoidable topic in the course of trade development. In the 1980s and 1990s, China began to discuss the relationship between environment and trade. With the accession to the WTO, the implementation of the ban on “foreign garbage” and the development of Sino-US economic and trade friction, the discussion on the interaction between environmental policy and trade policy became more and more intense. Due to the urgency of the current situation of ecological environment and the strengthening of people’s environmental awareness, trade policies need to pay more attention to environmental protection issues. Although significant progress has been made on the policy front, the integration of environmental and trade policies still falls short of current needs. For example, in the formulation of trade policies, environmental interests have not been fully considered, and the existing environmental and trade policies are mostly expressed in principle, with relatively few concrete implementation measures. Therefore, to continue to promote the integration of trade policy and environmental policy, specifically, we can start from the following aspects: First, we should actively promote the green international trade policy and the integration of international environmental conventions and trade agreements, and actively participate in international environmental and trade negotiations. Second, countries should strengthen the integration of domestic environmental policies and trade policies. The impact of trade on the environment is regarded as an important part of the analysis of the environment and economic situation. Finally, we should vigorously promote the development of trade in environmental protection products and green services. In short, strengthening the integration of trade policy and environmental policy is an inevitable requirement for addressing current environmental challenges and achieving sustainable development. Countries should start from multiple aspects, actively promote the integration of the two, and contribute to domestic green development and global environmental governance.

B. Promoting Green Trade

Green trade refers to the state of coordinated development of environment and trade or the degree of green trade, reflecting the overall coordination relationship between environment and trade (Zhang & Li, 2023). Green trade is also an important embodiment of high-quality development. In recent years, with the increasingly severe environmental problems and increasing trade activities, the concept of “green trade” has been widely adopted and applied in various policy documents and academic research. The term “green trade” was first used internationally in a 1999 European Council document. Under the impetus of the European Union, the term green trade has gradually become widely used. The WTO 2023 Public Forum focused on trade and environment topics, which also reflected the advocacy of countries on green trade. Among the policy documents available in China, the term “green trade” first appeared in the relevant documents issued by the former State Environmental Protection Administration in 2013. Since then, the term “green trade” has appeared frequently in various policy documents. The report of

the 20th National Congress of the Communist Party of China clearly proposed to promote “green trade” (Zhao, 2023). As one of the world’s largest trading countries, the green and low-carbon development of China’s foreign trade has important strategic significance and huge potential (Xian, 2023). Green trade is of great significance to environmental protection and sustainable development, and is also in line with the current trend of trade development. Therefore, the concept and practice of green trade should be vigorously promoted to jointly promote the green transformation of the global economy.

C. Drawing on Outstanding Experience From Other Countries

The issue of trade and environmental protection is a global challenge that almost all countries will inevitably face in the course of development. In the process of solving this problem, some countries have accumulated rich experience, which can provide valuable reference for other countries. All countries should learn from it in the spirit of “selecting the best and discarding the dross”. On the one hand, the experience of developed countries. Because the industrialized process of developed countries started relatively early, their environmental problems became prominent relatively early. At first, they adopted the development path of “pollution before treatment”, and later, through continuous exploration, they found the development road of coordination between economic development and environmental protection, such as the United States and Japan (Li & Xie, 2019). On the other hand, the experience of developing countries. Although developing countries are less successful than developed countries in reconciling trade and environment, there are still some problems to be solved. However, in recent years, the importance of environmental protection in developing countries has been significantly improved, and some experience has also been accumulated in the coordination between trade and environmental protection. For example, Brazil has taken effective measures in tropical rainforest protection and biodiversity maintenance, making important contributions to global ecological security (Zhang, 2016). In addition, some practical laws and regulations on environmental protection can be formulated, such as establishing a complete set of environmental protection agencies, Improving public awareness of environmental protection, and promoting the coordinated development of trade and the environment.

Conclusion

Through the study of this paper, the environment and trade issues are the key issues that need to be solved by all countries and even the whole world. The essence of the conflict between trade and environment is mainly manifested as the conflict between environmental protection and trade liberalization goals, and the incompatibility between environmental protection measures and international trade principles. In order to coordinate the relationship between trade activities and environmental protection, relevant international organizations and countries have formulated a number of laws and policies. At present, the integration trend of international environmental policy and trade policy is becoming more and more obvious, and this integration is an effective means to coordinate the relationship between trade and environmental protection. By deepening the integration of the two, more balance points can be found to ensure that trade development and environmental protection complement each other. On the other hand, more and more countries advocate the green trade model, and “green trade” has become one of the important characteristics of global economic and trade development. It can not only promote the sustainable development of trade, but also benefit the protection of the environment, and is an

effective means to achieve the coordinated development of trade and environment. At the same time, the issue of trade and environment is a universal problem that requires the joint efforts of all countries and relevant international organizations. All countries should learn from each other and draw on the existing excellent experience in order to better solve this problem. In short, in order to effectively balance the relationship between international trade and ecological environment, relevant international organizations and countries should strengthen the integration of trade and environmental policies, actively promote green trade, learn from outstanding experiences outside the region and other aspects, solve the ecological problems in the context of international trade, and promote the coordinated development of trade and environment by all countries in the world. And then realize the sustainable development of economy and the sustainable protection of environment.

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