INTERNATIONAL LAW (ENVIRONMENT) TRENDS, DISPUTE AND ITS APPLICATION

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Abstract: Globalization, technological development and the growing awareness of issue linkages pose dynamic challenges to the relationships of international law’s distinct rule-systems. Within the increasingly fragmented realm of international law, the World Trade Organization (WTO) holds a contentious position because of the relative extent to which it has been successful in advancing its mission of multilateral trade liberalization. Much of this success is a result of the institution’s effective and binding dispute settlement system. However, the WTO’s ability to reconcile multilateral trade liberalization with other, sometimes conflicting, public values, is a central concern to the institution’s legitimacy and is, therefore, vital to further advancing free trade and to realizing its many benefits. Current international judicial bodies function under regimes whose purposes and values are not always aligned with that of environmental protection. Some of these bodies were established in an environmentally innocent era, when the protection of the environment was not elevated as a fundamental societal value at the international level.

Keywords: Disputes; Environment; World Trade Organization; Public values.

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INTRODUCTION

Protection of the environment has become exceedingly important and promises to be more important for the benefit of future generations. Protecting the environment involves rules of international cooperation, sanction or both, so that some government actions to enhance environmental protection will not be undermined by the actions of other governments. Sometimes such rules involve trade restricting measures. Trade liberalization is important for enhancing world economic welfare and for providing a greater opportunity for billions of individuals to lead satisfying lives. Measures that restrict trade often will decrease the achievement of this goal. Efforts on the international level to strengthen the international trading regime often spill over into areas of international environmental concerns and vice versa. The norms and rules used to oversee international trade can affect the goals and norms associated with pursuing international environmental issues. The trade and environmental links topic has gained increasing attention due to the continued diversification and integration of the global economy since the creation of the General Agreement on Tariffs and Trade (GATT) in 1947 and due to increasing awareness of environmental issues. Overall this has been described as the greening of world trade.

Key Issues

Key issues arising from the nexus of international trade and environment include

- Trade and Environmental Rule Synergy: This refers to the interaction between international trade regulation or liberalization and domestic environmental regulation; or vice versa. For example, if a law is passed in one country imposing strict environmental standards on the production of a certain good, these standards may unfairly discriminate against foreign a producer which is against trading rules.

- Harmonization: This issue concerns whether trade agreements contribute
to Harmonization of Environmental Standards and whether harmonization positively or negatively affects the environmental impact of economic activity, a topic addressed by Stevens (1993) in Harmonization, Trade and the Environment.

- **Trade and the Internalization of Environmental Costs:** Environmental costs can be shifted to other countries using trade measures. Conversely trade agreements can provide an effective forum for internalizing environmental costs not currently accounted for in production and processing of traded goods. Trade and Environment and UNCED Follow-Up Activities in UNCTAD, a report from the United Nations Conference on Trade and Development (1994), examine methods of internalizing environmental costs.

- **Transparency:** This notion is simply the publicizing of governmental laws and regulations, whether trade or environmental. Transparency has two general applications. The first application is in terms of the laws and regulations themselves through notification requirements. For a discussion of this issue in context see WTO Committee on Trade and Environment Bulletin No.3. Second, the question of transparency also arises in the area of dispute resolution mechanisms in multilateral trade agreements if applied to environmental matters and vice versa. von Moltke (1993) discusses this issue in Dispute Resolution and Transparency.

- **Intellectual Property:** The application of intellectual property rights and patent regimes, especially as related to biodiversity, can influence trade and environmental outcomes. Groombridge (1992) surveys this issue in Intellectual Property Rights for Biotechnology, an excerpt from Global Biodiversity: Status of the Earth's Living Resources.

- **Development:** Trade and environmental issues raise questions about potentially disparate effects on economic growth in industrialized countries and developing countries. A U.S. Office of Technology Assessment (1992) report section from Trade and the Environment: Conflicts and Opportunities examines these questions. It should also be noted that, with the exception of a few concrete examples, the issues outlined above, which manifest the linkages between trade and the environment, are constantly evolving as new challenges arise and the scope of international environmental agreements expands.

**International Treaties Affecting the Trade and Environment Linkages**

Since GATT’s inception in 1947, a number of multilateral trade negotiating rounds have been initiated and concluded. In general these negotiating rounds result in further liberalization of world trade and expansion of the scope of the GATT to new areas such as non-tariff barriers. The successful conclusion of the Uruguay Round in 1994 addressed a number of important issues which had been notably absent from earlier GATT trade rounds. These issues include, inter alia, agriculture, intellectual property and trade in services. The Uruguay Round agreements also led to the creation of the World Trade Organizations (WTO). It is not clear whether the new, more comprehensive trade agreement creating a new international organization with an enhanced status in terms of international law, has complicated the linkages between international environmental law and international trade law. In the past the GATT has been criticized for promoting freer trade at the expense of international environmental efforts. However, pursuant to the Marrakesh ministerial declaration, the WTO, established in January 1995, is working with other key environmental organizations such as the UNEP to clarify these difficulties. Details are outlined in About Trade and Environment in the WTO. Action by the WTO, since its inception at Marrakesh, has included the creation of a standing committee to address the problems raised by the congruence of international environmental issues and international trade issues. The WTO Committee on Trade and the Environment (CTE) has met regularly since its creation, convening first in March 1995. The CTE has addressed a number of concerns listed at the outset of this guide. The conclusion of 1995 brought with it the development of a work plan for the Committee to
address the salient trade and environment issues. For a listing of the CTE work plan see CTE Bulletin No.6.

**Key GATT/WTO Provisions**
The primary GATT/WTO provision which is cited most often in reference to trade and environmental norm conflicts is Article XX. This article outlines the allowable exceptions for trade restricting national policies. Additional relevant GATT/WTO provisions depend on the particular trade and environmental conflict at issue. Other GATT/WTO norms which are often mentioned in reference to potential trade and environmental law conflicts are prohibitions against so-called technical barriers to trade (TBTs) and prohibitions against quantitative restrictions on trade. International environmental treaties promote environmental goals. The requirements of the treaties may lead to actions by national governments or international organizations to implement the treaty prescriptions. These actions or other aspects of the treaties can lead to the circumstances described in the trade and environment issues section of this document. All of the treaties listed below potentially influence trade whether through restrictions on trade or through requirements as to notification or through the fact that countries may implement laws to further the goals of the treaties which have implications for trade. These treaties include, but are not limited to:

- Basel Convention,
- Convention on Conservation of Migratory Species,
- Convention on Biological Diversity
- CITES,
- Montreal Protocol,
- United Nations Framework Convention on Climate Change.

As part of its preparation for the first WTO Ministerial meeting held in Singapore, 9-13 December 1996, the CTE prepared a report summarizing its work on trade and environment linkages. The report listed eleven key issues addressed by the CTE which are quoted from the document:

- **Item I:** The relationship between the provisions of the multilateral trading system and trade measures for environmental purposes, including those pursuant to multilateral environmental agreements.
- **Item II:** The relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system.
- **Item IIIA:** The relationship between the provisions of the multilateral trading system and charges and taxes for environmental purposes.
- **Item IIIB:** The relationship between the provision of the multilateral trading system and requirements for environmental purposes relating to products, including standards and technical regulations, packaging, labeling and recycling.
- **Item IV:** The provisions of the multilateral trading system with respect to the transparency of trade measures used for environmental purposes and environmental measures and requirements which have significant trade effects.
- **Item V:** The relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements.
- **Item VI:** The effect of environmental measures on market access, especially in relation to developing countries, in particular to the least developed among them and environmental benefits of removing trade restrictions and distortions.
- **Item VII:** The export of domestically prohibited goods.
- **Item VIII:** The relevant provisions of the Agreement on Trade-related Aspects of Intellectual Property Rights.
- **Item IX:** The work programme envisaged in the Decision on Trade in Services and the Environment.
- **Item X:** Input to the relevant bodies in respect of appropriate arrangements for relations with intergovernmental and
non-governmental organizations referred to in Article V of the WTO.

While extensive discussions were held on these various items, specific WTO policies were not developed. However, a number of important observations were described in relation to items 1 and 5.

- No disputes have been addressed by either the GATT or WTO concerning trade measures used pursuant to an international environmental agreement.
- Existing WTO provisions are often adequate to encompass the appropriate use of trade related environmental measures; most notably GATT Article XX applies in this case.
- Both trade and environment expertise should be relied on when incorporating a trade provision in an international environmental agreement.
- If all concerned have agreed to a trade related measure as part of an international environmental agreement, then disputes over the measure are unlikely to arise.
- In future international environmental agreements, consideration should be given to how trade measures affect non-parties to the agreement.
- Policy coordination between trade and environment officials at the national level is essential for parties to both trade and environment agreements to uphold their obligations.

The declaration adopted at the ministerial meeting contained a paragraph concerning the general topic of trade and environment. The main trade and environment issues cited in this context were the interactions between trade liberalization, development and environmental issues. Emphasis in the declaration was placed on policy coordination at the national level.

**Trade Disputes with Environmental Content**

Perhaps the clearest indicators of the linkages to be found between the areas of the environment and trade are in the disputes brought before the GATT and the WTO. Two disputes stand out as highlighting the difficulties surrounding the integration of international environmental concerns and the international trading regime.

These two disputes are the 1992 US/Mexico Tuna dispute and the more recent 1995 US/Venezuela and Brazil Gasoline dispute. Resolved through bilateral negotiation, the 1992 US/Mexico Tuna dispute resolution came after the dispute was brought before a GATT dispute settlement panel. The Tuna dispute involved the application of a US embargo on Mexican dispute imports. The embargo was imposed due to Mexican tuna harvesting methods (purse seine driftnet) which violated the US Marine Mammal Protection Act. For more information see US/Mexico Tuna Dispute in the TED database Case 1 and Case 2.

Even though on technical grounds the US lost the 1992 case a second, related case was brought by France and the EC under similar grounds. For a brief description see US/Mexico Tuna Dispute in the TED database Case 1 and Case 2. The 1995-6 US/Venezuela and Brazil Gasoline case is important for a number of reasons. First, it is the first case brought before the new WTO utilizing the refined dispute settlement process. In addition, the decision by the dispute settlement panel was appealed by the US to the WTO Appellate body. This dispute involved the imposition of US sanctions against Venezuela. Venezuelan gasoline imports violated the restrictions on certain pollutants known as olefins by the Clean Air Act. The US lost the initial dispute and appealed the decision to the WTO dispute settlement Appellate body. The Appellate body upheld the initial decision. For a summary of the dispute see US/Venezuela Gasoline Dispute in the TED database. In addition to the trade and environment disputes listed above which have far reaching implications for the trade and environment, indicators of the linkages between trade and the environment can be thought of in other ways. For example, when the conception of linkages between trade and the environment is expanded to include notions of development and sustainable development it is useful to think of indicators for these kinds of issues.

**National Response Indicators on Trade and the Environment**

Given the often indirect nature of conflicts between trade and environmental goals, it is not surprising that national responses to these
difficulties are at times difficult to identify. However, those countries with the most at stake either in terms of trade or environmental concerns are likely to address these problems to the greatest extent. National responses to trade and environmental linkages can take place in a number of ways, recommendations for action, specific legislation or directives leading to specific actions or reactions to other trade and environment related events such as dispute settlement.

**International Tribunal for the Law of the Sea**

The 1982 UN Convention of the Law of the Sea (LOS Convention) established the International Tribunal for the Law of the Sea. The Tribunal was initiated in Hamburg in October 1996. It is an independent judicial body that maintains a close relationship with the UN. According to Article 20 of its Statute, the parties to the LOS Convention can submit disputes to the Tribunal concerning the interpretation and implementation of the provisions of the Convention. The Tribunal also is able to address environmental issues beyond the scope of the Convention because it is authorized to adjudicate cases arising under several other international instruments related to the world’s oceans. The Tribunal is one of the few international judicial bodies that has compulsory jurisdiction over cases arising under the provisions of its establishing Convention. Although the Tribunal is not the exclusive dispute settlement mechanism available to the parties to the convention (cases may be submitted to the ICJ or other arbitration bodies), it has compulsory jurisdiction over specific disputes arising under the articles of the Convention and over cases that are not submitted to other dispute resolution mechanisms. Despite the number of avenues available for dispute settlement under the LOS Convention, the Tribunal is expected to hear a large number of cases. Its procedures are relatively fast and flexible. The expertise of the judges is also one of the main advantages of the Tribunal. The Tribunal’s Sea-bed Disputes Chamber also has jurisdiction to hear cases brought by entities other than states, including individual contractors and prospective contractors with the International Seabed Authority. It is conceivable that this provision may permit standing by other non-state entities, but the precise meaning of the provision awaits Tribunal interpretation. These procedural rules provide the Tribunal with the ability to respond effectively to environmental cases. In the eleven cases that the Tribunal has decided, it has discussed environmental issues and has adopted a protective stance towards the protection of the environment.

**Dispute Settlement Bodies of the World Trade Organization**

Dispute settlement is identified as a principle function of the World Trade Organization (WTO). The WTO dispute settlement process begins with consultations and proceeds with GATT conciliation or mediation services. A party may request that the dispute be heard by a panel, which receives submissions from all interested parties and issues a report. The Dispute Settlement Body (DSB) adopts the panel’s report unless there is joint opposition to such adoption. Any of the parties to the dispute may appeal the panel’s decision to the Appellate Body, a standing body of seven members. Parties are required to implement the panel ruling within a reasonable period of time. If ruling is not implemented, the injured party may be compensated and retaliatory measures may be undertaken. Several steps were undertaken during the Uruguay Round to improve the effectiveness of the dispute settlement process. However, these steps did not respond to existing environmental concerns. First, the dispute settlement procedures are open onto WTO members and not individuals or environmental NGOs. Second, the panel proceedings are closed to the public at large. Third, the WTO panels are composed of trade experts, who do not necessarily have the expertise to make sound decisions on environmental matters. Finally, the WTO panels are not required to take into consideration international law regimes such as international environmental agreements and the customary international law. WTO agreements have created a self-contained and self-referential regime. Despite efforts to achieve consistency between existing multilateral environmental agreements and the trade regime, these two have not been adequately integrated.

**European Court of Justice (ECJ)**
The European Court of Justice (ECJ) plays an essential and meaningful role within the European Community (EC). National courts and governments tend to respect its decisions. While it is not a specialized environmental court, ECJ is authorized to hear environmental cases on grounds of non-compliance of a Member State with the European Community’s environmental laws. ECJ also is authorized to render preliminary rulings on the interpretation of primary or secondary European Law, including environmental law. ECJ structure does not provide for a specialized chamber on environmental issues. However, due to the complexity of environmental cases, there is a de facto specialization among the Advocates General. Access to the court is open to the Commission, European Union institutions, Member States and natural or legal persons directly subject to European laws. Based on these procedural requirements, non-governmental organizations have been excluded from the ECJ. The ECJ has contributed to the protection of the natural environment in the European region. It has accepted more than 150 environmental cases and has rendered important environmental jurisprudence. It was the first Court to acknowledge many principles of international environmental law such as the precautionary principle. As national courts have funneled preliminary questions to the ECJ, it has succeeded in clarifying environmental rules and has influenced both the harmonization of the application of EC environmental law and the development of national environmental law. In addition, ECJ, as a multi-issue court, has been able to evaluate and balance environmental protection in conjunction with other public interests such as economic development.

European Court of Human Rights (ECHR)
The European Court of Human Rights (ECHR), established under the auspices of the Council of Europe in 1950, is entrusted with monitoring state-party compliance with the European Convention on Human Rights and Fundamental Freedoms (the Rome Convention). ECHR has developed progressive interpretations of legal documents for the protection of human rights and is a very successful example of a regional judicial body. However, ECHR is restricted in its environmental role because the Court examines violations of human rights as they are identified in the Rome Convention and its additional Protocols. Neither the Convention nor the Protocols provide for a human right to a clean environment. In the past, the court has been very flexible and innovative in interpreting the existing articles. It has attributed compensation to individuals suffering from environmental harm or noise pollution through application of Article 8- protection of private life and family life. However, similar environmental decisions have not been forthcoming. The Court stated in the recent Kyratatso case that it is unable to provide comprehensive environmental protection due to the limits of the Convention and its additional Protocols.

African Court on Human Rights
The African Commission is the only functioning international regional body with power to promote and protect rights and interpret provisions of the African Charter of Human and People’s Rights on the African continent. In response to criticisms of the inability of the African Commission to stop the massive and systematic violations of human rights on the continent, on June 1998, the Organization of African Unity – now the African Union (AU) – adopted the Protocol to the African Charter on Human and People’s Rights on the Establishment of the African Court of Human and People’s Rights. The Protocol establishing the Court has not yet come into force because it lacks the necessary number of ratifications. The Court will have jurisdiction over any case concerning the interpretation and the application of the African Charter, as well as any human rights instruments ratified by the parties. States, intergovernmental organizations, NGOs and individuals will have access to the Court and will be able to file claims against any state. Access to the Court by NGOs and individuals is, however, constrained by the requirement that the case be urgent, serious or relating to massive violations of human rights. Lacking any jurisprudence, I am not able to evaluate the work of the Court. In the future, developments of the jurisprudence of the Court will be interesting because the Court applies the African Charter, which explicitly recognizes a human right to a satisfactory environment.
International Criminal Court (ICC)
The Charter of the International Criminal Court was signed in Rome on July 17, 1998 and came into force on July 1, 2002. According to Article 5, ICC has jurisdiction over the most serious international crimes: genocide, crimes against humanity, war crimes and crimes of aggression. The Charter grants partial protection to the environment: Article 8 identifies as a war crime the intentional launch of an attack in the knowledge that such attack will cause incidental loss of life or injury to civilians or damage to civilian objects or widespread, long-term and severe damage to the natural environment which would be clearly excessive in relation to the concrete and direct overall military advantage anticipated. This provision is very narrow. In addition, ICC has jurisdiction only over individuals and not over states, which further limits the degree of environmental protection that the Court is able to offer. The Court has not yet rendered any judgments.

Ad Hoc War Crimes Tribunals
The International Criminal Tribunal for the Former Yugoslavia (ICTY) and the International Criminal Court for Rwanda are ad hoc international criminal tribunals established to prosecute persons responsible for serious violations of internal humanitarian law committed during specific conflicts. The United Nations Security Council established the tribunals as enforcement measures under Chapter VII of the United Nations Charter. According to the Charter, all states are obliged to contribute to the enforcement of Tribunal decisions. However, both Tribunals have limited mandates, which do not include environmental desecration caused during armed conflict.

Evaluation of existing international judicial bodies
Based purely on the small number of environmental cases adjudicated by international courts, it is possible to conclude that existing courts do not satisfactorily consider environmental issues. Furthermore, the conservative outcomes of the cases indicate that existing international courts may not properly adjudicate even the limited number of environmental cases that come before them. Reasons for the dearth of environmental cases include traditional political and legal obstacles such as state sovereignty, the doctrine of consensual jurisdiction and the requirement for prior exhaustion of local remedies. In addition to these common deficiencies, at least two distinct characteristics of environmental disputes often prevent their adjudication. First, there exists no structured system for the settlement of environmental disputes. Second, international institutions face procedural deficiencies. At the international level, the avenue for adjudication of environmental cases is not clearly defined. There is no specific international court with jurisdiction over environmental disputes where interested parties can submit an environmental case. If the case is not connected with the law of the sea, trade violations, human rights violations or specific criminal behavior, the parties might find no forum available for the adjudication of their case. Furthermore, the international judicial system is not connected with national judicial systems. There is no mechanism for deference or appeal from national courts to international courts. In addition, many multilateral environmental treaties do not specifically reference adjudication in international courts. As a result, parties to a dispute are often discouraged from pursuing international dispute settlement procedures.

Several procedural provisions of international adjudication impose obstacles to the admission and the effective handling of cases and either disable or discourage the interested parties to submit their cases. First, individuals are effectively prohibited from bringing cases before the courts, with the exception of limited possibilities offered in the framework of the human rights courts. Second, most environmental cases are complex and large-scale and the slow process of Tribunal decisions is unable to address environmental degradation that requires immediate response. Finally, the efficacy of the courts suffers from a lack of enforcement power. State parties to the dispute are responsible for complying with court decisions. However, in a case of non-compliance, only the ICJ, the WTO dispute settlement bodies and the ECJ have enforcement mechanisms. These weaknesses demonstrate the inability of most existing judicial bodies to...
effectively address major international environmental issues. Most of the courts were established in order to serve a specific treaty or international organization and they are limited in their subject matter jurisdiction. The courts are obliged to deal with environmental issues only in relation to other fields of international law or while seeking to serve different purposes, such as the promotion of free trade or the protection of human rights. Exactly because these bodies are not structured to judge environmental cases, their staffs lack the expertise to do so. Non-specialized international judges often are unable to apply the complex, vague and incomplete norms of international environmental law. ICJ itself, in the Gabčíkovo-Nagymaros Project case admitted that the application of the international environmental law is not an easy task. In that case, the ICJ judges had to be educated in the environmental and scientific aspects of the dispute before they judged the case. Finally, in most cases, international tribunals seem to follow a minimalist view, through which they focus on the specific settlement of disputes between the parties and devote only minimal attention to the broader policy implications of their judgments for the development of law. Scholars have noted this approach in many of the ICJ decisions. This minimalist perspective limits the broader consideration of environmental issues associated with specific disputes.

CONCLUSION

The modern proliferation of international courts and tribunals and the increasing use of binding third party adjudication to settle international disputes have neither achieved significant developments in international environmental law nor advanced the state of global environmental governance. In order to prevent further deterioration of natural resources and achieve environmental justice, the international community needs to rethink the existing alternatives for the improvement of the international judicial system. The most significant and widespread rule system for international trade is the GATT system, which includes the GATT and over 200 ancillary treaties, as well as a number of other related arrangements and decisions. National courts are not adequate to fully deal with environmental cases arising at the international level or even at the national level. Many environmental issues are transboundary in nature and require international institutions to manage them. The international courts function within the nascent frameworks of international law and lack compulsory jurisdiction and enforcement mechanisms.

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