Impact Assessment of Trade Related Policies

Impacts of Trade on Economic structures and the consequent Environmental and Social Effects

June 5, 2007
Introduction to the topic

- Trade
- Why “impact assessment of trade-related policies”
- Types of effects
Trade

• Countries have comparative advantage in some sectors
• Trade can allow specialization leading to economies of scale
• Trade policies and negotiations cover a number of issues
  – Tariffs (goods, agricultural products), services, technical barriers to trade, investment, government procurement, environment…..
• Trade agreements and policies often have environmental and SD references and considerations
“IA of Trade-related policies”

• “Trade-related policies”
  – Negotiations for trade agreements
    • Bilateral, regional, multilateral
      – Investment agreements
    • Trade policies
  – Ongoing trade

• “Impact Assessment”
  – Conducted by governments, international organizations, NGOs, academics via a range of methodologies
  – *ex ante* or *ex poste*
  – Environment, sustainability focus
5 Types of effects

Scale effect: changes in amount of activity
  – How much impact overall? Geographic extent?

Structural effect: changes in patterns of activity
  – How do production/consumption patterns change?

Product effect: changes in types of products
  – What issues are associated with a product?
    • Changes in inputs, outputs, and externalities
    • Environmental goods and services

Technology effect: change in technology flow/use
  – Will different technologies be used as a result?

Regulatory effect: legal and policy effects
  – How will regulatory and policy space be affected?
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Alternative Methodological Approaches to Assessing the Impacts of Trade

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