

ENVIRONMENTALLY SAFE FOREIGN TRADE LIBERALIZATION IN DEVELOPING COUNTRIES

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According to the peculiarities of the impact of global trade liberalization on the environment in developing countries, we have offered the main ways to ensure environmentally safe trade liberalization in developing countries (Table 1). We have grouped them into five main areas and suggested remedies to prevent environmental losses from trade liberalization for each of the areas. These tools include conducting internal economic reforms, reforming national system of environmental protection, involving wider public of the country and changing foreign economic activity orientation of the country from economic to eco-economic.

Table 1. Ways to ensure environmentally safe foreign trade liberalization in developing countries.

Main directions	Means
Structural reform of the economy	<ul style="list-style-type: none"> to adopt long-term development strategy in order to change the structure of national economy to provide sustainable development of resource industries (to improve natural resources management, provide transparency of the market, foster diversification, create infrastructure and political foundation) governmental investments in education, workforce requalification, R&D, infrastructure
Pollution internalization	<ul style="list-style-type: none"> to include externalities in the price of the goods to cancel subsidies in environmentally harmful industries to establish proper private property rights to form adequate resource prices and to eliminate free rider problem to register and evaluate natural resources
Ecologically conscious international integration	<ul style="list-style-type: none"> to sign environmental side agreements to conduct environmental assessment of trade agreements before signing them integration of environmental regulation on regional and global levels
Environment protection reform	<ul style="list-style-type: none"> to keep to the principle of parallel reforms (to conduct foreign trade liberalization with simultaneous internal ecological policy reformation) to form institutional structure, which will effectively provide environmental protection to switch from command and administrative measures of environmental protection to market measures to register natural resources and to control the use of them
Environmental awareness formulation	<ul style="list-style-type: none"> to introduce ecological education to cultivate ecological consciousness and to foster active civil position formation in the sphere of environmental protection public involvement in environmental protection

The methods of direct trade regulation include: application of sanitary and phytosanitary standards to goods, a variety of technical barriers to trade, prohibition of trade in some goods or introduction of higher tariffs on their exports or imports. Other measures are not

directly related to the transboundary movement of goods, but they have an impact on international trade through the influence on the formation of goods prices on the world market, on the supply and demand.

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