

Exam EEP 131, Fall 2004

Answer any two of the following questions using a short essay. You have three hours to do the exam, but I expect that it should take no longer than two hours. Since you (should) have plenty of time, I will expect (reasonably) clear essays.

1) Summarize and evaluate the NAFTA Chapter 11 provisions for investor to state disputes. Describe some of the environmental issues that have arisen from Chapter 11. Use one or more Chapter 11 cases to illustrate your points.

2) How does the WTO seek to balance the interests of free trade and environmental protection? Include a description of the Most Favored Nation Principle, the Principle of National Treatment, and the (portions of the) GATT article that have been invoked to justify trade restrictions on environmental grounds.

3) You have been asked by an environmental group that is also concerned with development whether the group should support increased globalization (e.g., by extending NAFTA to a Free Trade Agreement of the Americas). How would you advise this group to respond? (You need to provide support for the position that you adopt.)

4) Explain what is meant by "Production and Processing Methods" (PPMs). Discuss the arguments for and against allowing PPMs as a basis for trade restrictions. Use one or more GATT/WTO trade dispute to illustrate the role of PPMs.

5) Explain the meaning of the Theory of the Second Best and the Principle of Targeting; use one or more example to illustrate these ideas. Discuss the theoretical and practical importance of these two ideas for the debate on globalization and the environment.

6) Explain what is meant by the "Pollution Haven Hypothesis" (PHH) and the "Pollution Haven Effect" (PHE) Discuss the theoretical and empirical bases for both the PHH and the PHE.