

**ASSESSING THE IMPACTS OF  
TRADE LIBERALIZATION ON FORESTS**

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## **ABSTRACT**

Debate over the future use, management and protection of the world's forests has become a major public policy challenge of the 1990s. This paper attempts to improve understanding of how forests are impacted by trade liberalization. While some researchers have claimed that trade liberalization is fueling increased demand for forest products, no one has to date conducted a comprehensive analysis of how trade liberalization impacts forests. Because there is no general agreement on even the terms of the forest policy debate, the first chapter of the paper is devoted to developing an explicit and interdisciplinary conceptualization of the issues in the debate. The second chapter examines how trade liberalization works and provides a synopsis of the trade and environment debate before moving into the analysis of the impacts of trade liberalization on forests. This chapter identifies and explores three impacts that are a direct result of trade liberalization: tariff reductions, restrictions on subsidies and rules on the use of trade-related environmental measures. Two impacts that are only partially attributable to trade liberalization are identified and examined: increased income and regulatory competition. In the third chapter, I show how some of the impacts of trade liberalization on forests create opportunities for helping to resolve the forest policy debate, while others further complicate the issue. Overall, my research demonstrates that trade liberalization impacts forests in a number of complex ways, some which contribute to forest loss and change in forest condition, and others which do not. With insufficient data upon which to determine the net impact of trade liberalization on forests, this paper cautions stakeholders in the forest policy debate against targeting trade liberalization as either a 'good' or a 'bad' force for forests. Instead, the paper urges stakeholders to continue increasing their understanding of how trade liberalization interacts with forests and concentrate on finding synergies and efficiencies in the struggle to resolve what is a complex and important debate.

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