

Green protectionism and energy transition

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The production matrix based on fossil fuels and its effects on climate change is identified as a global problem. As a global problem, it requires cooperation between States to guarantee the reduction of greenhouse gases and ensure the trajectory of sustainable development for the coming decades. Cooperation goes through the field of international negotiations and history has shown that, even if several countries recognize the problem, it has been difficult to reach a consensus on the instruments to be used, how much each country should reduce its emissions and in how long, the financing for the costs of this transition, among others.

In the field of international trade, the different levels of economic development, the different valuations in relation to the issue of energy transition, the different sources of the matrices that define the production processes in the countries have led to the theme of “energy neoprotectionism”. The extent to which the measures at the domestic level of States, such as subsidy programs to face the energy transition, unilateral measures to curb the import of products considered harmful to the environment and the inclusion of these issues in trade agreements can be classified as “neoprotectionist” . The argument is that many of these measures fall into a “gray area” where legitimate objectives of mitigating climate effects tend to mix with goals of strengthening the national production system and, from this perspective, produce effects on international trade.

Mitigation of climate effects cannot be a factor in worsening the income distribution of the world economy and the growth of international trade, especially for developing countries. The use of unilateral measures in a context of weakness in the World Trade Organization (WTO) is a cause for concern. Nonetheless, WTO has been producing reports on the link between trade and climate change that help to understand the boundaries between measures to mitigate greenhouse effects and protectionism. Besides, to illustrate this point some remarks will address the debate about the Carbon Adjustment Mechanism on Brazil

Jean-Marie Paugam. Trade, sustainability and climate: What is at stake 30 years after WTO's creation? .5 March 2024.

https://www.wto.org/english/blogs_e/ddg_jean_marie_paugam_e/blog_jp_28feb24_e.htm

WTO. Trade and Climate Change. Information's Briefs <https://www.wto.org/> World Trade Report 2022, 2023. <https://www.wto.org/>

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