



TRADE, ENVIRONMENT AND THE DEVELOPING COUNTRIES: A SPECIAL FOCUS ON INDIA

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ABSTRACT

The globalization of trade has been hailed not only as the most revolutionary step towards promoting free trade, but also as an economic panacea for the developing countries by taking full advantage of their comparative advantage in the growing world prosperity. The trend towards globalization has been driven in part by the new technologies and in part by reduced barriers to international trade and investment flows. As trade increases the economic activity also increases many a times questioning a sustainable economic growth. There could be environmental damages because of over usage or casual usage of the resources. To ensure a sustainable development, the lifeline of the natural resources and the environment of the global economy have to be under constant check, for which firms have to understand and learn how to produce goods for society in the most efficient manner. Since production deals with the input like raw materials which can be natural resources, trade and environment are interlinked. As demand for goods increases the derived demand also increases thus leading to aggressive supply that may lead to environmental damage. The higher the competitions, higher are the regulation, stronger the nation think of being self-sufficient rigid are the environmental standards and requirements. This paper discusses the role of environmental standards and their impact on trade of developing countries with special reference of India as a case. The paper also discusses the problems faced by Indian exporters and the feasible solutions for the same. It's a macro study based on secondary data.