

TABLE OF CONTENTS

Executive summary	7
Introduction	7
Governance	8
Competitiveness	11
“Pollution havens”	12
Foreign investment	13
Trade	13
Sectoral economic activities	14
Technology	15
Corporate environmental strategies	16
Future directions for the OECD	17
Economic globalisation and the environment	19
1. Introduction and main issues	19
Economic globalisation: key characteristics	19
Equity issues	22
Globalisation and environment: main issues	23
2. Governance	28
Market-based policy convergence in the global economy	28
International co-operation	30
3. Competitiveness	32
Perspective of the firm	33
Perspective of industry	34
National competitiveness	36
International competitiveness	38
4. Foreign investment	39
Environment and FDI: the macro-economic perspective	42
Environment and FDI: the micro-economic perspective	44
5. Trade	45
Environmental impacts of trade liberalisation	46
Trade effects of environmental measures	47
Integration of international environmental and trade agreements	49

6.	Sectoral economic activities	50
	Deregulation and privatisation in electricity generation	50
	Trade in electricity	51
	Emergence of Independent Power Producers	52
	Energy-intensive industries	53
	Deregulation of freight transport	53
	Effects of trade liberalisation on freight transport	56
	Regulatory reform of transport in Central and Eastern Europe	57
	Effects of agricultural trade liberalisation	58
	Effects of reforming agricultural support programmes	60
7.	Technology change	63
	Economic globalisation and technological change	63
	Technological change and the environment-intensity of production	64
	Economic globalisation and the environment-intensity of technological change	67
8.	Corporate environmental strategies	69
	Key stakeholders in corporate environmental performance	69
	Corporate environmental responses	72
9.	Future directions for the OECD	75
	Notes	77
	References	81