

# Trade policy and sustainability

## The WTO, the international fair-trade charter, and five principles for system change

Thiago Kanashiro Uehara <sup>\*a,b</sup> and Kate O'Reilly <sup>a</sup>

<sup>a</sup> Environment and Society Programme, The Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE, UK

<sup>b</sup> Centre for Ethics, Transparency, Integrity and Compliance studies, FGV-Ethics, Fundação Getulio Vargas, EAESP-FGV, Avenida 9 de Julho, 2029, São Paulo, 01313-902, Brazil

January 2023

**Abstract:** This article analyses the scope and overall direction of the World Trade Organization and the International Fair-Trade Charter to examine contrasting trade-related institutions with regards to sustainable development. Many institutions have addressed sustainable development in commercial or trade affairs. However, we found that trade-related institutions and frameworks have relied on narrow or obsolete conceptualizations of sustainability, and that equity and sustainability remains marginal or slotted into regimes of exception. In this paper, we combine our knowledge of Sustainability Sciences, Economics, Law, and Development Studies to articulate a principled approach to trade and public policy, which serves to inform debates on civilization transitions required for true sustainability, fairness, planetary health, and a revamped set of global goals that reposition trade in societal formation.

**Keywords:** Trade Policy, Sustainable Development, Sustainable Trade, WTO, Well-being, Equity

\* To whom correspondence may be addressed: [kanashiro@cantab.net](mailto:kanashiro@cantab.net)

# 1 Introduction

As it shapes and is shaped by the international order, commercial or trade policy is central to nation-states in their attempts to maintain or improve their position in the global economy. Trade today represents half of the weighted average Gross Domestic Product (GDP), up from 25 percent in 1970.<sup>1</sup> Trade expansion satisfied certain private and societal needs and wants, contributed to lift millions out of poverty for over half a century.<sup>2</sup> Alongside economic growth, the expansion of trade augments choices for consumers and importers, incentivizes production and exports, but also underpins systems of production and consumption known to be unsustainable.<sup>3</sup>

As a response to it, we have seen the expansion of voluntary sustainability standards, Environmental, Social and Governance (ESG) initiatives,<sup>4,5</sup> and special provisions in trade agreements aiming to reduce poverty, minimise harm to the environment, or violations to human rights.<sup>6,7</sup> Yet, the effectiveness of such provisions beyond economic performance is elusive. For instance, the results of voluntary initiatives on environmental indicators are mixed,<sup>8</sup> and while there is evidence for superior financial efficiency of ESG investments,<sup>9</sup> business scholars suggest that ESG players ‘threatens to make consideration of impact on sustainable development a marginal activity’.<sup>10</sup> Corporations do not have enough incentives to be the sole engine for sustainability transitions, which justifies the need for governments to take on a leadership role, through the development of public policies and formal regulations.<sup>11</sup>

In 1995, Costanza and others praised the EU for its ‘strong enough institutions to implement social and environmental protections’ towards fair and sustainable trade, also noting that the North American Free Trade Agreement (NAFTA) was at the time referred to as ‘the greenest trade agreement ever’.<sup>12</sup> Yet, recent reviews of free trade agreements (FTA) conclude that EU FTAs do not offer adequate provisions to safeguard the environment,<sup>13</sup> and that despite documented violations on environmental provisions in US FTAs, no party has ever brought a formal case.<sup>14</sup> In terms of inclusion, even nation-states trying to position

---

<sup>1</sup> The World Bank, Trade (% of GDP), weighted average, <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS> (last accessed 26 Aug. 2022).

<sup>2</sup> See e.g. Jagdish Bhagwati, *In defence of globalization* (New York: Oxford University Press, 2004).

<sup>3</sup> William E. Rees, ‘Globalization, Trade and Migration: Undermining Sustainability’, *Ecological Economics*, 59.2 (2006), 220–25 <<https://doi.org/10.1016/j.ecolecon.2005.12.021>>; Douglas B. Holt, ‘Constructing Sustainable Consumption: From Ethical Values to the Cultural Transformation of Unsustainable Markets’, *Annals of the American Academy of Political and Social Science*, 644.1 (2012), 236–55 <<https://doi.org/10.1177/0002716212453260>>; Ryan Abman and Clark Lundberg, ‘Does Free Trade Increase Deforestation? The Effects of Regional Trade Agreements’, *Journal of the Association of Environmental and Resource Economists*, 7.1 (2020), 35–72 <<https://doi.org/10.1086/705787>>.

<sup>4</sup> Harriet Agnew, Adrienne Klasa and Simon Mundy, ‘How ESG investing came to a reckoning’, *Financial Times*, 6 June 2022, <https://www.ft.com/content/5ec1dfcf-eea3-42af-aea2-19d739ef8a55>

<sup>5</sup> Guido Abate, Ignazio Basile, and Pierpaolo Ferrari, ‘The Level of Sustainability and Mutual Fund Performance in Europe: An Empirical Analysis Using ESG Ratings’, *Corporate Social Responsibility and Environmental Management*, 28.5 (2021), 1446–55 <<https://doi.org/10.1002/csr.2175>>; H. Österblom and others, ‘Transnational Corporations, Biosphere Stewardship, and Sustainable Futures’, *Annual Review of Environment and Resources*, 47.1 (2022) <<https://doi.org/10.1146/annurev-environ-120120-052845>>.

<sup>6</sup> <https://www.chathamhouse.org/2021/12/re-imagining-trade-domestic-and-foreign-policy> ; <https://www.worldbank.org/en/topic/trade/publication/trade-and-poverty-reduction#:~:text=Trade%20and%20Poverty%20Reduction%20is,in%20benefiting%20from%20trade%20opportunities>

<sup>7</sup> Carolyn Deere Birkbeck, *Greening International Trade: Pathways Forward* (Geneva, 2021); Abman and Lundberg; Kasturi Das and others, ‘Towards a Trade Regime That Works for the Paris Agreement’, *Economic and Political Weekly*, 54.50 (2019), 25–30.

<sup>8</sup> Alison Hoare and Thiago H. Kanashiro Uehara, *Establishing Fair and Sustainable Forest Economies: Lessons Learned from Tackling Illegal Logging* (London, 2022) <<https://doi.org/https://doi.org/10.55317/9781784135386>>; Österblom and others.

<sup>9</sup> Abate, Basile, and Ferrari.

<sup>10</sup> Carol A. Adams and Subhash Abhayawansa, ‘Connecting the COVID-19 Pandemic, Environmental, Social and Governance (ESG) Investing and Calls for “Harmonisation” of Sustainability Reporting’, *Critical Perspectives on Accounting*, 82 (2022), 102309 (p. 11) <<https://doi.org/10.1016/j.cpa.2021.102309>>.

<sup>11</sup> Österblom and others.

<sup>12</sup> Robert Costanza and others, ‘Sustainable Trade: A New Paradigm for World Welfare’, *Environment: Science and Policy for Sustainable Development*, 37.5 (1995), 16–44 <<https://doi.org/10.1080/00139157.1995.9931065>>.

<sup>13</sup> Blot, E. and Kettunen, M. (2021), *Environmental credentials of EU trade policy – A comparative analysis of EU free trade agreements*, Report, Brussels and London: Institute for European Environmental Policy, <https://ieep.eu/publications/environmental-credentials-of-eu-trade-policy>.

<sup>14</sup> Centre for International Environmental Law (2015). *The Trans-Pacific Partnership and the Environment: An Assessment of Commitments and Trade Agreement Enforcement*, [https://www.ciel.org/reports/tpp\\_enforcement\\_nov2015](https://www.ciel.org/reports/tpp_enforcement_nov2015).

themselves as progressive in trade deals, such as Canada, have failed to advance on distributive inclusion (beyond representation) for minoritized and historically marginalised groups.<sup>15</sup> Overall, the evidence is clear: the expansion of trade has not been associated with environmental stewardship nor a trickle-down effect.<sup>16</sup>

This article argues that narrow or obsolete understandings of sustainability and equality underpin not only voluntary standards but also regulations and special provisions in trade agreements. The argument has four parts. The first and second parts provide an overview of the role of trade in society, showing how the expansion of trade has contributed to economic development but failed societal goals related to well-being and environmental health. The third part introduces our proposition on how to improve policymaking affecting trade, with an outline of five principles for system change through trade policymaking. Part 4 applies such principles in two contrasting case studies, examining the strategies of the World Trade Organization (WTO) and the International Fair-Trade Charter (IFCT). The concluding section reviews the pertinence of a principled approach to sustainable trade and investigates ways for trade to be repositioned in society.

We invite commentary on the principles and analysis featured in this paper. As a caveat, we note that this paper provides a principled approach to analyse systems, which will likely disappoint those looking for quick-wins or step-by-step practical guidance. Transformative changes require not only a better understanding of the complexities of sustainability and equity, which are advanced in this paper, but also political will to transform the governance affecting dynamics of (over-)exploitation, production and consumption.

## 2 The role of trade today

Bilateral, plurilateral or regional trade agreements have been on the rise,<sup>17</sup> and these should be observed as part of a broader complex of trade dynamics at the community, national and international levels. The trade complex includes customary trade and barter practices at the community level, commercial or trade policies (including instruments such as tariffs, subsidies, and import/export regulations), and voluntary mechanisms (i.e.: fair-trade and eco-certifications, commodity-specific trade deals, such as the EU FLEGT Voluntary Partnership Agreements,<sup>18</sup> and ESG initiatives). At the macro, multilateral level, the most important benchmark on trade continues to be the General Agreement on Tariffs and Trade (GATT), signed in 1947, and its successor, the WTO, whose regime is enshrined in the United Nations (UN) Sustainable Development Goals (SDG).<sup>19</sup>

---

<sup>15</sup> Patricia Goff, 'Inclusive Trade: Justice, Innovation, or More of the Same?', *Ethics & International Affairs*, 35.2 (2021), 273–301 <<https://doi.org/10.1017/S0892679421000253>>.

<sup>16</sup> See, for instance, M. Atingi-Ego, J Opolot, and A.S. Drale, 'Can the Benefits of Developed Country Agricultural Trade Reforms Trickle Down to the Rural Agricultural Households in Least Developed Countries: Analysis via Price Transmission in Selected Agricultural Markets in Uganda', *IJIS Discussion Paper*, 159, 2006; Claire Emilienne Wati Yameogo and Joseph Ayoola Omojolaibi, 'Trade Liberalisation, Economic Growth and Poverty Level in Sub-Saharan Africa (SSA)', *Economic Research-Ekonomska Istrazivanja*, 34.1 (2021), 754–74 <<https://doi.org/10.1080/1331677X.2020.1804428>>; Kanchan Sarker, 'Economic Growth and Social Inequality: Does the Trickle Down Effect Really Take Place?', *New Proposals: Journal of Marxism and ...*, 3.1 (2009), 42–60; Adegbenmi Onakoya, Babatunde Johnson, and Grace Ogundajo, 'Poverty and Trade Liberalization: Empirical Evidence from 21 African Countries', *Economic Research-Ekonomska Istrazivanja*, 32.1 (2019), 635–56 <<https://doi.org/10.1080/1331677X.2018.1561320>>; Raoul Wieland and others, 'Debunking Trickle-down Ecosystem Services: The Fallacy of Omnipotent, Homogeneous Beneficiaries', *Ecological Economics*, 121 (2016), 175–80 <<https://doi.org/10.1016/j.ecolecon.2015.11.007>>; Organisation for Economic Co-operation and Development, *OECD Work on Trade and the Environment* (Paris, 2021) <<https://issuu.com/oecd.publishing/docs/oecd-trade-environment-retrospective-2020>>; Nicolas Roux and others, 'Does Agricultural Trade Reduce Pressure on Land Ecosystems? Decomposing Drivers of the Embodied Human Appropriation of Net Primary Production', *Ecological Economics*, 181, November 2020 (2021), 106915 <<https://doi.org/10.1016/j.ecolecon.2020.106915>>.

<sup>17</sup> Amrita Narlikar, 'How Not to Negotiate: The Case of Trade Multilateralism', *International Affairs*, 98.5 (2022).

<sup>18</sup> Hoare and Uehara.

<sup>19</sup> <https://sdgs.un.org/2030agenda>, paragraph 68. The role of the WTO is particularly relevant in the UN 2030 Agenda for Sustainable Development. The Agenda for Sustainable Development is still predicated on the hope that 'international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development'. This idea has been ingrained in the Sustainable Development Goals, targets and indicators.

Alongside classic economists, the UN SDGs promotes sustained GDP growth together with ‘Aid for Trade’ (SDG 8, targets 8.1, 8.a) and other facilities, under the WTO regime, for the expansion and liberalisation of trade (SDG 17, targets 17.10, 17.11, 17.12). However, as noted in the introduction, despite numerous initiatives on sustainable production and consumption, which includes the SDGs, ‘global resource extraction and corresponding socio-ecological degradation continue to grow’.<sup>20</sup> The scientific community is clear in its assessment that the international and market systems today drive biodiversity loss, deforestation, and increase vulnerability and inequality, particularly within countries.<sup>21</sup> Some could expect that SDGs focused on environmental and social outcomes would be in balance with trade and economic goals. Yet, as recently reviewed by Laumann and others, environmental and socio-economic SDGs have been secondary to SDGs focused on economic growth, trade and international partnerships (SDGs 8 and 17).<sup>22</sup> The role of trade in economic growth and international partnerships needs to be recalibrated.

## 2.1 Framing trade sustainability

Sustainable development has been addressed by institutions governing trade and organizations working on trade since at least the 1990s. Albeit in generic terms, the 1994 Marrakesh Agreement Establishing the WTO acknowledged sustainable development as a challenge. The African Continental Free Trade Agreement (AfCFTA) also identified sustainable development as a concern and recalls the SDGs as a framework to address it, just like the International Chamber of Commerce (ICC) does. Notably, there is a mutually reinforcing relationship between the WTO and the SDGs.

Through a scoping review of 20 frameworks dealing with sustainability in trade policy (listed in Appendix 2), we identified challenges that appear more commonly than others.<sup>23</sup> On one hand, labour standards, minimization of environmental damage, participation, transparency, and accountability are tackled in about half of the frameworks mapped in the scoping study. For instance, transparency, labour standards and human rights have made into the European Commission trade policy review,<sup>24</sup> UNCTAD’s investment policy framework,<sup>25</sup> and the Trade Justice Movement, while UNEP, Greenpeace,<sup>26</sup> and the negotiations for an Agreement on Climate Change, Trade and Sustainability (ACCTS),<sup>27</sup> emphasise environmental protection and climate security. On the other hand, challenges related to inequality, cross-border accountability, younger and future generations, excess consumption, and cultural diversity are uncommon. The International Fair Trade Charter (IFTC) is a good example of a framework tackling those uncommon challenges.

Notably, an obsolete business accountability framework remains a common element in trade policy: the triple-bottom line (TBL), with its people, planet and profits tripod,<sup>28</sup> which has been recalled by its own

<sup>20</sup> Manu V. Mathai and others, ‘The Political Economy of (Un)Sustainable Production and Consumption: A Multidisciplinary Synthesis for Research and Action’, *Resources, Conservation and Recycling*, 167 (2021), p. 1 <<https://doi.org/10.1016/j.resconrec.2020.105265>>.

<sup>21</sup> Miguel Niño-Zarazúa, Laurence Roope, and Finn Tarp, ‘Global Inequality: Relatively Lower, Absolutely Higher’, *Review of Income and Wealth*, 63.4 (2017), 661–84 <<https://doi.org/10.1111/roiw.12240>>; Kalim Siddiqui, ‘Trade Liberalization and Economic Development: A Critical Review’, *International Journal of Political Economy*, 44.3 (2015), 228–47 <<https://doi.org/10.1080/08911916.2015.1095050>>; IPCC, ‘Summary for Policymakers’, in *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, ed. by H.-O. Pörtner and others (Cambridge, UK, and New York, USA: Cambridge University Press, 2022) <<https://doi.org/10.1017/9781009325844.001>>.

<sup>22</sup> Felix Laumann and others, ‘Complex Interlinkages, Key Objectives, and Nexuses among the Sustainable Development Goals and Climate Change: A Network Analysis’, *The Lancet Planetary Health*, 6.5 (2022), e422–30 <[https://doi.org/10.1016/S2542-5196\(22\)00070-5](https://doi.org/10.1016/S2542-5196(22)00070-5)>.

<sup>23</sup> Importantly, the scoping study helped identify common threads in sustainable trade frameworks, and was not conducted to fulfil a systematic review, which could be object of another study.

<sup>24</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_644](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_644)

<sup>25</sup> [https://unctad.org/system/files/official-document/diaepcb2015d5\\_en.pdf](https://unctad.org/system/files/official-document/diaepcb2015d5_en.pdf)

<sup>26</sup> [https://trade-leaks.org/wp-content/uploads/2018/03/201705\\_Greenpeace\\_10\\_Principles\\_for\\_Trade.pdf](https://trade-leaks.org/wp-content/uploads/2018/03/201705_Greenpeace_10_Principles_for_Trade.pdf)

<sup>27</sup> <https://www.mfat.govt.nz/en/trade/free-trade-agreements/trade-and-climate/agreement-on-climate-change-trade-and-sustainability-accts-negotiations/>

<sup>28</sup> This is the case for the Sustainable Trade Index and Friends of the Earth Europe, as well as the European Commission and the European Alternative Trade Mandate Alliance, which have also addressed participation, transparency and accountability. In the meantime, other frameworks have prioritized either the environmental pillar (e.g.: UNEP, OECD) or the social pillar (e.g.: Fairtrade Foundation, Trade Justice Movement, Ethical Trading Alliance), often together with an economic imperative.

proponent, John Elkington, in 2018.<sup>29</sup> For instance, the TBL is the foundation for the Hinrich Foundation Sustainable Trade Index (STI) by the Economist Intelligence Unit. STI's TBL-based rankings favour trade expansion and distribution flowing into high-consuming geographies such as Singapore (first quartile) and against countries producing commodities, such as Indonesia and Vietnam (last quartile),<sup>30</sup> even when the latter produce what is consumed by the former. Singapore has a consumption-based CO<sub>2</sub> and material footprint that is about 10-times that of Indonesia.<sup>31</sup> In Elkington's own words, the TBL's goal 'was system change', but it was 'captured and diluted by accountants and reporting consultants', having 'failed to bury the single [financial] bottom line paradigm.'<sup>32</sup> In addition to the TBL, scholars have proposed the consideration of several other pillars, such as technological and organisational sustainability,<sup>33</sup> 'purpose',<sup>34,35</sup> 'perception politics',<sup>36</sup> and energy efficiency and conservation<sup>37</sup>. There are limits to what individual firms can do under the current global economy, which highlights the need for doubling down on efforts tackling structural changes through public policies and regulation.<sup>38</sup>

A paradigm shift and new provisions in trade are required if we are serious about dealing with planetary and humanitarian crises. Trade policy needs rethinking,<sup>39</sup> and this requires thinking outside of 'siloed expertise', as Narlikar argues, with engagements beyond Economics and Law to encompass questions of power, ethics and sustainability.<sup>40</sup>

## 2.2 Rethinking trade

In 1995, Constanza and others suggested that 'solutions to problems of sustainability will be robust and effective only if they are fair and equitable'.<sup>41</sup> This remains pertinent today, particularly with the aggravation of interlinked crises and cascading impacts with regards to poverty, inequality, racism and the environmental and climate crises.<sup>42</sup> In this paper, we reviewed old, new, and emerging ideas to rethink trade and trade policy,

<sup>29</sup> Elkington, J. (2018), '25 Years Ago I Coined the Phrase "Triple Bottom Line". Here's Why It's Time to Rethink It.' Harvard Business Review, 25 June 2018, <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it>

<sup>30</sup> The Economist Intelligence Unit, *The Hinrich Foundation Sustainable Trade Index*, 2020.

<sup>31</sup> Jason Hickel, 'The Sustainable Development Index: Measuring the Ecological Efficiency of Human Development in the Anthropocene', *Ecological Economics*, 167, April 2019 (2020), 106331 <<https://doi.org/10.1016/j.ecolecon.2019.05.011>>.

<sup>32</sup> Elkington, J. (2018), '25 Years Ago I Coined the Phrase "Triple Bottom Line". Here's Why It's Time to Rethink It.' Harvard Business Review, 25 June 2018, <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it>

<sup>33</sup> Iqra Sadaf Khan, Muhammad Ovais Ahmad, and Jukka Majava, 'Industry 4.0 and Sustainable Development: A Systematic Mapping of Triple Bottom Line, Circular Economy and Sustainable Business Models Perspectives', *Journal of Cleaner Production*, 297 (2021), 126655 <<https://doi.org/10.1016/j.jclepro.2021.126655>>.

<sup>34</sup> <https://www.forbes.com/sites/forbescoachescouncil/2021/12/28/high-five-making-the-pivot-part-of-your-quintuple-bottom-line/?sh=62e9edcf650b>

<sup>35</sup> Abraham Mulamootil, 'Toward a Quintuple Bottom Line in Higher Education Institutions: Sustainability Practices in Higher Education', *Journal of Management for Global Sustainability*, 7.2 (2019), 83–99 <<https://doi.org/10.13185/jm2019.07205>>.

<sup>36</sup> Jessica O'Neil, "'People, Planet, Profits" and Perception Politics: A Necessary Fourth (and Fifth) Bottom Line? Critiquing the Current Triple Bottom Line in the Australian Context', in *Approaches to Global Sustainability, Markets, and Governance*, 2018, pp. 19–42 <[https://doi.org/10.1007/978-981-10-5047-3\\_2](https://doi.org/10.1007/978-981-10-5047-3_2)>.

<sup>37</sup> Bernardine M.C. Atkinson and Frank van der Sommen, 'The Quintuple Bottom Line Concept', *Managing Environmental Knowledge*, 2006. Keay 2002 (2006), 91–94

<<http://www.iai.kit.edu/ictensure/site.jsessionid=9FE5B5E2B9FE737AC07388421301184A?mod=litdb&subject=art&pid=L1BB585CF&action=detail>>.

<sup>38</sup> Österblom and others.

<sup>39</sup> Erin Hannah, Adrienne Roberts, and Silke Trommer, 'Towards a Feminist Global Trade Politics', *Globalizations*, 18.1 (2021), 70–85 <<https://doi.org/10.1080/14747731.2020.1779966>>.

<sup>40</sup> Narlikar, 'How Not to Negotiate: The Case of Trade Multilateralism', p. 1572.

<sup>41</sup> Costanza and others, p. 43.

<sup>42</sup> See, for instance, Hannah et al. (2021) and Goff (2021).

to articulate a principled agenda away from stopgap measures ad towards transformations in trade policy.<sup>43</sup> The main challenge here was to devise a principled agenda that would appeal ‘real people’,<sup>44</sup> which is deemed crucial for transformations in trade policy, while contributing to ‘planetary health’, in its broadest sense – which is one which observes the highest standards of health, well-being and equity worldwide.<sup>45</sup>

Alongside international law norms on social justice and environmental sustainability,<sup>46</sup> we drew on plural understandings of sustainability, equity, and civilizational transitions from Sustainability Sciences, Geography, Planning, Public Health, and Development Studies. We revisited ideas such as the green economy, circular economy, community economies, social solidarity economies, doughnut economics, well-being economy, environmental and climate justice, ecomodernism, food sovereignty, neo-extractivism, development aid, development as freedom, deep ecology, degrowth, equity as sustainability, ecofeminism, new matriarchies, environmental justice, ubuntu, kyosei, buen vivir and civilizational transitions for the pluriverse.<sup>47</sup> All of these have elements to contribute to rethink trade policies and practices. Yet, in this paper, three frameworks were particularly influential because of complementary characteristics: 1) Kate Raworth’s Doughnut Economics model,<sup>48</sup> which excels at pinpointing environmental and social boundaries; 2) Arturo Escobar’s Civilizational Transitions for the Pluriverse,<sup>49</sup> which captures transcultural views and practices respectful to diverse social spaces and knowledge traditions; and 3) Graham Haughton’s equity principles for sustainable development,<sup>50</sup> which carry strong sustainability principles into policymaking. A read of these resources is recommended to sustainability analysts, but not necessarily to trade analysts. A summary of the three is provided in the Appendix 1. Our understanding of what successful trade looks like is based on such constructs.

## 2.3 Five principles for system change: A policy framework

Our vision for success in trade policy is one that accommodates for the co-existence of multiple trade systems, formal and informal, at the local, regional, and global levels (successful trade is plural); respects social and ecological boundaries while embodying equity in processes and outcomes (successful trade is regenerative and distributive). And for this vision to be realised, five principles will inform sustainability reforms and just transitions towards planetary health. The principles are: 1. Safeguard the environment; 2. Rebalance consumption; 3. Coordinate place-based and international trade; 4. Accountability across borders; and 5. Target well-being for all.

---

<sup>43</sup> Instead of focusing on trade for trade’s sake, we propose that the power of trade and trade policies shall be utilised: 1) to provide adequate use values for all, rather than increasing exchange values; 2) to contribute to the well-being of people and the health of planet, rather than profit maximisation; and 3) to maximize freedom and autonomy for peoples and their communities, particularly those in need of greater support, rather than freedom for trade or commodity flows. This set of principled values were proposed by the authors in consultation with the Trade Hub community. These are unlikely to be unchallenged, but reflect our current understanding on what needs to be transformed, at a more fundamental level, if we are serious about sustainability in trade.

<sup>44</sup> Narlikar, ‘How Not to Negotiate: The Case of Trade Multilateralism’.

<sup>45</sup> ‘Planetary health is the achievement of the highest attainable standard of health, wellbeing, and equity worldwide through judicious attention to the human systems—political, economic, and social—that shape the future of humanity and the Earth’s natural systems that define the safe environmental limits within which humanity can flourish.’ Whitmee, S. et al. (2015), Safeguarding human health in the Anthropocene epoch. *The Lancet*, 386, p.1978.

<sup>46</sup> Costanza and others; Elisabeth Bürgi Bonanomi, *Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture, Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture*, 2015 <<https://doi.org/10.4337/9781784717278>>.

<sup>47</sup> For a great post-development dictionary, see A. Kothari and others, *Pluriverse: A Post-Development Dictionary*, ed. by A. Kothari and others (Delhi: Tulika Books, 2019) <<https://doi.org/10.4324/9781315542126-3>>.

<sup>48</sup> Kate Raworth, ‘A Doughnut for the Anthropocene: Humanity’s Compass in the 21st Century’, *The Lancet Planetary Health*, 1.2 (2017), e48–49 <[https://doi.org/10.1016/S2542-5196\(17\)30028-1](https://doi.org/10.1016/S2542-5196(17)30028-1)>.

<sup>49</sup> A. Escobar, ‘Civilizational Transitions’, in *Pluriverse: A Post-Development Dictionary*, ed. by A. Kothari and others (Delhi: Tulika Books, 2019), pp. 121–24.

<sup>50</sup> G. Haughton, ‘Environmental Justice and the Sustainable City’, *Journal of Planning Education and Research*, 18.3 (1999), 233–43 <<https://doi.org/10.1177/0739456X9901800305>>.

## Principle 1 – Safeguarding the environment

Successful policy nurtures the co-existence of and interdependence between humans and non-humans in nature. Trade policy cannot prescind from safeguarding biodiversity and ecosystems, which provide vital resources and services such as water, food, and climate security. Societies and economies require environmental stewardship to thrive in the long run. This principle calls for the observation of planetary boundaries, which are currently measured against indicators of ocean acidification, chemical pollution, nitrogen and phosphorus loading, freshwater withdrawals, land conversion, biodiversity loss, air pollution, ozone layer depletion, and climate change.<sup>51</sup> This principle addresses interspecies equity, as per Haughton,<sup>52</sup> and aligns with environmental SDGs, the rights of nature,<sup>53</sup> and the UN Human Rights Council recognition of a healthy environment as a human right.<sup>54</sup> Notably, environmental stewardship must be observed across geographies, in line with Principle 3.

## Principle 2 – Rebalance consumption levels

Successful policy contributes to balancing out demand, which is respectful of younger, future generations, and other marginalised groups. Since planetary resources are limited and unevenly distributed, a ‘contraction and convergence’ must be pursued. This implies a global reduction in material and carbon footprints (contraction), with high-consuming and low-consuming societies converging demand levels, which in turn contributes to safeguard the environment (Principle 1) and deliver on well-being for all (Principle 5). Several groups in society are consuming far above a fair share, or at a convergence level. A fair share was estimated at 6.52t of materials and 1.58t of CO<sub>2</sub> per person in 2019.<sup>55,56</sup> Affluent groups in countries such as the USA, Australia, Singapore, the United Arab Emirates, Norway, Iceland, and Finland are well placed to lead the way in reducing their footprint.<sup>57</sup> Consumption in impoverished areas across the world could increase to significantly contribute to well-being. Notably, unintended consequences (such as in rebound effects, or the Jevons paradox)<sup>58</sup> should be on the radar of policymakers, so that reduction in resource consumption are not taken for granted after efficiency gains. This principle primarily relates to SDG12 on responsible consumption.

## Principle 3 – Coordinate place-based and international trade

Successful policy coordinates international trade with place-based policymaking,<sup>59</sup> with citizens having the opportunity to take part in the conduct of public affairs affecting their choices. Comprehensive trade policy address local development needs and global sustainability goals.<sup>60</sup> Development needs and priorities vary (for example, by geography or income-levels), and these should be addressed through place-based policymaking. For example, it would make sense to tackle digital trade in sites with affordable internet and wildlife trade around biodiverse regions. As per the principle of subsidiarity, ‘decisions should be taken as close as possible

---

<sup>51</sup> Raworth, ‘A Doughnut for the Anthropocene: Humanity’s Compass in the 21st Century’.

<sup>52</sup> Haughton, ‘Environmental Justice and the Sustainable City’.

<sup>53</sup> See, for instance, Kauffman, C. M., and Martin, P. L. (2021), *The Politics of Rights of Nature: Strategies for Building a More Sustainable Future*. Cambridge, MA: MIT Press.

<sup>54</sup> <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G21/289/50/PDF/G2128950.pdf?OpenElement>

<sup>55</sup> Sustainable Development Index (2021), ‘Methodology and Data’, <https://www.sustainabledevelopmentindex.org/methods>.

<sup>56</sup> A 2019 study led by the by the Institute for Global Environmental Strategy proposes a lifestyle carbon footprints targets of 2.5 (tCO<sub>2</sub>e) in 2030, 1.4 by 2040, and 0.7 by 2050. Institute for Global Environmental Strategies, Aalto University, and D-mat Ltd. 2019. *1.5-Degree Lifestyles: Targets and Options for Reducing Lifestyle Carbon Footprints*. Technical Report. Institute for Global Environmental Strategies, Hayama, Japan.

<sup>57</sup> Sustainable Development Index (2021), ‘Sustainable Development Index’, <https://www.sustainabledevelopmentindex.org>.

<sup>58</sup> The Jevons Paradox states that, in the long term, an increase in efficiency in resource use will generate an increase in resource consumption rather than a decrease. See: Giampietro, M., & Mayumi, K. (2018). Unraveling the complexity of the Jevons Paradox: The link between innovation, efficiency, and sustainability. *Frontiers in Energy Research*, 6(APR), 1–13. <https://doi.org/10.3389/fenrg.2018.00026>

<sup>59</sup> Place based approaches assumes that geographical context really matters and promotes the interaction of local groups and the external elites involved in the policy. See Fabrizio Barca, Philip Mccann, and Andrés Rodríguez-Pose, ‘The Case for Regional Development Intervention: Place-Based versus Place-Neutral Approaches’, *Journal of Regional Science*, 52.1 (2012), 134–52 <<https://doi.org/10.1111/j.1467-9787.2011.00756.x>>.

<sup>60</sup> Roux and others.

to affected people to ensure effective solutions are developed’.<sup>61</sup> Rather than universalising one world trade regime, international trade should be complementary to place-based ones.<sup>62</sup> Coordination of ‘multi-scale governance’ mechanisms,<sup>63</sup> allow for the co-existence of trade mechanisms (informal and formal, local and global), and respects economic, ecological and cultural differences. Principle 3 tackles SDG 16 on justice and strong institutions, *social foundations* as in the doughnut economics model,<sup>64</sup> and is in line with international treaties, such as the International Covenant on Civil and Political Rights and the Convention for Safeguarding of Intangible Cultural Heritage.

#### Principle 4 – Accountability across borders

Successful policy requires fair accountability for the impacts of trade across value chains. For instance, the impacts of beef consumed in Philippines, traded by an American corporation, financed by a French bank with soybean farmed in Brazil cannot be solely attributed to a single country or actor when several draw use or exchange value from it. Attributing responsibility in supply chains requires proper weighting. When the responsibility of intermediaries (such as distributors or retailers) is not determined, due diligence should help weigh the responsibility towards actors accruing most use or exchange value – be it at the investor, consumer, or producer side. This aligns with SDG 16 on justice and strong institutions and the UN ‘protect, respect, remedy’ framework.<sup>65</sup> Cross-border solidarity or trans frontier responsibility, as Haughton puts it, will hinder the proliferation of leakage, spill-over effects, or ‘not in my back yard’ practices, which occur when safeguarding one site negatively impacts another site, normally to the detriment of vulnerable groups and Global South geographies.

#### Principle 5 – Target well-being for all

Successful policy contributes to satisfying universal needs – i.e.: adequate nutritional food and water, adequate protective housing, non-hazardous work environment, non-hazardous physical environment, appropriate healthcare, security in childhood, significant primary relationships, physical security, economic security, safe birth control and childbearing, basic education.<sup>66</sup> Trade policy – particularly in global trade – should not be expected to deliver on inclusion and distribution alone.<sup>67</sup> Yet, it can be wired to provide needs-satisfiers that contribute to sustainable lives and livelihoods,<sup>68</sup> multi-dimensional well-being,<sup>69</sup> and autonomy of agency for all – including minoritized or marginalized groups such as peasants, rural peoples, indigenous peoples and local communities, migrants, refugees, women, black communities, children or younger (and future) generations. Labour rights and the right to a living wage are particularly important here. Importantly, the participation of anyone in trade should be pursued to the extent they wish to engage in them, which complies with the UNESCO Convention on Cultural Diversity. The rights of a people to self-determination precede market integration. Besides SDG 10 on reduced inequalities and SDG 5, on gender equality, this principle

---

<sup>61</sup> Jack Barrie and others, *Trade for an Inclusive Circular Economy: A Framework for Collective Action* (London, 2022), p. 5; Hannah, Roberts, and Trommer.

<sup>62</sup> Barrie and others, p. 5.

<sup>63</sup> Costanza and others.

<sup>64</sup> See Appendix 1, Doughnut Economics.

<sup>65</sup> This framework highlights the duty of states to protect, and the responsibility of corporations to respect human rights. United Nations (2011), [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf)

<sup>66</sup> Ian Gough, ‘Climate Change and Sustainable Welfare: The Centrality of Human Needs’, *Cambridge Journal of Economics*, 39.5 (2015), 1191–1214 <<https://doi.org/10.1093/cje/bev039>>.

<sup>67</sup> Goff.

<sup>68</sup> ‘A livelihood is sustainable when it is resilient and either neutral or beneficial to the environment and other livelihoods over time and geographies, with people having opportunities to engage with processes of change.’ (Uehara, 2021, p.33). Thiago Hector Kanashiro Uehara, ‘Peasants, Markets and Austerity: State Retrenchment and Rural Livelihoods in Amazonas and São Paulo in the Aftermath of Constitutional Austerity (Brazil Post-2015)’ (Imperial College London, 2021) <<https://doi.org/10.1016/b978-0-12-824426-5.00019-2>>.

<sup>69</sup> Notably, well-being includes multiple domains of life satisfaction, therefore not only productivity and material well-being, but also safety, intimacy, emotional and community well-being. See Cummins, R. A. (1996), ‘The domains of life satisfaction: An attempt to order chaos’, *Social Indicators Research*, 38, pp. 303–28, <https://doi.org/10.1007/BF00292050>. Shaafsma, M. et al. (2022), ‘A framework to understand the social impacts of agricultural trade’, *Sustainable Development*, 30 Aug. 2022, <https://doi.org/10.1002/sd.2379>

tackles the most fundamental SDGs 1, 2 and 3 on poverty and hunger eradication, and on healthy lives and well-being for all.

Successful trade policy simultaneously tackles these five principles, which can be seen as a policy framework, a quintuple bottom-line for structural or systemic change in economic and trade affairs, or a model for trade policy 2.0. Failure to observe any one of these principles, particularly in long supply chains, will lead to leakage or unintended consequences. This high-level conceptualisation is of limited use to pragmatic reforms, but its application in case studies offers more practical analysis.

### 3 Contrasting case studies: the WTO and the international fair-trade charter

There is a large variety in frameworks informing trade policy and practice, so much so that instead of attempting to illustrate an average or ‘common’ case, we drew on diverse sampling (also known as heterogeneous or maximum variation sampling)<sup>70</sup> to identify commonalities and differences among diverse cases, with the objective of achieving a maximum variance along the elements proposed in the policy framework. Amongst the 20 frameworks identified in the scoping study, two stood out as highly diverse: the WTO and the IFTC. The WTO is the global benchmark for international trade, and is endorsed by the UN SDGs, being highly influential. The IFTC, on the other hand, is much newer, but was found to tackle issues rarely addressed in the majority of trade frameworks. Both the WTO and the IFTC aim to influence trade policies and practices. Although they have radical differences in terms of power, influence, and ways of working, their basic strategy (vision, publics, objectives, principles and functions) can be dissected (as in Table 1) and analysed against the five principles just outlined.

---

<sup>70</sup> Jason Seawright and John Gerring, ‘Case Selection Techniques in A Menu of Qualitative and Quantitative Options’, *Political Research Quarterly*, 1975, 2008, 294–308 <<https://doi.org/10.1177/1065912907313077>>.

Table 1 – Basic strategy elements of the WTO and the global fair-trade movement

	WTO (2022) <sup>71</sup>	International Fair Trade Charter (2018) <sup>72</sup>
<b>Vision</b>	‘An open trading system based on multilaterally agreed rules.’	‘Everyone, through their work, can maintain a decent and dignified livelihood and develop their full human potential.’
<b>Principal beneficiary</b>	‘Importers, exporters and producers of goods and services’ – particularly at the nation-state level.	‘Small producers, workers, artisans, farmers, and consumers.’
<b>Objective</b>	The goal is to help producers of goods and services, exporters, and importers conduct their business.	‘Empower artisans, farmers and workers to take more control over their own futures and secure outcomes based on justice for people and planet.’
<b>Principle</b>	‘Principles of the [WTO] trading system’: <sup>73</sup> <ul style="list-style-type: none"> <li>• Trade without discrimination</li> <li>• Freer trade</li> <li>• Predictability</li> <li>• Fair competition</li> <li>• Encouraging development and economic reform</li> </ul>	Core-components: <ul style="list-style-type: none"> <li>• ‘People first’ trade policies</li> <li>• Thriving communities</li> <li>• Ecological balance</li> <li>• Sustainable livelihoods</li> <li>• Food security</li> <li>• Gender equity</li> <li>• Inclusive economic growth</li> <li>• Decent work</li> </ul>
<b>Function</b>	Main function: ‘to ensure that trade flows as smoothly, predictably and freely as possible’. Functions: ‘administering WTO trade agreements; forum for trade negotiations; handling trade disputes; monitoring national trade policies; technical assistance and training for developing countries; cooperation with other international organizations.’	‘Inspire people to join and support fair trade; promote collaboration across movements; and communicate the fair trade values and approaches to governments, academia and the private sector.’ The charter explains the shared vision and values of the Global Fair Trade Movement.

### 3.1 The WTO

The Marrakech Agreement Establishing the WTO in 1994 recognised that trade and economic relations between states should aim to expand the production of and trade in goods and services ‘while allowing the optimal use of the world’s resources in accordance with the objective of sustainable development’.<sup>74</sup>

Sustainable development was acknowledged in the foundation of the WTO, in 1994, as one of the challenges to be reconciled with the growth of demand, production and trade.<sup>75</sup> More recently, WTO’s Director General, Dr Ngozi Okonjo-Iweala, emphasized the need for ‘just transitions for developing countries’,<sup>76</sup> and the role of trade ‘to lift developing countries out of poverty and assist them to achieve robust economic growth and sustainable development’.<sup>77</sup> These non-trade expectations should encourage the WTO to re-

<sup>71</sup> World Trade Organization (2021), ‘Principles of the trading system’, [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm) (accessed 1 Mar. 2021). World Trade Organization (2022), ‘The WTO’, [https://www.wto.org/english/thewto\\_e/thewto\\_e.htm](https://www.wto.org/english/thewto_e/thewto_e.htm) (accessed 17 July 2022). World Trade Organization (2022), ‘What is the WTO’, [https://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm) (accessed 17 July 2022).

<sup>72</sup> The International Fair Trade Charter, ‘The International Fair Trade Charter’ ([https://wfto.com/sites/default/files/2018\\_FTCharter\\_English\\_SCREEN.pdf](https://wfto.com/sites/default/files/2018_FTCharter_English_SCREEN.pdf), 2018).

<sup>73</sup> Operational principles not to be mistaken with the several issues long-listed under the Marrakesh Agreement Establishing the WTO.

<sup>74</sup> [https://www.wto.org/english/docs\\_e/legal\\_e/04-wto\\_e.htm](https://www.wto.org/english/docs_e/legal_e/04-wto_e.htm)

<sup>75</sup> World Trade Organization (1994), ‘Marrakesh Agreement Establishing the World Trade Organization’, [https://www.wto.org/english/docs\\_e/legal\\_e/04-wto\\_e.htm](https://www.wto.org/english/docs_e/legal_e/04-wto_e.htm).

<sup>76</sup> Marianne Schneider-Petsinger, *Reforming the World Trade Organization* (London: Royal Institute of International Affairs, 2020).

<sup>77</sup> Okonjo-Iweala, N., Fleury, A., and Butler, C. (2021), ‘Big Picture Series: In Conversation with Dr Ngozi Okonjo Iweala, Director General of the World Trade Organization’, <https://chathamhouse.souttron.net/Portal/Default/en-GB/RecordView/Index/189816>.

strategize, which has been a call made by various actors from the European Commission, BRICS,<sup>78</sup> industry associations, to peoples' movements, academics and think tanks.<sup>79</sup> Today, however, the overall direction and scope of the WTO remain grounded in the strategy as outlined in Table 1, with policy analysts pointing out the ineptitude of the WTO in dealing with negative international spill-overs.<sup>80</sup> This does not mean that the WTO strategy is oblivious to sustainability.

WTO's strategy directly contributes to the satisfaction of needs, when it amplifies ways for producers of goods and services, exporters and importers reach and develop new markets. Satisfying needs is fundamental for trade's utility across societies and is part of the principle 5 of the proposed policy framework. The WTO is tremendously complex, and while its nuances cannot fit a table, the assumption made here is that the publicly stated directions and scope of the WTO, by the WTO, represent its overall strategy. This is to preface the observation that the WTO overall strategy does not directly tackle the inequality reduction component of trade's needs-satisfaction role (Principle 5); rebalancing demand (Principle 2); coordination between international and place-based policies (Principle 3); accountability beyond borders (Principle 4); and environmental stewardship (Principle 1). Some of these are addressed as exceptional clauses, but not in the WTO strategy,<sup>81</sup> as explained below. There are at least four underpinning elements that help explain the above.

### Seeing the environment as a barrier to trade

Environmental stewardship is allowed in the WTO regime, but it is not one of the basic elements of the institution's strategy. Environmental protection and preservation appear in the Preamble to the WTO Agreement, alongside sustainable development, which are however not binding. Environmental stewardship is allowed by an exception regime included in some of WTO's most important agreements, such as in Article XX of the General Agreement on Tariffs and Trade, and Article XIV of the General Agreement on Trade in Services.<sup>82</sup> Exceptions, by definition, are not part of the basics, or core components of any strategy. WTO's Technical Barriers to Trade (TBT) agreement also illustrates the way health and environmental protection are framed: as potential obstacles to international trade rather than necessary safety clauses.<sup>83</sup> What is more, the WTO's regime of environmental exceptions is known to be hard to navigate, with policymakers and stakeholders normally 'cautious about implementing environmental measures for fear they may run afoul of the WTO'.<sup>84</sup>

### Privileging benefits to countries and operators in global supply chains

The WTO's predictability principle aims at bringing about 'a substantially higher degree of market security for traders and investors. Clearly, this principle benefits the main clients of the WTO – i.e.: traders and investors

<sup>78</sup> BRICS is the acronym coined to associate five emerging economies: Brazil, Russia, India, China, and South Africa.

<sup>79</sup> Amrita Narlikar, 'Reforming the World Trade Organization', *Heinrich Böll Stiftung*, 2020 <<https://www.boell.de/en/2020/01/17/reforming-world-trade-organization>> [accessed 10 March 2022]; Andrew Crosby, 'The WTO Needs Reform, But There's a Context — Asian Trade Centre', *Asian Trade Center*, 2020 <<http://asiantradecentre.org/talkingtrade/the-wto-needs-reform-but-theres-a-context>> [accessed 10 March 2022]; Schneider-Petsinger; Matheus Schuch and Daniel Rittner, 'Em Cúpula Dos Brics, Bolsonaro Cobra Reforma Da OMS e OMC | Brasil | Valor Econômico', *Valor Econômico*, 2020 <<https://valor.globo.com/brasil/noticia/2020/11/17/bolsonaro-pases-do-brics-podem-representar-papel-central-da-retomada-da-economia.ghtml>> [accessed 10 March 2022]; La Via Campesina, 'World Trade Organisation: Via Campesina', 2022 <<https://viacampesina.org/en/what-are-we-fighting-against/capitalism-and-free-trade/10-years-of-wto-is-enough/>> [accessed 10 March 2022]; Bernard Hoekman and Petros C. Mavroidis, 'WTO Reform: Back to the Past to Build for the Future', *Global Policy*, 12.S3 (2021), 5–12 <<https://doi.org/10.1111/1758-5899.12924>>; European Commission, *Reforming the WTO: Towards a Sustainable and Effective Multilateral Trading System*, 2021 <[https://trade.ec.europa.eu/doclib/docs/2021/april/tradoc\\_159544.1329\\_EN\\_02.pdf](https://trade.ec.europa.eu/doclib/docs/2021/april/tradoc_159544.1329_EN_02.pdf)>; M. Sait Akman and others, *The Need for WTO Reform: Where to Start in Governing World Trade?*, 2020 <[https://www.g20-insights.org/policy\\_briefs/the-need-for-wto-reform-where-to-start-in-governing-world-trade/](https://www.g20-insights.org/policy_briefs/the-need-for-wto-reform-where-to-start-in-governing-world-trade/)>; CNI, *Reforma Da OMC: Propostas Do Setor Empresarial Brasileiro* (Brasília, 2019).

<sup>80</sup> Hoekman and Mavroidis.

<sup>81</sup> The WTO makes several references to issues such as development, environment and labour standards. At the same time, the organization makes it clear that these issues are important considerations that needs to be observed (see the Marrakesh Agreement), yet clearly defining its role vis-à-vis these issues and redirecting the responsibility to other agencies, such as the International Labour Organization. An example of effort to green trade through the WTO can be found in Birkbeck (2021).

<sup>82</sup> Birkbeck.

<sup>83</sup> [https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm)

<sup>84</sup> Birkbeck, p. 17.

– but not necessarily society at large. Predictability can help in the security of most actors across value chains, but the focus on delivering security for traders and investors should not come at the expense of the security or autonomy of other actors such as producers or consumers – not to mention the multidimensional aspects of well-being for younger and future generations. For instance, while material well-being, safety and productivity can be boosted by the WTO’s predictability principle, other domains of life such as intimacy, emotional and community well-being – particularly artisanal producers and smallholders – might be hampered by it. Indeed, concerns with inter-generational equity, distribution or consumption levels are not evident in the WTO strategy.

### Attempting to universalize a trade system

First, most of the identified gaps in the WTO against the five principles is because *exchange values* of commodities are prioritized over their *use values* – that is, the human needs directly fulfilled by an object or service. In such a system, those who cannot pay for the provision of needs-satisfiers are particularly challenged. Through its work in ‘encouraging development and economic reform’, the WTO aims to assimilate as many individuals (as consumers, not as citizens), economies and cultures into a unified, universal global market economy instead of place-based or people-led informal and formal complex of market channels and trade systems.<sup>85</sup> Notably, the universalization of WTO rules has been encouraged by the SDGs. SDG target 17.10 calls for ‘a universal, rules-based, open, non-discriminatory [sic] and equitable [sic] multilateral trading system under the World Trade Organization (...)’.<sup>86</sup> This target conflicts with the principle of subsidiarity and our own Principle 3 on policy coordination. Other stated elements of this target also merit a focused analysis, such as the ideas of ‘non-discrimination’ and ‘equitable’.

### Simplifying fairness as equality

According to the WTO, its rules are designed to secure ‘fair’ conditions of trade and to support ‘fair competition’.<sup>87</sup> However, following our understanding of equity and equality (see Appendix 1)<sup>88</sup>, the WTO is grounded in an equality rather than equitable (or fair) framework. This argument can be exemplified by the WTO principles of ‘trade without discrimination’ and ‘most favoured nation’ (MNF). WTO’s ‘non-discrimination’ principle suggests the application of *equal* tariff to all trade partners, whether ‘rich or poor, weak or strong’.<sup>89</sup> WTO’s ‘most favoured nation’ principle means that ‘every time a country lowers a trade barrier or opens up a market, it has to do so for the same goods or services from all its trading partners — whether rich or poor’.<sup>90</sup> The idea underpinning these two principles is *equality*,<sup>91</sup> or to ‘treat other people equally’ – and not equity. In other words, the WTO strategy proposes that everyone is to be given the same thing – regardless of their conditions.<sup>92</sup> Yet, treating everyone the same would only lead to fair outcomes in a world where access to opportunities are well distributed and inequality levels are low. Therefore, the equal treatment put forward by the WTO strategy is neither equitable nor conducive to justice or fairness.

In fact, the economic evidence is that tariffs on imports and exports are effective ways for states to collect revenue and develop – and that this kind of fiscal policy was transformative when adopted by countries such

---

<sup>85</sup> Clive Potter and Mark Tilzey, ‘Agricultural Multifunctionality, Environmental Sustainability and the WTO: Resistance or Accommodation to the Neoliberal Project for Agriculture?’, *Geoforum*, 38.6 (2007), 1290–1303 <<https://doi.org/10.1016/j.geoforum.2007.05.001>>; Nurcan Atalan-Helicke and Becky Mansfield, ‘Seed Governance at the Intersection of Multiple Global and Nation-State Priorities: Modernizing Seeds in Turkey’, *Global Environmental Politics*, 12.4 (2012), 125–46 <[https://doi.org/10.1162/GLEP\\_a\\_00290](https://doi.org/10.1162/GLEP_a_00290)>; Kathleen McAfee, ‘Selling Nature to Save It? Biodiversity and Green Developmentalism’, *Environment and Planning D: Society and Space*, 17 (1999), 133–54; Kothari and others.

<sup>86</sup> United Nations (2022), ‘Make the SDGs a reality’, <https://sdgs.un.org/>. Besides, SDG target 8.a and target 17.11 further push ‘developing countries’, particularly ‘least developed countries’ to partake in ‘Aid for Trade’ support and to ‘significantly increase exports’.

<sup>87</sup> [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm)

<sup>88</sup> In short, equality is the condition of being equal in quantity, amount, or value. Equality only works when everyone starts from the same place, which is rarely the case in trade affairs. Equity, in turn, is defined as the quality of being fair. Treating people fairly may require different approaches to ensure they get access to the same opportunities.

<sup>89</sup> [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm)

<sup>90</sup> [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm)

<sup>91</sup> This could be seen as political equality rather than economic equality. Petsinger, M. (2022). Personal communication.

<sup>92</sup> The WTO has a regime of exception, and ‘special and differential treatments provisions’, but again, these are not presented as part of the basic strategic elements in the overall direction and scope of the organization, as in Table 1.

as the UK and the USA in their periods of economic consolidation.<sup>93</sup> Therefore, although there is scope for longer transition periods and special provisions, encouraging Least Developed Countries to lower tariffs before they reach a level of development that covers for basic needs (such as adequate nutritional food and water, protective housing, non-hazardous environments, education, and economical and physical security)<sup>94</sup> seems uncondusive to delivering the SDGs.<sup>95</sup> This confronts Principle 3 of the proposed policy framework, and is further complicated by the fact that there is no generally agreed definition of developing countries at the WTO. The uneven result of trade is clearly conveyed in the levels of appropriation of commodities by ‘advanced economies’ from the Global South, which is estimated to be worth up to \$3 trillion in a single year.<sup>96</sup> This unfair exchange is underpinned by a priority given to trade liberalization over other local and regional development needs, which largely conflicts with the proposed policy framework.

### 3.2 The International Fair Trade Charter (IFTC)

The IFTC was published by the World Fair Trade Organisation and Fairtrade International in 2018.<sup>97</sup> The movement is plural, with decentralized and diverse organisations advancing selected elements of the charter, which generates criticisms and debate over its scope and effectiveness.<sup>98</sup> Its main idea, nevertheless, is to advance ‘modes of production and trading that put people and planet before financial profit’.<sup>99</sup> As defined by the IFTC, fair trade is ‘a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.’<sup>100</sup> What follows, is an assessment of the charter, as a proxy to the strategy of the global fair trade movement.

The IFTC primarily tackles poverty eradication and inequality reduction in the provision of needs-satisfiers (Principle 5) – especially food security, sustainable livelihoods, and decent work for the movement’s principal beneficiaries – small producers, workers, artisans, farmers and consumers. The IFTC also encourages civic engagement for place-based trade policy when it calls for individuals to join and support fair trade (Principle 3). Alongside a ‘people first’ approach to trade policy, ecological balance (Principle 1) is embedded in the IFTC – which is grounded on the recognition of ‘ecological limits of the planet’ as a requirement for the well-being of current and future generations.<sup>101</sup> Accountability beyond borders (Principle 4) and balanced demand (Principle 2) are also touched upon in the IFTC, which acknowledges that energy consumption, greenhouse gases and waste need to be reduced, and that transparency and accountability mechanisms for responsible consumption should be in place. The IFTC, however, does not directly address the uneven geographies of overconsumption or consumerism, nor calls for a contraction and converge strategy. There are a few elements discussed below that help understand the above.

#### Privileging the underprivileged

A distinct set of beneficiaries are prioritized in the International Fair Trade Charter: small producers, workers, artisans, farmers, and consumers. This stems from the movement’s acknowledgement of the imbalances of

<sup>93</sup> Thomas; Piketty, *Capital and Ideology* (Cambridge, MA: Harvard University Press, 2020).

<sup>94</sup> See Gough.

<sup>95</sup> Laumann and others; Jan Emmanuel De Neve and Jeffrey D. Sachs, ‘The SDGs and Human Well-Being: A Global Analysis of Synergies, Trade-Offs, and Regional Differences’, *Scientific Reports*, 10.1 (2020), 1–12 <<https://doi.org/10.1038/s41598-020-71916-9>>.

<sup>96</sup> Jason Hickel, Dylan Sullivan, and Huzaifa Zoomkawala, ‘Plunder in the Post-Colonial Era: Quantifying Drain from the Global South Through Unequal Exchange, 1960–2018’, *New Political Economy*, 0.0 (2021), 1–18 <<https://doi.org/10.1080/13563467.2021.1899153>>.

<sup>97</sup> The International Fair Trade Charter.

<sup>98</sup> See, for instance, Colleen Haight and David R. Henderson, ‘Fair Trade Is Counterproductive and Unfair: Rejoinder’, *Economic Affairs*, 30.1 (2010), 88–91 <<https://doi.org/10.1111/j.1468-0270.2009.01980.x>>; Jane Gibbon and Martyna Śliwa, ‘Critical Perspectives on Fair Trade: An Introduction’, ed. by Jane Gibbon, *Critical Perspectives on International Business*, 8.4 (2012), 272–76 <<https://doi.org/10.1108/17422041211274219>>; Fredrik Galtung, ‘How Impactful Is Fair Trade? A Paradigm Shift in Reporting Would Tell a Better Story’, *Journal of Fair Trade*, 1.2 (2019), 40–48 <<https://doi.org/10.13169/jfairtrade.1.2.0040>>.

<sup>99</sup> The International Fair Trade Charter, p. 4.

<sup>100</sup> The International Fair Trade Charter, p. 11.

<sup>101</sup> The International Fair Trade Charter, p. 23.

power in supply chains, as well as the consequences of the climate crises on vulnerable groups. Small farmers, artisanal producers, women and young people have a special regard in the IFTC, which tackles elements of intra-generational and inter-generational equity. For instance, women have benefitted from fair trade certified member organisations, advancing on gender equality,<sup>102</sup> and fair trade has contributed to the generation of living incomes and well-being of peoples, as well as to help break inter-generational cycles of poverty pushing children into situations of exploitation and trafficking.<sup>103</sup> Intersectionality or other minoritized groups (e.g.: indigenous peoples, landless, foreigners, LGBTQ+, minoritized ethnics, and racially minoritized peoples and individuals), however, are not directly referenced in the IFTC.

### Calling citizens to engage in trade policy

In the fair-trade movement's approach to procedural justice, there is an aspiration to establish and support democratic and participatory processes of international and national rules making. The IFTC states, 'by demonstrating that greater justice in world trade is possible, Fair Trade also seeks to involve citizens in rewriting the rules of trade with the needs of small producers, workers and consumers at their heart'.<sup>104</sup> The IFTC proposes a multi-level approach to trade rules, where local, national, regional and global scenarios are interlinked. By doing so, no singular top-down trade regime should overrule locally appropriate and resilient systems, which broadens out for the accommodation of varied forms of place-based trade systems, formal and informal, informed by the needs and wants of citizens. Notably, production systems emerging from such approaches will not be primarily led by the interests of international finance (banks and investors) or multinational firms, which then creates room for the development of distributive, popular, solidarity and well-being economies.

### Attempting to tackle multiple goals

Finally, in the rather large scope of the IFTC resides both its main strength and weakness. Attempting to cover multiple domains of life satisfaction, equity, justice, and environmental sustainability, the IFTC is a high-level framework of complex and overlapping principles and goals that could well inform transformations in trade policy. The IFTC does not prescribe rules, nor calls for itself the role of bilateral or multilateral mediation or arbitration, which differs from the WTO regime. As a decentralized movement, the implementation of the IFTC cannot be easily monitored at scale, but the overall strategy of the fair-trade movement do tackle, to some extent, all principles of the proposed policy framework.

## 4 Conclusions

The ways societies and governments evaluate success in trade determine what is targeted and measured. In this paper, we argued that trade policy should move beyond promoting trade expansion or GDP growth, and that a paradigm shift is required – towards one which targets planetary health and deliver on the well-being for all, through regenerative, distributive and equitable trade policies and practices.

The policy framework discussed in this paper includes five principles required for system change: 1) safeguard the environment; 2) rebalance demand; 3) coordinate place-based and international trade; 4) accountability beyond borders; and 5) target well-being for all. These principles overcome the obsolete TBL framework and bring forward new thinking based on the doughnut economics model, civilization transitions for the pluriverse, and equity principles for sustainable development. Reasonably, this framework, which we also refer to as the Trade Policy 2.0 model, is unlikely to lead to an immediate overhaul of trade rules or

---

<sup>102</sup> Centre for International Forestry Research, 2020, Women's Access, Equity and Empowerment: Progress and Uptake of the FairTrade Gender Strategy <https://files.fairtrade.net/publications/2020-womens-access-equity-and-empowerment-study.pdf>

<sup>103</sup> Emily Darko, Alaina Lynch, and William Smith, 'The Impact of Fairtrade: A Review of Research Evidence 2009-2015', *Overseas Development Institute*, September, 2017, 52 <[https://www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/ODI\\_Fairtrade\\_Impact\\_Report.pdf](https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/ODI_Fairtrade_Impact_Report.pdf)>.

<sup>104</sup> The International Fair Trade Charter, p. 6.

agreements,<sup>105</sup> and there is much room for further analysis of other institutions and frameworks, which would also raise questions on the limited uptake of sustainability and equity thinking in mainstream channels. Notably, the Trade Policy 2.0 model is a reference point that should be further developed – as sustainability science, new economic thinking, international law and (post-)development studies evolve.

Yet, this model can be already used to rethink sustainability, trade strategies, scrutinise ESG initiatives, revise the SDGs, and start drafting ambitious post-2030 development agendas. For instance, this paper illustrated the utility of such a model to examine the WTO and the International Fair Trade Charter. As noted, the IFTC is broadly aligned with the proposed policy framework, but the dominant benchmark for international trade policy largely differs from it, which remains bound to the WTO regime and the SDGs reinforcing it. The proposed framework can also inform analysis and resolution of standstills in regional and bilateral trade agreements, such as those between the Mercosur and the EU, whose negotiations run for over 20 years, and in Voluntary Partnership Agreements (VPA) between the EU and third countries on forest law enforcement, governance and trade (FLEGT). If the proposed framework is observed, excess consumption in Europe would need to be redressed, the use of pesticides in South America that are forbidden in the EU would not be normalized, and the sustainable development challenges in the Global South would not appear in annexes or regimes of exception.

The framework and discussion in this paper can well inform governments, civil society, peoples' movements, and political campaigns in linking trade policy to broader societal goals and place-based needs – which in turn can help redefine the role of trade in societal formation. The challenge now is to mobilize peoples, institutions, improve, and integrate principles for system change into coherent set of policy mixes. The opportunity is to go beyond voluntary and scattered approaches, overhaul or create strong institutions to foster new patterns in trade policies and regulations aligned with principles of plural, fair and sustainable futures.

## References

- Abate, Guido, Ignazio Basile, and Pierpaolo Ferrari, 'The Level of Sustainability and Mutual Fund Performance in Europe: An Empirical Analysis Using ESG Ratings', *Corporate Social Responsibility and Environmental Management*, 28.5 (2021), 1446–55 <<https://doi.org/10.1002/csr.2175>>
- Abman, Ryan, and Clark Lundberg, 'Does Free Trade Increase Deforestation? The Effects of Regional Trade Agreements', *Journal of the Association of Environmental and Resource Economists*, 7.1 (2020), 35–72 <<https://doi.org/10.1086/705787>>
- Adams, Carol A., and Subhash Abhayawansa, 'Connecting the COVID-19 Pandemic, Environmental, Social and Governance (ESG) Investing and Calls for "Harmonisation" of Sustainability Reporting', *Critical Perspectives on Accounting*, 82 (2022), 102309 <<https://doi.org/10.1016/j.cpa.2021.102309>>
- Akman, M. Sait, Axel Berger, Fabrizio Botti, Peter Draper, Andrea Freytag, Pier Carlo Padoan, and others, *The Need for WTO Reform: Where to Start in Governing World Trade?*, 2020 <[https://www.g20-insights.org/policy\\_briefs/the-need-for-wto-reform-where-to-start-in-governing-world-trade/](https://www.g20-insights.org/policy_briefs/the-need-for-wto-reform-where-to-start-in-governing-world-trade/)>
- Atalan-Helicke, Nurcan, and Becky Mansfield, 'Seed Governance at the Intersection of Multiple Global and Nation-State Priorities: Modernizing Seeds in Turkey', *Global Environmental Politics*, 12.4 (2012), 125–46 <[https://doi.org/10.1162/GLEP\\_a\\_00290](https://doi.org/10.1162/GLEP_a_00290)>
- Atingi-Ego, M., J Opolot, and A.S. Drale, 'Can the Benefits of Developed Country Agricultural Trade Reforms Trickle Down to the Rural Agricultural Households in Least Developed Countries: Analysis via Price Transmission in Selected Agricultural Markets in Uganda', *IIIS Discussion Paper*, 159, 2006
- Atkinson, Bernardine M.C., and Frank van der Sommen, 'The Quintuple Bottom Line Concept', *Managing Environmental Knowledge*, 2006.Keay 2002 (2006), 91–94

---

<sup>105</sup> The framework proposed in this paper will not resonate with institutions deliberating to prioritize economic or GDP growth, freedom for trade, or private agents.

- <<http://www.iai.kit.edu/ictensure/site;jsessionid=9FE5B5E2B9FE737AC07388421301184A?mod=litdb&subject=art&pid=L1BB585CF&action=detail>>
- Barca, Fabrizio, Philip Mccann, and Andrés Rodríguez-Pose, 'The Case for Regional Development Intervention: Place-Based versus Place-Neutral Approaches', *Journal of Regional Science*, 52.1 (2012), 134–52 <<https://doi.org/10.1111/j.1467-9787.2011.00756.x>>
- Barrie, Jack, Latifahaida Abdul Latif, Manuel Albaladejo, Ieva Baršauskaitė, Alexey Kravchenko, Amelia Kuch, and others, *Trade for an Inclusive Circular Economy: A Framework for Collective Action* (London, 2022)
- Birkbeck, Carolyn Deere, *Greening International Trade: Pathways Forward* (Geneva, 2021)
- Bonanomi, Elisabeth Bürgi, *Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture, Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture*, 2015 <<https://doi.org/10.4337/9781784717278>>
- Campesina, La Via, 'World Trade Organisation: Via Campesina', 2022 <<https://viacampesina.org/en/what-are-we-fighting-against/capitalism-and-free-trade/10-years-of-wto-is-enough/>> [accessed 10 March 2022]
- CNI, *Reforma Da OMC: Propostas Do Setor Empresarial Brasileiro* (Brasília, 2019)
- Costanza, Robert, John Audley, Richard Borden, Paul Ekins, Carl Folke, Silvio O. Funtowicz, and others, 'Sustainable Trade: A New Paradigm for World Welfare', *Environment: Science and Policy for Sustainable Development*, 37.5 (1995), 16–44 <<https://doi.org/10.1080/00139157.1995.9931065>>
- Crosby, Andrew, 'The WTO Needs Reform, But There's a Context — Asian Trade Centre', *Asian Trade Center*, 2020 <<http://asiantradecentre.org/talkingtrade/the-wto-needs-reform-but-theres-a-context>> [accessed 10 March 2022]
- Culyer, A.J., and A. Wagstaff, 'Equity and Equality in Health and Health Care', *Journal of Health Economics*, 12 (1993), 431–57
- Darko, Emily, Alainna Lynch, and William Smith, 'The Impact of Fairtrade: A Review of Research Evidence 2009-2015', *Overseas Development Institute*, September, 2017, 52 <[https://www.fairtrade.net/fileadmin/user\\_upload/content/2009/resources/ODI\\_Fairtrade\\_Impact\\_Report.pdf](https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/ODI_Fairtrade_Impact_Report.pdf)>
- Das, Kasturi, Harro van Asselt, Susanne Droege, and Michael Mehling, 'Towards a Trade Regime That Works for the Paris Agreement', *Economic and Political Weekly*, 54.50 (2019), 25–30
- Escobar, A., 'Civilizational Transitions', in *Pluriverse: A Post-Development Dictionary*, ed. by A. Kothari, A. Salleh, A. Escobar, F. Demaria, and A. Acosta (Delhi: Tulika Books, 2019), pp. 121–24
- Escobar, Arturo, 'Difference and Conflict in the Struggle Over Natural Resources: A Political Ecology Framework', *Development*, 49.3 (2006), 6–13 <<https://doi.org/10.1057/palgrave.development.1100267>>
- Espinoza, Oscar, 'Solving the Equity–Equality Conceptual Dilemma: A New Model for Analysis of the Educational Process', *Educational Research*, 49.4 (2007), 343–63 <<https://doi.org/10.1080/00131880701717198>>
- European Commission, *Reforming the WTO: Towards a Sustainable and Effective Multilateral Trading System*, 2021 <[https://trade.ec.europa.eu/doclib/docs/2021/april/tradoc\\_159544.1329\\_EN\\_02.pdf](https://trade.ec.europa.eu/doclib/docs/2021/april/tradoc_159544.1329_EN_02.pdf)>
- Galtung, Fredrik, 'How Impactful Is Fair Trade? A Paradigm Shift in Reporting Would Tell a Better Story', *Journal of Fair Trade*, 1.2 (2019), 40–48 <<https://doi.org/10.13169/jfairtrade.1.2.0040>>
- Gibbon, Jane, and Martyna Śliwa, 'Critical Perspectives on Fair Trade: An Introduction', ed. by Jane Gibbon, *Critical Perspectives on International Business*, 8.4 (2012), 272–76 <<https://doi.org/10.1108/17422041211274219>>
- Goff, Patricia, 'Inclusive Trade: Justice, Innovation, or More of the Same?', *Ethics & International Affairs*, 35.2 (2021), 273–301 <<https://doi.org/10.1017/S0892679421000253>>
- Gough, Ian, 'Climate Change and Sustainable Welfare: The Centrality of Human Needs', *Cambridge Journal of Economics*, 39.5 (2015), 1191–1214 <<https://doi.org/10.1093/cje/bev039>>
- Haight, Colleen, and David R. Henderson, 'Fair Trade Is Counterproductive and Unfair: Rejoinder', *Economic Affairs*, 30.1 (2010), 88–91 <<https://doi.org/10.1111/j.1468-0270.2009.01980.x>>
- Hannah, Erin, Adrienne Roberts, and Silke Trommer, 'Towards a Feminist Global Trade Politics', *Globalizations*, 18.1 (2021), 70–85 <<https://doi.org/10.1080/14747731.2020.1779966>>
- Haughton, G., 'Environmental Justice and the Sustainable City', *Journal of Planning Education and Research*, 18.3

- (1999), 233–43 <<https://doi.org/10.1177/0739456X9901800305>>
- , ‘Geographical Equity and Regional Resource Management: Water Management in Southern California’, *Environment and Planning B: Planning and Design*, 25.2 (1998), 279–98  
<<https://doi.org/10.1068/b250279>>
- Hickel, Jason, ‘The Sustainable Development Index: Measuring the Ecological Efficiency of Human Development in the Anthropocene’, *Ecological Economics*, 167, April 2019 (2020), 106331  
<<https://doi.org/10.1016/j.ecolecon.2019.05.011>>
- Hickel, Jason, Dylan Sullivan, and Huzaifa Zoomkawala, ‘Plunder in the Post-Colonial Era: Quantifying Drain from the Global South Through Unequal Exchange, 1960–2018’, *New Political Economy*, 0.0 (2021), 1–18 <<https://doi.org/10.1080/13563467.2021.1899153>>
- Hoare, Alison, and Thiago H. Kanashiro Uehara, *Establishing Fair and Sustainable Forest Economies: Lessons Learned from Tackling Illegal Logging* (London, 2022)  
<<https://doi.org/https://doi.org/10.55317/9781784135386>>
- Hoekman, Bernard, and Petros C. Mavroidis, ‘WTO Reform: Back to the Past to Build for the Future’, *Global Policy*, 12.S3 (2021), 5–12 <<https://doi.org/10.1111/1758-5899.12924>>
- Holt, Douglas B., ‘Constructing Sustainable Consumption: From Ethical Values to the Cultural Transformation of Unsustainable Markets’, *Annals of the American Academy of Political and Social Science*, 644.1 (2012), 236–55 <<https://doi.org/10.1177/0002716212453260>>
- IPCC, ‘Summary for Policymakers’, in *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, ed. by H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegria, and others (Cambridge, UK, and New York, USA: Cambridge University Press, 2022)  
<<https://doi.org/10.1017/9781009325844.001>>
- Kanashiro Uehara, Thiago Hector, ‘Peasants, Markets and Austerity: State Retrenchment and Rural Livelihoods in Amazonas and São Paulo in the Aftermath of Constitutional Austerity (Brazil Post-2015)’ (Imperial College London, 2021) <<https://doi.org/10.1016/b978-0-12-824426-5.00019-2>>
- Kealiikanakaolehaililani, Kekuhi, and Christian P. Giardina, ‘Embracing the Sacred: An Indigenous Framework for Tomorrow’s Sustainability Science’, *Sustainability Science*, 11.1 (2016), 57–67  
<<https://doi.org/10.1007/s11625-015-0343-3>>
- Khan, Iqra Sadaf, Muhammad Ovais Ahmad, and Jukka Majava, ‘Industry 4.0 and Sustainable Development: A Systematic Mapping of Triple Bottom Line, Circular Economy and Sustainable Business Models Perspectives’, *Journal of Cleaner Production*, 297 (2021), 126655  
<<https://doi.org/10.1016/j.jclepro.2021.126655>>
- Kothari, A., A. Salleh, A. Escobar, F. Demaria, and A. Acosta, *Pluriverse: A Post-Development Dictionary*, ed. by A. Kothari, A. Salleh, A. Escobar, F. Demaria, and A. Acosta (Delhi: Tulika Books, 2019)  
<<https://doi.org/10.4324/9781315542126-3>>
- Laumann, Felix, Julius von Kügelgen, Thiago Hector Kanashiro Uehara, and Mauricio Barahona, ‘Complex Interlinkages, Key Objectives, and Nexuses among the Sustainable Development Goals and Climate Change: A Network Analysis’, *The Lancet Planetary Health*, 6.5 (2022), e422–30  
<[https://doi.org/10.1016/S2542-5196\(22\)00070-5](https://doi.org/10.1016/S2542-5196(22)00070-5)>
- Lélé, Sharachandra M., ‘Sustainable Development: A Critical Review’, *World Development*, 19.6 (1991), 607–21 <[https://doi.org/10.1016/0305-750X\(91\)90197-P](https://doi.org/10.1016/0305-750X(91)90197-P)>
- Mathai, Manu V., Cindy Isenhour, Dimitris Stevis, Philip Vergragt, Magnus Bengtsson, Sylvia Lorek, and others, ‘The Political Economy of (Un)Sustainable Production and Consumption: A Multidisciplinary Synthesis for Research and Action’, *Resources, Conservation and Recycling*, 167 (2021)  
<<https://doi.org/10.1016/j.resconrec.2020.105265>>
- Mcafee, Kathleen, ‘Selling Nature to Save It? Biodiversity and Green Developmentalism’, *Environment and Planning D: Society and Space*, 17 (1999), 133–54
- Mulamoottil, Abraham, ‘Toward a Quintuple Bottom Line in Higher Education Institutions: Sustainability Practices in Higher Education’, *Journal of Management for Global Sustainability*, 7.2 (2019), 83–99  
<<https://doi.org/10.13185/jm2019.07205>>
- Narlikar, Amrita, ‘How Not to Negotiate: The Case of Trade Multilateralism’, *International Affairs*, 98.5 (2022)

- , ‘Reforming the World Trade Organization’, *Heinrich Böll Stiftung*, 2020  
<https://www.boell.de/en/2020/01/17/reforming-world-trade-organization> [accessed 10 March 2022]
- De Neve, Jan Emmanuel, and Jeffrey D. Sachs, ‘The SDGs and Human Well-Being: A Global Analysis of Synergies, Trade-Offs, and Regional Differences’, *Scientific Reports*, 10.1 (2020), 1–12  
<https://doi.org/10.1038/s41598-020-71916-9>
- Niño-Zarazúa, Miguel, Laurence Roope, and Finn Tarp, ‘Global Inequality: Relatively Lower, Absolutely Higher’, *Review of Income and Wealth*, 63.4 (2017), 661–84 <https://doi.org/10.1111/roiw.12240>
- O’Neil, Jessica, ‘“People, Planet, Profits” and Perception Politics: A Necessary Fourth (and Fifth) Bottom Line? Critiquing the Current Triple Bottom Line in the Australian Context’, in *Approaches to Global Sustainability, Markets, and Governance*, 2018, pp. 19–42 [https://doi.org/10.1007/978-981-10-5047-3\\_2](https://doi.org/10.1007/978-981-10-5047-3_2)
- Onakoya, Adegbeni, Babatunde Johnson, and Grace Ogundajo, ‘Poverty and Trade Liberalization: Empirical Evidence from 21 African Countries’, *Economic Research-Ekonomska Istraživanja*, 32.1 (2019), 635–56  
<https://doi.org/10.1080/1331677X.2018.1561320>
- Organisation for Economic Co-operation and Development, *OECD Work on Trade and the Environment* (Paris, 2021) <https://issuu.com/oecd.publishing/docs/oecd-trade-environment-retrospective-2020>
- Österblom, H., J. Bebbington, R. Blasiak, M. Sobkowiak, and C. Folke, ‘Transnational Corporations, Biosphere Stewardship, and Sustainable Futures’, *Annual Review of Environment and Resources*, 47.1 (2022)  
<https://doi.org/10.1146/annurev-enviro-120120-052845>
- Parris, Thomas M., and Robert W. Kates, ‘Characterizing and Measuring Sustainable Development’, *Annual Review of Environment and Resources*, 28 (2003), 559–86  
<https://doi.org/10.1146/annurev.energy.28.050302.105551>
- Piketty, Thomas, *Capital and Ideology* (Cambridge, MA: Harvard University Press, 2020)
- Potter, Clive, and Mark Tilzey, ‘Agricultural Multifunctionality, Environmental Sustainability and the WTO: Resistance or Accommodation to the Neoliberal Project for Agriculture?’, *Geoforum*, 38.6 (2007), 1290–1303 <https://doi.org/10.1016/j.geoforum.2007.05.001>
- Raworth, Kate, ‘A Doughnut for the Anthropocene: Appendix’, *The Lancet Planetary Health*, 1.2 (2017)  
<https://ars.els-cdn.com/content/image/1-s2.0-S2542519617300281-mmc1.pdf>
- , ‘A Doughnut for the Anthropocene: Humanity’s Compass in the 21st Century’, *The Lancet Planetary Health*, 1.2 (2017), e48–49 [https://doi.org/10.1016/S2542-5196\(17\)30028-1](https://doi.org/10.1016/S2542-5196(17)30028-1)
- Rees, William E., ‘Globalization, Trade and Migration: Undermining Sustainability’, *Ecological Economics*, 59.2 (2006), 220–25 <https://doi.org/10.1016/j.ecolecon.2005.12.021>
- Roux, Nicolas, Thomas Kastner, Karl Heinz Erb, and Helmut Haberl, ‘Does Agricultural Trade Reduce Pressure on Land Ecosystems? Decomposing Drivers of the Embodied Human Appropriation of Net Primary Production’, *Ecological Economics*, 181.November 2020 (2021), 106915  
<https://doi.org/10.1016/j.ecolecon.2020.106915>
- Sarker, Kanchan, ‘Economic Growth and Social Inequality: Does the Trickle Down Effect Really Take Place?’, *New Proposals: Journal of Marxism and ...*, 3.1 (2009), 42–60
- Schneider-Petsinger, Marianne, *Reforming the World Trade Organization* (London: Royal Institute of International Affairs, 2020)
- Schuch, Matheus, and Daniel Rittner, ‘Em Cúpula Dos Brics, Bolsonaro Cobra Reforma Da OMS e OMC | Brasil | Valor Econômico’, *Valor Econômico*, 2020  
<https://valor.globo.com/brasil/noticia/2020/11/17/bolsonaro-pases-do-brics-podem-representar-papel-central-da-retomada-da-economia.ghtml> [accessed 10 March 2022]
- Seawright, Jason, and John Gerring, ‘Case Selection Techniques in A Menu of Qualitative and Quantitative Options’, *Political Research Quarterly*, 1975, 2008, 294–308  
<https://doi.org/10.1177/1065912907313077>
- Siddiqui, Kalim, ‘Trade Liberalization and Economic Development: A Critical Review’, *International Journal of Political Economy*, 44.3 (2015), 228–47 <https://doi.org/10.1080/08911916.2015.1095050>
- Sneddon, C.S., ‘“Sustainability” in Ecological Economics, Ecology and Livelihoods: A Review’, *Progress in Human Geography*, 24.4 (2000), 521–49 <https://doi.org/10.1191/030913200100189076>
- The Economist Intelligence Unit, *The Hinrich Foundation Sustainable Trade Index*, 2020

- The International Fair Trade Charter, 'The International Fair Trade Charter' ([https://wfto.com/sites/default/files/2018\\_FTCharter\\_English\\_SCREEN.pdf](https://wfto.com/sites/default/files/2018_FTCharter_English_SCREEN.pdf), 2018)
- Uehara, Thiago, *Public Procurement for Sustainable Development: A Framework for the Public Sector* (London: Royal Institute of International Affairs, 2020)
- Unterhalter, Elaine, and Andrew Dorward, 'New MDGs, Development Concepts, Principles and Challenges in a Post-2015 World', *Social Indicators Research*, 113.2 (2013), 609–25 <<https://doi.org/10.1007/s11205-013-0292-0>>
- Virtanen, Pirjo Kristiina, Laura Siragusa, and Hanna Guttorm, 'Introduction: Toward More Inclusive Definitions of Sustainability', *Current Opinion in Environmental Sustainability*, 43 (2020), 77–82 <<https://doi.org/10.1016/j.cosust.2020.04.003>>
- Wieland, Raoul, Sarah Ravensbergen, Edward J. Gegr, Terre Satterfield, and Kai M.A. Chan, 'Debunking Trickle-down Ecosystem Services: The Fallacy of Omnipotent, Homogeneous Beneficiaries', *Ecological Economics*, 121 (2016), 175–80 <<https://doi.org/10.1016/j.ecolecon.2015.11.007>>
- Yameogo, Claire Emilienne Wati, and Joseph Ayoola Omojolaibi, 'Trade Liberalisation, Economic Growth and Poverty Level in Sub-Saharan Africa (SSA)', *Economic Research-Ekonomska Istrazivanja*, 34.1 (2021), 754–74 <<https://doi.org/10.1080/1331677X.2020.1804428>>

## Appendix 1 – Methodological approach and frameworks

Rethinking trade success in this research entailed three stages: 1) reviewing mainstream and alternative understandings in futures research and sustainability sciences; 2) mapping ways in which trade-related institutions and frameworks address development and sustainability; and 3) proposing a new framework and testing for applications in contrasting case studies.

First, we reviewed diverse approaches in sustainability and development studies to inform the analysis, as well as the underpinning elements in international law on human rights and the environment.<sup>106</sup> Besides a literature review, we consulted the UKRI GCRF Trade Hub consortium<sup>107</sup> from diverse background, geographical and disciplinary expertise, through a workshop and a webinar. The consultation process brought the Doughnut Economics (see below) and environmental sustainability frameworks as basic elements for consideration. The final selection includes these as well as other analytical frameworks chosen based on the authors' collective experience using sustainability and development frameworks for research and policymaking, studying and advising on the ethical issues around market-based instruments, and understanding of the need to consider social, cultural, ecological and economic sustainability, as well as diversity, inclusion and equity as principles and outcomes in policy research. The analytical frameworks are presented below.

Second, we conducted a scoping study to map rapidly the key concepts underpinning trade-related institutions and frameworks. We reviewed popular content on trade, development, and sustainability available via Google and Google Scholar, and consulted policy researchers, academics, and practitioners on their views on the sufficiency of trade frameworks in addressing societal challenges related to development and the environment, in two research meetings at Chatham House in 2021. We created a non-exhaustive catalogue of contemporary trade institutions and policy frameworks (trade agreements, strategies or guidelines, listed in Appendix 2).<sup>108</sup> This study does not present a systematic analysis of all mapped institutions and frameworks. The scoping study allowed for a quick, high-level appraisal of trade institutions and policy frameworks. These proved sufficient for the identification of contrasting case studies. The collection was partial to resources available in English and large economies. A rapid qualitative review, or content analysis, was conducted by two researchers,<sup>109</sup> who independently examined the range and nature of such trade institutions and frameworks. Their analyses were then conciliated.

Finally, we developed a series of principles for trade policy success (based on the findings of stage 1) and applied it to contrasting case studies (which were identified in stage 2). Since the diversity in existing institutions and policy frameworks dealing with trade were found to be noticeable, the sampling strategy aimed for contrasting case studies rather than artificially trying to portray a regular or average case. Amongst the institutions and policy frameworks identified in the second stage of this research, the WTO, and the International Fair Trade Charter stood-out for their dissimilarities. All other mapped frameworks were in between these two extremes. These were used as *contrasting case studies*, which shed light into their particularities. This strategy did not allow for generalizations but particularization and elucidation of a spectrum.

### Analytical frameworks

When adjoined to trade, sustainability can mean many things, such as the maintenance of trade at a certain level; the trade in goods and services deemed sustainable; or trade that contributes to sustainability or development. This paper is built for the later, so to make trade part of the solutions to sustainability, equity and development. But rather than adopting a business or sectoral frameworks,<sup>110</sup> we reviewed old, new, and emerging ideas to rethink trade and trade policy. Multiple constructs were considered in this research, with review papers particularly useful for the identification of frameworks and alternative knowledge systems in Development, Post-Development and Sustainability Science. We considered ideas like Green Economy, Circular Economy, Doughnut Economics, Ecomodernism, Neo-Extractivism,

---

<sup>106</sup> See, for instance, Bonanomi, E. B. (2015), 'Sustainable Development in International Law Making and Trade: International Food Governance and Trade in Agriculture, Sustainable Development' in Bonanomi, E. B. (2015), *International Law Making and Trade: International Food Governance and Trade in Agriculture*, Cheltenham, UK; Northampton, US: Edward Elgar.

<sup>107</sup> The Trade, Development and the Environment Hub (Trade Hub) is a UKRI/GCRF five-year project, funded until 2024. Trade Hub is the first research hub of its kind – bringing together over 50 organisations from 15 different countries to help make trade sustainable for people and the planet. <https://tradehub.earth/>

<sup>108</sup> This study does not present a systematic analysis of all mapped institutions and frameworks. Yet, a quick scan allowed for a high-level appraisal of current trade institutions and for the selection of contrasting case studies, which is presented in Chapter 2.

<sup>109</sup> Philippa Lockwood and TKU.

<sup>110</sup> See, for instance, Elkington (2018), '25 Years Ago I Coined the Phrase "Triple Bottom Line". Here's Why It's Time to Rethink It.' <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it> and Uehara (2020)

Development Aid, Sustainable Development, Development as Freedom, Deep Ecology, Degrowth, Equity as Sustainability, Ecofeminism, Environmental Justice, Well-being Economy, Ubuntu, Buen Vivir and Civilizational Transitions for the Pluriverse.<sup>111</sup>

All these ideas influenced the analysis and propositions in this paper, with three of them briefly described below because they reposition economic development in societies, and each brings a special feature worthy noticing. The Doughnut Economics concept developed by Kate Raworth excels at summarizing and communicating complex ideas to varied audiences. The idea of Civilizational Transitions for the Pluriverse by Arturo Escobar and colleagues synthesizes transcultural views and practices in respect to a variety of social spaces and knowledge traditions. The Equity Principles for Sustainable Development by Graham Haughton successfully connect equity and strong sustainability to the policymaking arena. This combination is unlikely immediately useful for pragmatic changes in the near term but is intentionally combined here to contribute to cultural and paradigmatic shifts,<sup>112</sup> towards transformative initiatives, away from reformist approaches, so to maximize room for critical analysis and innovation.

### *The Doughnut Economics model*

The doughnut model by Kate Raworth combines the concept of planetary boundaries with social foundations, serving as a compass through which one can examine the risk of social shortfall and ecological overshoot (see Figure 1).<sup>113</sup>



Figure 1 – The Doughnut.  
Source: Raworth (2017)<sup>114</sup>

<sup>111</sup> Sharachchandra M. Lélé, 'Sustainable Development: A Critical Review', *World Development*, 19.6 (1991), 607–21 <[https://doi.org/10.1016/0305-750X\(91\)90197-P](https://doi.org/10.1016/0305-750X(91)90197-P)>; Thomas M. Parris and Robert W. Kates, 'Characterizing and Measuring Sustainable Development', *Annual Review of Environment and Resources*, 28 (2003), 559–86 <<https://doi.org/10.1146/annurev.energy.28.050302.105551>>; Elaine Unterhalter and Andrew Dorward, 'New MDGs, Development Concepts, Principles and Challenges in a Post-2015 World', *Social Indicators Research*, 113.2 (2013), 609–25 <<https://doi.org/10.1007/s11205-013-0292-0>>; C.S. Sneddon, "'Sustainability" in Ecological Economics, Ecology and Livelihoods: A Review', *Progress in Human Geography*, 24.4 (2000), 521–49 <<https://doi.org/10.1191/030913200100189076>>; A. Escobar.

<sup>112</sup> Instead of focusing on trade for trade's sake, we propose that the power of trade and trade policies shall be utilised: 1) to provide adequate use values for all, rather than increasing exchange values; 2) to contribute to the well-being of people and the health of planet, rather than profit maximisation; and 3) to maximize freedom and autonomy for peoples and their communities, particularly those in need of greater support, rather than freedom for trade or commodity flows. This set of principled values were proposed by the authors in consultation with the Trade Hub community. These are unlikely to be unchallenged, but reflect our current understanding on what needs to be transformed, at a more fundamental level, if we are serious about sustainability in trade.

<sup>113</sup> Raworth, 'A Doughnut for the Anthropocene: Humanity's Compass in the 21st Century', p. e48.

<sup>114</sup> Kate Raworth, 'A Doughnut for the Anthropocene: Appendix', *The Lancet Planetary Health*, 1.2 (2017) <<https://ars.els-cdn.com/content/image/1-s2.0-S2542519617300281-mmc1.pdf>>.

It is *between* these two sets of boundaries that all of humanity has the chance to thrive, which Raworth labels as ‘the safe and just space for humanity’ and ‘regenerative and distributive economy’. The doughnut serves as a ‘radar for the 21<sup>st</sup> Century’,<sup>115</sup> which opens up the question: what are the ingredients for ‘the safe and just space for humanity’, or what are the ingredients for its ‘dough’?<sup>116</sup> And how do we balance the actions of any community against global public goods?

### ***Civilizational Transitions for the Pluriverse***

The idea of the pluriverse recognizes and highlights transcultural worldviews, concepts and practices that favour a multiplicity of possible worlds rather than universal inclusion on the ‘Western civilization’<sup>117</sup> model. In contrast to ideas of globalism, nationalism and material accumulation, the pluriverse narrative is grounded on solidarity, placing market forces as means to deliver on well-being and *buen vivir*.<sup>118</sup> In Escobar’s words:

The notion of civilizational transitions designates the complex movement from dominance of a single, allegedly globalized, model of life – often designated as ‘capitalist hetero patriarchal modernity’ – to the peaceful, though tense, co-existence of a multiplicity of models, ‘a world where many worlds fit’, a pluriverse.<sup>119</sup>

This thought finds echo in a variety of social spaces and knowledge traditions, from ecofeminism, futures research, inter-faith dialogues, the Rights of Nature to peasant struggles, Afro descendant, and indigenous sustainability science. These visions of transitions have been emphasizing the radical interdependence of all that exists,<sup>120</sup> which is also embedded in notions of sustainability that cherish the idea that the land is much more than an object to guarantee economic growth.<sup>121</sup> Indeed, terms that are similar to ‘sustainability’ have been used to describe ‘healthy living, taking into consideration skills, reflexivity, competences, emotional, spiritual, economic, and social well-being in order to foster and respect co-existence’, according to Virtanen, Siragusa, and Guttorm.<sup>122</sup> Sustainability can therefore be described as ‘the capacity of a certain community to create and maintain communal existence through the management of the local natural resources in a way that assures the survival and interconnectedness of the members of both the community and the environment’, as suggest Kealiikanakaoleohaililani and Giardina.<sup>123</sup> These elements ties well with ideas of self-determination, and Escobar’s call for the modern social world to stop denying people their rights to their own cultures, ecologies, and economies.<sup>124</sup>

### ***Equity principles for sustainable development***

Addressing underlying systemic causes of injustice, Graham Haughton proposes five *equity* principles for sustainable development, which goes beyond frameworks attempting to distribute exploitation and pollution ‘equitably’.<sup>125</sup> Here, we must distinguish between ‘equal’ and ‘equitable.’ Both terms are often interchangeably used in economics, policy, law, and health.<sup>126</sup> But these words are not synonymous. Equality is the condition of being equal in quantity, amount, or value. If two countries, no matter how distinct they are, receive the same tariff rate from a third importing country, this is considered an ‘equal’ treatment, not ‘equitable’. Equality only works when everyone starts from the same place, which is rarely the case in trade and development affairs. Equity, in turn, is defined as the quality of being fair.<sup>127</sup> Therefore, an

<sup>115</sup> Raworth, ‘A Doughnut for the Anthropocene: Humanity’s Compass in the 21st Century’, p. e48.

<sup>116</sup> Critiques outline those natural systems are non-linear and that more research on the systemic interaction between planetary processes is needed.

<sup>117</sup> The Western civilization model entail ‘a project of economic, military, sex-gender, racial, and cultural dominance’, according to Escobar (2021, p. 121-122), with ‘free markets; as its mode of economy and a separation between humans and nature (anthropocentrism). For Escobar, this civilization model is the foundation of the current multi-headed crisis of climate, energy, food, poverty.

<sup>118</sup> Kothari and others.

<sup>119</sup> A. Escobar, p. 121.

<sup>120</sup> A. Escobar.

<sup>121</sup> Pirjo Kristiina Virtanen, Laura Siragusa, and Hanna Guttorm, ‘Introduction: Toward More Inclusive Definitions of Sustainability’, *Current Opinion in Environmental Sustainability*, 43 (2020), 77–82 <<https://doi.org/10.1016/j.cosust.2020.04.003>>.

<sup>122</sup> Virtanen, Siragusa, and Guttorm, p. 78.

<sup>123</sup> Kekuhi Kealiikanakaoleohaililani and Christian P. Giardina, ‘Embracing the Sacred: An Indigenous Framework for Tomorrow’s Sustainability Science’, *Sustainability Science*, 11.1 (2016), 57–67 <<https://doi.org/10.1007/s11625-015-0343-3>>.

<sup>124</sup> Arturo Escobar, ‘Difference and Conflict in the Struggle Over Natural Resources: A Political Ecology Framework’, *Development*, 49.3 (2006), 6–13 <<https://doi.org/10.1057/palgrave.development.1100267>>.

<sup>125</sup> Haughton, ‘Environmental Justice and the Sustainable City’.

<sup>126</sup> Oscar Espinoza, ‘Solving the Equity–Equality Conceptual Dilemma: A New Model for Analysis of the Educational Process’, *Educational Research*, 49.4 (2007), 343–63 <<https://doi.org/10.1080/00131880701717198>>; A.J. Culyer and A. Wagstaff, ‘Equity and Equality in Health and Health Care’, *Journal of Health Economics*, 12 (1993), 431–57.

<sup>127</sup> G. Haughton, ‘Geographical Equity and Regional Resource Management: Water Management in Southern California’, *Environment and Planning B: Planning and Design*, 25.2 (1998), 279–98 <<https://doi.org/10.1068/b250279>>.

equitable treatment does not necessarily mean treating everyone the same. Treating people fairly may require different approaches to ensure they get access to the same opportunities.

In the remit of sustainable development, Haughton proposes a set of equity principles, some of which are commonly addressed, but others like geographical equity and inter-generational equity have rarely been addressed in practice. The five equity principles for sustainable development are:<sup>128</sup>

- Intra-generational equity, or contemporary social equity – which emphasizes a conception of social justice that seeks to address underlying causes of social injustice, not simply dealing with redistributive measures.
- Inter-generational equity, or the principle of futurity – which is perhaps the most widely acknowledged element of sustainable development after the Brundtland definition, i.e.: ‘development which meets the needs of the present without compromising the ability of future generations to meet their own needs’ (WCED 1987, 43).
- Inter-species equity, or environmental stewardship – which values biodiversity and calls for the human obligation to other species and ecosystems. This principle does *not* suggest the moral equivalence of humans with other lifeforms. Rather, it highlights the importance of preserving ecosystem integrity, co-existence of humans and non-humans, and maintaining biodiversity.
- Geographical equity, or trans-frontier responsibility – which requires jurisdictional (local, subnational, national or regional) policies not to outsource or export problems, and vice-versa, with international policies enabling sustainable development at the jurisdictional level, particularly in poorer constituencies.
- Procedural equity – which enables and widens processes of public engagement, where multiple forms and channels are brought into play to foster participation and engagement with processes of change. Notably, procedural equity is much more than legalistic and bureaucratic procedures for establishing and enforcing obligations and rights.

The need for equity is a core dimensions in the notion of sustainability and (post-) development work.<sup>129</sup>

The five *equity principles for sustainable development* are mobilized in the definition of success in trade policy in this paper, alongside the understanding of *planetary boundaries and social foundations* in systems that enable the co-existence of a multiplicity of *civilization models*.

---

<sup>128</sup> Haughton, ‘Environmental Justice and the Sustainable City’.

<sup>129</sup> See, for instance, the Rise Up Africa movement, the People’s Autonomous Response to the UN Food System, and the People’s Summit for Climate Justice, besides the several, decentralized transformative and real experiences across the world such as Community Economies, Food Sovereignty, Kyosei, New Matriarchies, Social Solidarity Economies, and Ubuntu. See more in the third part of Kothari et al. (2019).

## Appendix 2 – Trade-related institutions and frameworks

The resources mapped in the scoping phase of this study were:

- African Continental Free Trade Agreement, 2018, <https://www.tralac.org/documents/resources/african-union/2162-afcfta-agreement-legally-scrubbed-version-signed-16-may-2018/file.html>
- Agreement on Climate Change, Trade and Sustainability, by Costa Rica, Fiji, Iceland, Norway, Switzerland and New Zealand, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/trade-and-climate/agreement-on-climate-change-trade-and-sustainability-accts-negotiations/>
- Asia-Pacific Economic Cooperation's economic vision, environmental vision, and framework of principles for integrating economy and development, <https://www.apec.org/Groups/Other-Groups/Sustainable-Development>
- Ethical Trading Initiative's base code, 2018, [https://www.ethicaltrade.org/sites/default/files/shared\\_resources/ETI%20Base%20Code%20%28English%29.pdf](https://www.ethicaltrade.org/sites/default/files/shared_resources/ETI%20Base%20Code%20%28English%29.pdf)
- European Commission's trade policy review, 2021, [https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc\\_153846.pdf](https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf)
- Fairtrade Foundation's agenda for policy coherence, 2015, [https://www.fairtrade.org.uk/wp-content/uploads/2020/07/Delivering-the-SDGs-through-Trade\\_Five-Point-Agenda\\_FINAL.pdf](https://www.fairtrade.org.uk/wp-content/uploads/2020/07/Delivering-the-SDGs-through-Trade_Five-Point-Agenda_FINAL.pdf)
- Finance Alliance for Sustainable Trade, <https://unfss.org/wp-content/uploads/2014/10/fast-wto-presentation-orig.pdf>
- Friends of the Earth Europe's setting course for sustainable trade, 2018, [https://www.foeeurope.org/sites/default/files/eu-us\\_trade\\_deal/2018/trade\\_alternatives\\_designreport\\_v6\\_ld.pdf](https://www.foeeurope.org/sites/default/files/eu-us_trade_deal/2018/trade_alternatives_designreport_v6_ld.pdf)
- Greenpeace's 10 principles for trade, 2017, [https://trade-leaks.org/wp-content/uploads/2018/03/201705\\_Greenpeace\\_10\\_Principles\\_for\\_Trade.pdf](https://trade-leaks.org/wp-content/uploads/2018/03/201705_Greenpeace_10_Principles_for_Trade.pdf)
- IDH, the Sustainable Trade Initiative's Collaborative Transformation, <https://www.idhsustainabletrade.com/collaborative-transformation/>
- International Chamber of Commerce's Standards for Sustainable Trade, by the Boston Consulting Group, <https://iccwbo.org/publication/icc-standards-for-sustainable-trade-and-sustainable-trade-finance/>
- International Fair Trade Charter, 2018, [https://wfto.com/sites/default/files/2018\\_FTCharter\\_English\\_SCREEN.pdf](https://wfto.com/sites/default/files/2018_FTCharter_English_SCREEN.pdf)
- Organization for Economic Cooperation and Development's, trends in policy indicators on trade and environment, 2019, <https://www.oecd-ilibrary.org/docserver/b8d2bcac-en.pdf?expires=1653904913&id=id&accname=guest&checksum=388FE49C003E37332924B119B988DBB1>
- The Alternative Trade Mandate Alliance, [https://www.epsu.org/sites/default/files/article/files/trade-time\\_for\\_a\\_new\\_vision.pdf](https://www.epsu.org/sites/default/files/article/files/trade-time_for_a_new_vision.pdf)
- The Hinrich Foundation Sustainable Trade Index, by the Economist Intelligence Unit, <https://www.hinrichfoundation.com/research/wp/sustainable/sustainable-trade-index-2020/>
- Trade Justice Movement's alternative vision for trade, <https://www.tjm.org.uk/trade-issues/developing-an-alternative-trading-system>
- United Nations Conference on Trade and Development's investment policy framework for sustainable development, 2015, [https://unctad.org/system/files/official-document/diaepcb2015d5\\_en.pdf](https://unctad.org/system/files/official-document/diaepcb2015d5_en.pdf)
- United Nations Environment Programme's reference manual for integrated assessment of trade-related policies, 2001, <https://wedocs.unep.org/bitstream/handle/20.500.11822/8759/-Reference%20Manual%20for%20the%20Integrated%20Assessment%20of%20Trade-Related%20Policies-2001315.pdf?amp%3BisAllowed=&sequence=3>
- United State's 2020 trade policy agenda, [https://ustr.gov/sites/default/files/2020\\_Trade\\_Policy\\_Agenda\\_and\\_2019\\_Annual\\_Report.pdf](https://ustr.gov/sites/default/files/2020_Trade_Policy_Agenda_and_2019_Annual_Report.pdf)
- World Trade Organization's principles of the trading system, [https://www.wto.org/english/tratop\\_e/devel\\_e/framework.htm](https://www.wto.org/english/tratop_e/devel_e/framework.htm)