

Trade vs Climate

A smarter trade strategy to return to a safe operating space for humanity

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Over 20,000 scientists say that the Earth's biosphere is on the brink of collapse (1). [Extraction of materials tripled in four decades](#), intensifying climate change, biodiversity loss, air pollution and other environmental pressures. (2). The [sixth mass extinction is ongoing](#) (3). So far, we are not managing the challenge we are facing. We need this to change.

Scientists tell us we need to reduce the use of resources globally in absolute terms. Aside from reducing this so-called metabolism of the global economy we need to refocus and look at fair shares.

There is an environmental as well as a social necessity to move beyond increasing global trade flows. In [rich countries](#) and in Europe, different forms of poverty have risen or stagnated, in particular the number of the working poor, youth unemployment or homelessness, all in parallel with the growth of trade. While world exports in 2016 were 50 times bigger in value than in 1970, the gains in genuine progress (for US) or life satisfaction (for UK) over a similar period hovered around zero (4).

Do the French really have to eat California oysters, [despite TTIP supporters using this as a pro-TTIP argument](#)? Sea transport, in itself a polluting aspect of global trade patterns, enables unsustainable production at one end of the world and unsustainable consumption at the other end.

Pollution from global trade is rising exponentially. Trade is surely needed but it needs to function within a **safe operating space** in order for humanity to be able to continue to thrive. Europeans do not want their environmental and social protection lowered because they are renamed as "trade barriers". They want fair wages and strong environmental standards globally, thus making the European economy more competitive in a positive way. We need an end to outsourcing polluting practices from resource extraction, to production and waste disposal to what some even call the ["under-polluted"](#) countries while keeping most of the benefits of the global value chains to companies based in the global North or owed by the few lucky in the global South.



Europe is the most import dependent of all continents in terms of importing resources and raw materials. Aside from its ecological footprint, this also reduces resilience and food, water and energy sovereignty. **A real circular economy is a much more local economy and that requires global absolute reductions in material flows.** That, in turn, requires a radical mindset change.

Both the [Alternative Trade Mandate](#) based on extensive civil society consultations all over Europe and the [Namur Declaration](#) signed by leading economists argue for radical changes in trade agreements.

Why do we not make sure that **all trade deals secure better social and environmental standards** and safeguard the right of all countries to sustainable development? The use of **private arbitration** for foreign investors who can sideline our democracies **is simply unacceptable** but there is more than needs to change. The Paris Agreement, environmental non-regression and 'do not harm' clauses should be included in a Trade and Sustainable Development chapter with an enforcement mechanism with teeth. Why not **shift away from export-oriented trade to intensified intra-regional trade in order to strengthen a locally embedded circular economy**? And with a trade war being started from the White House – why can the EU not respond by building that wall that Trump wants? The wall should be a wall of carbon tariffs or in legal terms: **border carbon adjustments**. Scientists have argued this is needed, legal and possible (5).

President Juncker's 2018 State of the Union again showed a lack of vision when it comes to the trade vs climate question. We agree with President Juncker that we need to use our power as the world's largest market to ensure high environmental and social standard in global trade. However, we cannot continue to use other parts of the world to exploit cheap labour and raw materials. Trade agreements should benefit people, workers and small producers, in particular in developing countries, and protect them from negative environmental impact. Trade too needs to operate within the carrying capacity of our planet and the circular economy which the commission promotes requires global reductions in material flows. We do not need more trade, we need to get smarter with our trade.

(1) <https://bit.ly/2B3WAqg>

(2) <https://bit.ly/2CTJRsx>

(3) <https://bit.ly/2tAWr9H>

(4) <https://bit.ly/2NeiiPA>

(5) <https://bit.ly/2xmcrwl>

