**[Sustainable trade](https://www.dawn.com/news/1664950/sustainable-trade)**

[Sarah Saleh](https://www.dawn.com/authors/9603/sarah-saleh)Published December 21, 2021 - Updated 2 days ago

[Facebook Count](https://www.facebook.com/sharer/sharer.php?u=https%3A%2F%2Fwww.dawn.com%2Fnews%2F1664950&display=popup&ref=plugin)

[Twitter Share](https://twitter.com/share?text=Sustainable%20trade&url=https%3A%2F%2Fwww.dawn.com%2Fnews%2F1664950&counturl=https%3A%2F%2Fwww.dawn.com%2Fnews%2F1664950)

[0](https://www.dawn.com/news/1664950/sustainable-trade#comments)

IN an era of climate crisis and with the planet warming at an unprecedented pace, the need for sustainable trade is becoming increasingly crucial. Sustainable trade aims at making trade efficient from a socio-environmental perspective. The focus is on minimising the damage caused to the environment and maximising gains for all. Yet international trade policies and laws continue to lag behind in these areas.

Currently, international trade is a major source of environmental degradation and has failed to incorporate the sustainable development goals. A guiding principle of international trade is benefit for all concerned. And that’s what trade policies aim for. But is a trade deal really beneficial if it degrades our natural resources and pollutes the environment? Is it worth encouraging trade activities that are pollution-intensive? These are questions that those responsible for setting our trade policies tend to ignore.

In the short term, unsustainable trade might lead to economic gains yet in the longer run, the social and environmental cost may prove too huge to ignore. Continuing with such trade practices will exacerbate inequality, resource degradation, water scarcity, food insecurity and poverty and other aspects of climate-related crises. That is too big a price to pay. It is necessary then to transition towards sustainable trade practices

Towards the end of the last century, there emerged demands for ‘greening the GATT’. Soon after, GATT was succeeded by the World Trade Organisation but the progress on sustainability has remained inadequate. Although the WTO has incorporated several environmental provisions into its functions, they remain insufficient considering the gravity of the climate crisis. Trade practices today have the potential to not only worsen the climate crisis but also to reverse the gains of climate change mitigation. Hence more needs to be done to protect our environment.

A green outlook must also include safe trading practices.

Trade policies and laws can be an effective tool of incentivising climate action and have the potential to ensure compliance with climate agreements. But it is no secret that treaties such as the Paris Agreement have fallen short of coming up with effective compliance mechanisms. Since trade revolves around maximising mutual economic benefits, people are willing to make adjustments. Trade policies and rules, therefore, need to make climate-friendly products and technologies more beneficial by removing all tariff and non-tariff barriers on them. Similarly, higher tariffs and quotas need to be imposed on carbon-intensive imports in order to disincentivise them.

Other provisions include removing unsustainable subsidies on carbon-intensive products and technologies. Along with that subsidies on depleting resources such as fisheries also need to be done away with, while a smooth transition through subsidised green technologies and products will prove effective.

Further, international environmental standards must be adhered to in the production and trading of commodities, eg enforcing emission standards are effective for keeping emission levels in check while producing goods.

An important aspect of trade is to ensure equitable development by giving preferential status to developing countries in the form of lower tariffs etc. Similarly, granting assistance to developing nations in the form of green funding, subsidies, technology transfers and capacity building will not only lead to clean and sustainable development and trade but also help them obtain a competitive edge. The concerns of developing countries being left can be addressed through the measures mentioned.

Last but not least, the inclusion of environmental groups in trade negotiations is a vital step to ensure that all trade agreements meet the sustainability criteria and do not pose a threat to our environmental future. Because international trade affects our lives, we are important stakeholders in trade negotiations. No agreement is fair if it ignores the stakeholders. In this case environmental groups represent our needs and make sure that our planet is protected from harmful trade deals. There is no better way to put environmental concerns on the table than by the inclusion of interest groups.

The current trade practices are not fair as they ignore the environmental and social costs. It is high time the world took a holistic approach towards dealing with climate change. Thus harmonising trade and environmental policies is the need of the hour and must not be delayed any further. It should be undertaken at the international, regional, national and local levels. Building sustainable trade will lead to universal gain by amplifying environmental protection and climate change mitigation.

*The writer is an economist, environmentalist and sustainable development enthusiast.*

*Published in Dawn, December 21st, 2021*