



## Does Rising Protectionism Challenge Sustainable Trade?

### Overview

For almost four decades, Europe has enjoyed unprecedented prosperity through free trade facilitated by open borders. This in turn has also improved the standard of living and provided a source of economic growth in third countries.

But today a wave of protectionism and unfair practices is sweeping the world. This development has the potential to undo a generation's worth of trade-based development, affecting countries like Bangladesh that have prospered, both economically and socially in an export-driven global economy.

These restrictive actions may also roll back the standardising of important and leading sustainability initiatives and policies, making it more costly for businesses to meet relevant and effective sustainability criteria.

This session will explore the direct and indirect impacts of protectionism on sustainability policies and operations and how it can also be linked to larger illiberal political effects.

### Speakers

Moderator: **Pierre Gröning**, Director of International Trade Policy – FTA, **Stuart Newman**, Senior Legal Advisor - FTA

### Session Highlights

The initial presentation highlighted that protectionism is not only causing economic damage but also affecting the promotion of sustainability goals and the impact of corporate sustainability programmes. "Protectionism cannot be sustainable" should be a guiding principle in the debate on EU's trade policy. In the discussion, the attendees generally agreed that trade with third countries increases the economic prosperity of those countries and raised living standards. One noted that in Africa especially improvements could be seen. Sustainability was an important issue and mechanisms should be included in bi-lateral trade agreements. However, it was recognised that requirements should not be set too high to avoid that either the countries in question were unable to comply or that (as a result of increased prices) EU companies would move to different sourcing countries. This would have a negative impact on sustainability per se – therefore a practical attitude was needed.

### Quotes

- Pascal Kerneis (Managing Director ESF): *The service industry is particularly affected by protectionism.*
- Participant: *Africa is a fine example to demonstrate that open trade in combination with good governance works.*