

1. Main Messages

Economic sustainability dominates trade research. Most studies emphasise economic aspects, followed by social and environmental dimensions, reflecting the prevailing policy focus.

Trade can contribute to sustainability, but outcomes vary. While trade enhances income and employment (SDG 8), it can also lead to environmental degradation and social inequalities if not properly governed.

Trade liberalisation does not automatically lead to sustainability. Research highlights the need for complementary measures such as environmental standards, labour protections, and inclusive policies.

Smallholders face major trade barriers. The review finds that access constraints, compliance costs, and market power imbalances limit smallholder participation in international trade.

Policy coherence is crucial. Trade policies must align with agricultural, climate, and sustainability strategies to avoid unintended negative effects.

PROJECT BRIEF 1:

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STRUCTURED REVIEW ON THE RELATIONSHIPS BETWEEN INTERNATIONAL AGRI-FOOD TRADE AND SUSTAINABILITY



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101000551

2. Research Scope & Methodology

To provide a comprehensive evidence base, this structured literature review covered:

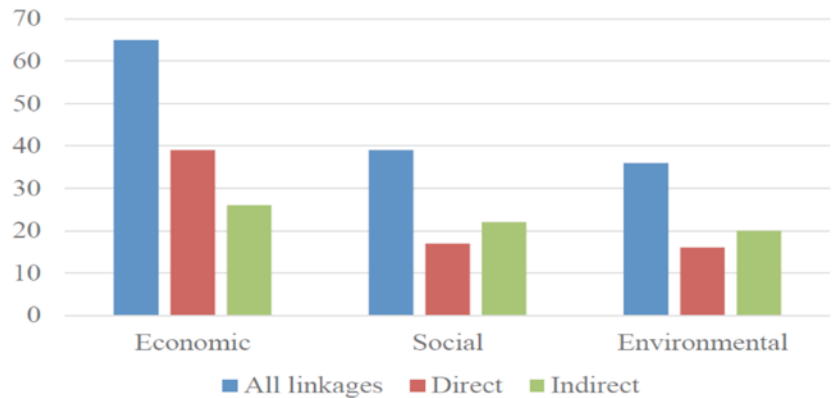
- **Systematic literature review with 224 academic journal articles** covering trade and sustainability linkages.
- **Key thematic areas:** trade liberalisation, food security, climate change, social equity, and global value chains.
- **Sustainable Development Goals (SDGs) framework:** assessing economic, environmental, and social impacts.

3. Key Findings: Evidence Supporting Policy Discussions

3.1. Unequal Research Focus on Sustainability Dimensions

The literature review confirms that economic sustainability is the most researched, followed by social and environmental aspects (Figure 1.1). Studies on trade's environmental impacts, such as carbon emissions, deforestation, and biodiversity loss, are limited. Social aspects such as labour rights and gender equity remain underexplored.

Figure 1.1: Linkages between agri-food trade and the SDGs identified in the literature



Source: own composition.

Implication: Trade policies must incorporate balanced sustainability provisions to ensure economic gains do not undermine environmental and social objectives.

3.2. Trade and SDG Linkages: Positive and Negative Outcomes

The review identifies both synergies and trade-offs between trade and SDGs:

Positive outcomes of trade:

- Expands job opportunities and income growth (SDG 8).
- Supports innovation and technology transfer for sustainable agriculture (SDG 9).
- Facilitates cooperation on sustainability standards (SDG 17).

Negative outcomes of trade:

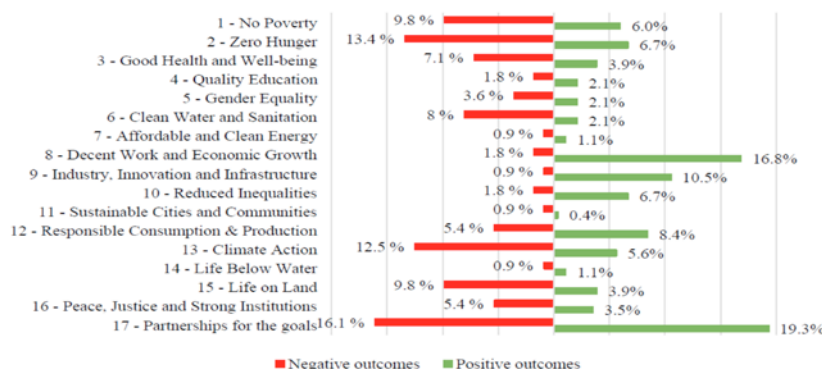
- Increases environmental degradation through deforestation, emissions, and water depletion (SDG 13 & 15).
- Creates market vulnerabilities, affecting food security and smallholder resilience (SDG 2).
- Favors large-scale agribusinesses over smallholders, worsening inequality (SDG 10).

Figure 1.2 shows linkages by SDGs



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Figure 1.2: Positive and negative outcomes of trade on the SDGs: shares of different SDGs in positive and negative outcomes (%)



Source: own composition.

Implication: Policymakers should adopt context-specific trade measures to mitigate sustainability risks while leveraging trade’s potential for positive impacts.

3.3. Smallholder Farmers and Market Access Barriers

- **Smallholders struggle to compete in global trade**, with only 20% of reviewed studies focusing on their inclusion.
- **Barriers include** high compliance costs, price volatility, and limited access to credit and technology.
- Fair-trade certification and preferential access policies **can improve smallholder participation**.

Implication: Trade policies should promote inclusive value chains and fairer market conditions for small farmers.

4. Implications for EU Policy & Trade Governance

- Trade agreements should be **supported by impact assessments** covering economic, social, and environmental effects.
- Sustainability provisions **must be enforced**, not just included in agreements.
- **More research is needed** on trade’s environmental and social impacts
- **Improved indicators and data collection** can enhance policy effectiveness.
- **Trade, climate, and agricultural policies must be aligned** to prevent sustainability trade-offs.
- **The EU should integrate trade and sustainability commitments** into CAP and the Green Deal.



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5. Conclusion

This structured review highlights critical evidence gaps and opportunities to improve trade's contribution to sustainability. Key insights include:

- Trade should be assessed across **economic, social, and environmental dimensions**.
- Trade agreements should **integrate robust sustainability safeguards**.
- **Monitoring, enforcement, and stakeholder engagement** are crucial for sustainable trade policies.

This Project Brief is based on **Deliverable 1.1** of the TRADE4SD project.



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Trade4SD is a 4-year project devoted to research on a topic which is high on the domestic as well as multilateral, EU and bilateral trade policy agenda. The ambition of the project is to explore and foster the positive linkages between trade and sustainable development is to provide policy recommendations for the creation of new opportunities for agents involved in the global, regional and national agri-food value chains, and to define conditions for sustainable livelihoods of farm producers in the EU and developing partner countries. Trade is a central factor in shaping global, regional and local development. Increased trade, empowered by the growth of Global Value Chains (GVCs), has boosted productivity and incomes in many countries.

