

## 1. Main Messages

**Stakeholder engagement enhances the relevance and legitimacy of trade policy models**, improving their applicability for sustainable development.

**Participatory modelling fosters a balanced approach to trade and sustainability policies**, incorporating economic, social, and environmental considerations.

**Insights from stakeholders reveal key concerns** about the effects of trade liberalisation and sustainability policies **on food security, economic growth, and environmental degradation**.

**The study identifies the need for structured stakeholder participation** to ensure trade models align with real-world policy challenges.

# PROJECT BRIEF 11:

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## INTEGRATING STAKEHOLDER VIEWS INTO TRADE POLICY MODELLING



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

This study examines how stakeholder engagement can improve trade policy modelling by incorporating diverse perspectives. **Key elements include:**

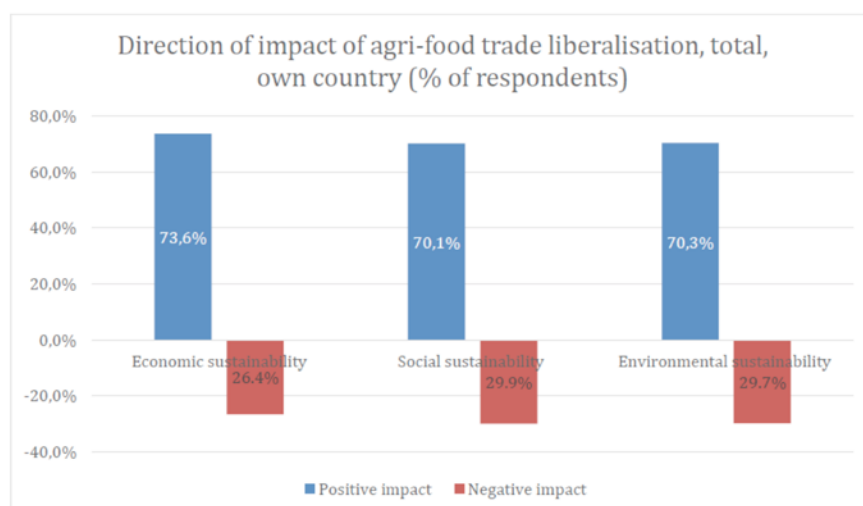
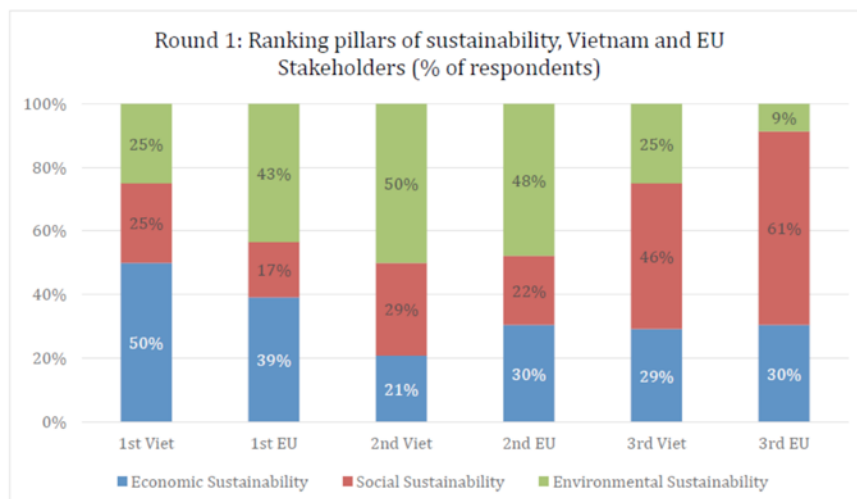
- **Structured stakeholder survey** across different sectors, including policymakers, businesses, NGOs, and researchers in Ghana and Vietnam.
- **General public survey** implemented in Hungary, Germany and the United Kingdom with 3000 citizens

## 3. Key Findings: Evidence Supporting Policy Discussions

### 3.1. The Importance of Stakeholder Engagement in Trade Policy Modelling

- **Stakeholder engagement improves the accuracy and legitimacy of trade models**, making them more useful for policy decisions.
- **Integrating diverse perspectives** ensures that trade models capture the real-world implications of policy changes.
- **Structured consultations help identify trade-offs** between economic growth, environmental sustainability, and social equity.

**Implication:** Future trade policy models should incorporate participatory approaches to enhance relevance and impact.



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### 3.2. Trade Liberalisation, Sustainability, and Stakeholder Perceptions

- **Economic concerns dominate stakeholder discussions**, with a strong focus on job security and income distribution.
- **Environmental and social concerns vary by region**, with EU stakeholders prioritising climate and biodiversity, while developing country stakeholders emphasise poverty reduction.
- **Trade liberalisation is generally seen as positive for sustainability** but requires safeguards to mitigate negative social and environmental effects.

**Implication:** Trade models should integrate differentiated policy responses to account for regional disparities in priorities.

### 3.3. Changes in Sustainability Preferences

- **COVID-19 and the war in Ukraine has significantly impacted stakeholders' views** on the different dimensions of sustainability.
- **Prices, resilience of supply chains and secured food security** were considered to be the most important elements of economic sustainability.
- The main priorities in the social pillar were **societal stability, employment level and income distribution**.
- **Water quality and water waste** have been put at the centre of environmental sustainability

**Implication:** Trade models and policy implications should consider real world situations and recent geopolitical context changes.

## 4. Implications for EU Policy & Trade Governance

- **The general public appear to believe in the sustainability benefits of trade liberalisation.**
- **A balanced approach is necessary** calculating with trade-offs among pillars.
- It is necessary to **investigate the income distribution under different scenarios** for agri-food trade.
- Concerning future policy, the priorities in the EU should be to **ensure structural changes in the agri-food sector** that comply with sustainability objectives.



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## 5. Conclusion

This study highlights the importance of integrating stakeholder perspectives into trade policy modelling to enhance policy relevance and legitimacy.

### Key takeaways:

- Stakeholder engagement improves the **accuracy, legitimacy, and applicability** of trade models.
- Trade models should account for **regional differences in sustainability concerns** and economic priorities.
- **Transparent communication** of trade model results enhances their policy impact.

This Project Brief is based on **Deliverable 4.1.** 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.