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## Debating the EU's Traceability Laws



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### Introduction

"How dare you?" said the irate Swedish climate activist, Greta Thunburg. In 2019, the then-teenaged girl dramatically accused the gathered dignitaries of the United Nations of inaction on climate change. This won her plaudits as many young people at the time identified strongly with her position. (Milman 2019) But flash forward a few years; another irate class of people are saying the same thing. Ironically, they're ostensibly fighting against the very actions championed by climate activists like Thunburg. In Europe, farmers (backed by right-wing activists) are protesting against laws forcing them to give up their livelihoods to bring down global temperatures. Laws such as those setting aside land for biodiversity and re-wilding efforts (reintroducing the European Wolves in Central Europe) had caused significant harm to farmers. (BRZEZIŃSKI 2024) These farmers have blocked roads, piled manure into government property, and marched their tractors through city centres. (Tanno and Chris 2024) Beyond Europe, these laws have also impacted some of the world's poorest people.

Agriculturalists in West Africa, where much of the world's cocoa is grown, are likely to bear the brunt of new rules on the ban of produce grown on land that was formerly forested. (Gitau, et al. 2024) Similar rules have angered palm oil producers in Southeast Asia and cattle ranchers in Brazil. (Strangio 2023) (Schröder 2023) Thanks to these rules, farmers have been up in arms, especially so in Europe. In the fine print, the reasons for these protests may differ, ranging from methane tax in the

Netherlands to attempts to rewilding efforts in Germany. (Tanno and Chris 2024) Other reasons included the War in Ukraine, fear of cheap agricultural imports from developing countries, droughts, and the safety of shipping in the Red Sea (following the War in Gaza).

However, a common factor in several of these protests was against the laws and actions these countries in Europe had implemented. A lot of these rules were aimed at cutting their emissions to keep within the emission norms that were agreed upon in the Paris Accords. But clearly, not everyone was on board. For any set of laws, there are always winners and losers, and here, farmers in the EU and beyond look like the losers. This brings about the question, what are these laws that have upset large parts of the world? This write-up thus looks at the EU's laws, its impact, and what drives its mixed reputation.

### The EU's Green Laws: A Background

At the fundamental level, the European Union's approach to traceability laws centers around the aim of ensuring that products entering the EU market do not contribute to deforestation and climate change. (The European Commission 2024) These laws evolved from the EU's broader commitment to environmental protection, sustainability, and human rights. Ideas of human rights have been a core facet of European political culture since the end of World War II (to move away from Nazism), but the commitment to sustainability is more recent. The EU's focus on traceability and environmental sustainability has its roots in several global and regional commitments, including the United Nations Sustainable Development Goals (SDGs) and the EU's own 2019 Green Deal. (HEROLD, et al. 2019) The aim has been to address pressing environmental issues such as deforestation, biodiversity loss, and climate change, ensuring that economic growth within the bloc does not come at the expense of the planet or people.

Several pieces of legislation form the backbone of the EU's traceability laws. A few of the prominent ones are given here, the first being the EU Timber Regulation (EUTR). It prohibits the placing of illegally harvested timber and timber products on the EU market requires due diligence to be applied by those placing timber on the EU market for the first time. (EUR-Lex 2024)

The second is the Regulation on Deforestation-free Products. Proposed in 2021, (and enforced in 2023) this regulation aims to ensure that products sold in the EU market have not contributed to deforestation or forest degradation globally. (The European Commission 2024) It mandates companies to prove their supply chains are deforestation-free. This has been contentious in several developing countries where the EU sources its agricultural produce from. Then there is the Corporate Sustainability Reporting Directive (CSRD). This directive, part of the European Green Deal of 2019, requires large companies to disclose information on the way they operate and manage social and environmental challenges. (The European Commission 2024)

### Impact of the Traceability Laws

These laws typically include a number of requirements including due diligence and traceability. Companies must trace the origin of their raw materials and products to ensure they are not linked to environmental harm or human rights abuses. (Gitau, et al. 2024) Another aspect is reporting obligations. Firms are required to publicly disclose information about their supply chains, environmental impact, and compliance with sustainability criteria. Finally, the big stick in what is essentially a bundle of sticks with no carrots, sanctions for non-compliance. The laws include provisions for fines and penalties for companies that fail to comply with the requirements. (Gitau, et al. 2024)

The impact of these laws is significant. It has altered and transformed supply chains, and made them far more complex. Companies are compelled to overhaul their supply chains to ensure compliance, leading to increased transparency and sustainability in global trade. While at the same time, they have sustained increased costs due to obligations on reporting and overseeing the sustainability of their supply chains. On the flip side, there's a growing market for sustainably sourced products as consumers become more aware of environmental issues. This could help the companies, groups, and individuals offset some of their rising costs due to these regulations. There is also the fact that EU's legislation often sets de facto global standards given the size of its market, pushing other countries to adopt similar measures. This makes environmentally friendly laws and regulations the global norm.

Due to this, the reception to the EU's traceability laws has been mixed. Many environmental organizations and NGOs have praised the EU for its leadership in tackling global environmental challenges. While the legislation has been welcomed, some advocates and experts call for even stricter

measures and enforcement to ensure meaningful impact on global sustainability efforts. But on the other hand, industry and agricultural groups have expressed concerns about the feasibility and cost of implementing these requirements, arguing they could lead to increased operational burdens and impact competitiveness. They argue that it would drive up costs for the European consumer and would end up driving them out of business unless the state gives them support.

### Conclusion

The EU's traceability laws showcase the EU's commitment towards integrating sustainability into the heart of economic activities. By setting stringent requirements for due diligence, reporting, and accountability, the EU aims to mitigate the environmental impact of its consumption patterns and lead the way in global efforts to promote sustainable development. These laws illustrate the complex balance between regulatory intervention, market forces, and environmental stewardship in the quest for a sustainable future. But their often tough and uncompromising nature has caused a lot of difficulty for a number of stakeholders. This is an area that has caused unrest and difficulty in and beyond the EU.

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Gender inequality is an issue which is prevalent across all