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THE 2030 SUSTAINABLE DEVELOPMENT AGENDA AND FREE TRADE HOW THE AGENDA FAILS TO INCLUDE CONCERNS RELATED TO TRADE[1]

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ABSTRACT

This research paper aims to understand the relationship between the 2030 Sustainable Development Agenda and free trade. Whether trade and its externalities affect its fulfilment or whether the Agenda on itself considers trade's effects. The first part of the work introduces general concepts, outlining externalities of trade and the role of transport in trade. The second part addresses the 2030 Agenda and its goals. The final section answers the previously introduced question: "Does the Agenda face the negative effects of free trade?" To answer it, this work analyses how trade issues are treated in the Agenda, any incompatibilities or contradictions the sustainable development goals face by themselves and other problems within the Agenda. This paper also examines how all the effects that trade has on the Agenda are taken into account and proposes a few solutions to the problems found.

Keywords: sustainable development, 2030 agenda, United Nations, free trade.

JEL Code: Q01, F10

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RESUMEN

Este trabajo de investigación tiene como objetivo entender la relación entre la Agenda 2030 para el Desarrollo Sostenible y el libre comercio, analizando cómo el comercio y sus externalidades afectan la realización de la Agenda y cómo ésta considera por si misma las consecuencias del comercio. La primera parte del trabajo introduce los conceptos generales, así como una breve descripción de las externalidades del comercio y el papel del transporte en él. La segunda parte aborda la Agenda 2030 y sus objetivos. Y, finalmente, la última sección responde la pregunta previamente presentada: "¿Hace frente la Agenda a las consecuencias negativas del libre comercio?" Para responderla, se analiza la manera en que los problemas derivados del comercio son tratados en la Agenda y las incompatibilidades o contradicciones que enfrentan los objetivos de desarrollo sostenible. Este documento también examina cómo toma en cuenta la Agenda las consecuencias del comercio y propone algunas soluciones a los problemas encontrados.

Palabras clave: desarrollo sostenible, agenda 2030, Naciones Unidas, libre comercio.

Códigos JEL: Q01, F10

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1. INTRODUCTION

1.1 Objectives and contents

The main topic of this paper is the concept of sustainable development and the 2030 Sustainable Development Agenda that the United Nations developed with different achievable goals. The aim of this work is to know the relationship between this Agenda and free trade, whether trade and its externalities affect its fulfilment or whether the Agenda on itself considers trade's effects.

The first part of this paper defines what sustainable development is and how it tackles free trade, and once the general concepts are explained, it details further on that relationship, outlining externalities of trade and the paper transportation plays on it.

The second part introduces the 2030 Sustainable Development Agenda, its origin and the sustainable development goals to analyse later on more in depth. Furthermore, the research describes the financing of the goals and highlights the role private sectors and non-governmental organizations have on their achievement.

A question appears before reaching the conclusion of this work: "Does the Agenda face the negative effects of free trade?" The first step to answer this question would be to find how trade issues are treated in the Agenda and incompatibilities or contradictions the goals may face by themselves. The second step would be to find other problems within the Agenda, if all the effects that trade has on it are taken into account and if so, in which way, and from those problems some solutions may arise. The results will have to rely on current facts and lessons from the past as well as hypothesis of what the future holds.

The conclusion includes a summary of the main ideas noted throughout the paper and suggests future lines of research.

1.2. Current situation and Motivations

As mentioned above, the 1st of January 2016 the United Nations released an updated agenda of the "Resolution adopted by the General Assembly on 25 September 2015"[2]. This agenda has caused a variety of opinions and criticism all over the world, considering the unstable international market, division of power and contradictory politics that have gained strength over the last few years, amongst other reasons.

[2] "The Sustainable Development Agenda" United Nations, accessed February 15, 2019 https://www.un.org/sustainabledevelopment/development-agenda/

That is why, I find essential to pursue a research and find out more about this situation; as the Agenda, according to the United Nations, should concern everyone, and the world's population can help on its achievement one way or another.

This topic has also been of my interest since I first learned about it, due to its apparent optimism; I personally find it hard to believe that, considering our economic and social structure, goals such as ending poverty as well as hunger could be achieved by the year 2030.

Consequently, a research and analysis of the World's current situation seems undeniable in order to know if the proposed goals, as well as the new regulations will be fulfilled. I decided to reduce a broad topic such as the economic and social situation at present, to the topic of free trade and in which way it relates to sustainable development and the new 2030 Agenda.

1.3. Methodology

The information used to write this research paper has been displayed through qualitative and quantitative methods of secondary data, taken from different sources. The main sources of information have been official websites of the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD), the World Trade Organisation (WTO), the International Centre for Trade and Sustainable Development (ICTSD), the United Nations Development Programme (UNEP) and the European Commission, as well as physical books, articles and research publications.

Additionally, the attendance to the conference "The Sustainable Development Goals: 17 Goals to Transform the World" hosted by Agora K2050 and Federico Buyolo (High Commissioner of the 2030 Agenda in the Government of Spain), helped to settle the main ideas shared in this work.[3]

[3] "Los objetivos de desarrollo sostenible: 17 objetivos para transformar el mundo" San Telmo Museum, San Sebastian council, Cristina Enea Foundation; attended February 27, 2019.

2. SUSTAINABLE DEVELOPMENT

2.1. The concept and its evolution

Sustainable Development and its theoretical framework were born back in 1972, thanks to several international conferences and initiatives and the creation of the United Nations Environment Programme (UNEP) (Drexhage et al.,2010). However, it was not until the 1980's that sustainable development gained particular importance when it was first mentioned in the Brundtland Report. This report was formally known as "Our Common Future" by the UN's Commission on Environment and Development. In this report, it was stated that a development that is sustainable should "*ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs*".[4]

Later on at the start of the XXIst century; sustainable development became an ongoing topic after globalization spread massively during the 1980's and 1990's and after the most powerful countries of the world decided to join forces and start making economic alliances. This process created an unprecedented economic growth and simultaneously sped the damage to the world's environment, causing a growing concern among the population regarding the sustainability of the development that world was following.

The Norwegian politician Gro Harlem Brundtland, main developer of the Brundtland report, gave a generic definition of the concept of sustainable development, mentioned above, causing it to go through changes on its content throughout the years and the creation of several points of view that differ from the original interpretation. The main ideas about the concept that the report presents, are the urgency to take into account the need of the poor and the future generations and the limitations that the social structure and the current economic system hold to achieve those:

"(...) We see instead the possibility for a new era of economic growth, one that must be based on policies that sustain and expand the environmental resource base. And we believe such growth to be absolutely essential to relieve the great poverty that is deepening in much of the developing world".[5]

It argues that an economy should only grow to satisfy the essential needs of the world (hunger, poverty…) and that sustainable development should always be followed by the well-being of the environment; all other aspects such as the economy should

[4] "Report of the World Commission on Environment and Development: Our Common Future" United Nations, accessed March 16, 2019 https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf
[5] "Report of the World Commission on Environment and Development: Our Common Future" United Nations, accessed April 14, 2019, https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf

always derive from it. The report also mentions that to achieve sustainable development, it is necessary to transform the production and consumption model of the economy and to create a strategic plan. Which in the following decades would bring the creation of several agendas that would contradict the ideas that were first disclosed (Roberto Bermejo, 2005). These agendas will be presented later on in this work.

In Europe, during the creation of the European Union with the Maastricht Treaty in 1992, sustainable development took a new vision and disregarded the idea that the environment is the main focus of sustainable development. In Article B where the objectives that the EU will follow are set, the promotion of a balanced and sustainable "economic and social progress" is the first step of the new direction sustainable development was taking. The next mention of this concept comes in Article G that explains the following:

"*The Union shall promote harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States*".[6]

The idea of sustainable development being the basis of economic growth was neglected and became something to be "respected", the need to transform the structure of the economy was not mentioned, which is contradictory to what Gro Harlem first described. Therefore, "*growth that respects the environment*" is the new approach Europe began to take after the mentioned treaty.

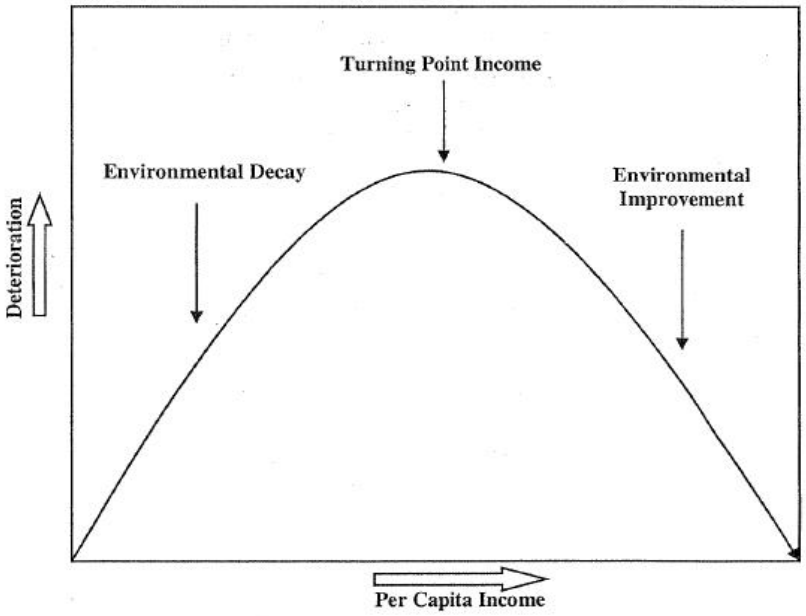
Addressing the new direction, the European Council meeting in Laeken decided on the equal strength and level of importance of the three pillars of sustainable development: economic development, social development and protection of the environment (Loperena Rota, 2003). This new way of thinking about sustainable development goes once again against its original definition; the EU defined environmental indicators as a "supplement" of the social and economic indicators[7], while the Brundtland report delimited the concept of economy and society (development) and the concept of ecology (sustainability) (Roberto Bermejo, 2005). Aside from the change of view of the European Union, the United Nations as well made this shift clear during the World Summit of 2002, where the concept of sustainable development deviated from environmental issues towards the already mentioned social and economic development. The main environmental issue they approached was climate change, even though the concept of sustainable development is broader than that problem (Drexhage et al., 2010).

[6] "Treaty on European Union" European Commission accessed April 7, 2019, https://europa.eu/european-union/sites/europaeu/files/docs/body/treaty_on_european_union_en.pdf
[7] "European Council Meeting in Laeken" Council of the European Union, accessed April 7, 2019, https://www.consilium.europa.eu/media/20950/68827.pdf

Therefore, for the last few decades, the new approach was centred on the current economic system (framed around a neoclassical view of economy), and sustainable development became an add-on of it, often seen as inferior. Unlimited growth is an important factor of the current economic system as mentioned before, and such growth is not acceptable according to what the Brundtland Report defines as sustainable development. The three sustainability pillars interpretation allows denying that the economy is conditioned by the protection of the environment, and therefore authorizes the protection of the no-limit growth that the neoclassical view promotes (Roberto Bermejo, 2005).

Another popular view could be added to the unlimited growth approach, that is the Environmental Kuznets Curve (EKC). This hypothesis is often illustrated through a reversed U-shaped graph as shown below:

Figure 1. The Environmental Kuznets Curve (EKC)



Source: Property and Environment Research Center (2011)

As the above figure shows, the EKC hypothesis relates that when a country's per capita income increases and its environment deteriorates, at some point in time this situation reaches a "turning point" that will bring a rehabilitation to the country's previous environmental condition.

Though there are studies that support these hypothesis[8], these works, link environmental decay sorely to CO_2 emissions, and other sources of environmental degradation (deforestation, overfishing…) are pushed aside.

Consequently, and with the support of theories such as the one mentioned above, the three-dimensional concept has been used as an argument to support the non-sustainable economic order and to relegate the original concept that regarded the environment as a pillar of sustainable development. This argument stands up until today, with the release of the 2030 Agenda of sustainable development, the first open definition of the concept is linked once again with "wanting economies to grow and companies to thrive"[9], including economic growth the pillar of the solution. Considering this, when sustainable development is mentioned in this work, it will reference the definition of the 2030 Agenda (the three-dimensional concept) unless stated otherwise.

2.2. Sustainable Development and Free Trade

Free trade is described as "International trade left to its natural course without tariffs, quotas or other restrictions" (Oxford Dictionaries, 2019). Although free trade on itself does not rule the world market, several agreements that support trade liberalisation have been released in the last few decades, from the European Union's Customs Union to the North American Free Trade Agreement (NAFTA).

The main organisation ruling trading around the world is the World Trade Organization (WTO), which was established in 1995 after an update of the General Agreement on Tariffs and Trade (GATT); according to their own website, they are *"the only global international organization dealing with the rules of trade between nations"*.[10]

Due to trade liberalisation, nations across the world are able to exchange goods and services freely or with almost no constraints. These flows allow firms to be more competitive and increases competition in the domestic market (theoretically avoiding monopolies and lowering prices), as well as helping them have comparative advantage and creating foreign demand.

Free trade supporters set several ideas and theories forward to support their arguments, amongst them one that stands out is the "Specialization argument". According to free trade enthusiasts, if different countries specialize in one or several production processes they excel at and then trade those goods with each other, not only production

[8] Works that support EKC are the following: Al-Mulali et al., 2015 ; Apergis et al., 2015 ; Bölük et al., 2015

[9] "What is Sustainable Development" United Nations, accessed April 14, 2019, https://www.un.org/sustainabledevelopment/blog/2015/09/what-is-sustainable-development/

[10] "The WTO" World Trade Organization, accessed February 17, 2019, https://www.wto.org/english/thewto_e/thewto_e.htm

costs will reduce: they will also reduce work hours, improving the country's economy and its comparative advantage (Rösl, 2018).

Nevertheless, free trade also has its disadvantages. While highly productive and large companies with enough liquidity can take advantage of free trade and expand, because covering entry-level sunk costs of foreign markets should be easier for them; non-exporting firms with low-productivity or young small-scale firms with less credit, find themselves in a disadvantage and need to exit the market, or join bigger organizations (Bajo-Rubio et al., 2018). Therefore, those economic sectors in possession of a comparative advantage face positive outcomes while those who do not, suffer (Gilpin et al., 2001).

Moreover, the so-called infant industry argument should also be taken into account. Economists in favour of protectionism argue that agreements that lower tariffs and support free trade hurt the domestic economy, this is also known as the infant industry argument. This argument shares the idea that growing industries need tariffs and other taxes as well as government investments to "protect" themselves from foreign competitors during their first few years of life before entering the international market and foreign competition (Chang, 2014). Therefore, free trade would only be beneficial to a nation once its industries are strong enough to have an advantage facing others.

However, this point of view is often criticized with claims that protection becomes permanent in many cases and that protectionism reduces economic and technological efficiency of both exporting and importing countries who lose comparative advantage. Other economists mention the "redistribution of national income from consumers to protected producer interests" (Gilpin et al., 2001).

The relationship trade and development share has to be clarified after introducing arguments from both trade supporters and detractors. Economic development as well as social development of least developed countries (LDCs), developing countries and developed countries are often attributed to international trade. It is true that trade of goods and services grew significantly since the early 90's, according to the UNCTAD its growth was of 380 percent (from 5 trillion USD in 1994 to 24 trillion USD in 2014) (Cepeda López et al., 2018). Gross Domestic Product (GDP) also improved all around the world, from 27.7 trillion USD in 1994 to almost 81 trillion USD in 2018 a growth of 192 percent (79.3 trillion USD in 2014).[11]

Therefore, it is proven that economy benefits from trade liberalisation. Moving on to social issues, in general and according to the Human Development Index (HDI) that analyses "health, education and a decent standard of living" all listed countries ranging from Mozambique to Indonesia to Norway improved their score between the 1990's and

[11] "GDP (Current US$)" World Bank Data, accessed May 4, 2019, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2017&start=1992

2017.[12] Consequently, social development also increased during the same period, and although trade and economic development were not fully responsible of it, they were part of it.

Nonetheless, it is a fact that trade creates both losers and winners, while some nations gain competitive advantage in one sector through trade, another nation loses it; that is the definition of a balanced market after all. This would imply higher unemployment and reduction of wages, problems that should be solved with the right national policies (Gilpin et al., 2001).

Considering sustainable development together with free trade, it is true that the last decades economic behaviours have changed to a fairer view. Society cares more about what is fair and what unfair and therefore, trade has also been viewed this way, supporting a more positive development of the world.

Sustainable development has a strong connection with economy and as a consequence with trade as well. Globalisation has made the world's integration to be greater than ever before, so countries are not simply connected by new technologies; trade market has a big influence on the future evolution of our world.

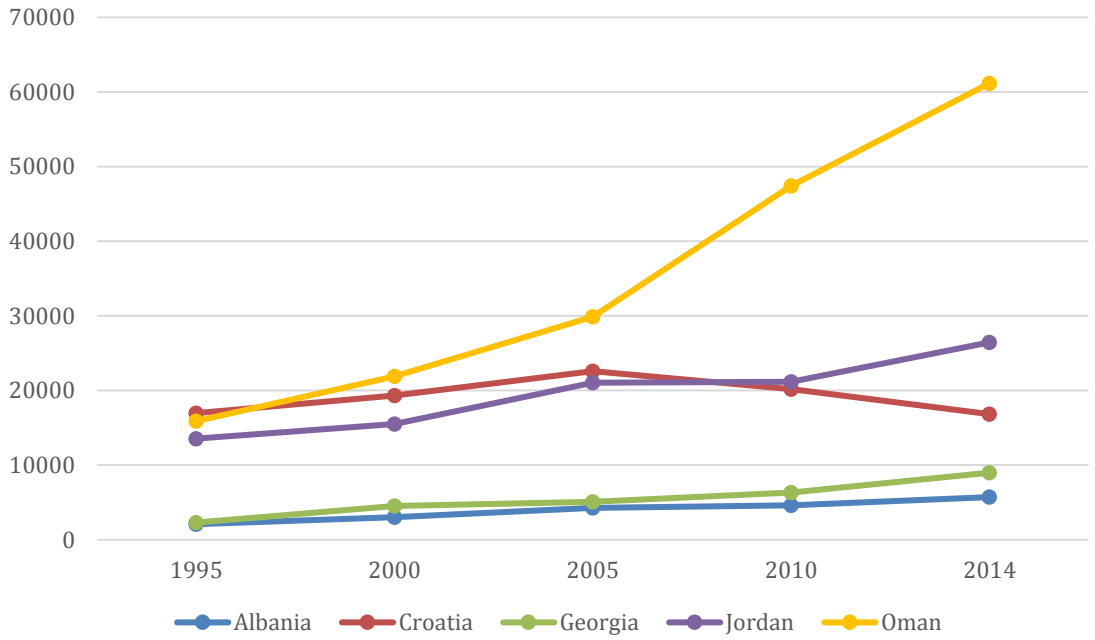
The impact of trade on sustainable development, therefore, has both positive and negative impacts on the environment. On the one side, liberalising trade leads to an increase on pollution levels or the deterioration of natural resources. An example of this statement is the study that Zhike LV and Ting Xu (2017) developed, in which the main conclusion was that: "*Trade openness is associated with more CO_2 emissions in the long run, but it is helpful to improve environmental quality in the short run*".[13]

Although this is true for a number of countries, not all follow the same path. The graphic bellow shows information of CO_2 emissions of countries that joined the WTO in the year 2000. Most of them increased their emissions in the long-term; however, Croatia reduced its emissions after a small 10-year growth.

[12] "Human Development Data 1990-2017" United Nations Development Programme, accessed May 4, 2019, http://hdr.undp.org/en/data

[13] "Trade openness, urbanization and CO2 emissions: Dynamic panel data analysis of middle-income countries" Zhike LV & Ting Xu, The Journal of International Trade & Economic Development, accessed May 4, 2019, https://www-tandfonline-com.ehu.idm.oclc.org/doi/full/10.1080/09638199.2018.1534878#

Figure 2. CO_2 emissions (kt, 1000 tonnes)

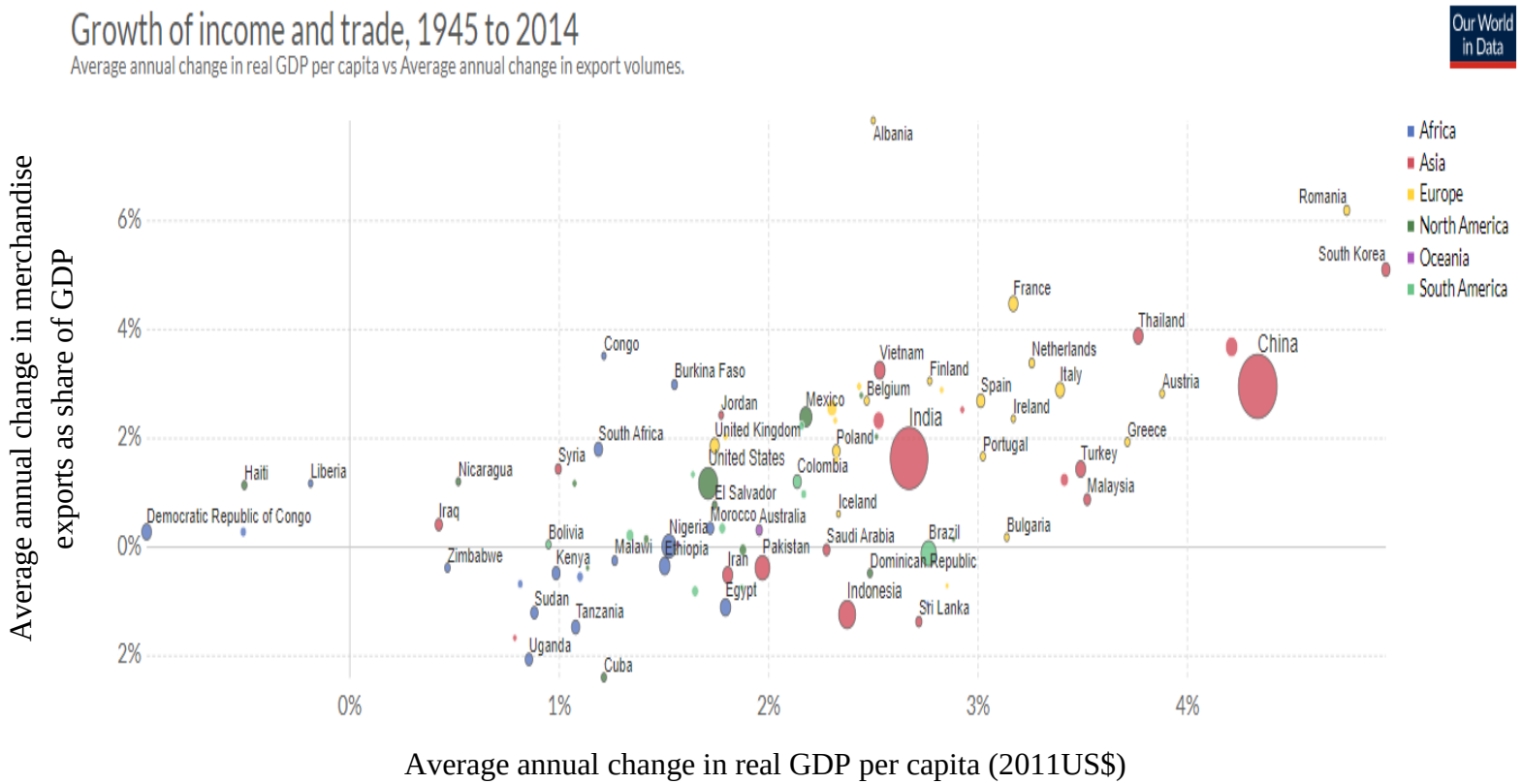


Source: Own elaboration with World Bank Data (2019)

The next example regarding the deterioration of natural resources is the production of palm oil, the vegetable oil that is used in biodiesel, fast food and cosmetic products among other things. Its production nearly doubled between 2003 and 2013, due to its increasing demand and the freer international trade market. The production of this oil is limited to humid tropical climates and therefore it needs a large expansion of land. Consequently, different studies reflect concerning data of the production of palm oil. It is related to an average of 270,000 ha of deforestation annually between the years 2000 and 2011 in countries such as Indonesia and Malaysia (the biggest exporters of this good), and in over 50% of land where oil plant plantations were located in 2005, in 1990 there was a forest (Vijay et al., 2016). The impact of trade on sustainable development is undeniable: production of palm oil has grown up to 35% of the world vegetable oil production (OECD-FAO, 2018) and back in 2002 its share in the global trade of oils and fats already accounted for 44% (Gunstone, 2002).

On the other side, trade is a well-known key to economic growth, development and social welfare as previously shown data proves, and the following table reinforces:

Figure 3. Average annual change in real GDP per capita vs Average annual change in export volumes



Source: Our World in Data, from Fouquin & Hugot (CEPII 2016)

Therefore, it should be expected that the more developed a country is, its capacity to fight against the factors that hurt the environment and prevent sustainable development should be bigger. What is more, trade also means a country will share knowledge and new technologies that would provide more productive and environmentally friendly processes to another country, meaning everyone would push one another and develop more sustainable practices.

Nevertheless, all of the statements made above depend on the policies each country takes as climate change disruptions become apparent and supply chains and transport start to be affected by it. A mention of the "pollution haven hypothesis" must be made while discussing the topic of sustainable development and trade, and considering the consequences that strict policies may bring, which are one of the first barriers preventing countries to follow a sustainable development.

According to the "pollution haven hypothesis" (PHH), a polluting industry that has to face stringent environmental regulations in their home country tends to relocate themselves to jurisdictions with less policies (and lower energy prices) (Garsous et. al, 2017). Therefore, environmentally strict countries would lose their competitiveness, a situation that no country seeks.

Another theory that is often mentioned along with PHH is the "Factor Endowment Hypothesis" (FEH). Unlike the previously mentioned hypothesis, this last concept explains that differences in technology are the ones that determine a rise in pollution. In short, according to FEH wealthy countries who produce polluting goods would export them to least developed countries, while increasing their (wealthy country's) production and as a consequence pollution as well. Therefore, least developed countries' production would reduce considerably, if we also consider the comparative advantage of capital abundant countries, while minimising their pollution at the same time (Temurshoev, 2006).

Accurate data and arguments that defend these hypotheses are still lacking[14], and although taking the main ideas that these theories provide into account is important, it is still necessary to do so with caution.

2.2.1. Externalities of trade

Sometimes, trade carries unexpected consequences that could not be economically measured beforehand. These effects are called externalities. An externality is a consequence derived from an activity, either an industrial or a commercial one, which affects a third party (LeClair et al.,2006). Linking this concept to trade and the

[14] To see an example of the lack of basis for PHH and FEH see the work "Pollution Haven Hypothesis or Factor Endowment Hypothesis: Theory and Empirical Examination for the US and China" by Umed Temurshoev (Charles University, 2006)

environment, it is clear that trade hurts the environment one way or another and that imports and exports have different but harmful repercussions on it.

To make this topic clearer, I will follow it with a few examples. When exporting; planes, ships or lorries from a home country can carry infections or contamination to other nations, they emit CO_2 and other pollutants on their way and some could even carry invasive species (plants, animals etc.) that will negatively hurt the home environment, all of those are externalities. The same harmful activities could harm the country when importing. Even visitors or tourists can be the cause of carrying contamination (Warziniack et al., 2009).

Economists and politicians have suggested imposing environmental taxes in order to avoid or somehow salvage the environmental costs that trade carries. An environmental tax according to the OECD "*is a tax whose tax base is a physical unit (...) that has a proven specific negative impact on the environment*".[15] However, such a tax could affect negatively in both exports and imports. As an example, if country A wants to export to country B but this last country imposes an extra environmental tax to country A, they could decide the cost of the export to be too high and export their goods to another country that has no environmental taxes. This leaves country B with less goods and fewer competitive advantages than other countries.

Moving on onto internal problems that country B would face, levying a tax could cause an adverse effect on local production, declining it along with the nation's income, presumably making the gain from the tax smaller than the environmental gains.

Free trade supporters believe that countries who grow economically through trade will create positive environmental externalities in the long-term. When a country's income grows, the demand for better environmental quality grows along with it, causing the nation's government to be stricter with pollution and environmentally harmful activities derived from domestic producers. Trade also allows countries to advance technologically and improve their knowledge on environmental protection; consequently levying an environmental tax could not be the first step on protecting the environment (Jain, 2017).

Nevertheless, there are countless arguments against the above argumentation. Firstly, in the example of invasive species, a tax would imply a decrease on domestic demand and would also reduce the possibility of an invasion. Furthermore, levying a tax on non-sustainable activities would influence firms to not only produce with more caution but also improve innovation from within the company (Warziniack et al., 2009).

Firms could also rethink about their decisions; the OECD explains the following in regards of environmental taxes and externalities:

[15] "What are environmental taxes" Japan Center for a Sustainable Development and Society (JACSES), accessed March 24, 2019, http://jacses.org/en/paco/envtax.htm

"*A well-designed environmental tax increases the price of a good or activity to reflect the cost of the environmental harm that it imposes on others. The cost of the harm to others – an "externality" – is thereby internalised into market prices. This ensures that consumers and firms take these costs into account in their decisions".*[16]

Therefore, it is possible to state that externalities of free trade not only hurt others, they also harm the domestic environment, and that finding solutions that will not cause more problems themselves seems to be necessary, environmental taxes are only the first step of many to take in the future.

2.2.2. The role of transport

Transport is essential in our everyday lives: from everyday commuting to workplaces to traveling around the world, the need of a way of transportation is undeniable. Taking this into consideration, it is also expected that trade is impossible to achieve without freight. Moreover, many of the things mentioned previously in this work such as production, consumption and specialization lead to transport flows (van Nunen. et al., 2011).

Therefore, the link between sustainable development and transportation is difficult to ignore. Diving further into it, the WTO highlights how international trade requires transportation for a produced good to be transported to the consuming country, consequently the more trade grows, so will the use of this type of services.[17] It is true that lowering restrictions has made transport and trade cheaper, increasing profits of companies and people's ability to consume more goods than before; however the ecological-related part of the three-sustainability dimension is suffering its consequences (van Nunen et al., 2011). According to the International Energy Agency (IEA) transport CO_2 emissions increased by over 70% since 1990 until 2016, being road the most polluting transportation service (3.303 $GtCO_2$ in 1990 and 5.852 in 2016).[18]

Furthermore, pollution and greenhouse gas emissions are not the only problems of the current transport systems, congestion of urban areas and high-energy usage are also concerning. Free markets and the society tend to use faster and thus more energy intensive transport ways that spread the problem further (van Nunen et al., 2011). Other externalities regarding trade and transport besides dependence on fossil fuels and pollutant emissions are local air quality, acoustic disturbance and light pollution (Joumard & Jean-Pierre, 2010).

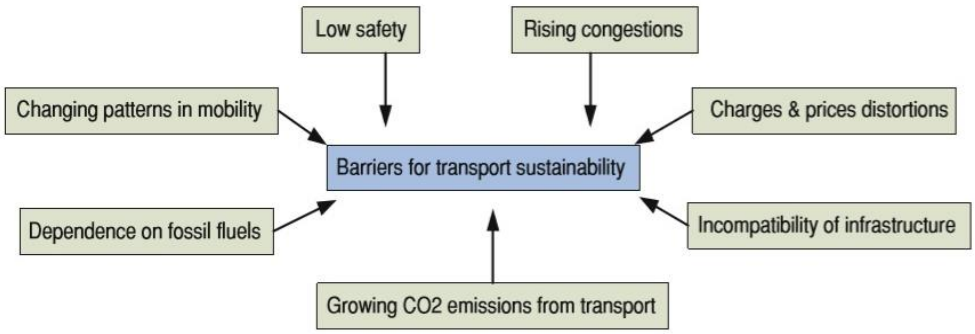
[16] "Environmental Taxation. A Guide for Policy Makers" OECD, accessed March 25, 2019, https://www.oecd.org/env/tools-evaluation/48164926.pdf
[17] "The impact of trade opening on climate change" WTO, accessed April 20, 2019, https://www.wto.org/english/tratop_e/envir_e/climate_impact_e.htm
[18] "CO2 Emissions Statistics: Focus on Transport" IEA, accessed April 20, 2019, https://www.iea.org/statistics/co2emissions/

That is why sustainable transport is essential, to minimize the undesirable impacts it has on the economy, society and the environment (Golinska & Hajdul, 2012). Sustainable transport could be defined as "*finding a proper balance between (current and future) environmental, social and economic qualities*" (Steg and Gifford, 2005). However, considering the ambiguity of such definitions, many institutions define a sustainable transport system differently, among them the European Union Council of Ministers of Transport and Canada's University of Winnipeg's Centre for Sustainable Transportation. Both highlight three factors:

1. A sustainable transport system has to fulfil individuals', companies and society's needs regarding basic access while taking both human and ecosystems' health into account.
2. A sustainable transport system is affordable, efficient and supports the economy's competitive nature by offering diverse transportation ways.
3. Regarding the environment, a sustainable transport system should limit emissions and the use of non-renewable resources as well as the generation of noise (Schiller et al.,2017) (Golinska & Hajdul, 2012).

In another one of its SD Strategies, the European Union defined sustainable transportation as "*a system that minimizes undesirable impacts*" on the three dimensions of sustainability. Those undesirable impacts are the following: congestion, oil dependence, accidents, emissions of pollutants, noise and land fragmentation caused by infrastructure (Golinska & Hajdul, 2012).

Figure 4. Barriers for Transport sustainability



Source: Golinska & Hajdul (2012)

The table above exhibits several barriers on the way to achieve transport sustainability, from dependence on fossil fuels, CO_2 emissions and congestions mentioned before, to incompatibilities of infrastructures and transport-related prices (Golinska & Hajdul, 2012).

Examples regarding sustainable transport are usually limited to urban mobility following the Transport 2050 strategy created by the European Commission. This strategy focuses mainly on intercity travel and urban transport. (European Commission, 2011).[19]

Nevertheless, transportation is essential to achieve the sustainable development goals that will be approached later on in this work.

[19] A prime example of a sustainable city in relation to urban transport would be Freiburg. The German city, located in the southwestern part of the country, transformed itself from the 1970's onwards through several plans that prioritized pedestrians, cyclists and public transportation. The city remodeled its busy neighbourhoods into "car-free" ones, converted its city center into a pedestrian zone, improved tram and bus services, created longer bicycle lanes etc. (Buehler & Pucher, 2011)

3. THE 2030 SUSTAINABLE DEVELOPMENT AGENDA

3.1. Origins

The 1980's welcomed a new stabilized world, peace and prosperity began to spread around the world (predominantly in the northern developed countries) and subsequently production and consumption of goods and services also realised an exponential growth.

Along with the raising connections around the world, widely known as globalisation, concerns regarding sustainable development began to arise amongst the world's society. Following these concerns and "the urgent call" by the General Assembly of the United Nations asking for a global agenda for change, the World Commission on Environment and Development was created in 1987. This commission would tackle the main problems to be solved and would set a foundation of all future decisions regarding the environment.

Its first report, as mentioned previously in this work, was called "Our Common Future"[20] also known as the Brundtland report, as a reference to the former Norwegian Prime Minister Gro Harlem Brundtland who was the chairwoman of the project. The World Commission on Environment and Development set "Common Concerns, Challenges and Endeavours". It not only provided deeply concerning data about poverty, environment and other non-environmental issues such as the economy, it was the first step towards future endeavours that would benefit the sustainable development of our world.

Instead of creating a strict plan to follow, it offered a direction that humans should pursue by trying to show the connections between economic growth and environmental or social problems. It made propositions that should be applied globally, such as promoting the creation of renewable energies, reforestation and protection of species in danger of extinction (Prescott, 2017).

One important step that the report proposed was the reform of financial institutions such as the World Bank and the International Monetary Fund (IMF) in order to better fulfil the needs of the poorest countries in the world as well as change their focus to more social and environmental-related objectives (Prescott, 2017). This proposition, however, has been ignored in the last few decades.

Later on, in 1992, during the United Nations Conference on Environment & Development in Rio de Janeiro, also known as the Earth Summit, the Agenda 21 was revealed. This Agenda was the first formal program the UN made before the Millennium

[20] "Report of the World Commission on Environment and Development: Our Common Future" *United Nations*, accessed March 13, 2019, https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf

Development Goals were determined in 2000 (after the Millennium Summit) and the Agenda 2030 made its appearance in 2015.

The Agenda 21 further developed the main issues that were mentioned in the Brundtland Report. It took the achievements made so far and created a plan of action for different governments to implement through national strategies, plans, policies and processes, as well as encouraging local and non-governmental organizations' participation[21]. Developed countries committed themselves once again to contribute 0.7% of their annual GNI to ODA (or Official Development Assistance, that will be explained later on) and providing environmentally-friendly technologies to developing countries (Drexhage et al., 2010). Divided in four sections, it comprehended the following topics: social and economic dimensions, conservation and management of resources for development, strengthening the role of major groups (women, children, indigenous people etc.) and finally a means of implementation (United Nations, 2019). For example, chapter 8 encourages governments to analyse their decision making process and revise them in order to suit the needs of sustainable development.[22]

Together with the Agenda, the United Nations created three instruments of environmental governance: UN Framework Convention on Climate Change (UNFCC), Convention on Biological Diversity (CBD) and a non-legally binding Statement of Forest Principles (Drexhage et al., 2010). And most notably a Commission on Sustainable Development (CSD) to observe and make reports on the implementation of the agreements made during the Summit at "local, national, regional and international levels".[23]

A decade later, the World Summit celebrated in 2002 finally revealed the preceding goals to the Sustainable development goals of the 2030 Agenda, the Millennium Development Goals. These goals, unlike the later ones that followed, were comprised of 8 main objectives to achieve by 2015:

1. End extreme poverty;
2. Achieve universal primary education;
3. Promote gender equality or Empowerment of women;
4. Diminish child mortality;
5. Improve maternal health;
6. Fight against diseases like HIV/AIDS and malaria;
7. Ensure environmental sustainability;

[21] "Report of the World Commission on Environment and Development: Our Common Future" *United Nations*, accessed March 13, 2019, https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf
[22] "Programa 21: Capítulo 8" *Departamento de Asuntos Económicos y Sociales, División de Desarrollo Sostenible*, accessed May 1, 2019, https://www.un.org/spanish/esa/sustdev/agenda21/agenda21spchapter8.htm
[23] "Agenda 21, UNCED 1992" *United Nations*, accessed March 17, 2019, https://sustainabledevelopment.un.org/outcomedocuments/agenda21

8. Create partnerships around the world in favour of sustainability.

The success of these goals was limited. Although progress had been made throughout a decade, social inequalities and the instability of the economy have become an ordinary issue. According to the Millennium Development Goals report made in 2015, when the goals expired extreme poverty reduced by more than half from 1.9 billion in 1990 to 836 million in 2015. Child mortality rate also declined globally between 1990 and 2015 from 12.7 million to 6 million, the fight against diseases such as HIV/AIDS, tuberculosis and malaria has saved millions of lifes[24] etc. However, this progress has been made predominantly in high and middle-income countries and, therefore, the poorest and those who face more risks are left behind, increasing the gaps between the first and the second ones considerably.

Leaving those successes aside, by 2015, emissions of carbon dioxide around the world increased by over 50 per cent since 1990, each day about 16,400 children under the age of five died over preventable causes and only 36% of millions of people living with HIV in developing countries were receiving antiretroviral therapy.[25]

Aside from the UN; the European Commission and the European Council also pursued their first steps regarding sustainable development in the Gothenburg Summit of 2001. This sustainable development strategy was comprised of two parts that included "*objectives and policy measures to tackle a number of key unsustainable trends"* as well as a suggestion on new means of policy-making by assessing each new policy made by the Commission to an Impact Assessment (European Commission, 2010).

Later on, the previously mentioned European institutions decided to include sustainable development into the Europe 2020 Strategy adopted in 2010. (European Commission, 2015) The EU made this strategy in the interest of advancing forward after the financial crisis of 2008 and dwell into a "sustainable future". One of the three priorities the strategy put forward was "Sustainable growth: promoting a more resource efficient, greener and more competitive economy".[26] Which once again meant the strengthening of the three-dimensional approach that focused mainly on economic growth while introducing a few points about social problems and climate change.

Regarding climate change, the strategy focused on reducing emissions through the use of new technologies as well as improving energy-efficiency: "we should aim to decouple growth from energy use" (European Commission, 2010). More specifically, greenhouse gas emissions should be reduced by 20% in comparison to 1990 levels and

[24] "The Millenium Development Goals Report 2015" *United Nations*, accessed March 17, 2019, http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf
[25] "The Millenium Development Goals Report 2015" *United Nations*, accessed March 17, 2019, http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf
[26] "Europe 2020" *European Commission*, accessed April 22, 2019, http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf

renewable energy consumption should increase by 20%.[27] The progress made so far in the year 2015 is the following:

Figure 5. Europe 2020 Headline Indicators

Topic	Headline indicator	2008	2012	2013	2014	2015	2016	Target
Climate change and energy	Greenhouse gas emissions (²) (Index 1990 = 100)	90.6	82.1	80.5	77.4	77.9	:	80.0
	Share of renewable energy in gross final energy consumption (%)	11.0	14.4	15.2	16.1	16.7	:	20.0
	Primary energy consumption (Million tonnes of oil equivalent)	1,692	1,585	1,570	1,508	1,530	:	1 483
	Final energy consumption (Million tonnes of oil equivalent)	1,180	1,106	1,106	1,060	1,082	:	1 086

Source: EUROSTAT (2016)

Although the path taken so far is in the right direction, there is still a long way ahead, and tracking the 2030 Agenda is just one step of many to be taken in the near and long-term future.

[27] "Europe 2020 headline indicators" *Eurostat*, accessed April 22, 2019, https://ec.europa.eu/eurostat/statistics-explained/index.php/Europe_2020_headline_indicators

3.2. Sustainable Development Goals

Seventeen goals fulfil the resolution that the General Assembly of the United Nations took the 25th of September in 2015, a resolution that later became the 2030 Agenda. Those goals are the following[28]:

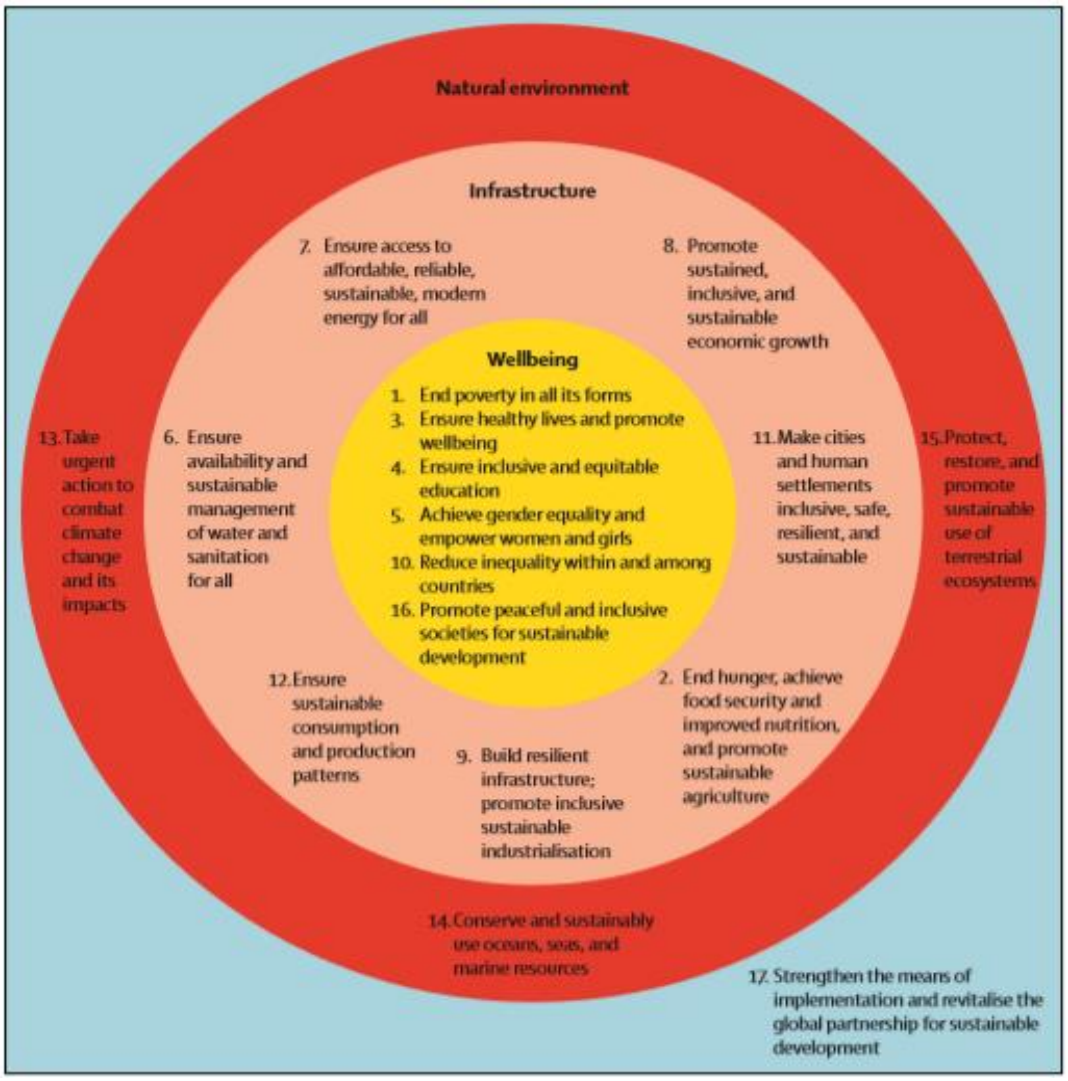
GOAL 1	End Poverty. The first goal claims that economic growth should not only happen in developed countries, it must be inclusive and increase creation of sustainable jobs as well as equality in all countries around the globe.
GOAL 2	Zero Hunger. Goal number two states that food and agriculture are connected to each other and to development; and therefore they are the key to ending hunger and poverty.
GOAL 3	Good health and Well-being. This goal aims to achieve a healthy lifestyle for people of all ages.
GOAL 4	Quality Education. The fourth goal indicates that education is the basis of learning and improving opportunities for all and it is needed for men and women alike.
GOAL 5	Gender Equality. According to goal 5, empowering women and achieving the same rights for both men and women is a foundation for a peaceful, prosperous and sustainable world.
GOAL 6	Clean water and Sanitation. The main target of this goal is to secure drinking water, sanitation and hygiene, through a better management of the world's resources.
GOAL 7	Affordable and Clean energy. This goal claims that energy is central to accomplishing any given opportunities and pursuit.
GOAL 8	Decent work and Economic growth. Goal 8 explains that economic growth should be achieved through proper workers' rights and quality jobs for all.
GOAL 9	Industry, Innovation and Infrastructure. This goal declares that industrialization needs to be sustainable; it should not only take the economy into account but also the environment and its surrounding society. Resilient infrastructure and promotion of innovation and innovative ideas could help with this goals aim.
GOAL 10	Reduced inequalities. Inequalities differ from income inequalities within a country to trade inequalities among countries. This goal states that reducing these would mean creating and applying universal policies, who take least developed countries and its citizens into account.
GOAL 11	Sustainable cities and communities. According to goal number eleven, living environments are a means to creating more opportunities, therefore they should be safe and afford basic services such as energy and housing.
GOAL 12	Responsible production and consumption. The aim of this goal is to slowly break the relationship consumerism holds with economic growth and therefore create policies that will transform global business practices.

[28] "About the Sustainable Development Goals" *United Nations*, accessed March 03, 2019, https://www.un.org/sustainabledevelopment/sustainable-development-goals/

GOAL 13	Climate action. To fight against climate change, the rising of temperatures and extreme weather conditions around the world, rising sea levels etc.
GOAL 14	Life below Water. Goal 14 explains that sustainable development includes the defence of oceans and its management and marine biodiversity, which are essential for the future of the world environment and humankind.
GOAL 15	Life on Land. Forests and animals both are part of the earth's surroundings. Managing and fighting against deforestation and loss of species or their illegal trafficking are the main objectives of this goal.
GOAL 16	Peace, Justice and Strong Institutions. Ending violence, crime and corruption through strong transparent institutions and reliable information are the main objectives of this goal.
GOAL 17	Partnerships for the Goals. Encompassing all of the other goals, goal 17 wants to realise partnerships and agreement policies so they can become the foundation of a sustainable development.

As seen above the seventeen goals are very diverse, ranging from national issues such as sustainable cities and communities to humanitarian objectives like zero hunger, peace and justice. Each of the goals contain different targets to be fulfilled, accounting to 169 in total. Therefore, they could be classified into three different categories as seen in the following figure:

Figure 6. Categorizing Sustainable Development Goals



Source: The Lancet Global Health (2015)

"Wellbeing" goals relate to people, health and education as well as gender equality because they are the core of a *peaceful, prosperous and sustainable world*.[29] Following the wellbeing goals, the "Infrastructure" goals set the environment in which the first should be carried out. Not only economic growth, but also access to water, sanitation and modern energy are essential for a society to ensure its sustainable future. When these are available, an efficient consumption and production of goods is to be taken into account considering the third category: "Natural environment". Climate change and the world's impact on the oceans, seas, and the earth's ecosystem, are goals that comprise all the others mentioned before (Waage et al., 2015).

[29] "Goal 5: Achieve gender equality and empower all women and girls" *United Nations*, accessed March 10, 2019, https://www.un.org/sustainabledevelopment/gender-equality/

Therefore, all goals are linked to one another, and in the near future, all should be taken into account when making a decision involving the economy, the environment or society as a whole, as each of them contributes to sustainable development (Waage et al., 2015).

Finally, the last goal to "revitalize the global partnership for sustainable development" could not be categorized in any of the previously mentioned groups realizing that it comprehends the partnerships, agreements and decisions to be made in order to fulfil all of the other goals (Waage et al., 2015). These partnerships should be "*built upon principles and values, a shared vision, and shared goals that place people and the planet at the centre*" (United Nations, 2019), and unlike the Millennium Development Goals, they encourage the involvement of the private sector in all the other 16 goals.

3.2.1. How the SDGs are financed

Moving on to the path to take in order to achieve the aforementioned goals, institutions such as the Organisation for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO) encourage developed countries to aid others through financial help. They also create plans with policy measures to apply in order to achieve the goals, other than promoting trade and foreign direct investment (FDI).

First and foremost, the OECD helps the United Nations to accomplish the sustainable development goals through different methods. It created an Action Plan with policies that would help its Members and non-Members;[30] it invests on countries through the Official Development Assistance (ODA); it created a complementary support to ODA called the "Total Official Support for Sustainable Development" (TOSSD), and offers assistance to developing countries thanks to its partnerships and programmes as well as systems to measure the performance of states following the goals (OECD, 2019). Through TOSSD, the OECD also aims to increase transparency and track the effects aids like ODA or other financial packages provided to fulfil the 2030 Agenda have, on developing countries, as well as "*incentivise broader external finance for development as a complement to developing countries' own domestic resources*".[31]

Diving in to the financial assistance the OECD offers, the Development Assistance Committee (DAC) is made of 30 developed countries that offer aid to least developed countries and upper-, middle- income countries to, in their words:

[30] "Better Policies for 2030" *OECD*, accessed March 26, 2019, http://www.oecd.org/dac/Better%20Policies%20for%202030.pdf
[31] "What is Total Official Support for Sustainable Development (TOSSD)?" OECD, accessed March 26, 2019, http://www.oecd.org/dac/financing-sustainable-development/tossd.htm

"Promote development co-operation and other policies so as to contribute to sustainable development, including pro-poor economic growth, poverty reduction, improvement of living standards in developing countries, and a future in which no country will depend on aid".[32]

DAC works for progress on International Development Cooperation in order to make non-developed countries competitive in the global market and the world economy.

Complementing DAC and in order to shift some of its focus to the fulfilment of the Sustainable Development Goals, the Development Co-operation Directorate (DCD) was formed. This institution helps development cooperation by collecting data, analysing it and giving advice, setting principles and standards as well as evaluating the effectiveness of programmes and aids aimed towards developing countries.

The Official Development Assistance is one of those reliefs. As mentioned before, developed members and non-members of OECD offer through ODA financial help to developing countries to promote their economic development and welfare.

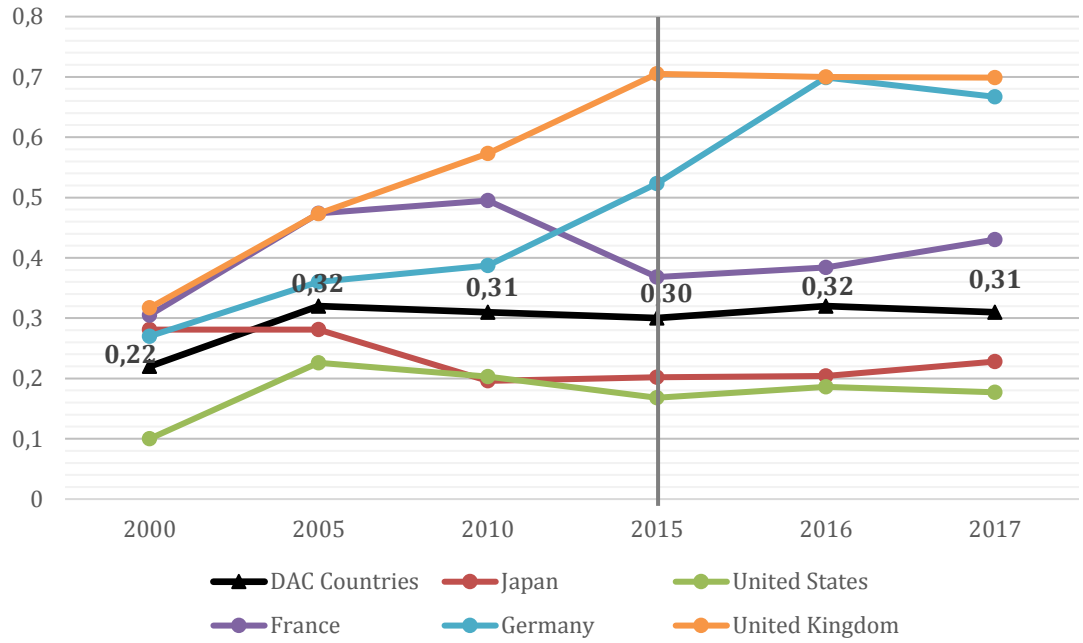
One of the main examples of Official Development Assistance would be Aid for Trade, offered by the World Trade Organization (WTO) together with the OECD. Considering the role trade has on development, both institutions see international trade as a way for developing countries to obtain opportunities they would find difficult to achieve without help.

In order to achieve the Agenda 2030 and all of its Sustainable Development Goals, however, financial aids like ODA or other public fundings that are mentioned in goal number 17, are not sufficient. According to the UN, net ODA constituted of $146.6 billion in 2017, a decrease of 0.6% in real terms in comparison with the data from 2016 (United Nations, 2018). Considering the World Investment Report of 2014 this amount is not enough to cover the expenses to fulfil the SDGs.

The following graphic shows net ODA spending of DAC Countries and some of the most developed countries as of % of their Gross National Income. The data displays that development assistance experienced an overall increase between the years 2000 and 2015, however after the 2030 Agenda released in 2015, only Germany and the United Kingdom stand close to the 0.7% goal of allocating GNI to ODA for developing countries set in SDG 17.2.

[32] "Development Assistance Committee (ODA)" OECD, accessed March 26, 2019, http://www.oecd.org/development/developmentassistancecommitteedac.htm

Figure 7. Net ODA to developing countries (% Gross National Income)

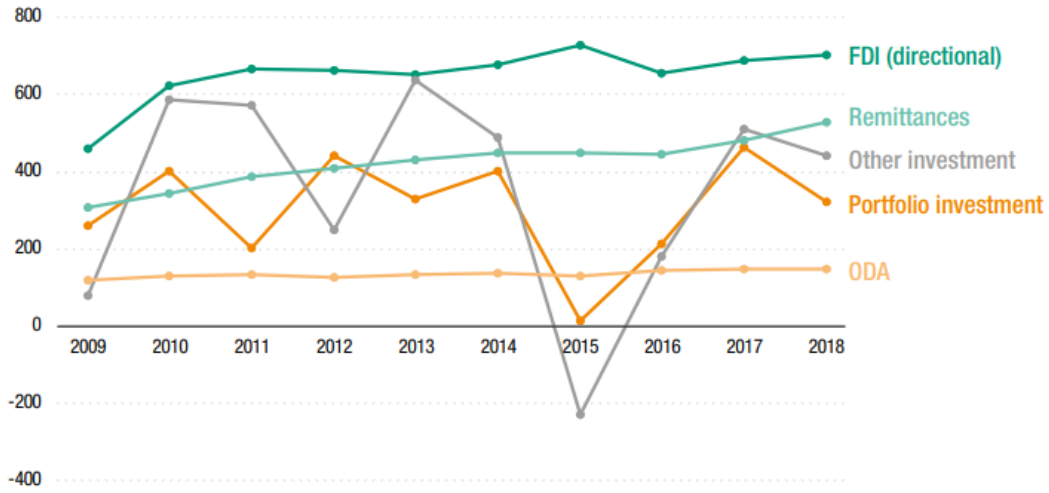


Source: Own elaboration with OECD Data (2018)

The World Investment Report mentioned above, also highlights investment gaps that need to be filled by private corporations or foreign direct investment (FDI) and mainly focuses on LDCs. It estimates that between the years 2015 and 2030, total annual investment should account to 3.9 trillion dollars, an amount that in key SDGs in the year 2014 accounted to 1.4 trillion dollars, leaving a gap of 2.5 trillion dollars to be filled by the private sector (UNCTAD, 2014).

On LDCs alone, the private sector and ODA would need to invest 240 billion dollars annually in the year 2030. In 2014, the first only invested 16 billion and the second 24 billion, far from the needed scenario. However, the report also mentions that public investments such as ODA are not currently used as investments but to support government spending. Another example of the investment gap is the overall investment in economic infrastructure in developing countries: investments on infrastructures such as transport or telecommunications are set below 1 trillion dollars per year. That amount would need to rise up to 1.6-2.5 trillion dollars annually to fulfil the 2030 Agenda. Therefore, the intervention of the private sector is fundamental in order to reach all of the SDGs.

Figure 8. Source of external finance for developing economies 2009-2018 (Billions of Dollars)



Source: UNCTAD World Investment Report (2019)

The figure above demonstrates the value of FDIs on developing countries compared to ODA and other methods of investment.

3.2.2. The role of the private sector and NGOs

Taking all of the aforementioned information into consideration, foreign direct investment by multinational private corporations seems to be the existing solution to the financing struggle of SDGs. Following reports and conferences like "Promoting foreign investment in the Sustainable Development Goals" by the UNCTAD Secretariat and the Financing for Development conference that resulted on the Addis Ababa Action Agenda (AAAA) are examples of how financing is a core need in the fulfilment of the Goals.

The follow up report by the UNCTAD, emphasises the importance of FDIs on developing and least developed countries and mentions that sources of investment for the Goals could be banks, multinational enterprises or sovereign wealth funds, those investments however, need to be "promoted and facilitated" (UNCTAD, 2017). It also highlights the need for "favourable and enabling investment environments", in order for the private sector to have more knowledge on potential project risks (UNCTAD, 2017).

Nevertheless, contributions from the private sector are not limited to financial resources; minimizing environmental externalities, transparency and partnerships with governments are necessary to avoid challenges such as mobilizing and directing funds towards sustainable development projects and making an impact with them (UNCTAD, 2014).

All of these contributions, however, will be complicated to fulfil for several reasons, one of which is the role of the private sector on itself on the degradation of the

environment. Several authors blame the UN and the SDGs for incentivizing partnerships and the significance of the private sector while not acknowledging some of the problems they have caused in the first place (Scheyvens et al., 2016).

A business' main objective is first and foremost making a profit, and because of that the implication of the private sector in the development of sustainable goals in the least developed countries should be taken with caution. Corporates values and goals could collide with those declared throughout the Agenda.

The major critique companies and corporates receive is their willingness to support the SDGs only through their own means, enforcing activities that create inequalities and power imbalances, through lobbyism and policy making political involvement in order to pursue 'sustainability of profitable corporate growth' and ignore the Sustainable Development Goals. Some claim that the only SDGs the private sector is inclined to pursue are those related to economic development, as they correlate with their own personal objectives; relocating social and sustainable development to a secondary position (Scheyvens et al., 2016) (Sachs, 2012).

Furthermore, Chakravorti et al (2014) pursued a research to find the motivations behind sustainable practices of more than 40 companies, and concluded that most of them wanted to be competitive and avoid any damages or disruptions that could harm their image in their respective markets, rather than voluntarily help others or the environment they were working on.

Aside from the private sector, non-governmental organizations and foundations also provide help and donations to the goals that are similar to their own interests. For example: the International organization 'Save the Children' promotes goal number 1 (End poverty), 'Doctors without Borders' offers services to achieve goal number 3 (To ensure good health and well-being for all), the 'Forest Stewardship Council (FSC)' ensures that the 12th goal of responsible consumption and production is respectfully followed in logging activities, 'Greenpeace' fights climate change to pursue goal 13 (Promote climate action) etc. (Sustainable Brands, 2016))

The Bill and Melinda Gates Foundation is another big example of an NGO that promotes and brings assistance to achieve the sustainable development goals by 2030. Their initiative 'Goalkeepers' aims to make a progress by bringing together key partners and developing reports with data to underline developments and regressions. (Bill & Melinda Gates Foundation, 2019) The UN also provides a list of partnerships the Foundation is part of:

a. The Survive and Thrive Global Development Alliance (related to Goals 2, 3, 4 and 17)
b. Aspen Management Partnership for Health (AMP Health) (related to Goals 3, 5 and 17)
c. Microlead (related to Goal 17)
d. Project Last Mile (related to Goals 3 and 17)

This foundation alone, invested in 2017, 4.718 billion US dollars in several programs to fight health issues like HIV, Malaria, Tuberculosis, Pneumonia etc., provided vaccines and family planning, helped in agricultural development and the access to water, sanitation and hygiene, and aided on the education of children of U.S (Desmond-Hellmann, 2018).

However, just like the private sector, the role of these NGOs could be contradictory to the real objectives of the 2030 Agenda's SDGs and therefore their help could not become a positive implication to sustainable development.

4. 2030 AGENDA AND TRADE: DOES THE AGENDA FACE THE NEGATIVE EXTERNALITIES OF TRADE?

4.1. How trade issues are treated in the Agenda

The 2030 Agenda and its Sustainable Development Goals view trade as a "means of implementation" or means to fulfil each of the goal's targets; they underline the need of a well-organized trade system to complete those goals. Nevertheless, trade-related targets included in the Agenda are often regarded as a repeat of agreements made in previous WTO or OECD negotiations (Bellmann & Tripping, 2015).

Considering all 17 goals, there are two main goals that deal with trade: Goal number 2 (Zero Hunger) and goal number 8 (Decent work and economic growth for less developed countries as well as developing or developed countries). Goal 17 also includes trade on in itself because its aim is to create global partnerships between public and private institutions, that is why this goal will be dealt with later on.

In regards to the second sustainable development goal, its main objective is to end hunger in underdeveloped countries and reduce malnutrition of children, women and older people. However, it also addresses issues such as agriculture and diversity of seeds, plants and animals; the need to be both productive and sustainable throughout the food production system (United Nations, 2019).

Inside the second goal we can also find three different "means of implementation" (MOI) to achieve the aforementioned targets: Improve investment in agricultural research as well as infrastructure and technology development, and approve means for the better organization and exchange of information of the food market to avoid food price variability during periods of crises (MOI 2.A and 2.C respectively) (United Nations, 2019). Finally, the target named 2.B aims for the following: "*Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round*".[33]

To understand this MOI and its possible implementation better, a few clarifications are needed. The Doha Development Round mentioned in the statement above, refers to the Doha Rounds on Trade Talks that began back in 2001 between members of the World Trade Organization (WTO). Its main objective was to reduce subsidies and improve the participation of Least-Developed countries (LDCs) and Developing countries in the world's trading system. In regards to agriculture and food, these rounds wanted all members of the WTO to reduce their agricultural subsidies in

[33] "Goal 2 Targets" United Nations, accessed March 30, 2019, https://www.un.org/sustainabledevelopment/hunger/

order to make poor and developing countries more competitive in the world market and improve the availability of food in non-developed countries, consequently reducing hunger (European Commission, 2016).

However, the achievements of the Doha Rounds have been scarce so far, due to the denial of the United States and the European Union to reduce their subsidies. The European Union possesses the Common Agricultural Policy or CAP, a "system of subsidies and support programmes" (DAFM, 2015) to help European farmers in the agricultural market. These subsidies are still in force, despite the agreements made in the Doha rounds. Although the CAP has seen budget reductions throughout the last few years (it is believed to face more in the coming years), in 2018 its budget was still of 58 billion Euros from the overall EU budget of 160.11 billion Euros[34], almost 40% of the total budget. By reducing subsidies in the developed countries, as said before, developing countries would be able to export more and therefore increase production through higher demand.

Nevertheless, according to the Sustainable Development Goals Report of 2018, agricultural subsidies were reduced from "$491 million in 2010 to less than $200 million in 2015".[35]

The International Center for Trade and Sustainable Development highlights as well the importance of trade to achieve food security in all corners of the world. With a growing population that demands more food, financial instability and a changing climate, countries rely on each other more and tend to avoid self-sufficient production, therefore making trade necessary to end world hunger. A reform of the aforementioned trade-distorting subsidies would increase the agricultural markets' competitiveness and improve food trade between developing or least developed countries and developed ones (Díaz-Bonilla, 2016).

Furthermore, fisheries role on food security and world hunger is also meaningful, even more so when their relationship with goal 14 is taken into consideration. According to the Food and Agriculture Organization of the United Nations (FAO), exports of fisheries-related products are a bigger source of revenue to developing countries than other net exports of foods such as rice, sugar or meat.[36] Subsidies projected towards fisheries could become harmful, due to the fact that those who contribute to overfishing can not be considered sustainable. Once again, the need to reduce trade-related issues such as subsidies comes to light (ICTSD, 2014).

[34] "The common agricultural policy at glance" European Commission, accessed March 31, 2019, https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cap-glance_en
[35] "Progress of Goal 2 in 2018" United Nations, accessed March 31, 2019, https://sustainabledevelopment.un.org/sdg2
[36] "OECD-FAO Agricultural Outlook 2015-2024" Organisation for Economic Cooperation and Development, accessed May 17, 2019, http://www.fao.org/3/a-i4738e.pdf

Consequently, the importance of goal 2 is undeniable; its link to other sustainable development goals like no poverty (Goal 1), good health and well-being (Goal 3) and minimization of inequality (Goal 10), emphasizes the need of a well-organized trade system (ICTSD, 2018). However, the OECD and FAO's Agricultural Outlook of 2015-2024 points out once again that the source of agricultural exports are expected to be limited to a number of countries in the next decade, resulting in higher risks of hunger and making food security harder to achieve.

Moving on to goal 8: "Decent work and economic growth", its focus relies on the proper employment of young people, people with disabilities and migrants. In relation to 'decent work', it also wants to achieve the end of forced labour and child labour. By economic growth, the United Nations means to increase global economic productivity, rise least developed country's GDP 7% per year and reach a more efficient global production and consumption model amongst other targets (United Nations, 2019).

Goal 8's method of implementation that relates to trade is the following: "*Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries*".[37] Aid for Trade, has been provided by the WTO and the OECD, as mentioned previously, to help developing and least developed countries to trade more by eliminating any obstacles they can meet on the way.

The Enhanced Integrated Framework (EIF), like the method of implementation explains, is a partnership formed by 51 agencies, 24 donors and 8 partner agencies who work together with other institutions to assist LDCs to expand their trade, grow their economy and reduce their poverty (EIF, 2019). According to the WTO, the eighth Sustainable Development Goal is not the only goal that the EIF and its work can aid (WTO, 2019).

Taking the information provided beforehand in this work into account, it is important to note that even though aids for trade are necessary to fulfil the sustainable development goals and an increase on those is crucial, they are not sufficient. Support from private institutions and foreign direct investment (FDI) as well as NGOs will always be fundamental. These trade-oriented means of implementation relates to what was stated in the Addis Ababa Action Agenda; the importance of Aid for Trade on the achievement of the SDGs as well as the need to prioritize least developed countries, by diversifying trade and providing their firms strength to be competitive in the international market (Lammersen & Hynes, 2019) and to be strong enough to face and adjust to its different crises (Moreira da Silva, 2017).

[37] "Goal 8 Targets" United Nations, accessed April 1, 2019, https://www.un.org/sustainabledevelopment/economic-growth/

In addition to goal 2, goal 8 and all the other goals that are in some way related to them, the 2030 Agenda provides a final goal to reach sustainable development: Global partnerships. The targets of this goal discern in five sections: Finance, technology, capacity building, trade and systematic issues.[38]

The targets each section include range from improving the financing for developing countries (particularly official development assistance) and promotion of investment for LDCs regarding finance; to enhancement of public and private partnerships, along with "*Multi-stakeholder partnerships"* that improve capacity building and help achieve sustainable development goals in all countries (United Nations, 2019).

In regards to the target called "Trade", it is divided in three parts that could be summarized as: "The need to set a well-organized trading system under the WTO, realizing least developed countries market access and increasing exports from LDCs and developing countries" (United Nations, 2019). This last target attempted to double exports of LDCs by 2020, an objective that will be hard to reach. According to data the UNCTAD provides, least developed countries share of exports only grew by 0.1 percentage points between 2015 and 2018, from 0.89% to 0.99%. Meanwhile, developed countries remain as the biggest exporters of the world.[39]

The slow increase of LDCs' exports derives from many different reasons. However, the UNCTAD highlights the barriers of connectivity these countries face as the reason behind the difficulties they face to access international market. As long as transporting goods from least developed countries to other countries comes with a high cost, reducing tariffs or other economic barriers will not be enough to grow their exports; in fact; the UNCTAD claims that inadequate connectivity could be associated to losses of 42-55 per cent of exports (Fugazza, 2015 in UNCTAD, 2016). The objective of target 17.12 (realizing market access for LDCs) relates closely to means of implementation 10.a from goal 10 whose purpose is to "implement special and differential treatments for least developed countries, following agreements made in the WTO".[40]

4.2. Incompatibilities and contradictions between goals

As stated several times throughout this work and more specifically when defining sustainable development, protection of the environment and constant economic growth do not correlate. That is what the Brundtland Report first declared and what the United Nations later ignored when working on their Agendas. Consequently, the 2030 Agenda is comprised of goals that share incompatibilities, such as goal 8 that seeks economic

[38] "Goal 17: Revitalize the global partnership for sustainable development" United Nations, accessed May 20, 2019, https://www.un.org/sustainabledevelopment/globalpartnerships/
[39] "Merchandise: Total trade and share, annual" UNCTADSTAT, accessed, May 20, 2019, https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx
[40] "Goal 10: Reduce inequality within and among countries" United Nations, accessed May 20, 2019, https://www.un.org/sustainabledevelopment/inequality/

growth and goals 6, 12, 13, 14 and 15 that support sustainability in its original definition, the fight against climate change and the protection of biodiversity.

Decoupling economic growth and the unsustainability of the environment as stated in target 8.4.[41] is not realistic, and even less so when decoupling is not defined either as 'relative' nor 'absolute'. Wanner (2014) states that the OECD countries practice 'relative' decoupling that he describes as "*(...) environmental impact per unit of economic output over time"* whereas absolute decoupling relates to "*environmental impact in absolute terms with growing economic output*".

Wanner (2014) then points out the connection the UNEP made between absolute decoupling and the Environmental Kuznets Curve, a concept previously mentioned in this work and a model with several limits that Wanner (2014) only deems reliable for air pollution. However, there is no knowledge about how much biodiversity will be harmed before reaching the peak of the curve.

Additionally natural resources, generally limited and non-substitutable, are required to achieve economic growth through production and consumption. (Hickel, 2019) The problem, as Wanner (2014) once again points out, is the "limit" of natural capital that has been poorly managed the last few decades and the fact is that it cannot be substituted. Higher demand of natural resources, not only to fulfil economic growth but also to satisfy the demands of a growing population and its consumption, will only take the problem further.

Hickel (2019) adds that absolute decoupling is unreasonable in an economy that is constantly growing and concludes that both relative and absolute decoupling are not possible in an economy that uses natural resources because "*efficiency gains are ultimately governed by physical limits*" (Hickel, 2019).

Consequently, constant economic growth cannot be decoupled from environmental impacts in the longer term. Therefore, SDG fall into an inconsistency between their economic and biodiversity targets.

Furthermore, an additional study conducted by Pradhan et al. (2017) analysed the trade-offs (or negative correlations) within and between SDGs by using official data of 227 different countries. The results support the incompatibilities mentioned above, SDG 8 (along with Goal 9) negatively correlates to the aforementioned goals 6, 12, 13, 15 as well as some other goals. Pradhan et al. (2017) relate this trade-offs to the negative

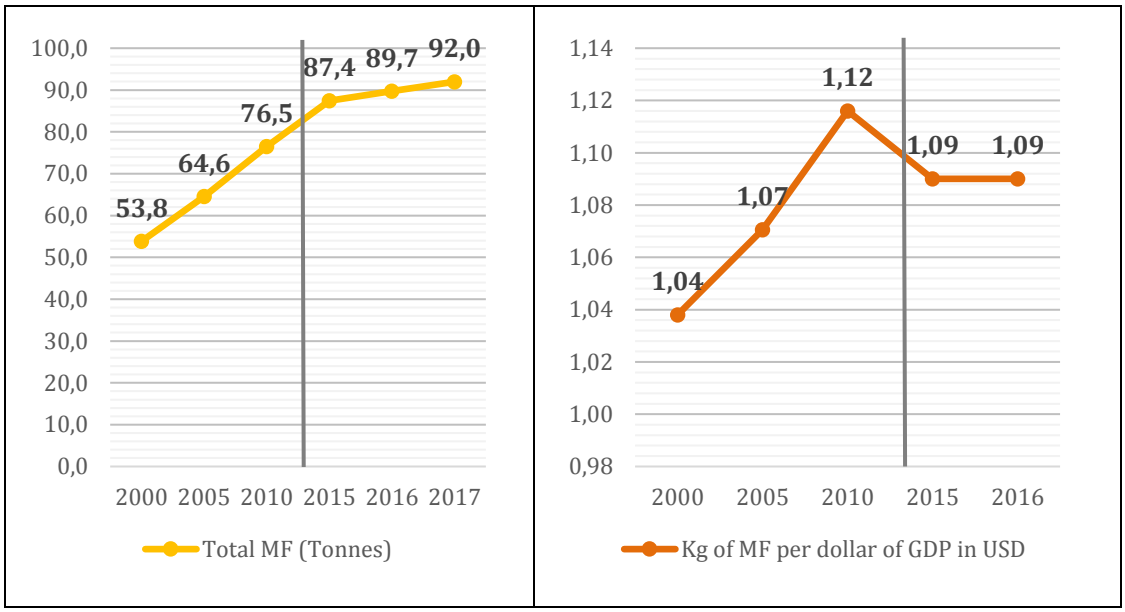
[41] "Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead" United Nations, accessed May 29, 2019, https://www.un.org/sustainabledevelopment/economic-growth/

consequences of economic growth to achieve human welfare by the unsustainability of the environment.

Moreover, within Goal 8 itself, the study showed trade-offs in 77% of the analysed countries in regards to the following indicators: "annual growth rate of real GDP per capita" and "material footprint per capita and per GDP" (Pradhan et al., 2017).

Data regarding this incompatibility can be observed in the following graphic:

Figure 9. World material footprint, per GDP



Source: Own elaboration with UNEP data (2018)

The trade-off that target 8.1. of goal 8 shares with targets 8.4. from the same goal and target 12.2. from goal 12 seems clear when reading them and analysing their indicators. A growth in GDP for all countries and a reduction of material footprint per GDP (measured as the sum of "*the material footprint for biomass, fossil fuels, metal ores and non-metal ores*"[42]) simultaneously creates a significant contradiction.

On top of that, sustainable development goal 12 that refers to "responsible production and consumption" receives significance importance, considering that it is one of the top negative correlators. Pursuing a competent use of natural resources or a "sustainable pattern of consumption" like goal 12 claims and "improve efficiency in consumption" to achieve economic growth could be one of those negative correlators. According to Pradhan et al. (2017) developed countries that offer greater human welfare, realize it by under-achieving SDG 12, through higher environmental impacts and material

[42] "12.2.1 Material footprint (MF) and MF per capita, per GDP" Environment Live, UNEP, accessed July 7, 2019, https://environmentlive.unep.org/indicator/index/12_2_1

footprints. That is why, fixing trade-offs related to goal 12 would help advancing the 2030 Agenda (Obersteiner et al., 2016).

Examples of Pradhan's et al. (2017) statement are visible in the SDG Index and Dashboards Report of 2018, where OECD countries like Canada or Norway achieve positive scores on goal 4 and goal 7 (in Canada's case) and goal 1, goal 3, goal 7 and goal 10 (in Norway's case) and under-score in the 12th SDG (Bertelsmann Stiftung et al, 2018).

Other annual reports made by the United Nations called "The Sustainable Development Goals Report" include data from different countries around the world and offer insight into the problems each goal faces. According to the 2018 report, goal 14, related to the oceans and life under it as well as any "water-related ecosystem", has been degraded due to *"population growth, agricultural intensification, urbanization and industrial production".* These last causes of degradation are related to other goals that support them, such as goal 2 containing targets that focuses on increasing agricultural productivity and production, and goal 11 that aims to improve "*inclusive and sustainable urbanization*" among others (United Nations, 2018).

Additionally, the report highlights the problems other goals like goal 15 and 17 meet. The first, which concerns forests and biodiversity, is threatened by food and energy needs, and goal 17 that relates to partnerships to fulfil SDGs faces problems regarding implementation (United Nations, 2018).

4.3. Problems with the Agenda

Problems regarding the 2030 Sustainable Development Agenda are varied, and not only address the Agenda on itself but also problems specific to its goals:

1. The main issue in regards to the 2030 Agenda, and a problem that the Millennium Development Goals also contained, is the lack of implementation methods to achieve the Sustainable Development Goals. The United Nations tried to avoid this by including goal 17 into their 2030 Agenda, a goal, as mentioned before in this work, aimed to create partnerships between the public and private sector. However, this goal simply encompasses targets mentioned in the previous goals, especially Goal 8 and the importance trade and private financing have in their fulfilment (Martinez and Martinez, 2016).

   Some of the targets included in goal 17, address "systemic issues" regarding international or financial institutions, suggesting "enhancements of policy coordination and coherence" (United Nations, 2019). Nevertheless, goal 17 simply "addresses" policy issues and "suggests" coordination improvements, but it does nothing in regards to the lack of regulation of international financial systems or the World Trade Organization, and therefore, it is unable to make the

goals compulsory or legally binding instruments that would make them more efficient. This makes the 2030 Agenda look 'empty' and as a result difficult to accomplish (Martinez and Martinez, 2016).

2. In relation to the statements made above, authors like Scheyvens et al. (2016) criticize the United Nations' and several other organizations' unwillingness to question the unsustainability of the current economic and social system and to address issues in regards to *"illicit financial flows, debt, unfair trade rules and corporate power"* that hamper the road to sustainable development. Introducing big businesses to SDGs, as mentioned in goal 17, without first acknowledging their non-sustainable past and making them accountable for their mistakes seems counterproductive and could only become another problem added on this list (Pogge and Sengupta, 2015).

3. In regards to the relationship Goal 2 shares with trade that was previously mentioned in this work, it is crucial to highlight the need to not only reduce trade distortions caused by subsidies but export restrictions as well. The Agenda and its means of implementation fail to address the issue that puts food security at risk, and the "under-regulation" that these restrictions have in the WTO spreads the problem further. As explained before, subsidies have exhibited a tendency to decrease in the last few years; however, this has made export restrictions more prominent, increasing the danger of hunger in poor countries (Bellmann & Tipping, 2015).

   The reason behind is not only the WTO and its lack of agreements in regards to export restrictions; price spikes and volatility as a consequence of economic or financial crises (like the one in 2007-2008) also make the problem bigger. When a country decides to increase its export prohibitions, its domestic price reduces, as does its volatility, minimizing the problem of hunger. However, those countries who rely on the export prohibiting country see prices rise, putting in danger their food security. Considering the dependence that poor countries have on the exports of more developed countries, negative effects caused by restrictions due to price volatilities or food crises will have consequences that are more dramatic on LDCs, a fact that is ignored in the 2030 Agenda (Anania, 2014 in Bellmann & Tipping, 2015).

4.3.1. A few solutions to the problems to be solved

Several authors criticize the ambiguity of the 2030 Agenda and its sustainable development goals, and make their own suggestions in order to make the goals and its targets stronger. Others propose policies to fill in the absence of means of implementations or suggest methods to correct the current means such as the trade system.

Hickel (2019), suggests various changes to the SDGs, which include the following: withdrawing Target 8.1 that calls for GDP growth on all nations or changing it to a target that only focuses on the growth of countries who need it in order to develop. Strengthening targets 8.4 and 12.2 to reduce material footprint, and modifying target 10.1 that aims to "progressively" reduce inequality so its effect is immediate and substantial.

On the other side, the ICTSD (2018) puts forward a number of policies to help fix problems from the second sustainable development goal that has been talked about previously in this work. Export restrictions should be carefully used, subjected to rigorous control or even abolished, so as to not bring negative consequences to other countries who depend on those exports. The ICTSD (2018) also suggests other measures to avoid price volatility caused by these restrictions, such as an international organisation that would ensure a "*temporary and price-based system*" (ICTSD, 2018).

Lastly, a common solution that some give to reduce environmental problems caused by polluting companies, is the implantation of environmental taxes in order to create "*cleaner production and consumption habits*" (Freire-Gonzalez, 2017). The double dividend hypothesis further develops this concept and suggests that if a government carries out a reform that increases environment-related taxes while simultaneously reducing other taxes, their revenue will increase together with sustainability (Freire-Gonzalez, 2017).

Although this hypothesis has been met with several criticisms, some arguing that an environmental tax on a sector like coal would become an implicit tax on labour[43], others, according to Goulder (2013) view such costs to be lower than the gains those environmental taxes provide, both in the environment itself and the development of the economy and the tax system. Nevertheless, taking into consideration that the double dividend hypothesis is after all, a hypothesis, and results from different researches are varied[44], using it as a solution to environmental problems or as an implementation-method for the 2030 Agenda should be carefully considered. Asking the following questions could be the first step of many before levying an environmental tax: Who will face the consequences of such a tax? How can the government relocate the costs that society will face?

[43] Like any other tax, its consequences can infer in the price of goods and services, making businesses reduce costs and consequently reduce wages, resulting in an implicit labor tax. (Goulder, 2013) Accessed June 23, 2019, https://www.sciencedirect.com/science/article/pii/S0140988313002120

[44] An example of this is the research Radulescu (et al., 2017) conducted in Romania, they concluded that in the case of the Eastern European country "an environmental tax would help reduce CO2 emissions but could harm the country's GDP growth". Accessed June 23, 2019, https://www.mdpi.com/2071-1050/9/11/1986

5. CONCLUSION

This work has allowed me to analyse the concept of sustainable development more in depth, together with the 2030 Agenda for Sustainable Development and its goals. Therefore, and following the questions that were first introduced at the beginning of this research, I concluded that the Agenda the United Nations developed in 2015, is not fully prepared to face externalities or negative effects free trade may bring.

Sustainable development and free trade have a complicated relationship that several authors have tried to explain through theories and hypothesis, some of which I have mentioned in this work, but ultimately that relationship is inevitable to have contradictions. Although trade has made societies wealthier and more socially developed, it has also brought an unprecedented deterioration of natural resources and emissions of CO_2 and other pollutants, as well as an increase on transport that despite the fact that it is necessary to trade, it has strengthened trade's negative externalities. To fight them, levying environmental taxes seems to be the current solution.

In regards to the Sustainable Development Agenda, the mentions of trade throughout the Sustainable Development Goals are reduced to two means of implementations for goals 2 and 8, and a 'weightless' target in goal 17. Even though MOI 2.B mentions the removal of export subsidies and "measures of equivalent effect", there is no mention of export restrictions and their negative effects on the achievement of SDGs, and as mentioned before this is an important aspect to be considered.

Following goal 8, the SDGs aim to increase GDP and support the misleading path to decouple economic growth and environmental degradation, however and as seen in this work, this decoupling has no reliable basis. Finally, the targets of goal 17 fail to be relevant, considering that their objectives of "doubling LDCs share of global exports" have barely seen any progress and that all agreements made about them depend on WTO decisions.

A further research on goal 12 that focuses on responsible consumption and production and its relationship to economic growth and as a consequence to trade as well, would make a good following research paper. This could allow us to find any other externalities or trade-offs of the 2030 Sustainable Development Agenda missing in this work and could become of help to find out an alternative to the current economic model that relies on increasing consumption to achieve economic growth.

The recent trade agreement between the European Union and Mercosur (the Southern Common Market that comprehends four South American countries) could also become another problem to fulfil the 2030 Agenda and consequently be an interesting continuation of this work.

The agreement removes tariffs and other types of barriers to increase exports between both blocks; and as explained in this work, liberalization of trade harms sustainable development. According to the European Commission (2019), the agreement has been made under the commitment of the Mercosur countries to "*effectively implement the Paris Climate Agreement*" and the final version of the agreement is supposed to include a "Sustainable Development chapter" to cover issues regarding deforestation in the Brazilian Amazon and greenhouse gas emissions.

Nowadays, there is no final document for the agreement, and therefore how it will consider sustainable development remains to be determined.

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