World Trade Organization

Devising measures to further promote and facilitate new means supporting informed purchasing decisions made by the end consumer

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Introduction

In a rapidly evolving world with various technologies emerging, overwhelming consumers' access to information and thus preventing consumers from making ill informed purchasing related decisions. This complexity is particularly evident in global trade, where information is abundant but not always reliable or easily interpreted. A well-informed purchasing decision is not only one of the pillars of a transparent market in a growing economy with a perfectly competitive market, but also aligns with Sustainable Development Goal 8, which emphasizes the need for sustained, inclusive economic growth.

It is crucial to note that the burden of making an informed choice doesn't exclusively lie with the consumer, as businesses and/or suppliers along the supply chain should keep information accessible to the market, in order for consumers to base their decisions. Only by this can a competitive, transparent and sustainable market be maintained.

Definition of key terms

Informed choice

A decision made by an individual after acquiring adequate knowledge about the options, aligning with their values, and taking action based on that decision

Behavioral economics

The joint study between psychology and economics, mainly in relation in economic decision-making processes of both individuals and institutions. Focuses on the thought that human behavior is more complex than rational consumer choice

Rational consumer choice

The idea that consumers will always make the choices most rational to themselves. Especially in microeconomic theory, it is based on the assumption that all consumers have consistent tastes and preferences, have access to perfect information, and try to maximize their utility

Asymmetric information

A type of market failure in which the consumers and producers do not have access to equal information

Adverse selection

A type of asymmetric information in which one party possesses more information about the quality of a product. Can work both ways, meaning the seller can have more information and vice versa

Anchoring bias

A phenomenon in which an individual's decision is influenced by the first piece of information they obtain, posing as an anchor. This anchor can be completely irrelevant. For example the price of a good or a brand name

Nudge theory

A method designed to influence a consumers' choice in a predictable way without offering financial incentives or imposing sanctions, whilst also not limiting choice. E.g., choice architecture in a supermarket, bike lanes, changing default options

Supply chain

A logistics system of manufacturers involved in the production and delivery of a product or a service

End consumer

Consumer, who makes the final purchase or use of a product

B2B

Business-to-business transactions, for example, a wholesale depot

B2C
Business-to-consumer transactions, for example, a restaurant

User-generated content (UGC)
Content generated by users present online, most commonly as a way for direct advertising, or as material to be used by businesses in their own marketing

Consumer Autonomy
The extent to which consumers can make their own independent decisions, free from undue influence, manipulation, or misinformation, while also based on their values and preferences

Corporate Social Responsibility
A business model in which companies incorporate social and environmental concerns in their operations and interactions with stakeholders, beyond profit-making

Consumer empowerment
Giving consumers/customers the information and the tools needed for them to make a decision

Current overview

Today's decision environment offers consumers greater choice possibilities and information opportunities than ever before. With a market for virtually anything at this day and age, the measures to empower consumers to make an informed decision will vary field by field, as the accessibility of information in, say, the fashion industry will be different to the one in the energy sector or the food industry. It is thus key to realize which market we are dealing with and create an extensive guideline and regulatory framework, which is either specific or implements multi-faceted approaches.

What, however, interlinks all industries in the economy are the issues encountered by the consumers themselves. The main problems consumers face when forming well-informed decisions are information overload, misleading or even false marketing and the general lack of education.

Consumers by nature have a limited capacity to store and process information, becoming overloaded and experiencing increasing difficulty in making a critical choice, especially when a decision task is more complex and cognitively more demanding. This can lead to either buying a low-quality product or in worse cases putting their health in jeopardy when, e.g. choosing a medication or insurance plan. The pattern of giving consumers more alternatives to choose from counterintuitively makes them make worse choices, as they are cognitively more strained. The emergence of online platforms such as digital ads or social media further creates an interconnected issue between both information overload and misleading marketing - consumers, most often in B2C schemes, feel overwhelmed by their choices or are influenced by the misleading advertisement and make a choice to buy the product without making any research - be it about its quality, the use made out of the product or any equity concerns one may have in its production. Another cause of information overload may be the increased access to information. The democratization of information, in most cases through the internet, allows anyone to both publish and consume content. This creates a space for inaccurate, irrelevant, or useless information to emerge, further challenging consumers to make an informed choice.

Quite intuitively, the lack of education greatly affects the consumer decision-making process. Be aware of the fact that this does not only affect third-world countries, but also countries of the first world, as even media literacy or lack of critical thinking decreases the ability to make a well-informed choice. The limited understanding of information, such as nutritional labels, financial terms or quality values may ultimately lead to poor decision-making, the effects of which are even being worsened by misleading business tactics. Consumers may undergo the anchoring bias as well, leaving those with lower levels of education in a more vulnerable position, thinking that a high price automatically means higher quality, while unable to evaluate any possible benefits or risks their purchase may have. Consumers across the board may be vulnerable to misleading marketing, which in combination with information overload, may make them easily swayed to advertisements or deceptive pricing strategies. False marketing is, however, not exclusive to businesses only. Recently, many consumers have become heavily reliant on advice from peers in the form of reviews, forums, or colloquial word of mouth. If a consumer is easily swayed by a peer or UGC creators who seem more honest than a regular advertisement, chances are, they are more likely to purchase a said good.

In some industries, the use of adverse selection is important and parallel to keep a business afloat. An instance of that could be insurance companies. The clients are the ones who know of their medical conditions, thus holding on to information which the insurance company may not have, putting the consumers at an advantage. To protect their business, insurance companies may implement higher premia or exclusions of pre-existing conditions; with some insurance companies focusing on high-risk clients, they are usually the ones withholding the information from the end consumer. Nevertheless, the border between fair use and exploitation of adverse selection is thin; most businesses thus stay away from its usage - either by internal motivations or external ones, as governments and businesses alike put policies in place and hold each other accountable. Some examples of that could be regulation ensuring quality standards (for, e.g. medication and food), provision of information or licensure. Consumers themselves may screen a product, meaning they check and research the product before their purchase, or take advantage of signaling - sellers establish their quality product by e.g. warranties or brand names.

But why should we even care about consumers being well-informed? The answer, simply put, is to promote sustainable consumption and market. A well-informed consumer base can help prevent market failures which could be caused by asymmetric information, as they can make choices true to their preferences and needs. This would inevitably lead to less overconsumption, forcing suppliers to produce fewer goods, and allocating their resources to products which would be truly used. Consumers, consequently, may be more conscious of their choices of environmentally friendly or responsibly manufactured products, and those which do not meet the standard would be slowly phased out. The process of facilitating means to well-informed decisions inherently also supports fair competition of the market, again driving out those which do not meet the standards, or are allocatively inefficient. This competition also holds different businesses responsible and accountable, whilst also pushing them to differentiate their product, mostly through innovation or increased product quality. Overall, the improved trust between both consumers and suppliers would also lead to transparency, as the likelihood of trusting a business which is open about their practices is substantially higher.

Past action

Throughout the years, countries around the globe made attempts to improve access to information for consumers to make informed choices. Again, the span of such policies varies across industries, with each regulation working differently for each country and industry.

Many countries introduced a traffic-light system on food labeling, commonly known as Nutri-Scores. Although not widely used across the board, multiple member states of the European Union, as well as the United States have implemented such policy and seen a stark improvement in the population’s diet, as filtering food out by its color scheme is much more user-friendly than to reading out the full label - of which most people could not even understand. The practice of labels also worked well for environmentally and ethically conscious causes, most prominently the Fairtrade labels, Bio agriculture labels or products with the Vegan and Vegetarian labels.

To set a standard, and thus limit any adverse selection, governments create regulatory bodies which oversee the production of medicine and/or food. Some examples of such are the American FDA, European EMA, Japanese PMDA or the British MHRA.

To limit false advertising, countries force social media platforms to label paid advertisements, firstly to make consumers aware they are seeing a paid promotion, which secondly leads to consumers subconsciously evaluating the positives and negatives of a product. On some platforms like X, fact-checking has become a built-in feature, allowing for user peer review.

In recent years, governments have also created educational campaigns on financial literacy, media literacy, and critical thinking to tackle overconsumption.

Major parties and their view

Federal Republic of Germany

Germany is one of the key players in promoting informed purchasing choices of consumers in the field of the European Union. One of the first countries to implement the nutri-score labeling or the Blauer Engel Eco-Label - one of the oldest environmental labels in the world, as well as widely promoting educational campaigns to facilitate sustainability - both in corporate and personal lives.

European Union

The EU stays active in protecting consumers, in EU-wide legislation, both with binding regulations, and non-binding directives and recommendations. Most specifically, the EU Consumer protection law spans most industries and levels, be it commercial practices or even travel laws, lately also focusing on the digital space, protecting consumers with the Digital Services and Digital Markets Act. In recent years, the member states have strived to motivate consumers and businesses alike to make sustainable purchasing decisions with a new directive on empowering consumers for the green transition in the making. EU-wide, transparent labeling systems are in place, which interlinks with the notorious fact of heavily regulated market authorization for the EU.

United States of America

The United States faces the problem of overconsumption vastly, however, makes an effort to mitigate it. The most prominent policy is the regulatory agency of the FDA, which approves and oversees all drug trials in the US, as well as approves agricultural products that ought to be produced into food. The US has also implemented the EnergyGuide Labeling, with most appliances carrying a label providing information about energy consumption and efficiency. One of the main problems is the exploitation of lower to lower-middle classes in finance or health sectors - often forced to live without insurance, or paying fraud insurance premiums, however, there are attempts to mitigate this issue through MedicAid.

People's Republic of China

With the rapid digitalization of China, e-commerce is now a crucial part in the lives of the Chinese. The government launched a series of digital and e-commerce consumer protection regulations, in combination with strict information disclosure. China also has one of the largest consumer associations, the CCA, which advocates for consumer rights and provides education to the general public.

Republic of India

Being the most populous country in the world, India strives to improve on consumer protection and rights - most recently with the Consumer Protection Act of 2019. Recently, India has also kickstarted the Digital India Programme, which takes steps to enhance consumer awareness in digital space, as e-commerce rapidly skyrocketed in India in recent years.

Questions a resolution should answer

What information do consumers need to make an informed decision?

How can governments and other organizations improve consumer access to accurate information?

How does the WTO aim to make governments, businesses and entrepreneurs accountable for the information load and information uncertainty which affects the ability for consumers to make a well-informed choice?

How to keep advertising and marketing strategies of businesses transparent?

Which approaches should be undertaken in forming business strategies which affect consumer behavior, according to and specific to each sector?

How to empower consumers to make informed choices?

How can businesses hold each other accountable without the intervention of consumers or the government?

What is the role of NGOs in supporting the making of well-informed choices?

What role should education play in empowering consumers?

Which mechanisms and incentives can be used for businesses to support informed consumer choices?

What other means to increase well-informed choices of consumers can be used?

How to regulate the digital presence of brands?

Appendix

- A short video introduction to asymmetric information and its implications
- More on customer empowerment, basics to understanding behavioral economics and consumer choice
- A brief on enabling consumer choice
- Nudge theory
  - A beginner-friendly video introduction of the nudge theory
  - Cass Sunstein on nudges, a leading nudge-popularizator
- SDG8 overview

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Protectionism vs globalism with regards to strategic/nascent industries and decentralization of production

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INTRODUCTION

The complex networks of economic, political, social and cultural interactions across the world and the intensifying inter-linkages between all economic activities and agencies between different economic sectors and between all economies within one vast 'global economy' are part of the phenomenon known as globalism. The relationship between globalism and globalisation is a bit unclear as the two terms seem to be used synonymously, however we can think of globalism as the underlying network of the global economy while globalization is the process/tool of achieving a global economy. (Nye)
While the belief that globalisation is strictly a thing of modern society still prevails amongst many, the notion is false. Globalisation itself refers to the intricate economic and social process which has been interwoven into human society for centuries. Its earliest examples can be seen in Roman or Phoenician cultures which utilized the Silk Roads to exchange goods – notably silk – to create the first great globalized trade. The World Trade Organization (WTO) must ascertain whether this form of global economy benefits all who participate in it and whether the time has come for countries to adopt more isolationist policies. It is also imperative to discuss the environmental impacts – such as pollution – on sustainability that come with globalization and how we can create a global economy which minimizes these negative impacts with the goal to adapt sustainable practices.

KEY TERMS

Globalisation – describes the interdependence between different industrial, commercial or financial activities around the world. The consequence of globalization is the emergence of an increasingly interconnected world. Events in one country of the world now affect the planet and products tend to become standardized. (Kolb)
Globalism – the idea that events in one country cannot be separated from those in another and that a government should consider the effects of its actions on the rest of the world
Economic integration – the process where countries align and merge their economic policies to enhance trade and cooperation. It progresses through levels: Free Trade Area (no tariffs among members - FTAs), Customs Union (common external tariffs), Common Market (free movement of goods, services, labor, and capital), Economic Union (unified economic policies), and Political Union (complete integration, including governance).
Protectionism – involves fiscal and monetary policies, like tariffs or quotas, to shield domestic industries from foreign competition, often prioritizing national economic interests.
Isolationist policies – aim to limit a nation's involvement in international trade, alliances, and political affairs. *WTO* – World Trade Organization; an international organization regulating global trade, promoting free trade, resolving disputes, and facilitating negotiations among 164 member
countries. (WTO)
ASEAN – the Association of Southeast Asian Nations, is a regional organization promoting economic cooperation, political stability, and cultural exchange among 10 Southeast Asian countries. (ASEAN) *Sustainability* – the UN defined sustainability as: *"meeting the needs of the present without compromising the ability of future generations to meet their own needs."* (United Nations)

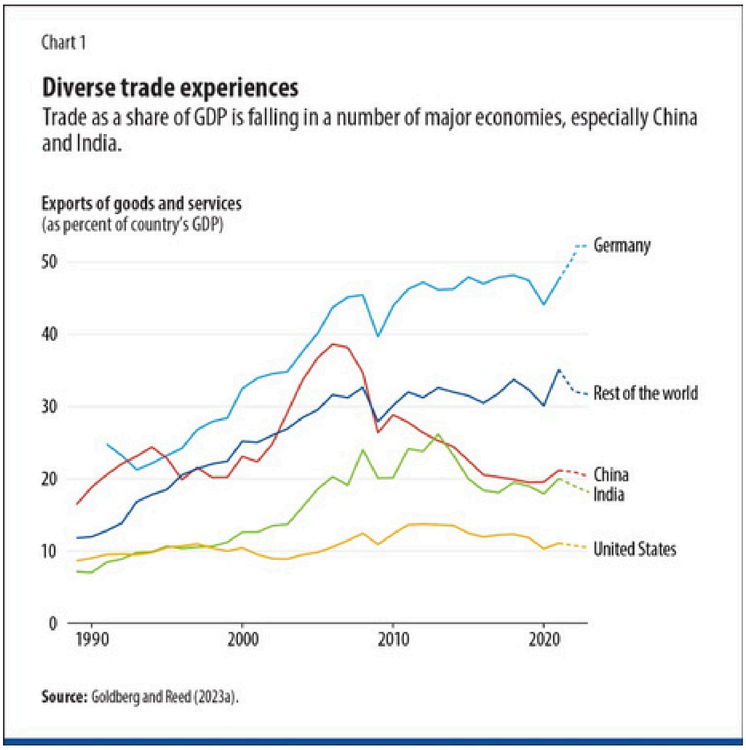
GENERAL OVERVIEW

Protectionism vs globalism policies

Protectionism has long been a key element of trade policies in both developing and developed nations. Over time, the tools and goals of protectionist measures have evolved, reflecting the growing complexity of the global economy. Tariffs were the primary instrument of trade policy until the mid-1990s, but this shifted with the creation of the World Trade Organization (WTO). The WTO was established to promote trade liberalization by overseeing tariff reductions, eliminating quantitative trade restrictions, abolishing quotas, and regularly reviewing countries' trade policies to ensure compliance with its agreements.
As mentioned in the introduction, globalization is not a brand new phenomenon. However in recent years the era of 'hyperglobalization' was associated with great economic achievement. Extreme poverty was reduced and consumers and economies gained access to an extraordinary variety of goods sourced at affordable prices. (Goldberg and Reed) Economic globalization is also a "double – edged sword". Countries can enjoy the benefits in the process of international trade but also bear the resulting harm. From the perspective of theory and practice, globalization is the direction of development and the general trend. In theory, free trade is the way with the least cost and the greatest benefit. In terms of international trade theory, trade liberalization or free trade is always welfare maximization. Any measures and policies to restrict trade are harmful to our own country and the welfare level of other countries.

CURRENT SITUATION

The trend of protectionism in Europe has been on the rise in recent years, driven by a combination of economic, political, and social factors. This resurgence of protectionist policies reflects growing concerns over issues such as economic sovereignty, job security, and the impact of globalization on domestic industries.



Several European countries have implemented measures to protect key industries from foreign competition, including stricter regulations on foreign investments and the promotion of local production. The trend has been fueled by broader global uncertainties, such as the economic impacts of the COVID-19 pandemic, Brexit, and increasing tensions in international trade. Moreover, the rise of populist and nationalist movements across Europe has contributed to the push for protectionist policies, as these movements often emphasize the need to prioritize national interests over global cooperation. This shift towards protectionism represents a challenge to the European Union's long-standing commitment to free trade and open markets, leading to debates within the bloc about the balance between economic integration and the protection of domestic interests.

"The Brussels Effect, as denoted in this paper, highlights the EU's signaling effect on other governments in considering and implementing regulations. This effect has contributed to increased trade restrictiveness and regulatory fragmentation globally. The EU's insistence on "autonomy" and "European values" not only empowers others to follow suit, contributing to the rise in global protectionism, but also contradicts the EU's historical support for open trade principles and its commitment to a highly competitive social market economy." **European Centre For International Political Economy**

Environmental impacts and sustainability

In 2015, the United Nations adopted the *17 Sustainable Development Goals (SDGs)* to promote global sustainable development through environmental conservation, economic growth, and social inclusion. A total of 193 nations have committed to these ambitious goals, which include 169 specific targets. International trade plays an increasingly vital role in addressing regional resource scarcity, promoting efficient global resource use, stimulating economic growth, and improving social welfare. By transferring goods and services, trade can help meet regional demand while conserving local resources essential for production. However, international trade can also have negative effects on environmental and social well- being, such as contributing to carbon leakage (CO2 emission displacement), biodiversity loss, deforestation, and exacerbating environmental and socio-economic inequalities between developed and developing countries. Developing countries face unique challenges in implementing sustainable trade practices. One of the primary obstacles is financial constraints, as the initial investment required for sustainable technologies and practices can be a significant barrier for smaller businesses. Additionally, many of these countries lack the necessary infrastructure or technology, such as renewable energy sources or waste management systems, to support sustainable practices. Another challenge is the difficult balance between economic growth and sustainability. Developing nations often need to prioritize immediate economic development to improve living standards, making it challenging to focus on long-term sustainability. Furthermore, accessing global markets with sustainable products can be difficult due to the stringent standards and certification processes required by developed countries. International trade has long been a cornerstone of global economic development, driving GDP growth, creating jobs, and enhancing consumer choices. However, this pursuit of economic growth increasingly conflicts with the need for environmental sustainability. Traditional trade practices, heavily reliant on natural resource exploitation and high carbon emissions, contribute significantly to environmental degradation, including pollution, resource depletion, and biodiversity loss. The logistics and transportation sectors, particularly shipping and air transport, add to this impact by contributing to global carbon emissions. Sustainable trade practices are now essential to align economic growth with environmental preservation. These practices involve rethinking supply chains, adopting cleaner technologies, and ensuring that trade policies support environmental health. Sustainable trade can also provide economic benefits, such as opening new markets for eco-friendly products, improving resource efficiency, and enhancing brand reputation. However, the transition to sustainable practices presents challenges, especially for developing countries. These include financial constraints, lack of infrastructure, and the difficult balance between immediate economic growth and long-term sustainability. Global efforts to promote sustainable trade include international policies and agreements, such as trade agreements with environmental provisions, the *Paris Agreement* on climate change, and *CITES*, which regulates trade in endangered species. Governments and international organizations play a crucial role in creating and enforcing these policies to guide and incentivize businesses and countries toward more sustainable trade practices.

CURRENT SITUATION

‘Recent attempts have been made to regear the WTO and trade institutions towards more sustainable outcomes – whether environmental, social or economic – where wealth creation for a few becomes secondary to promoting new non-economic “values” shared by the global community that advance a people-centered, inclusive, fair and transparent trade system that benefits all.’ (Jan Yves Remy) The WTO has established the **“Remaking Global Trade for a Sustainable Future”** project which aims to address the challenges and opportunities that arise in the context of sustainability in global trade. The *Villars Framework for a Sustainable Trade System* is an initiative under this project with the goal to make a digital, transparent and most importantly sustainable trading system amongst countries. There are five main aspects of this initiative:

1. *Climate action* — net-zero greenhouse gas emission in international trade by 2050; border adjustment mechanisms; transition into green technologies for developing countries
2. *Development and inclusion* — inclusion of marginalized communities; sustainable initiative focused on eliminating tariffs and other barriers; repurposing of institutions and processes (rechartered International Trade Centre)
3. *Subsidies and industrial policy* — new analytical and legal framework with focus on sustainability
4. *Monitoring and impact evaluation* — sustainable development impact assessments (SDIAs) in the context of future trade negotiations
5. *Institutional and governance reform* — reform of institutional and decision- making processes to increase efficacy; political engagement between the WTO and other organizations (UN, International Maritime Organization, IMF etc.) — UN Sustainable Development Goal 17

In general, countries are slowly adapting green technology and policies in an effort to not only minimize their carbon emissions but to also achieve sustainable practices in global trade. Loss of biodiversity, pollution, rising sea levels and decrease in air quality – all exacerbated by global warming – have become major threats to many countries and so nations are recognizing the urgent need to transition towards more sustainable practices. The push for sustainable practices in global trade is increasingly seen as essential for long-term economic resilience, environmental protection, and the overall well-being of future generations.

MAJOR PARTIES AND THEIR VIEWS

While there are many countries participating in the global economy, as a result of the Third Industrial Revolution, there are 7 main countries that currently shape the way the global economy functions. (ENGLER; Wolf)

THE UNITED STATES OF AMERICA — The US already maintains a far more comprehensive review regime for FDI (foreign direct investment) and continues to bolster its export controls, particularly on emerging and foundational technologies, in order to protect its technology advantage both domestically and in conjunction with its allies and partners. While historically supporting free trade and global markets, recent policies have leaned toward protectionism, emphasizing "America First" strategies. (Feffer) The U.S. advocates for fair trade practices, often implementing tariffs and trade barriers to protect domestic industries while still engaging in global trade negotiations. *PEOPLE'S REPUBLIC OF CHINA* — Overall, China is using foreign trade relations to its own

advantage, which in the long-term should also consist of making foreign companies or national economies dependent on China. The country champions globalism in global trade, promoting open markets, free trade, and multilateral cooperation. It opposes protectionist policies, arguing that they hinder economic growth and global development. China seeks to position itself as a leader in globalization, advocating for an inclusive, rules-based international trade system that benefits all participating countries. These efforts culminated in the massive Belt and Road initiative (2013) that aims to invest into and develop infrastructure projects in foreign countries. *INDIA* — India is a country with a history of protectionism between the 1940s to 1990s. After a reform in 1991, India's government shifted towards globalization. However this stance isn't very prominent and India still has one of the highest tariffs in the world with an average tariff rate of almost 14 %. (Mukewar) Many argue that despite government promises to be more open to international trade the country has always been *'pro-investment and anti-trade'*. The government also heavily subsidizes local farmers: a practice which was attacked by the US

for breaking WTO rules around subsidy limits. In this sense India is a polarised country whose government blocks globalist policies in favour of protectionism while also engaging in the global economy via investments. When it comes to greenhouse emissions, India is ranked top 3 while also having one of the lowest per capita footprints. The government is currently pushing the narrative that India is a 'climate-responsible economy' and implementing policies such as the carbon tax. *UNITED KINGDOM* — Britain found itself in a complex position after leaving the European

Union due to the 2016 BREXIT Referendum. As of now, it's in the process of negotiating trade deals yet protectionism is on the rise as in the short-run it could protect jobs and industries in decline. Britain remains in the early stages of conversation about global trade yet the government made it clear it wants to *"champion free trade, fight protectionism and remove barriers at every opportunity".* The British public however calls for increased government involvement and many argue that in the post-BREXIT landscape protectionism and free-trade can co-exist. (Levitt)

JAPAN — In 2018 the EU sought to negotiate a free trade agreement (FTA) with Japan to promote sustainable economic development in both regions. The pace of globalization of the Japanese economy is slower compared to European and North American countries despite the country's efforts to increase their inward FDI (foreign direct investment). One of the distinctive changes in trade in the past 30 years is that the biggest trading partner shifted from being the US to the East Asian region. Japan's globalization is characterized by this new partnership in rapidly growing Asian countries. After joining the Trans Pacific Partnership programme (TPP) in 2018, Japan is one of the most open countries to foreign investment with trade liberalization ambitions exceeding the TPP in scale.

GERMANY — The statistics provided by the German Economic Institute show that out of any major global economy, Germany is the most open to the international division of labour. 88 % of Germany's GDP relates to exports and imports which puts Germany's economy at a particular risk if the trend of globalization were to slow down or potentially reverse. Due to Germany's liberal stance towards globalization, the economy is prone to economic fluctuation as it's less resilient to global crises such as the EU imposed sanctions on Russia which had catastrophic consequences on gas prices in the country. (Płóciennik) Germany advocates for sustainable development, balancing environmental protection with open global trade, emphasizing green technologies and fair, responsible practices. *FRANCE* — The French government supports a balanced trade policy which allows for its citizens to enjoy foreign markets while also preserving the collective sensitivities of its local markets. The country is conflicted when it comes to globalization because while one of the greatest beneficiaries of globalizations, the French population is increasingly skeptical and fearful of France's liberal stance. The polls show the public believes the country is falling behind other countries as their GDP per head slipped from 8th to 19th place in national rankings. Deep-seated domestic rigidities are a testament to the country's poor export performance as the anti-globalization takes deeper root. (Meunier)

TIMELINE OF EVENTS

Despite globalisation practices spanning centuries, there is a consensus amongst academics that it has gone through six main stages/eras as defined by the World Economic Forum (BBC; Vanham):

The Silk Roads (**1st to 5th century; later 13th to 14th century**)

The establishment of the Silk Road; trade and import of luxury goods – notably silk – from China to Rome. Local and regional affairs and markets are becoming global as more people engage with the Silk Roads.

Age of Discovery (**15th to 18th century**)

Europeans connect the East to the West during the discovery of the Americas by Christopher Columbus. Exotic products were shipped to Europe by boats – tomatoes, potatoes and spices – which boosted naval trade and diminished the power of the Arab and Italian traders. Colonialist practices start to take hold.

Globalisation 1.0 (**19th century to 1914**)

The First Industrial Revolution allowed Britain to become the global leader not only in the geographical aspect (establishment of the British Empire) but also the technological one. Transport of goods from India, Arabia, Mexico and China via railroad enabled further globalisation. In the Americas: establishment of the Suez Canal.

Globalisation 2.0 (**1945 to 1989**)

Establishment of international institutions such as the European Union and the Soviet Union as well as planes and cars allowed for greater global trade. Increase in international trade alongside centralized planning as countries traded amongst those belonging to the same political block.

Globalisation 3.0 (**1989 to 2008**)

Fall of the Soviet Union allowed for globalization to take off. Establishment of the WTO and China's subsequent joining started its path to becoming the world's biggest manufacturer. The Third Industrial Revolution and the creation of the internet meant global exports rose to almost 25 % of the global GDP in the early 2000s.

Globalisation 4.0 (**2008 to present**)

Currently the global economy is almost entirely virtual. E-commerce and virtual currencies allow for easier and faster global trading. China introduced the Belt and Road initiative to integrate globalisation practices into its economy. Rise in negative environmental effects, notably pollution, greenhouse emissions and exploitation in third world countries and areas around the Amazon.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

Kyoto Protocol (1997): A precursor to the Paris Agreement, the Kyoto Protocol set binding emission reduction targets for industrialized countries, acknowledging the role of globalized industrial activities in contributing to climate change. *United Nations Sustainable Development Goals (SDGs)*: Adopted in 2015, the 17 SDGs aim to promote global sustainability, with goals related to responsible consumption, production, and climate action, encouraging countries to integrate sustainability into their economic activities. (United Nations, “The 17 Sustainable Development Goals”) *Paris Agreement* (2015): This international treaty seeks to combat climate change by limiting global warming to below 2°C above pre-industrial levels. It emphasizes the need for countries to adopt sustainable development practices while engaging in global economic activities. (UNFCCC)

Establishment of the WTO (1995): see KEY TERMS; the precursor to the WTO was the General Agreement on Tariffs and Trade in 1947 (GATT)

QUESTIONS A RESOLUTION SHOULD ANSWER

I. How can economic policies be structured to address both the economic recovery from global crises (e.g., COVID-19) and long-term sustainable growth?

II. In what ways can countries enhance their self-sufficiency without undermining the global trade system?

III. How can the global community address disparities in how different countries are affected by protectionism versus globalist policies?

IV. What are the potential long-term consequences of a shift toward more protectionist economic policies in relation to global poverty and inequality?

V. How can countries collaborate to build a resilient global supply chain that is less vulnerable to disruptions from future crises such as COVID-19?

VI. What role should regional economic blocs (e.g., the European Union, ASEAN) play in mediating between protectionism and globalism?

VII. In what ways can globalization harm local producers and industries and how can we secure their protection while also maintaining a level of global integration?

VIII. What are the environmental implications of protectionist policies compared to global trade, and how can countries balance economic goals with ecological sustainability?

IX. How can supply chain diversification strategies help countries strike a balance between the benefits of global integration and the desire for national security and self-reliance?

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