



Jean Monnet Chair Workshop

**Governance from the bottom up: Empowering the citizen in sustainable trade**

Queen Mary University of London  
Centre for Commercial Law Studies  
67-69 Lincoln's Inn Fields  
London WC2A 3JB  
24 July 2019

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The workshop will take place from 9am in room 3.1 of the Centre for Commercial Law Studies, Queen Mary University of London.

Address: 67-69 Lincoln's Inn Fields, London WC2A 3JB

**9am-9:15am \* Concept of the workshop**

Remarks by Rafael Leal-Arcas

**9:15am-10:30am \* How can we use the trading system to achieve sustainability? What kind of trade regime do we need to create for the great transformation of decarbonization?**

Remarks from Hoe Lim and Dominik Olewinski

**Break (10:30am – 10:45am)**

**10:45am-12:15pm \* How can trade law be the enforcer of climate-change obligations?**

Remarks from Peter Vajda and Axel Marx

**Lunch (12:30pm – 1:30pm)**

**1:30pm-3pm \* What can the trading system learn from the process of democratizing energy and climate governance?**

Remarks from Leigh Hancher and Moritz Wüstenberg

**Break (3pm – 3:15pm)**

**3:15pm-4:15pm \* How can citizens play a greater role in shaping sustainable trade?**

Remarks from Magdalena Ruda and Patrick Pieroni

4:15pm-5pm \* **What are the trade instruments that best deal with climate action, bearing in mind that there is much public opposition to trade agreements?**

### **Concept**

The use of behavioral economics (i.e., the study of psychology as it relates to the economic decision-making processes of individuals and institutions) in public policy has been increasingly on the scientific agenda. In energy policy, efforts to steer people towards “better”—that is, more energy efficient—choices and behaviors are much needed. There is increasing evidence that the right incentives do spur behavioral change. This has certainly been the case in Nordic countries, where the so-called Nordic model has failed in top-down policies (such as the creation of common defense policy, a single currency), but has been very successful in the design of bottom-up approaches to policies with the right incentives and market integration. The scientific shift in the governance of sustainable development implies putting citizens at the center of this process. This phenomenon described as a ‘bottom-up approach’ to the *democratic* implementation of climate change mitigation plans is one of the mega-trends of the 21<sup>st</sup> century (Esty 2017).

The above raises the following questions: How about the governance of *international trade*? How can it be governed from the bottom up so that there is an open trading system in political, legal, and economic terms? How can we have greater involvement of civil society? How can we empower citizens? Traditionally, trade policy has been conducted by trade diplomats. Should we not listen to citizens’ concerns and those of small and medium enterprises? Thus, I propose a bottom-up process in trade, with greater citizen participation, which has been a big success since 2016 in the climate change field.

### **Themes for discussion**

Below is a non-exhaustive list of questions for discussion during the workshop:

- How can we use the trading system to achieve sustainability?
- How can trade law be the enforcer of climate-change obligations?
- How can citizens play a greater role in shaping sustainable trade?
- What can the trading system learn from the process of democratizing energy and climate governance?
- What kind of trade regime do we need to create for the great transformation of decarbonization?
- What are the trade instruments that best deal with climate action, bearing in mind that there is much public opposition to trade agreements?

### **Governance from the bottom up (new concept)**

A new concept in this workshop is citizens’ empowerment. Empowering citizens has implications for societal change as it provides a human element to governance. More direct participation by citizens is increasingly necessary to reach good governance.

New opportunities are coming up for ensuring energy security. The energy sector is undergoing a large-scale low-carbon transition. What is under-emphasized in this transition is that it involves a major paradigm shift from a supply-driven to a demand-side energy policy. Driven

by a mix of geopolitical, economic, climate, and technological considerations, the energy sector is moving towards a new architecture, the principal pillars of which are progressive electrification, a cleaner energy mix, renewable indigenous energy production, increased energy efficiency, and the development of new markets to produce, transmit, and, crucially, manage energy.

The shift in paradigm can be explained as follows: a top-down guidance to sustainable development will come from inter-governmental decisions (i.e., high level of abstraction), whereas a bottom-up approach means that action/implementation will happen from consumers'/citizens' participation (i.e., low level of abstraction). National governments are essential, but are no longer the only key actors. This raises the question whether cities can make effective change if national governments do not deliver. At what point should businesses have to step up if politicians fall short? Cities around the world are demonstrating innovative strategies for advancing solutions to climate change. Via this bottom-up approach to governance, citizens can ask states for reform.