



# The EU Deforestation Regulation in a Changing World Economy

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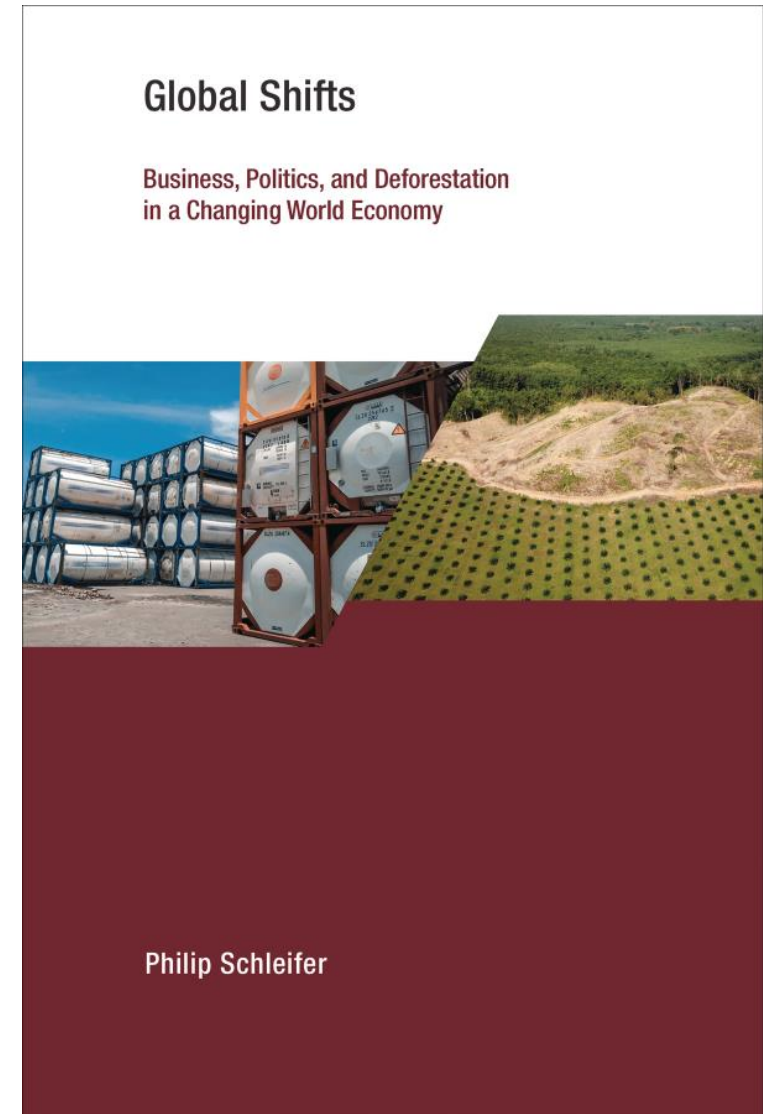
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# Key features

- Directs attention to changing global economic context in research on transnational business governance effectiveness
- Charts the environmental consequences of contemporary globalization in the case of commodity-driven deforestation
- Reveals the structural limitations of global (North-South) supply chain initiatives in 21<sup>st</sup> century agricultural trade
- Maps the changing terrain of sustainable commodity governance and politics



<https://mitpress.mit.edu/9780262545532/global-shifts/>



# From voluntary commitments to mandatory regulation of forest-risk supply chains



The image is a screenshot of the European Commission website. At the top left is the European Commission logo. Below it is a blue navigation bar with the word "Environment". A breadcrumb trail reads "Home > Publications > Proposal for a regulation on deforestation-free products". The main heading is "PROPOSAL FOR A REGULATION" followed by "Proposal for a regulation on deforestation-free products". Below this is a "Details" section with a table:

Publication date	17 November 2021
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On the right side of the screenshot, there is a photograph of two men in suits standing at podiums during a press conference. The podiums have the European Commission logo. The background is a large screen displaying the European flag and the text "European Commission" and "Commission européenne".

# EU consumption responsible for 16% of tropical deforestation linked to international trade - new report

*Posted on April, 14 2021*

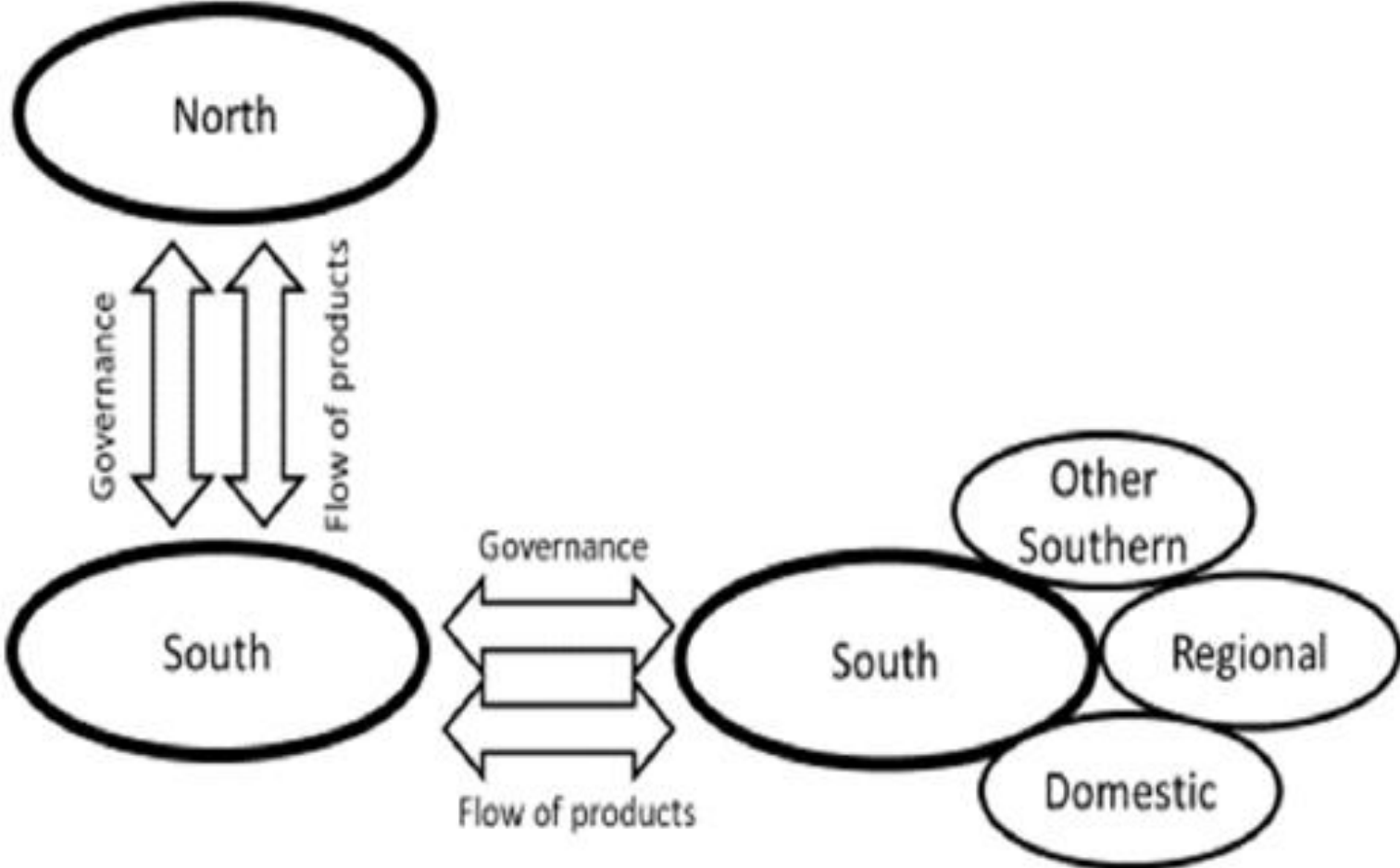
The EU is one of the world's largest importers of tropical deforestation and associated emissions, second only to China, a new WWF report has found.

As the European Commission gets set to present its proposal for new EU legislation to address deforestation in the spring, the report underscores the urgent need for the law to address the entirety of the footprint of EU consumption on our planet's forests and other ecosystems, such as grasslands and



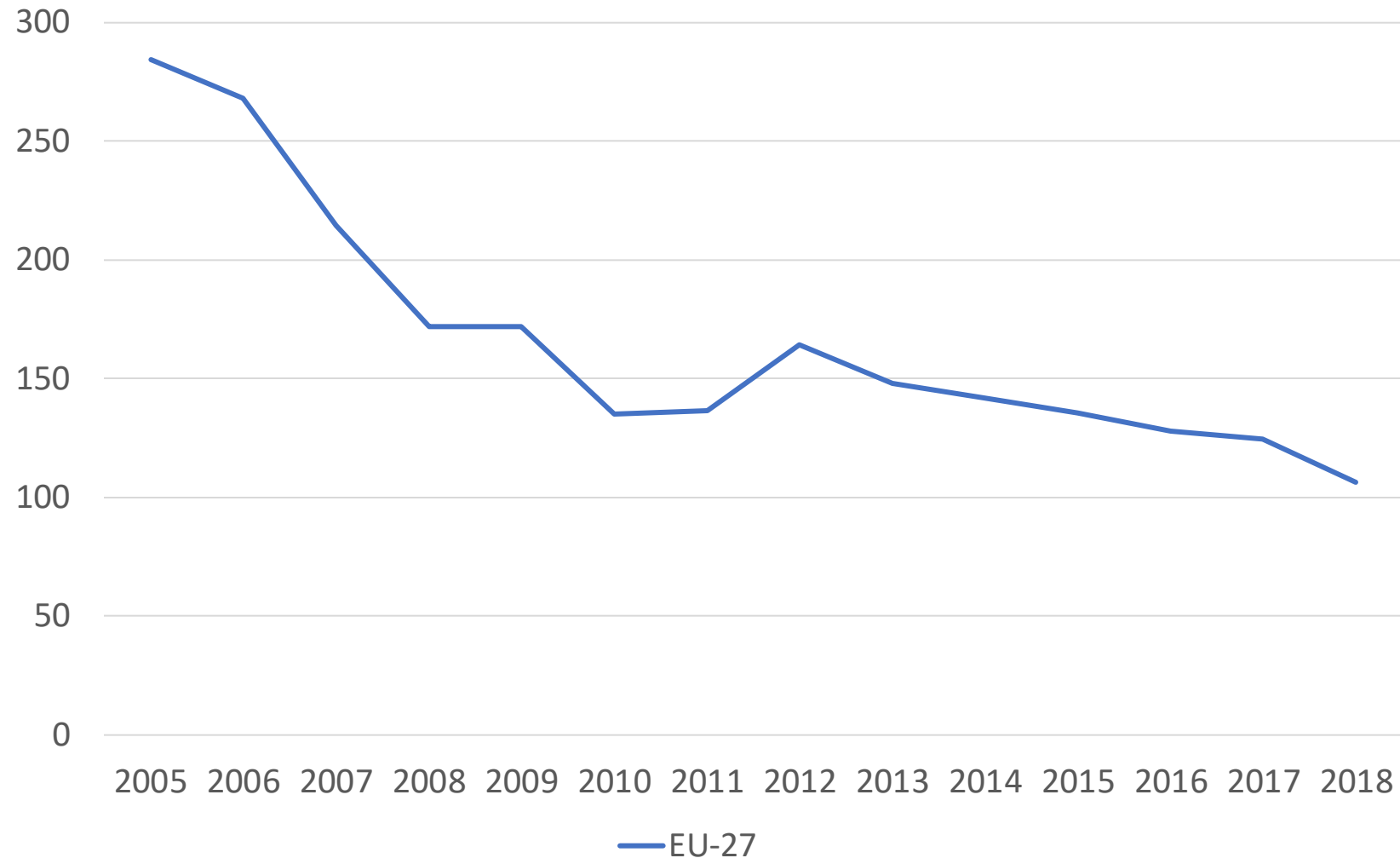
Deforestation and the destruction of natural ecosystems

# Who drives deforestation in 21st century “polycentric trade”?



Source: Horner and Nadvi 2018

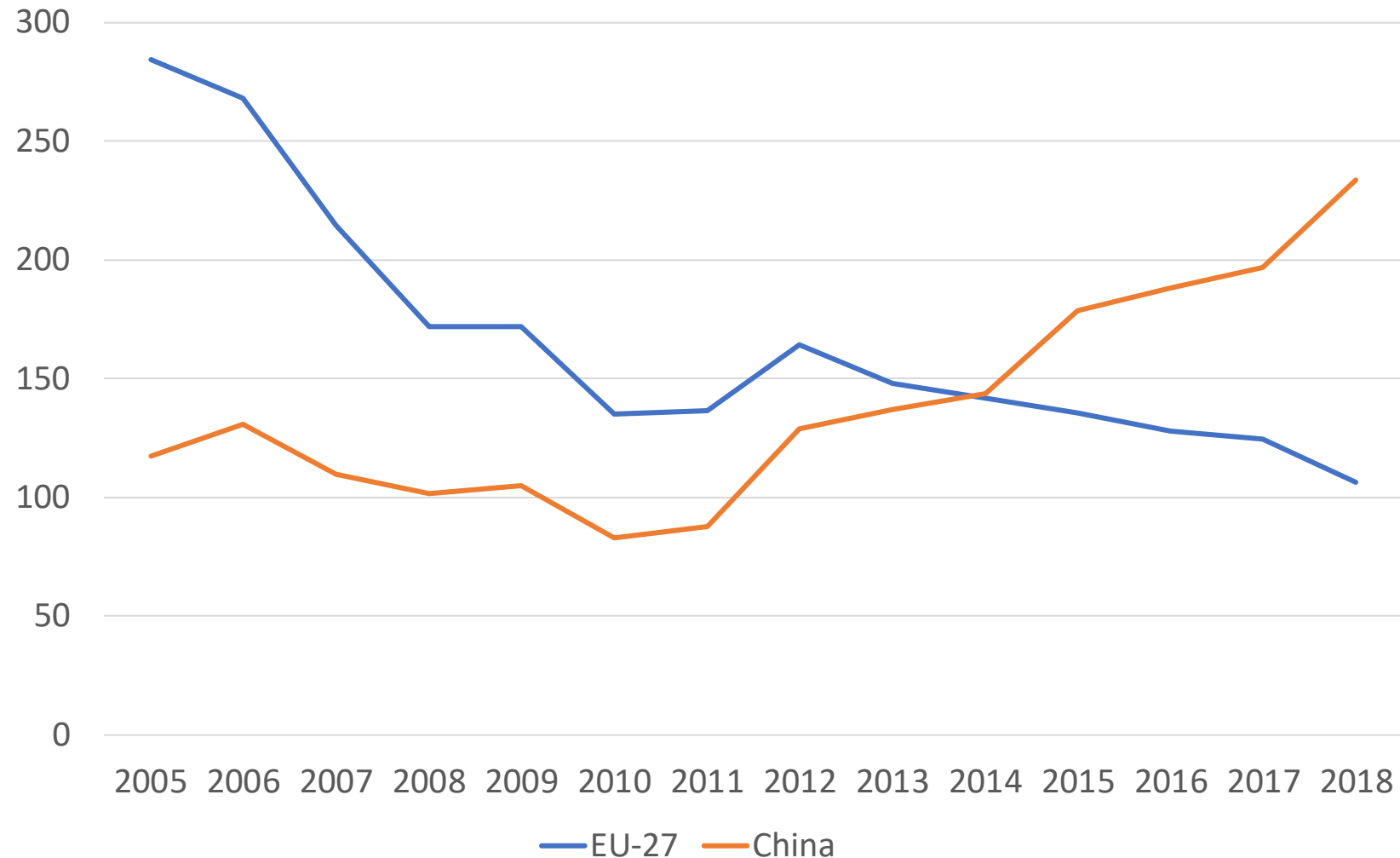
# Commodity-driven deforestation in thousand hectares (beef, cocoa, coffee, oil palm, rubber, soybeans, timber)



Source: Pendrill et al  
2022

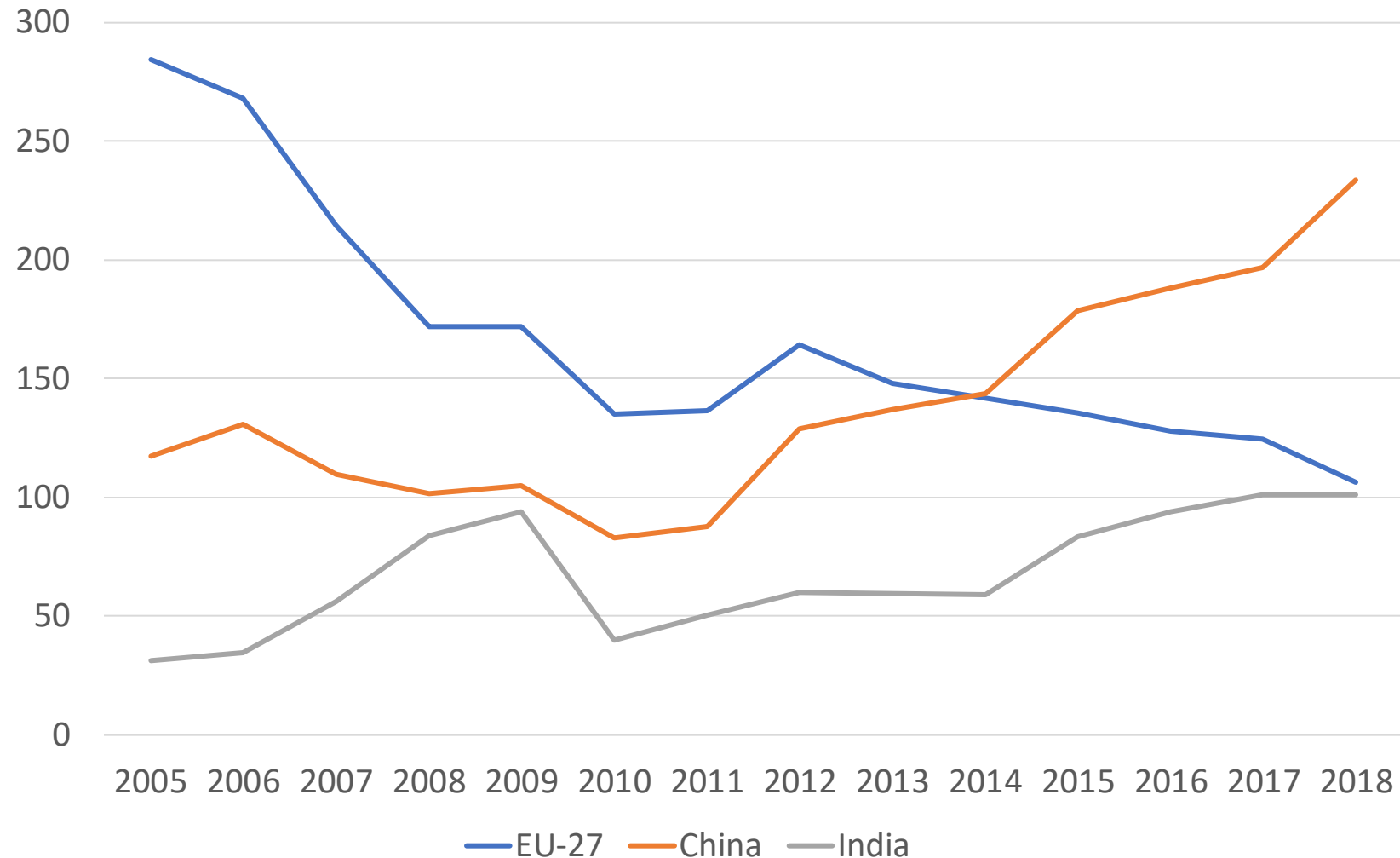


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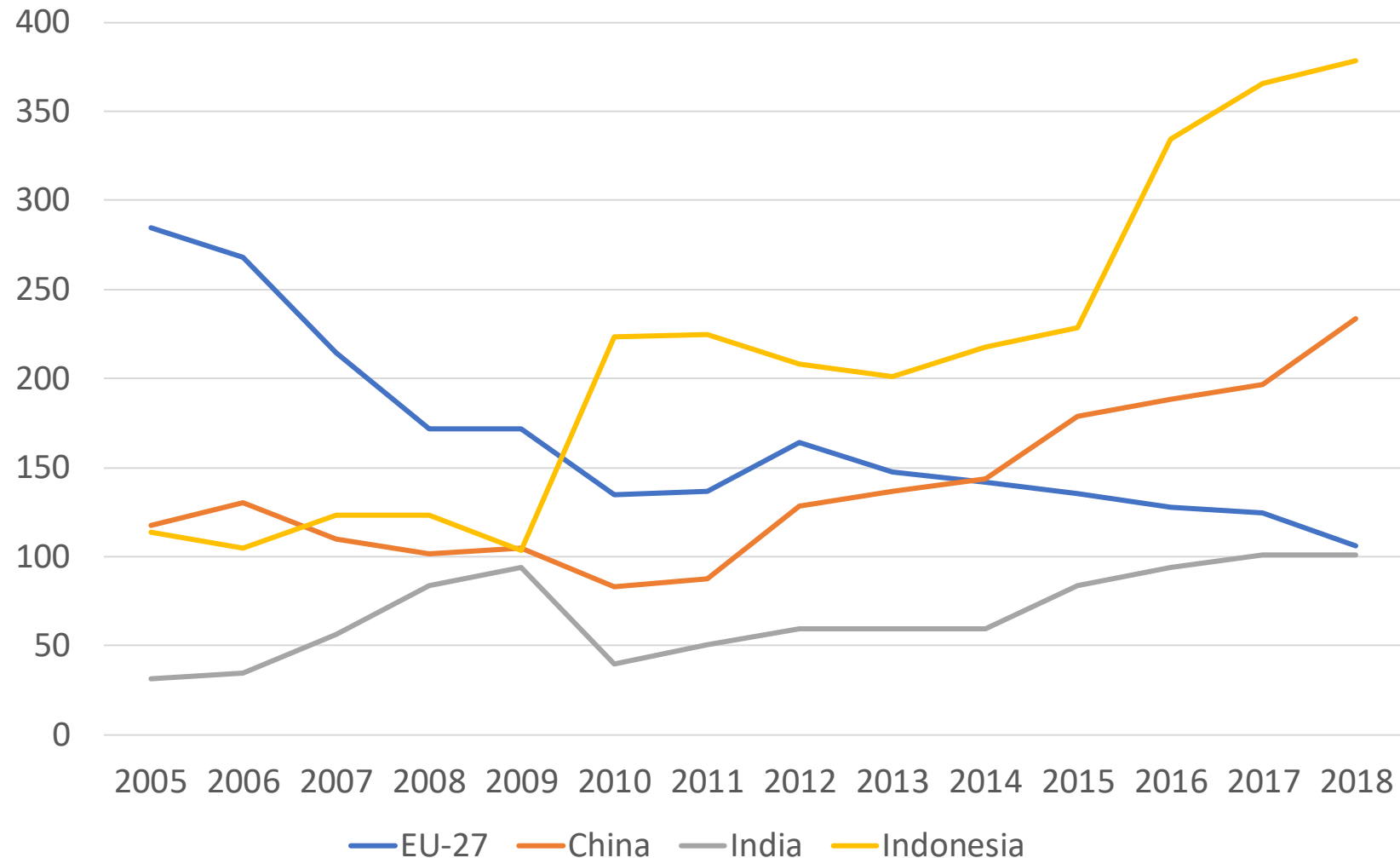
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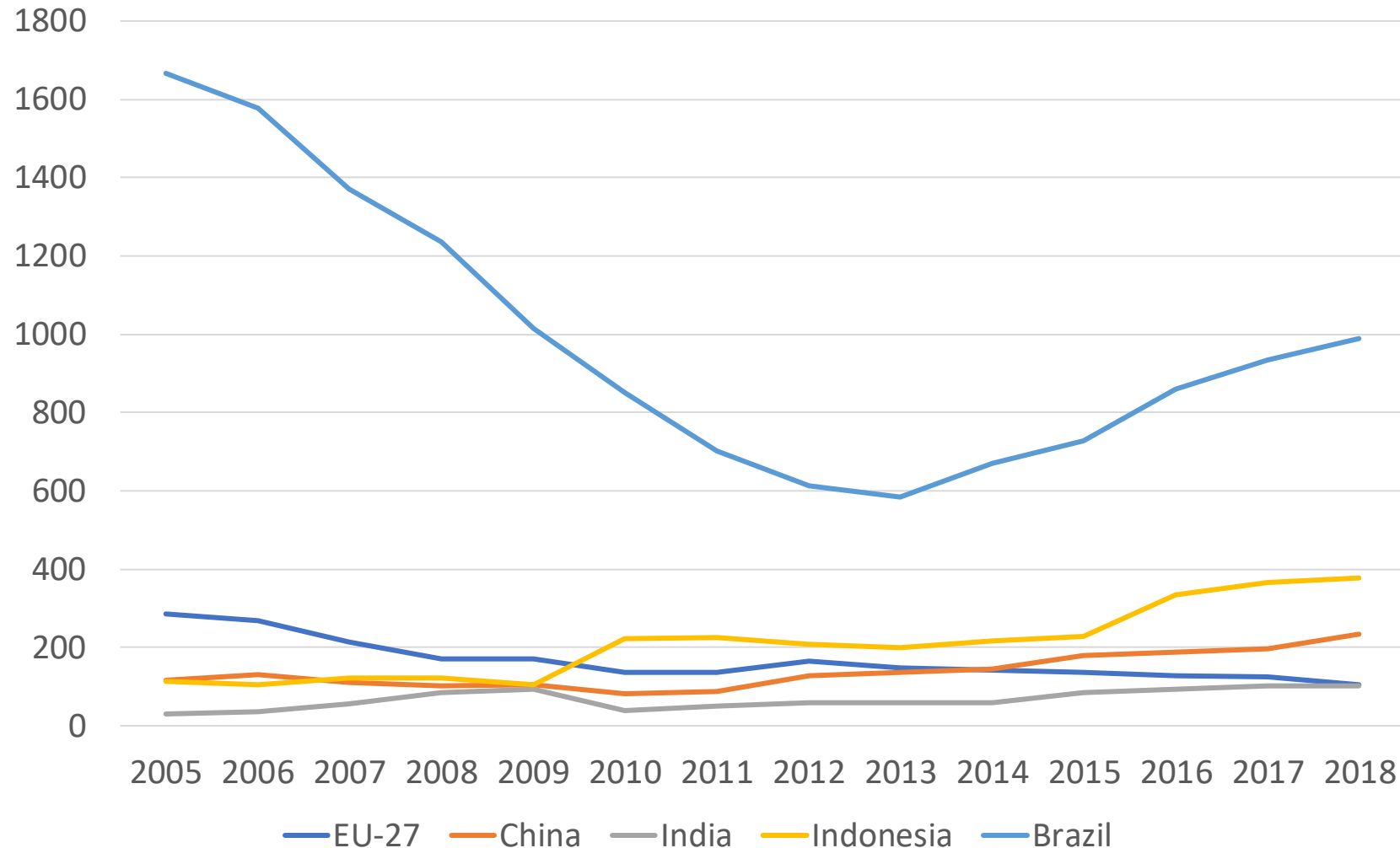


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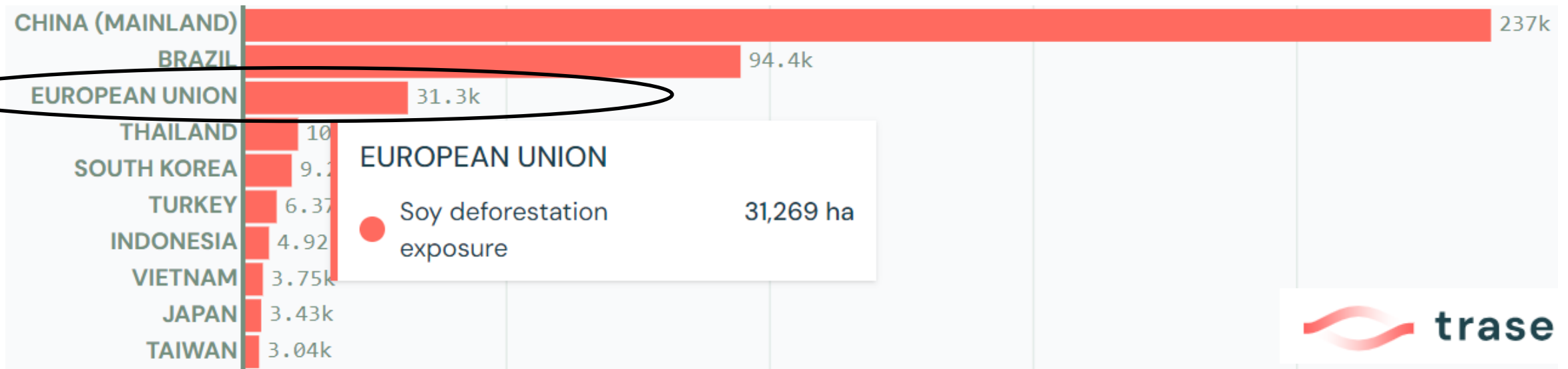
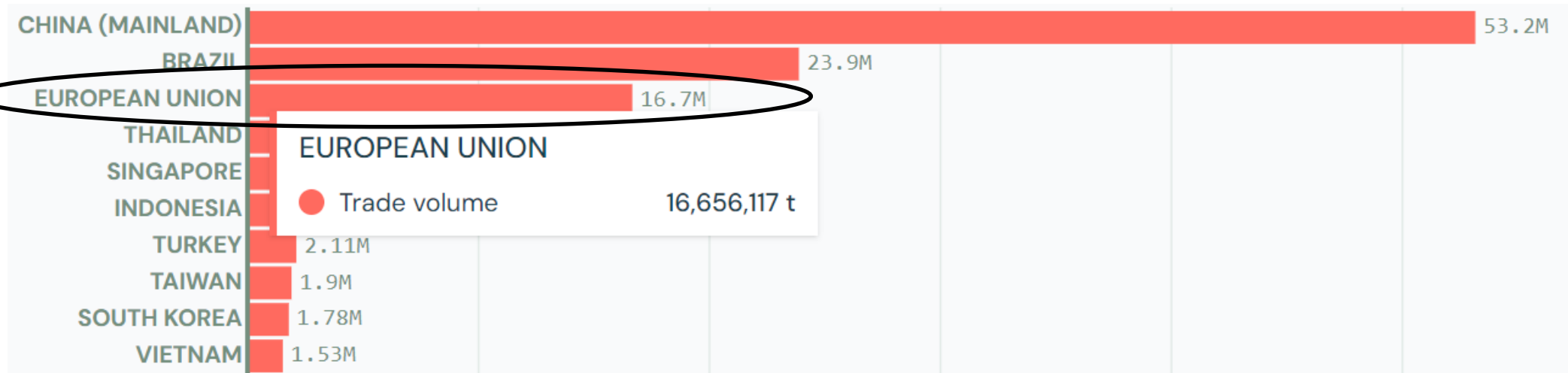
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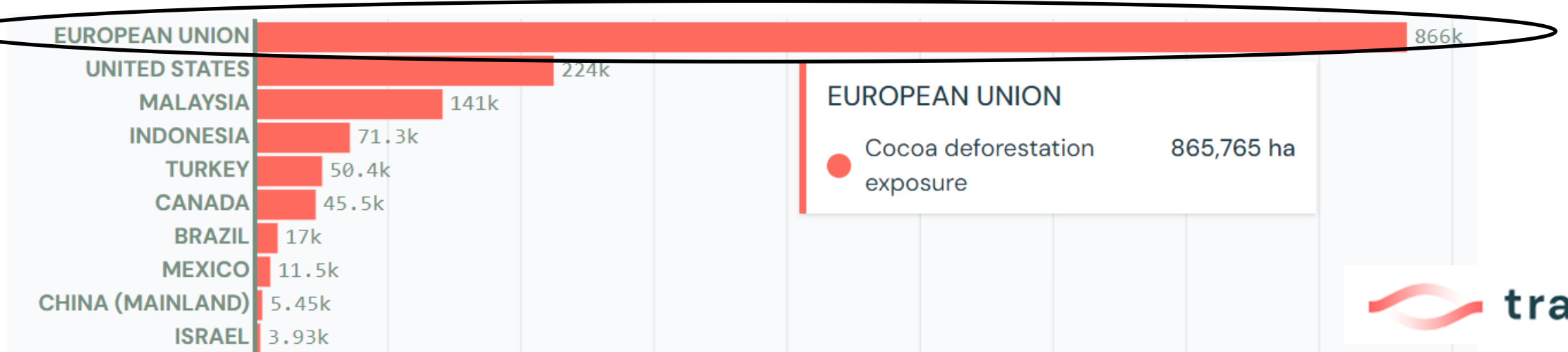
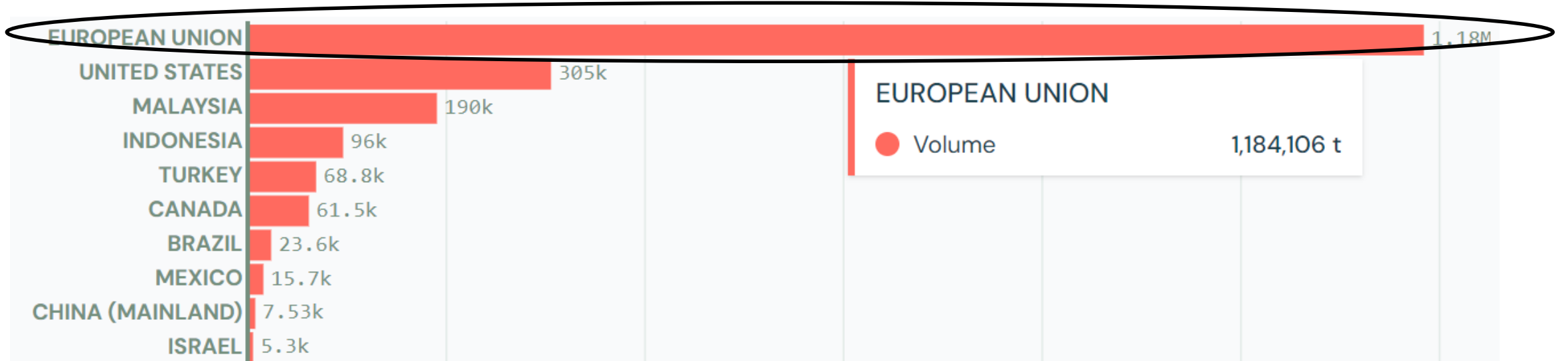
# Trade volume and deforestation exposure, Brazilian soy, 2020 (top 10)



# Trade volume and deforestation exposure, Indonesian palm oil, 2020 (top 10)



# Trade volume and deforestation exposure, Côte d'Ivoire cocoa, 2021 (top 10)



# Some reflections

- Beyond a focus on policy design and questions of on-the-ground implementation it is important to consider the EUDR in (shifting) global/sectoral economic contexts
- Prior to EUDR adoption EU-driven deforestation (total, per tonne) had declined significantly (-> additionality, problem-solving effectiveness)
- EU's global market power relative to emerging economies and domestic markets has declined too (-> implementation, leakage/bifurcation)
- Cross-sectoral variation: EU market power and deforestation exposure remain significant in some sectoral settings, such as cocoa, coffee (-> highest potential effectiveness)