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Green Néo-colonialism or Sustainable Trade: EUDR's Equity Implications for Global South Smallholders

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ABSTRACT

The European Union Deforestation Regulation (EUDR), enacted in 2023, aims to curb deforestation linked to imported commodities. However, its implementation has sparked global concern over its equity implications, particularly for smallholders in the Global South who often lack the resources and infrastructure to comply with the regulation's strict due diligence requirements. This study explores whether the EUDR reinforces green neo-colonial dynamics or offers a pathway toward sustainable trade. The research aims to analyse how the regulation affects smallholder inclusion in global value chains and the broader socio-economic impacts it triggers. This study employs a qualitative literature review approach, synthesising findings from 2015 to 2025 across academic journals, policy reports, and NGO publications. Data collection involved structured literature mapping and thematic categorisation using Mendeley Desktop as the primary reference management tool. Thematic content analysis was applied to identify recurring patterns related to regulatory burden, market exclusion, and institutional asymmetry. The findings indicate that the EUDR disproportionately burdens smallholders with compliance costs ranging from 10–30% of their income, leading to exclusion from EU markets in up to 50% of documented cases. Moreover, the regulation risks perpetuating power imbalances reminiscent of colonial trade structures. While inclusive implementation models show promise, they remain underutilised. In conclusion, the EUDR's success in promoting sustainable trade depends on its ability to integrate equity considerations. Future research should investigate participatory and context-sensitive compliance models across diverse agricultural sectors.

Keywords: *EUDR, smallholders, Global South, equity in trade, Green Neo-colonialism*

INTRODUCTION

In the wake of intensifying global climate commitments and the growing urgency of biodiversity preservation, international regulatory mechanisms have increasingly focused on forest conservation and the reduction of land-use emissions. Among these, the European Union Deforestation Regulation (EUDR), adopted in 2023, marks a significant legal and normative development aimed at eliminating deforestation-linked commodities from European supply chains. The EUDR seeks to ensure that products entering the EU market, such as palm oil, coffee, cocoa, rubber, and timber, are not associated with deforestation or forest degradation post-December 31, 2020 (Li, 2024). It mandates due diligence obligations on companies to trace the origin of commodities and verify their deforestation-free status (Simonnet, 2023). While environmentally progressive in appearance, such frameworks have provoked critical debates about their equity implications, particularly for smallholders in the Global South whose livelihoods are deeply intertwined with these very commodities (Stek & Ata, 2024).

At a structural level, global environmental governance has long been criticised for its asymmetrical architecture, wherein policies driven by the Global North disproportionately affect producers in the Global South (Jorgenson, 2016). The legacy of colonial trade routes, power imbalances in multilateral negotiations, and the continued dominance of Western standards in sustainability certifications contribute to what scholars term "green neo-colonialism" (Apostolopoulou & Adams, 2015). In this view, the Global North, while outsourcing environmental harms historically, now reasserts control over land-use decisions in the South via environmental trade conditionalities and market access regimes (Pedregal & Lukić, 2024). The EUDR,

despite its sustainability goals, potentially exemplifies this dynamic by imposing compliance burdens that many smallholders are neither institutionally nor financially equipped to meet (Srivastava & Banerjee, 2025). Smallholders who constitute a majority of producers in crops like cocoa and palm oil face multiple structural constraints, including insecure land tenure, lack of digital infrastructure for traceability, and limited access to credit and certification systems (Kalischek et al., 2022). The EUDR's strict requirements around geolocation data and deforestation risk assessments raise significant barriers to entry for these producers, threatening their market inclusion (Clinton et al., 2024). Critics argue that the regulation risks exacerbating socio-economic vulnerabilities and rural exclusion rather than enabling sustainable development (de Santana et al., 2023). Moreover, by shifting the compliance responsibility to producers and exporters, the EUDR externalises the costs of environmental governance onto the very actors least responsible for global deforestation (Elias Cosimo, n.d.).

Furthermore, the regulation has sparked concerns about its unilateralism and lack of genuine participatory dialogue with producer countries in the Global South (Trevizan, 2024). Unlike multilateral frameworks under the UNFCCC or the Convention on Biological Diversity, which embed principles of common but differentiated responsibilities (CBDR), the EUDR adopts a more transactional and enforcement-oriented approach (Kumeh & Ramcilovic-Suominen, 2023). This normative shift signals a growing trend in international environmental law where market access becomes a tool for regulatory conditionality, blurring the line between trade policy and environmental justice (Zumbansen, 2025).

Proponents of the EUDR, however, argue that such regulation is indispensable for achieving zero-deforestation supply chains and addressing the EU's environmental footprint (Blot & Hiller, 2022). They point to the failures of voluntary certification schemes and corporate pledges to halt deforestation by 2020 as justification for mandatory legal obligations (Grabs et al., 2021). In this context, the EUDR is seen as a corrective measure to advance global environmental integrity and consumer accountability (Solar et al., 2025). Yet, such views often overlook the variegated realities of smallholder production systems and the geopolitical asymmetries that shape global commodity flows (Chandra, 2024).

The binary framing of the EUDR as either a progressive environmental law or a form of green neo-colonialism thus reflects deeper tensions within the sustainable trade discourse. On one hand, there is a legitimate need to curb deforestation and promote sustainable consumption patterns in the Global North. On the other hand, there remains an unresolved question about how to do so without perpetuating historical injustices, exacerbating rural poverty, or undermining the sovereignty of Global South producers (Aguiar et al., 2023).

This paper aims to critically examine the EUDR through the lens of equity and power, asking whether it constitutes a pathway toward sustainable trade or a new modality of green neo-colonialism. Employing a qualitative literature review approach, the analysis draws from over 80 academic articles, legal texts, policy reports, and civil society commentaries to assess the implications of EUDR for smallholders in the Global South. By situating the EUDR within broader debates on environmental justice, trade regulation, and postcolonial critique, this study seeks to illuminate the structural challenges faced by marginalised producers and propose pathways toward a more inclusive form of environmental governance (Ziyadin et al., 2019).

LITERATURE REVIEW

1. Global Environmental Governance and Regulatory Shifts

The growing urgency of climate change and biodiversity loss has led to the rise of transnational regulatory mechanisms seeking to address environmental externalities embedded in global trade. These mechanisms reflect an emergent paradigm in global environmental governance, which some scholars label as "regulatory pluralism", wherein non-state and supranational actors actively shape sustainability standards (van Noordwijk

et al., 2025). Among these, the European Union (EU) has positioned itself as a normative leader, integrating environmental objectives into trade policies through initiatives like the European Green Deal and the recently enacted European Union Deforestation Regulation (EUDR). While such instruments aim to harmonise consumption and production with planetary boundaries, their extraterritorial effects raise significant normative and ethical questions, particularly in the context of postcolonial trade relations (Pontecorvo, 2024).

2. **The EUDR: A New Era of Due Diligence and Traceability**

The EUDR introduces a binding due diligence requirement for companies placing products on the EU market that are linked to deforestation-risk commodities, including palm oil, cocoa, coffee, rubber, soy, and timber (Bengel, 2024). It mandates geolocation data for traceability, deforestation-free verification, and legality checks in accordance with the laws of the country of production. While the regulation claims to be product- and country-neutral, its implementation is inherently asymmetrical due to variations in producer capabilities and governance capacities across regions. Scholars note that regulatory instruments such as the EUDR may inadvertently shift compliance costs and legal burdens onto less powerful actors in the Global South (Parluhutan, 2024).

3. Structural Barriers for Smallholders in the Global South

Smallholder farmers, defined broadly as those cultivating less than five hectares, form the backbone of agricultural production in many tropical commodity sectors (Hidalgo et al., 2025). Despite their centrality in global supply chains, these producers often face constraints such as weak tenure security, limited digital infrastructure, and exclusion from formal certification schemes (Dermawan et al., 2022). The EUDR's emphasis on granular geospatial traceability and stringent documentation is misaligned with the production realities of smallholders, particularly those in informal or customary land systems. Without targeted support mechanisms or capacity-building investments, the regulation risks entrenching structural inequalities and creating new forms of market exclusion (Schilling-Vacaflor & Gustafsson, 2024).

4. The Green Neo-colonialism Debate

The concept of green neo-colonialism has gained prominence in recent years to describe how environmental regulations by the Global North may reinforce colonial patterns of domination under the guise of sustainability (Andreucci et al., 2023). This critique argues that policies like the EUDR, though environmentally justified, reproduce geopolitical asymmetries by imposing unilateral standards, excluding producer voices, and externalising governance costs (Wissen & Brand, 2021). Some scholars contend that such approaches effectively recolonise Southern landscapes by dictating how land can be used and what constitutes "legal" or "sustainable" agriculture. Moreover, when Southern producers are denied market access for failing to comply with externally defined criteria, it raises questions about distributive and procedural justice (Mookerjea, 2019).

5. **Voluntary Certification vs. Mandatory Regulation**

Prior to the EUDR, commodity sustainability efforts were largely driven by voluntary certification schemes such as RSPO (Roundtable on Sustainable Palm Oil), UTZ, and Fairtrade (Veriasa et al., 2024). However, studies indicate that these schemes have had mixed success in curbing deforestation and improving livelihoods. While some promoted higher environmental standards, others have been critiqued for limited smallholder inclusion and weak enforcement mechanisms (Wood et al., 2021). The EUDR shifts the paradigm from voluntary compliance to mandatory legal obligation, potentially increasing enforcement but also deepening exclusion for producers lacking administrative or technical capacity. The regulation's reliance on due diligence instead of certification creates both opportunities for flexibility and risks of fragmented governance (Watts et al., 2021).

6. **Environmental Justice and Power Asymmetries**

Environmental justice scholars emphasise that sustainability transitions must be assessed not only by their ecological outcomes but also by their socio-political dimensions, particularly who bears the cost, who participates in decision-making, and who benefits (Coenen et al., 2025). In this view, the EUDR represents a case study in how well-intentioned environmental laws may fail to recognise structural injustices embedded in global commodity chains (Avelino et al., 2024). The unequal distribution of responsibility, where Northern buyers set standards and Southern smallholders must comply without adequate support, raises fundamental concerns about justice and fairness. Furthermore, failure to include smallholder voices in the formulation of trade-linked environmental regulations may undermine both legitimacy and long-term effectiveness (Bradford, 2020).

7. **Implementation Gaps and Institutional Readiness**

The success of the EUDR depends heavily on national and subnational institutions in producer countries being able to monitor land use, validate legality, and support compliance. However, many countries in the Global South face limited institutional capacity, fragmented land governance, and challenges in integrating traditional land tenure systems into formal regulatory frameworks (Jelsma et al., 2017). In regions such as West Africa and Southeast Asia, smallholder supply chains are often informal and unregistered, further complicating traceability. Without substantial technical and financial cooperation from the EU, there is a risk that implementation gaps will penalise the most vulnerable actors while allowing large-scale plantations with existing infrastructure to dominate compliance pathways (Sumbo, 2022).

8. Beyond Compliance: Toward a More Inclusive Sustainability

An emerging body of literature argues for a rethinking of sustainability standards to centre equity and inclusiveness rather than mere compliance. Scholars propose co-governance models that involve producer governments, local communities, and civil society organisations in regulatory design and monitoring (Birnbaum, 2016). Others advocate for differentiated compliance mechanisms based on farm size, access to technology, and socio-economic context, recognising that "one-size-fits-all" policies are inherently exclusionary. For the EUDR to avoid becoming a new instrument of ecological extraction, it must incorporate meaningful collaboration with producer regions and reallocate some responsibility to downstream actors with more resources and power (Doukas et al., 2023).

METHOD

This study employs a qualitative research method, specifically a qualitative literature review, to explore the equity implications of the European Union Deforestation Regulation (EUDR) for smallholders in the Global South. Unlike empirical qualitative approaches such as focus group discussions or field observations, this research is grounded solely in secondary data sources drawn from existing academic literature, policy documents, legal texts, and critical commentaries published between 2015 and 2025. The literature review methodology enables an in-depth and systematic examination of diverse perspectives and theoretical frameworks related to green neo-colonialism, sustainable trade, and global environmental governance. The primary instrument of this study is a carefully constructed literature matrix used to organise and categorise the sources according to thematic relevance, conceptual frameworks, and empirical findings. Data collection involved comprehensive searches in reputable academic databases including Scopus, Web of Science, and Google Scholar, using keywords such as "EUDR," "deforestation regulation," "smallholders," "green neo-colonialism," and "sustainable trade," with a deliberate focus on peer-reviewed journals, institutional reports, and policy analyses published within the last decade to ensure contemporaneity and relevance. The selected literature underwent rigorous screening based on inclusion criteria emphasising relevance to the research

questions, methodological robustness, and credibility of the sources. For data analysis, the study applied thematic synthesis, enabling the identification, coding, and interpretation of recurring themes and patterns within the literature corpus. This approach facilitates a critical understanding of how the EUDR intersects with issues of equity, power asymmetry, and socio-economic impacts on small-scale producers, while situating the regulation within broader discourses on environmental justice and postcolonial theory. Through systematic comparison and synthesis of the findings across diverse sources, this research provides a nuanced and evidence-based assessment of whether the EUDR functions as a tool for sustainable trade or perpetuates dynamics of green neo-colonialism. By relying exclusively on qualitative literature review methods, this study maintains academic rigour and avoids the pitfalls of unverifiable primary data collection, thereby producing insights grounded in established knowledge while identifying gaps for future empirical inquiry.

RESULTS AND DISCUSSION

1. Results The qualitative literature review compiled over 80 peer-reviewed articles, institutional reports, policy briefs, and critical analyses published between 2015 and 2025. Data sources were retrieved primarily from Scopus, Web of Science, and specialised environmental governance repositories. The literature spans multiple disciplines, including environmental law, development studies, postcolonial theory, and agricultural economics. The selected documents addressed the implementation, socio-economic impact, and geopolitical dimensions of the European Union Deforestation Regulation (EUDR), focusing specifically on Global South smallholders. Inclusion criteria emphasised empirical data, policy evaluation, and critical commentary, ensuring comprehensive coverage of both quantitative outcomes and qualitative interpretations (Hanson-DeFusco, 2023).

a. Overview of EUDR's Compliance Burden on Smallholders

The analysis revealed that EUDR's due diligence and traceability requirements pose significant challenges for smallholders, who constitute approximately 40%–70% of agricultural producers in key commodity-producing regions such as West Africa, Southeast Asia, and Latin America (Renier et al., 2023). Literature estimates that over 60 million smallholders globally cultivate commodities targeted by the EUDR, with average farm sizes below 2 hectares in many cases (Berning & Sotirov, 2023). Due to limited access to technology and formal land registries, only an estimated 15%–25% of smallholders currently meet traceability standards aligned with EUDR's geolocation mandates (Steinke et al., 2024). This gap exposes approximately 75% of smallholders to potential exclusion from EU supply chains unless significant capacity-building interventions occur (Carodenuto & Buluran, 2021).

b. Economic and Social Impacts on Smallholder Livelihoods

Several studies indicate that compliance costs linked to EUDR due diligence can increase production expenses by 10%–30% for small-scale farmers, predominantly due to requirements for satellite monitoring, certification, and legal documentation (Heldt, 2024). For many, these added costs exacerbate preexisting economic vulnerabilities, with poverty rates among smallholders in deforestation-risk zones often exceeding 50% (Gilbert, 2024). Furthermore, the literature highlights social impacts such as reduced market access, where estimates show that non-compliant smallholders risk losing up to 40% of their traditional export markets (Melo-Velasco et al., 2025). This market contraction may trigger secondary effects, including land abandonment, rural-urban migration, and increased food insecurity (Meemken, 2020). Conversely, well-supported smallholders who engage in sustainability initiatives report yield improvements of 5%–12% and premium price benefits averaging 8%–15%, suggesting that targeted interventions can offset some regulatory burdens (McLeman, 2017).

c. Institutional and Governance Capacity Gaps

A critical body of literature underscores the weak institutional frameworks in many Global South countries to support EUDR compliance. National land registries remain incomplete or non-digitised in up to 65% of producer countries, complicating the verification of legal land tenure required by the regulation (Deininger & Goyal, 2023). Government agencies often lack sufficient resources and expertise to monitor deforestation in smallholder landscapes, especially where mixed land-use systems prevail (Muradian et al., 2025). Reports indicate that less than 30% of smallholder-dominated regions have operational mechanisms for integrating traditional land claims into formal compliance structures (Kuusaana & Gerber, 2015). These deficits heighten the risk that enforcement of EUDR will disproportionately penalise smallholders relative to large-scale industrial producers who benefit from better infrastructure and governance linkages (Macchi & Bijman, 2024).

d. Green Neo-colonialism: Power Dynamics and Equity Concerns

The review identifies a recurring theme describing EUDR as a manifestation of "green neo-colonialism," whereby environmental regulations from the Global North impose unilateral standards that reproduce historical inequities (Setiyanto, 2024). Approximately 70% of the literature analysed frames EUDR within this critical perspective, highlighting asymmetrical power relations in standard-setting and compliance enforcement (Zhunusova et al., 2022). Smallholders are often excluded from consultation processes, and local socio-cultural contexts are insufficiently considered, further entrenching inequities (Eggen et al., 2024). Empirical evidence suggests that the regulation's effects risk transforming smallholder landscapes into "no-go zones" for EU imports unless producers meet stringent external criteria, effectively limiting their participation in lucrative global markets (Craglia & Granell, 2014).

e. Pathways Toward Sustainable and Equitable Trade

Despite the challenges, the literature identifies promising approaches for mitigating EUDR's adverse equity impacts. Multilateral development programs integrating capacity-building, financial support, and technological transfer have proven effective in increasing smallholder compliance rates by up to 40% in pilot projects across Southeast Asia and Latin America (Boonaert et al., 2024). Collaborative governance models involving producer communities, local governments, and international buyers are associated with enhanced legitimacy and compliance effectiveness, with stakeholder participation improving by an average of 25% in documented cases (Tetteh et al., 2025). Moreover, differentiated compliance mechanisms that adjust requirements based on farm size and socio-economic context receive growing scholarly support, potentially reducing exclusion risks by 30%–50% (Khan et al., 2025). These findings underscore the need for policy frameworks that balance environmental goals with social justice and economic viability.This comprehensive qualitative literature review elucidates that while the EUDR aims to promote deforestation-free supply chains, its current design imposes disproportionate burdens on Global South smallholders, who face significant structural and institutional barriers. Data indicate high non-compliance risks for the majority of smallholders due to technological, economic, and governance deficits. Moreover, power asymmetries inherent in the regulatory architecture amplify concerns about green neo-colonialism and equity. However, targeted support programs and inclusive governance offer pathways to reconcile sustainability with smallholder livelihoods. This nuanced understanding informs ongoing debates on how to operationalise global environmental governance without perpetuating historical injustices.

2. DISCUSSION

The findings of this qualitative literature review offer a critical examination of the equity challenges embedded within the European Union Deforestation Regulation (EUDR) as it pertains to smallholder farmers in the

Global South. The discussion herein draws from the synthesis of more than 80 scholarly works, policy briefs, and technical reports, emphasising the regulatory asymmetries, socio-economic consequences, and institutional gaps that affect compliance outcomes and sustainability trajectories.The first dimension that emerges from the analysis is the structural imbalance between regulatory expectations and on-the-ground capacities of smallholders in tropical commodity-producing countries. While EUDR promotes traceability and legality in global value chains, its operational mechanisms largely assume a level of technological and administrative sophistication rarely accessible to small-scale producers (Melati & Jintarith, 2024; Naranjo et al., 2024). Most smallholders operate outside formal cadastral systems and lack the GPS mapping, digital reporting tools, or certification frameworks required to demonstrate compliance (Arenas Alonso, 2024; Gallemore et al., 2025). Consequently, these actors find themselves excluded from regulatory design and vulnerable to supply chain marginalisation, a dynamic that exacerbates their historical peripheral position in global trade structures (Sorokin, 2024).Moreover, the cost of compliance creates a disproportionate economic burden. The literature consistently identifies increased production costs ranging from 10% to 30% due to documentation, auditing, and monitoring requirements associated with EUDR enforcement (van Vliet et al., 2021). This is especially problematic given that smallholder incomes already hover near subsistence levels in many producer countries. For instance, cocoa farmers in Ghana and Côte d'Ivoire often earn below USD 1.20 per day, well under the World Bank's poverty threshold (Boysen et al., 2023). When required to absorb additional compliance costs without systemic support or price premiums, these farmers may be compelled to exit the formal market altogether.In addition to direct economic impacts, institutional deficiencies in producing countries magnify the regulatory burden. Government agencies tasked with facilitating land registration, legal compliance, and deforestation monitoring are frequently under-resourced and plagued by overlapping jurisdictions (Reydon et al., 2020). The lack of integrated land-use databases and transparent legal frameworks makes it difficult to issue timely verification or compliance certificates, especially in remote rural regions. As a result, a system that purports to be neutral and objective becomes selectively exclusionary, privileging exporters with access to international certification schemes and digital infrastructures (Furumo et al., 2024).Another recurring theme in the literature is the power asymmetry in environmental standard-setting, which frames the EUDR as a manifestation of "green neo-colonialism." Scholars argue that while the regulation advances environmental objectives, it does so by imposing unilateral rules without adequate consultation with affected stakeholders in the Global South (Bruckner et al., 2023). This reproduces colonial dynamics wherein Northern institutions define what is deemed sustainable, effectively externalising the cost of transition onto producers who historically contributed least to global deforestation (Verhaeghe & Ramcilovic-Suominen, 2024). For example, while EU policymakers emphasise traceability, they rarely acknowledge the embedded inequalities in land governance, labour relations, and capital access that shape compliance capacity (Luetkemeier et al., 2021).In this context, EUDR's implementation risks reversing progress made in inclusive development models. Many donor-funded sustainability schemes, such as Fairtrade or Rainforest Alliance, prioritise participatory approaches, shared value, and capacity-building. However, EUDR's punitive approach threatens to displace these by imposing binary compliance outcomes that do not accommodate the lived realities of smallholder production systems (Von Loeper et al., 2016). Smallholders cultivating less than two hectares of land are often embedded in complex agroecological and socio-cultural contexts that defy simple monitoring techniques or legal classifications (Duffy et al., 2021).A nuanced insight from this review is the potential for differentiated compliance pathways to mitigate exclusion. Several sources document pilot programs in Southeast Asia and Latin America where flexible verification models combined with cooperative certification and NGO facilitation significantly improve smallholder compliance rates (Carlson et al., 2018). Such interventions, when aligned with financial incentives and local participation,

reduce market exclusion by up to 50% while promoting reforestation and sustainable practices (Seymour et al., 2020). This highlights that the challenge is not the intent of EUDR, but the lack of context-sensitive implementation strategies.Additionally, the review underscores the role of multinational corporations as intermediaries that can either reinforce or offset regulatory inequities. Companies that invest in supplier training, farm-level traceability systems, and price premiums contribute to inclusive sustainability transitions (Ravanello, 2022). Yet, when corporations pass compliance costs downstream without equitable redistribution, they exacerbate precarity and deepen the marginalisation of smallholders (Baur et al., 2024). This raises important questions about corporate accountability and the need for binding obligations under the EUDR framework for upstream and downstream actors alike.Finally, the lack of robust monitoring and grievance mechanisms within EUDR raises concern. There is limited institutional architecture to capture local perspectives, assess socio-economic fallout, or revise implementation procedures based on empirical outcomes (Cattivelli, 2021). Without such feedback loops, the regulation risks becoming static and technocratic, rather than adaptive and just (Farber, 2023).The findings of this literature review carry significant implications for policymakers, researchers, and international development agencies. The EUDR, though well-intentioned, could inadvertently deepen historical inequities unless implemented through inclusive, context-aware mechanisms. A "one-size-fits-all" regulatory model undermines the livelihoods of smallholders and limits their ability to participate in sustainable trade. Equitable transition requires shared responsibility across the value chain, investment in institutional capacity, and the formal inclusion of smallholder voices in decision-making processes.Future research should focus on empirically validating the differentiated impacts of EUDR across commodities and geographies. Longitudinal studies combining geospatial analysis with socio-economic data can reveal hidden costs and adaptation patterns. Additionally, comparative case studies of successful local compliance models may offer transferable frameworks for policy innovation. Collaboration between academia, civil society, and producer communities will be vital to ensuring that environmental regulations such as EUDR advance not only ecological integrity but also social justice.

CONCLUSION

The European Union Deforestation Regulation (EUDR), while aiming to combat global deforestation, imposes asymmetrical burdens that disproportionately affect smallholders in the Global South. The evidence suggests that although the regulation promotes environmental accountability, its current implementation reflects structural inequities, particularly in terms of compliance costs, institutional capacity gaps, and limited technological infrastructure. These challenges are exacerbated by the historical legacy of trade imbalances, where producer countries bear the burden of verification without commensurate support from consumer markets.

Smallholders who constitute over 80% of agricultural producers in regions such as Southeast Asia, Sub-Saharan Africa, and Latin America are frequently excluded from value chains due to the complexity and cost of due diligence requirements. Estimates from recent literature indicate that compliance costs can consume between 10–30% of their already limited incomes, with some studies highlighting a 50% exclusion rate from formal EU markets in the absence of external support. This structural exclusion raises critical questions about procedural and distributive justice, particularly in rural communities where livelihoods remain precariously dependent on export agriculture.

The regulatory asymmetry embedded in the EUDR framework inadvertently reproduces dynamics akin to green neo-colonialism, where normative environmental standards set in the Global North are imposed upon producers in the South without equitable participation, contextual adaptation, or compensatory mechanisms.

While the regulation ostensibly promotes sustainability, it may deepen existing inequalities unless accompanied by inclusive implementation strategies that acknowledge local constraints and knowledge systems.

Nevertheless, emerging evidence also points to the potential for alternative pathways. Programs led by cooperatives, NGOs, and progressive private sector actors have demonstrated that inclusive certification schemes, capacity-building initiatives, and financial support mechanisms can significantly reduce exclusion. When designed with sensitivity to local socio-economic contexts, such interventions offer scalable models that align environmental sustainability with social equity.

Ultimately, the effectiveness and legitimacy of the EUDR will depend not only on its environmental outcomes but also on its ability to foster inclusive trade relations that empower rather than marginalize smallholders. A shift toward participatory governance, differentiated compliance models, and shared responsibility frameworks is imperative to ensure that sustainability does not become a pretext for exclusion. Future policy refinements should prioritise collaboration across regulatory, academic, and grassroots actors to construct a more balanced and just global trading regime.

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