Abstract

Full Information Product Pricing Regimes: Policy Implications for U.S.-Mexico Sustainable Commerce

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Current trends in making supply chains more transparent and bringing information usually not available to the consumer and other players into the market are changing the ways in which consumers make decisions about the goods and services they buy. One example of these changes is the networks of consumers, producers, and other players in the supply chain sharing value-adding information packages about the social and environmental impacts of the products they exchange, or Full Information Product Pricing (FIPP) Networks. Our current research suggests that these FIPP Networks have the potential to promote market-driven approaches to international trade systems, which may work as a complement to more traditional state-led trade systems, such as the North American Free Trade Agreement (NAFTA), in promoting sustainable trade. We envision that such an approach should involve collaboration among government, supply chain and sustainability experts, industry associations, and consumer organizations sustained by a technological architecture to support interoperability and information sharing. We discuss important trade-offs related to costs and sustainability, privacy, and access to information. The paper finishes with a set of recommendations involving the creation of a governance system to promote this market-driven approach to sustainable international trade.