Trade and development in view of eradication of poverty and food safety

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The committee adopted the own-initiative report by Nirj DEVA (EPP-ED, UK) on trade and development for poverty eradication and food security. It began by pointing out that economic development should not be based on total laissez-faire trade liberalisation and that today's rich countries had once embarked on economic growth behind protective barriers. Moreover, market economies relied on a wide array of non-market institutions that performed regulatory, stabilising and legitimising functions. The quality of a country's public institutions, measures to combat corruption and better regulation were therefore crucial factors in a country's long-term development. With this in mind, the committee advocated that capacity building and technical assistance should be essential elements in all future economic and development cooperation. Capacity building should include, for example, protection of property ownership and rights, properly functioning courts, particularly for small claims, measures to encourage SMEs and the establishment of an information technology sector. It should be accompanied by transfers of technology, investment and also the establishment of national policies in favour of the poor, such as elementary teaching and healthcare, the emancipation of women, land reforms, etc. One of the report's central tenets was the need for an open, rules-based, non-discriminatory and equitable trading system. The committee listed a number of areas of concern for developing countries, such as trade-distorting subsidies and the TRIPS (trade-related aspects of intellectual property rights) Agreement and in particular how TRIPS related to access to essential medicines in developing countries. There was also criticism for the TRIMS (Trade-Related Investment Measures) Agreement which hampered the efforts of developing countries to develop their local industries by promoting domestic products. The report called for new reforms for trade in agriculture to be launched from 2004, in the context of the WTO, starting with a 50% reduction in all export subsidies in one year and the abolition of all the other subsidies as soon as possible by the EU and the USA. Furthermore, the WTO should be extended to include the environment as an essential element in its decision-making. The committee added that Community policies, particularly in the areas of trade liberalisation, agriculture, fisheries, the environment and public health, must be revised with a view to taking greater account of their impact on poverty, food security, sustainable development and the links between these phenomena. It also called for an end to the export to developing countries of pesticides which are banned in the EU and called for the same strict standards of food security in the EU to be applied to food and feed exported to the developing countries. Other recommendations in the report included: cancelling the debt of the least developed countries, fostering regional integration and regional free trade areas, combating the small arms trade through legislation making EU-based firms, brokers and individuals responsible for the end use of small arms products and taking concrete action against EU-based firms, brokers and individuals involved in illegal trade in diamonds, oil and gold. The committee also called for transnational corporations (TNCs) to set up Ethical Investment Committees and adopt transparency rules requiring corporations to report on their investment activity and their environmental, social and employment impact. The EU was urged to adopt the OECD Guidelines for Multinational Enterprises as a cornerstone of future trade and development policies. Lastly, the report called for a European Forum of Enterprises for Sustainable Development to be set up.