Fair trade and development

2005/2245(INI) - 30/05/2006

The committee adopted the own-initiative report by Frithjof SCHMIDT (Greens/EFA, DE) on fair trade and development. MEPs urged the Commission to issue a recommendation on Fair Trade, recognising that a non-binding legislative act was the appropriate form at this point in time and would not carry the risk of over-regulation. The report stressed that, to prevent potential abuses, Fair Trade needed to fulfil a number of criteria such as: a fair producer price, guaranteeing a fair wage, covering the costs of sustainable production and living; producers' involvement in Fair Trade standard-setting; transparency and traceability throughout the supply chain to guarantee appropriate consumer information; conditions of production respecting the eight ILO core conventions; respect for the environment, protection of human rights and respect for traditional production methods; support for production and market access for the producer organisations; and regular impact assessments of the Fair Trade activities.

The committee pointed out that the most significant part of the increase in Fair Trade sales had been achieved with respect to labelled products and that Fair Trade labelling initiatives had been developed in most European countries. It called on the Commission to undertake a study to examine how Fair Trade could develop into a model for sustainable trade policy which would be capable of stimulating balanced North-South trade, and identify the obstacles to trade which impact most seriously on the world's poor. It also urged the Commission to recognise that "there are also other credible schemes that, alongside the Fair Trade movement and under the umbrella of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), collaborate to define social and environmental standard-setting in third-party certification".

MEPs wanted the Commission and Member States to take appropriate measures to ensure that consumers have access to all information they need in order to make informed choices. Consumers must have the right to access quickly product information, which must be easily comprehensible and presented in a transparent way. The Commission was urged to liaise with the international Fair Trade movement in supporting clear and widely-applicable criteria against which consumer assurance schemes can be assessed, underpinning consumer confidence in such schemes and consolidating the Fair Trade product sectors.

Other recommendations in the report included developing "a coherent policy for the promotion and protection of small and marginalised producers, including Fair Trade, incorporating their views as well as the views of the producers of other independently monitored trading initiatives contributing to raising social and environmental standards, in bilateral, regional and multilateral trade negotiations, such as the Economic Partnership Agreements (EPAs)". Lastly, the report called on the Commission to take the Fair Trade and other social and environmental trading approaches into account when formulating the EU's trade policy.