

Trade and poverty: designing trade policies to maximise trade's contribution to poverty relief

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The committee adopted the own-initiative report by Helmuth MARKOV (GUE/NGL, DE) on designing trade policies to maximise the contribution of trade to poverty relief. The report stressed that trade could help to create opportunities for poverty reduction in developing countries, but only if it was accompanied by "good-quality domestic policies" as well as suitable international policies. And it affirmed that the attainment of all eight UN Millennium Development Goals should be regarded as the "overriding task" in the current negotiations on the world trade system and the Economic Partnership Agreements. This, it said, would require a trade environment in which developing countries "have real access to the markets of developed countries, more equitable trade practices, strong and enforced rules of protection on the environment and social rights and the effective relief of unsustainable debt".

The report drew attention to the need for a differentiated approach to poor countries, pointing out that the term 'developing countries' encompassed "a disparate group of States whose socio-economic situation, production structures and export capacity differ substantially". MEPs therefore welcomed the willingness expressed by Trade Commissioner Mandelson in his statement of 9 February 2006 in Mauritius to adopt "a differentiated approach to poor countries based on their level of development and to maintain a tariff preferences system that takes account of these disparities". They called on the Commission to argue within the WTO for the introduction of several separate coefficients so as to calculate reductions in customs duties in accordance with the situation of the group of countries concerned.

The committee noted that, in a highly liberalised trade environment, the more fragile countries, particularly those in sub-Saharan Africa, were losing out to the emerging powers. It warned against over-hasty and forced opening of the market, which could have "catastrophic consequences", and stressed the right of those countries to determine for themselves the speed at which they open their markets in all sectors. It also pointed out the importance of creating regional markets.

MEPs noted that agriculture was still the principal source of income and employment in most developing countries, especially for the poorest. They therefore welcomed the EU's offer to abolish its export subsidies by 2013 and urged other WTO members to do the same. They also stressed the importance of commodities such as sugar, bananas and cotton for developing countries and reiterated the urgent need for stabilisation of commodity prices which were currently subject to substantial fluctuations.

In other recommendations, the committee urged the EU to engage in further initiatives concerning Corporate Social Responsibility, to increase technical assistance to the developing countries, and to review the gender impact of European trade agreements and trade policies to ensure that women are able to share fully in the economic life of the developing countries. The report also called for a full impact assessment of current trade policies on the environment, sensitive sectors such as forestry and fisheries, and poverty in both the developing countries and the EU. Lastly, MEPs reiterated Parliament's call for a wide-ranging urgent reform of the WTO "resulting in greater democratic accountability, transparency and higher credibility so as to integrate it more effectively within the general framework of world governance".