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EUROPEAN DEVELOPMENT POLICY IN THE CONTEXT OF DEVELOPMENT ETHICS

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Summary: One of the most pressing development issue in a fast-changing global context is confronting scarcity: managing water, energy and land for inclusive and sustainable growth. European Union can be a leader of the cause by radically reducing its environmental footprint both internally and globally. As the newest "European report on development" shows, this can be done by using the full range of European policies and committing to promote Policy Coherence for Development which aims at making sure that policies in other areas take development objectives into account. In practice, however, there are many conflicts and obstacles that make that aim particularly hard to achieve. The purpose of this paper is to present what are the main challenges of the development issues to be tackled by the European Union in the context of development ethics.

Keywords: development, ethics, EU policy, scarcity, sustainability

1. The importance of development ethics

Development has long been treated as a straightforward economic issue. The discipline of economics has been the main source of policy prescription for development decision makers. Economists, policy makers, governors, interregional organizations has often confronted the problem of underdevelopment in an instrumental and administrational way. History has shown that this functional approach cannot provide answers to the issue of development. It is easy to measure the problem but difficult to solve it. Contemporary worldwide status quo proves that no considerable distance has been covered with regard to ordinary problems such as water or energy scarcity, famine, and bad sanitary conditions in the non-developed third world. At the same time, within developed countries, new problems come to the fore, with massive consumption on the one side and new massive social groups under the poverty line on the other. Moreover on an international scale, even in cases that development in terms of growth or industrial expansion has taken place, e.g. China, Brazil or India, the ecological destruction is huge. Hence, development should be reexamined under considerations that arose from the ethical question of "development for what?" (Astroulakis 2010, p. 1). One of the modern authors of the "development ethics" discipline, social planner Denis Goulet, explains that development ethics has a dual mission: to render the economy more human and to keep hope alive in the face of the seeming impossibility of achieving human development for all. (Goulet 1996, p. 1).

Development ethics can be seen as comparable to business ethics, environmental ethics and similar areas of practical ethics. Each area of practice generates ethical questions about priorities and procedures, rights and responsibilities. That is why development ethics can be seen as a field of attention, an agenda of questions about major value choices involved in the processes of social and economic development. How are the benefits and corresponding costs to be shared, within the present generation and between generations (or between nations/countries)? Who decides and how? What rights of individuals should be respected and guaranteed? Besides, development ethics considers work that should address such questions, and the sets of answers that are offered (Des Gasper Institute of Social Studies, p. 2). Answers on some of that sort of questions could be already found in the works of the 19th century writers like John Stuart Mill and Karl Marx. It also includes current work that not necessarily uses the term "development ethics" but addresses some of the questions, for example Joe Stiglitz's *Making Globalization Work*. One of the first founders of the name "development ethics" was the economist Louis Lebret (1897-1966) who led a group called Économie et Humanisme, which worked first in France and then in other countries.

The International Development Ethics Association defines development ethics as a field of enquiry that reflects on both the ends and the means of economic development. It typically takes a normative stance

asking and answering questions about the nature of ethically desirable development, what ethics means for achieving development, and discusses various ethical dilemmas that the practice of development has led to. Its aim is to ensure that value issues are an important part of the discourse of development[1]. Goulet claims that development ethics is useless unless it can be translated into public action. By public action is meant action taken by public authority, as well as actions taken by private agents by having important consequences for the life of the public community. He asks the question: How can moral guidelines influence decisions of those who hold power? (Goulet 2006, p. 19). That is also one of the questions that the European Union leaders should ask – and answer - in the process of tackling global development issues, of which EU is one of the main global influential actors.

2. Urgent development issues

In the present times around 1 billion people are undernourished, the same lack access to safe water and 1,5 billion have no electricity. Population growth coupled with global economic growth is placing enormous pressure on natural resources. Experts predict that by 2030 the demand for energy and water will grow by 40% and for food by 50% compared to current levels. These trends are expected to make it more difficult to reach inclusive and sustainable growth (European Report on Development, p. 1). The world has already trespassed three of the nine planetary boundaries within which it can operate safely: biodiversity loss, nitrogen and phosphorus loading and climate change. Ocean acidification and freshwater boundaries are expected to be next in the coming 50 years (Rockström et al. 2010, p. 257). The risk that tipping points are being reached, or will soon be reached, will jeopardise the future wellbeing of the poorest, who will be the hardest hit by environmental degradation. Applying the technology that lay behind the Green Revolution of the 1960s will not sustainably produce food for 9.3 billion people by 2050 (Noone 2011). The Earth's natural resource base does not allow developing and emerging economies to reach consumption patterns that developed countries have followed and continue to follow (Allan 2011), hence distributional issues will have to be addressed, especially since technological progress has not been sufficient to decouple consumption of natural resources from economic growth.

There are increasingly bigger interconnections between water, energy and land. Managing these resources should be done in the integrated way to avoid perverse solutions and highlight optimal ones, because solutions to resource constraints in one area can put additional strains on another. In a resource-constrained world the poor tend to be those most affected: suffer most from price rises in essential but resource-intensive goods and services such as food and energy. Scarcity of land is also a serious challenge in developing countries, where agricultural methods and informal systems clash with current legal standards and property rights.

It has become obvious that "business as usual" can no longer be an option. What we call "business as usual" refers to set of institutions, policies and values that are based on this short-term, "nature" worldview. These are not simply abstract concepts, but have concrete implications for how our socioeconomic system interacts with the Earth's natural system. Here are the three aspects of the prevailing socioeconomic system that place fundamental obstacles to achieving inclusiveness, sustainability and ethical development (ERDP, p.33): (1) Natural resource stocks are depleted faster than they can be regenerated or substituted; (2) The regulating function of ecosystems is increasingly pushed towards a critical limit, (3) The benefits and opportunities of growth fail to benefit large parts of the world's population (Table 1.). Taking such an approach now would therefore lead to a myriad of economic and social costs. Action is needed now to avert substantial economic and social costs – the failure to act on climate change could reduce global GDP by 20% by 2050 (Stern 2006). The poorest countries will see the greatest effects of climate change. Increased water scarcity could lead to annual grain losses of 30% of current consumption (WEF 2011). Localised physical water scarcity is occurring in parts of China, India, the Middle East and sub-Saharan Africa. In China, water scarcity costs around 2.3% of GDP (World Bank 2007). Not investing in water resources development could involve major future costs: some 2% of Africa's GDP is lost to power cuts, and up to 25% to droughts and floods in affected countries (AfDB 2009). Environmental degradation and inappropriate public-sector responses affect the poorest most: between 30% and 60% of existing rural water supply schemes are not working at any given time (Brikké

[1] www.development-ethics.org

and Bredero 2003), with the result that the poorest people end up paying the most for lower quality, less reliable water services.

Table 1. The costs of business as usual for the future (ERDP, p. 34)

Resources and linkages	Key facts and trends
Environmental costs	• We live in the anthropocene epoch, an environment of which there is no historical experience (Noone, 2011) • We have already trespassed three of the nine planetary boundaries within which we can operate safely: biodiversity loss (10E/MSY); nitrogen and phosphorus loading (35MT N/yr) and climate change (350ppm CO_2). Ocean acidification and freshwater boundaries are expected to be trespassed in the coming 50 years. • Possible tipping points include the Greenland ice sheet, collapse of Amazonian forest, Antarctic ozone hole, Indian monsoon transformation and salinity valves. • Solutions to solving one need, e.g. satisfying energy demands, will put considerable pressure on other resources such as land and water, potentially creating a crisis in the other resources (stresses in the WEL nexus).
Economic costs	• Failure to act on climate change will reduce world GDP by 20% (Stern, 2006). • Increased water scarcity could lead to annual grain losses of 30% of current consumption (WEF, 2011a). • Localised physical water scarcity is occurring in parts of India, China and sub-Saharan Africa. In China, water scarcity costs around 2.3% of GDP (World Bank, 2007). • Global fish catches have already declined due to overexploitation.
Social costs	• Poorest countries will see the greatest effects of climate change, but have contributed least to the problem (Stern, 2006). • Agriculture is currently not intensified in Africa, but applying the technology behind the Green Revolution will not sustainably produce food for 9 billion people (Noone, 2011). • The natural resource base does not allow developing and emerging economies to aim for the consumption patterns of the developed countries (e.g. meat consumption) (Allan, 2011), hence distributional issues are important in the absence of technological developments. • Roughly 1.6 billion people worldwide live without electricity, e.g. India is already the fifth largest emitter of CO_2, yet about 45% of its population lacks electricity and roughly 85% lives on less than US$2 per day (WBCSD, 2007). • Environmental degradation and high levels of water-related risk affect social inclusiveness in LICs as it is generally the poor who settle in fragile environments and who are most vulnerable to water-related risks. • The poor are often excluded from large-scale land deals.

3. Implications of the European Report on Development

The European Report on Development, published annually gives some answers on the most pressing development issues. The report is the main output of the *Mobilising European research for development policies initiative* supported by the European Commission and seven EU Member States which form ERD Steering Committee, which oversees the report's progress. The ERD is said to be an independent report that should bridge the gap between policy and research and contribute to the EU's perspective on major development issues. The newest 2011/2012 report was commissioned to the Overseas Development Institute (ODI), in partnership with the European Centre for Development Policy Management (ECDPM), and the German Development Institute (GDI/DIE). This year's ERD title is "Confronting scarcity: Managing water, energy and land for inclusive and sustainable growth". It considers how these resources can be managed to promote growth that is both socially inclusive and sustainable. In another words – the growth, development that is "ethical", which puts the issue in the context of development ethics.

ERD argues that the focus has too often been on partial solutions. The scale and urgency of the problems require "transformative action" jointly in a combination of four pillars that represent Demand, Supply, Efficiency, and Resilience. All actor must consider the full range of options, working jointly to tackle the challenges in the four pillars (ERD 2011/2012, p. 20):

(1) Influencing demand towards a more sustainable consumption could have an important positive impact, especially when combines with improved recycling systems and waste reduction.

(2) On the supply side, quantity and quality of goods produces in developing countries would improve through measures such as new pricing systems or partnerships for renewable energy, soils or water storage. The need for all three resources can only be met by a combination of finance, regulation and knowledge sharing.

(3) Increasing resource efficiency is another important element. In particular, agriculture in developing countries could benefit from public private partnerships and technology transfers.

(4) It would be also crucial to strengthen resilience and ensure the poorest benefit. The public sector should pursue inclusive land policies, promote virtual trade in resources, implement benefit-sharing from large projects, and step up social protection as resources increasingly reflect scarcity values. The EU's aid programme can support the poorest communities' ability to cope with changes.

There is a need of radical changes in institutions, values and governance arrangements and practices that underpin the approach. The ERD suggests that action is particularly needed in five areas:

(1) It calls for a radical reduction in the environmental footprint of consumption especially, but not only, in developed countries.

(2) It highlights the importance of advances in innovation that will increase agricultural productivity and scale up renewable energy technologies. The public sector urgently needs to promote and encourage research on innovative technological solutions that incentivize low-carbon, biodiverse agriculture that is environment-friendly and support sustainable productivity increases particularly in smallholder agriculture.

(3) Institutional reform is key to achieve integrated and, therefore, more effective management of resources.

(4) Pushing for inclusive land policy to ensure access to land and water for the poorest is also a prerequisite.

(5) Urging for natural resources and services to be comprehensively and appropriately prices, whilst safeguarding the welfare of the poorest.

According to the report, the EU can be a leader of the cause by radically reducing its environmental footprint both internally and globally. It could be done by the full range of European policies and committing to promote Policy Coherence for Development which aims at making sure that policies in other areas take development objectives into account. The report states that the EU can help developing countries confront scarcities in water, energy and land through a balanced mix of actions. Internal policies should promote and support sustainable consumption and production patterns in the EU. External policies including trade, investments and, in particular, development cooperation policies can set important incentives for sustainable resource management.

4. The present EU policy on sustainable and inclusive development

The European Union has a major influence – positive and negative – on the global management on natural resources, including water, energy and land. On the other hand, EU and its Member States remain the most generous donor of official development aid (ODA) globally and are legally committed to promoting Policy Coherence for Development. In 2011 Europe provided 52.9 billion euro – more than 50% of total official development aid (ERD 2011/2012, p. 149). Current OECD statistics do not provide a reliable overview of the total EU contribution to inclusive and sustainable growth or to specific investments in water, energy and land. This is because relevant interventions can be reported under different sector codes, and there are no disaggregated ODA figures for the management of these resources. Within the broader category of ODA support to the environment in developing countries, however, the European Commission alone spent more than 0.5 billion euro in 2009 on environment-related actions. An overview by the OECD DAC of support to the environment shows that EU Member States provided roughly 2.4 billion USD in the period 2008-2009 (OECD/DAC 2011).

The European Commission makes a contribution to water and sanitation programmes in developing countries and promotes an integrated framework for water resources management. Examples of EU endeavours in the field of water, energy and land include, for instance, the EU-Africa energy partnership, which is a framework for structured dialogue and cooperation on energy issues. It builds on initiatives and instruments such as EU-Africa partnership on infrastructure, the ACP-EU Energy Facility and the EU environment programme. The EU is also a major funder of agricultural R&D, which can

provide some responses to the growing challenges of food security and sustainable development associated with water shortage, climate change, land degradation and resistant diseases/pests. The 1billion euro EU food facility is supposed to enable the EU to respond rapidly to problems caused by soaring food prices in developing countries (ERD 2011/2012, p. 150).

Policy Coherence for Development (PCD) is one specific objective that appears in EU treaties and international declarations. The Lisbon Treaty, which entered into force in December 2009, states that the Union "(…) shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries (Art. 208). "Of these development objectives, the primary objective is defined by the same article as "the reduction and, in the long term, the eradication of poverty". In 2009, the EU agreed to focus their efforts to promote PCD in particular on key policy areas, these being (1) trade and finance, (2) food security, (3) climate change, (4) migration and (5) security. In December 2011, the European Commission published the third report on EU performance on promoting PCD[2]. Besides presenting a detailed overview of what had been achieved by the EU and its Member States in relation to these and other areas, the document also identifies several concrete challenges and outstanding issues for the next period (COM, 2011e).

On 20 June 2011 the European Commission published a proposed EU position for Rio+20[3] expressing the ambition that this would contribute to a consistent EU position that could "… contribute to an ambitious Rio+20 outcome with concrete policies and actions for greening the economy". The Communication emphasises that the EU can best contribute to promoting global inclusive and sustainable growth by starting at home, citing the Europe 2020 Strategy, which aims to transform the EU into a knowledge-based, resource-efficient and lowcarbon economy and provide a sustainable response to the challenges facing the EU up to 2050. Europe 2020 seeks to mainstream and reinforce the role of sustainability in policy development by establishing the mutually reinforcing priorities of sustainable and inclusive growth, which are driven by five headline targets and seven flagship initiatives. Many of these initiatives are directly relevant to global inclusive and sustainable growth and to EU engagement in Rio+20. The Communication highlights the flagship initiative on resource efficiency, which includes the development of a proposal for a Roadmap for a Resource Efficient Europe. This flagship initiative includes: (1) Decoupling the use of natural resources from economic growth, (2) A range of new policy measures including action on raw materials, energy efficiency, biodiversity, as well as roadmaps to decarbonise the economy, energy and transport, (3) Stepping up of the use of market-based instruments, phasing out environmentally harmful subsidies and introducing the "greening" of tax systems.

In 2012 EU promised to publish a new policy proposal on trade, growth and development[4]. This policy proposal defines the key objectives of EU trade policies with regard to developing countries in line with Europe 2020 Strategy. It also aims to address the need to respond to the increased pressure to enforce environmental and social standards globally, but not leading to implement protectionist policies. Adopted in October 2011, the "Agenda for Change" for EU development policy sets out a strategic EU approach to reducing poverty, including a more targeted allocation of funding. It wants future EU spending to concentrate on sectors which are key for inclusive and sustainable growth and target countries that are most in need and where aid can make a difference.

5. Obstacles to the ethical development

While the European Commission officially admits that EU should contribute to promoting global inclusive and sustainable growth, the European non-governmental organizations have started a large debate on considerations for the Common Agricultural Policy (CAP) impact on the world's poorest and most food insecure people (CONCORD 2012). It occurred that crucial demands for food security in the poorest regions of the world have been largely ignored in the legislative proposals on the CAP after 2013 tabled by the European Commission in October 2011. NGOs claim that proposed legislations have dropped the Lisbon Treaty obligation relating to Policy Coherence for Development (PCD). This comes at a time when getting agricultural and food policies right matters more than ever as over one-third of the countries in the

[2] http://ec.europa.eu/euopeaid/what/development-policies/documents/eu_2011_report_on_pcd_en.doc.pdf
[3] http://ec.europa.eu/environment/international_issues/rio20_en.htm
[4] http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148992.pdf

world are severely food-insecure according to the United Nations. Over the last two decades, the CAP has reduced the use of so-called trade distortive support in favour of increased direct payments. Therefore, CAP is assumed to have fewer negative impacts on developing countries´ markets. Yet, for producers in developing countries, it does not matter which form the support takes; the present system keeps enabling the export of commodities at a price below the European cost of production. In addition, the current CAP regime results in unsustainable import patterns. These two situations have equally critical effects on the income and livelihood of smallholder producers and food security in developing countries (CONCORD 2011, p. 25-35).

At present, one per cent of the CAP budget is allocated to export refunds, which represents about 430 million euro. Although a small share, it is still a considerable amount and is equal to about 30 per cent of what the EU has invested in food security and rural development under its development policies in 2010 and there is still evidence that export refunds can have extremely harmful effects on local markets in developing countries (CONCORD 2012, p.6). This was the case when the European Commission reintroduced export subsidies for dairy products during the milk market crisis in 2009. For instance, the reintroduced export refunds resulted in the local milk markets in North-West Cameroon being undercut by cheap milk powder from the EU. Local dairy farmers need at least 0.61 euro to cover production costs for a litre of fresh unpasteurised milk, while in recent years, milk made from European subsidised milk powder costs as low as 0.4 euro per litre (CONCORD 2011, p. 31). Direct subsidies to agriculture are the most expensive part of the common European Union policy. The argument to support small farmers led to the introduction of subsidies in the USA, Japan and China. Subsidies are also a form of state intervention, in contradiction to the idea of free trade and cause the collapse of agriculture in developing countries, thus contributing to global poverty (Bińkowski 2011). In 2010, direct subsidies to agriculture in Europe amounted to 57 billion. euro, which accounted for 40% of the EU budget[5]. Subsidies are usually proportional to the crop. In practice the biggest beneficiaries are the big growers and companies in EU which is contrary to the ideas of equality among the companies operating outside the agricultural sector, small farmers and all citizens of the countries covered.

In 2001, during the talks of Doha Round there had been consulted the ways to help the economies of poor countries. One of them was the reform of the cotton market. However, since then U.S., Europe and China have spent 47 billion dollars on subsidies of cotton production (A Fairtrade Foundation Report 2010, p. 5). Cotton market is the largest and most striking example of the imbalance in international economic relations. In a similar situation to that of the producers of cotton in West Africa are all manufacturers of products which compete with subsidized production of the European Union and the United States, even if it is not direct competition. European wheat may displace African maize, and subsidized potatoes - sweet potatoes. European countries spend on various forms of assistance to developing countries even more than 1% of GDP, while perhaps it would be sufficient to abolish, or at least reduce subsidies to European agriculture and the problem of world poverty would be solved alone (Bińkowski 2011).

Another problematic aspect of the development aid is that the money spent on it very often go directly to the contractors from the European Union. For example, the EU is the world's leading donor on energy. In the recent Agenda for Change Communication in which the EU Commission sets out the bases for a reinforced development policy, energy was confirmed as one of its key priorities. The European Commission alone has spent around 1 billion euro over the last five years on improving the state of the energy sector in developing countries, including efforts to increase "access to modern energy services". Through the ACP-EU Energy Facility – set up to give poor people in developing countries access to sustainable energy – the EU has been involved in more than 130 projects in ACP countries, bringing modern energy services to between 12 and 13 million people worldwide (European Commission 2012). There are concerns, however, that the majority of funds, go directly to the contractors, while the poor in the developing countries must pay for the services delivered. In the flagship project of ACP-EU Energy Facility, PAMENU project in Uganda – set up to provide access to sustainable energy services to 200 000 rural households, social institutions and enterprises – the whole budget of the project went to the German contractors.

[5]http://www.farmsubsidy.org/

The similar problem considers European climate change policy and European efforts to establish global mandatory sustainable development goals, which is often regarded as a policy of finding new markets for the European technological production and innovations (Krukowska 2011, p. 107). Industrialized countries, EU mainly, have long been accused of not raising finance quickly enough to help more vulnerable countries adapt to climate change, and a fund designed at the U.N. Earth Summit 20 years ago to help channel up to 100 billion USD a year in aid is still an empty shell (Volcovici, Chestney 2012).

The next problem considers the role of the private sector in sustainable and inclusive resource management, with the focus on the multinationals operating in the developing countries (Khor 2010). Many of them, even with the sustainability and corporate social responsibility strategies, do not incorporate their ethical standards in the developing countries as they do not require their suppliers or subcontractors to comply with the rules established in the head offices. Yet corporations exploit local environment, weak and poorly enforced domestic regulation and the lack of international accountability mechanisms to devastating effect in developing countries. Besides, companies, investment funds and sovereign wealth funds, especially from Europe and the North, are increasingly investing in land to hedge their price risks, driving land grabs. Land grabs refer to land deals that disrespect rights of local communities and land-users. Such land deals often lack their free prior informed consent, violate or disrespect customary land rights, result in loss of access to natural resources, fail to deliver on employment and development, drive landlessness, and can involve violence and intimidation (Friends of the Earth Europe 2012, p. 7-8). The arrival of well-resourced companies seeking to win over local communities often lead to increased violence and social conflict, as some people are excluded from the benefits of economic development. This can be exacerbated by the lack of transparency in the way companies award community contracts and payments[6]. There is also no international co-operation between the host and home countries of multinationals to ensure they compensate for the environmental clean-up as well as pay victims for ecological disasters they cause, wherever they take place.

Another obstacle in putting any reasonable development policies into force is of the bureaucratic nature. There are increasing complexities in European policy-making that have contributed to the compartmentalisation of policy processes, which risks undermining policy coherence as well as the achievement of objectives that go beyond specific sector domains. Policy proposals from the Commission are adopted by the College of Commissioners, thereby allowing interests to be discussed and authorised by all. In contrast, EU decision-making processes in the Council tend to be more mono-sectoral and segregated compared to national policy processes, because decisions are typically prepared in compartmentalised meeting structures and then adopted by portfolio ministers or Heads of State (CEPS, 2006). Members of the European Parliament (MEPs) often rely on information and other knowledge services provided by the most effective lobbies, which tend to push particular sectoral interests (Rasmussen, 2011). Parallel to this gradual increase in EU “policy sectors”, there has been a rise in cross-cutting policy objectives that should guide the direction, aims and gradual integration of sectoral policies. Such horizontal policy objectives are reflected in the European Consensus and the Lisbon Treaty. Similar objectives are also reflected in the UN Charter (e.g. environmental protection, gender equality). Clearly, horizontal policy objectives do not co-exist harmoniously but have to be weighed against each other in each policy process. All that makes the decision process concerning development issues, e.g. Common Agricultural Policy, extremely difficult.

6. Conclusions

Development ethics is useless unless it can be translated into public action - taken by public authority and private agents by having important consequences for the life of the public community. European Union has decided to take part in solving the problems of the most urgent development issues, including scarcity. Water. Energy and land, three crucial resources for development and human well-being are under increasing strain due to rising food prices, climate change, global population growth and economic growth. Poor people in the developing world are the most vulnerable and least equipped to cope with scarcity. According to the newest European Development Report, the EU can become a leader of the cause by radically reducing its environmental footprint both internally and globally. It could be done by the

[6] www.amnesty.org

full range of European policies and committing to promote Policy Coherence for Development. EU declares it want help developing countries confront scarcities in water, energy and land through a balanced mix of actions. There are, however, several serious obstacles that make those declarations unreliable. The EU must acknowledge that CAP measures for export policies cause disturbances on external markets. The CAP has to take responsibility to promote and uphold its values and contribute not only to "free" but also to "fair" trade. The Treaty obligation of Policy Coherence for Development must be effectively implemented through the setting up of an adequate operational system. The EU must also recognise that world hunger and the growing demand for food by no means legitimise subsidising European exports to developing countries. A longer-term development-based approach require to enable first and foremost developing countries to develop and safeguard their own domestic production.

EU must also take a leading role not only in lobbying for establishing new sustainability obligatory international goals, but also in finding the ways to help developing countries adapt to new obligations. An even greater challenge is to force (or encourage) private sector or public-private partnerships to implement the same rules of sustainability and corporate responsibility while acting in the home countries and in the developing countries, including environmental standards and human rights. The EU, as ERD suggests, should also push for major changes in consumption and production patterns in Europe towards sustainability and inclusiveness (commitments to which are already in EU policy documents), and in particular the switch to renewable energies, and changes in food consumption and production patterns in order to radically reduce the environmental footprint of European agriculture, food wastage and protein consumption. As a key element of this reshaping of policies, the EU should support the establishment of mechanisms to reflect the true value of natural resources in their pricing and abolish subsidy schemes and policies that distort that pricing. The EU external policies need to be reshaped and guided by Europe 2020 and made consistent with inclusive and sustainable management of natural resources, also in the developing countries. It should not put new barriers in its bilateral trade agreements as part of transition to a green economy, but promote mechanisms that reward sustainability throughout the value chain. There is also a need of effective controls over financial speculation on agricultural commodities to defend the world's poorest people and the world's food producers from exposure to sudden food price hikes and extreme price volatility. Putting those into force would be an extremely difficult task, but the most important recommendation for the EU is to realize what are the real development problems to be solved.

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