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ITUC-Africa Workshop on the African Trade Union's Position on the EPAs

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Statement

I. Preamble

At a meeting organised by the ITUC-Africa on the EPAs from 6 to 7 September, 2010 at the ITUC-Africa Headquarters in Lomé, Togo, trade union and sub-regional trade union organisations from the African region involved in the EPA negotiations have deliberated on the challenges posed to Africa and its people by the EPAs. In the discussions, participants reflected on the analyses and conclusions reached earlier on the EPAs by sub-regional trade union bodies in West Africa, Central Africa, East Africa and Southern Africa. The following are the conclusions of their deliberations.

II. Context

(a) African countries have been through three decades of job-less and precarious economic growth which has resulted from economic policies that have led to de-industrialisation and undermined the productive sectors of the economies in general.

(b) The resulting fragility of Africa's economies and the living conditions of its people have been strikingly demonstrated by the global financial and economic crisis that has afflicted the world over the past three years. While they bore little responsibility for the crises, African countries have been exposed to, and have at the same time lacked the resources to address the worst effects of these crises. This was largely due to the fact that the economic policies pursued over the past three decades reinforced the precarious primary commodity export dependence of these economies and left them with few of the resources and structural levers to apply the kind of policies called for by the crisis and being applied even in other developing regions.

(c) These developments have underlined the need to fundamentally re-think economic policies and development approaches. At the global level, this need is recognised in the Global Jobs Pact and the demand to place decent work and investment in social protection at the heart of economic development and policies of economic restructuring and investment, in order to promote a development that fulfils the needs of the people. For Africa, this re-thinking of the economic policy around decent work and investment in social protection requires the structural

transformation of Africa's primary commodity-dependent economies, in particular through the equitable and people-driven agrarian reform and industrialisation.

(d) A key pillar of such reform and development is the economic integration of African countries. Regional integration is necessary as counter-point to the internally fragmented and regionally disintegrated economies that took root during colonialism and have since then been perpetuated in different forms.

(e) Broad economic policies, especially in this context, trade policy and the pursuit of international trade agreements ~ whether bilateral or multilateral ~ should be guided by and serve a programme of people-driven agrarian reform and industrialisation oriented towards regional integration.

(f) Above all the re-orientation of economic policy called for must give concrete expression to the fundamental human rights, including the right to decent work, social protection, food, and gender equality and equity, as enshrined in international norms and conventions.

III. The Economic Partnership Agreements

(a) On the evidence so far of both the substance of the Economic Partnership Agreements (EPA) as well the processes by which they are being delivered, these essentially free trade agreements between on the one hand, Europe, with its overwhelming economic and political power, and on the other hand, the fragile,

fragmented and dependent economies of the Africa, fundamentally contradict the kind of policies needed by African countries.

(b) The far-reaching reciprocal liberalisation of trade in agricultural and industrial products contained either in the so-called interim agreements or in the proposals for more comprehensive regional agreements expose Africa's economies to grave dangers. These agreements open the space for cheap and often subsidised European products to flood markets in Africa, displacing domestic products and deepening the crisis faced by domestic producers, leading to further loss of jobs and livelihoods.

(c) In addition, the restrictions on export taxes, the attack on regional community development levies, and the freezing of tariff policies that are contained in these agreements severely restrict the application of key policy tools essential for a strategy of industrialisation.

(d) The need for Africa's economies to pursue South-South co-operation and to diversify their export markets and products is also threatened by the inclusion of the Most-Favoured Nation Clause in these agreements.

(e) The so-called development dimension which African countries are demanding for inclusion into these agreements will not achieve the development purposes being claimed for them. Not only has Europe demonstrated time and again that it is not willing, nor, in these times of economic crisis, has it got the means, to provide the level of finance commensurate with the demands of our negotiators. More importantly, these so-called development chapters of EPAs are flawed in conception and design because they are not dynamically rooted in the imperative of Africa's

structural economic transformation which in any case will be frustrated by the liberalisation thrust of the EPAs.

(d) The proposal to expand the EPAs agreements to cover the service sector will enable service providers from Europe to install themselves in Africa's economies and undermine local service providers. This will furthermore drive finance, credit, insurance and other services strategic to the development of a national economy beyond the reach of domestic producers, especially small- and medium-scale industries. Above all, governments will lose the ability to regulate services in line with strategic development.

(e) Similar problems arise in relation to issues such as investment regulation, competition policy, government procurement and intellectual property that the EU is bent on including in the EPAs against the will of most African governments. Adoption of rules in these areas will enable European investors to enter any sector of our economies as they please, with governments made unable to direct and regulate them in the interest of national development, or provide more favourable support to local investors.

(f) In sum, accepting the issues of services and other 'trade-related' rules such as investment which are not necessary for any international agreement with the EU will further destroy further domestic capacity in other areas of African economies and deprive our nations of overall policy space and of key trade and investment policy instruments to support national investment and production in our economies.

(g) Above all, these agreements have brought into question Africa's own agenda for regional integration. The different regional economic communities (RECs) of Africa, which are supposed to be the building blocs of Africa's economic integration, are being transformed into separate free trade areas with Europe, effectively replacing direct engagement among these groups with one mediated through Europe. This will disrupt the mechanism for building regional integration adopted by Africa to the benefit of Europe which will enjoy bigger markets for its products and companies. Already some long-standing regional groups are being split. Indeed, the process of negotiations whereby the different RECs are negotiating separately with Europe is already undermining Africa's continent-wide decision making on trade issues. Finally, as European goods and investors replace those from the different African regions, further blows will be dealt to the already fragile intra-Africa trade and investment.

(h) The sum total of all the above will be to undermine employment creation and social protection and the respect for fundamental rights of workers, women, and other social groups.

IV. Demands of ITUC-Africa

The EPA agenda is discordant with Africa's own development agenda. Any international trade agreement between Africa and other countries should derive from and be guided by a systematically spelt-out programme of economic development based on long-term strategies of agrarian reform and industrialisation, and should inform trade, macro-economic, investment and other policies. The EPA negotiations were launched and are taking place in the absence of such strategies

and programme. As such the negotiations have essentially been an engagement around Europe's own well thought-out and well spelt-out agenda. A different approach is necessary and feasible.

To this end, we call on our governments to:

(a) reject the EU pressure to sign interim EPAs which have been initialled and/or to rush to conclude inclusive agreements on trade in goods;

(b) take all economic and political measures to support those countries which have initialled and are vulnerable to pressure to sign them, as well as those which have been compelled to sign the interim agreements to avoid signing and/or implementing these agreements; these measures could include the establishment of regional funds to compensate for the disruption of market access faced by these countries;

(c) reject the basic agenda for the EPAs—in particular:

- the reciprocal elimination of tariff on goods;
- the liberalisation of services;
- rules on investment, competition and government procurement, and
- strengthened obligations in intellectual property rights.

(d) take steps to restore the integrity of their regional groups against the fragmentations resulting from the EPA processes, as well as strengthen their own processes of regional integration, including steps to improve coherence among regional groupings as well as internal movement within them;

(e) create space for engagement with their citizens, including farmers and farmers groups, trade unions, local producers, women groups and other civil society

organisations. This will enable them to explore viable options (some of which already exist) on the basis of which to found a relationship with Europe which is consistent with the developmental imperatives of Africa's economies and with Africa's own integration agenda.

V. ITUC-Africa Commitments

The ITUC-Africa commits itself to:

- (a) lobby governments and institutions at the national, regional and continental levels on the above demands;
- (b) revitalise regional labour movements for the purpose of campaigning vigorously against the EPAs and for sustainable development;
- (c) mobilise solidarity actions for workers and their organisations outside Africa.