

**PRESS STATEMENT BY THE AFRICAN REGIONAL ORGANISATION OF THE
INTERNATIONAL TRADE UNION CONFEDERATION, GHANA TRADES UNION CONGRESS
AND GHANA FEDERATION OF LABOUR, OCTOBER 1, 2008**

The African Regional Organization of International Trade Union Confederation,(ITUC-Africa) the Ghana Trades Union Congress and the Ghana Federation of Labour working in partnership with the African Trade Network calls on the ACP Heads of States to take firm decision on the Economic Partnership Agreement. We in the trade union movement and our friends in Civil Society have over the last 6 years followed with keen interest various aspects of the Economic Partnership Agreement, including the negotiations processes and the contents of the proposed agreement. We have on all several occasions expressed our misgivings not only on the contents of the negotiations but also on the processes.

We recall the position taken by the Ghana TUC and the Ghana Federation of Labour in 2007 in which the two labour organisations stated that they are 'totally convinced that the EPAs are not the way to development and poverty reduction and that they are tantamount to re-colonisation". This position is shared by the entire progressive trade union movement and civil society across the world. It is informed by critical analysis of the issues that are being proposed some of which have already found their way into the so-called stepping stone interim EPAs:

The proposal to have free trade agreement between the European Union and countries of ACP is not acceptable given the huge developmental gap between the two parties. A reciprocal market access that obliges poor countries of ACP to remove, over time, custom duties on some 80 percent of all goods emanating from European Union, is absurd particularly, in the light of our recent past experiences with liberalisation.

In our view [and most experts agree] such radical liberalisation will only further exacerbate the influx of wide range of goods that would depress ACP markets and undermine industrial and agricultural production. Given the huge subsidies that European producers are receiving, the relatively much lower interest rates they enjoy and the efficient infrastructure at their disposal, any attempt to remove custom duties on 80 percent imports from the EU will decimate our already small production base, wipe employment and livelihoods and undermine efforts towards achieving the Millennium Development Goals (MDGs).

The removal of tariffs or custom duties would also deny ACP countries their most reliable source of revenue. Most countries in ACP rely on custom duties for more than half of their revenue. Blocking this revenue source will further weaken the ability of ACP states to invest in social services that benefit the poor.

The 100 percent EU market access offer is meaningless to countries of ACP for a number of reasons, namely:

The historically high levels of several non-tariff barriers including Sanitary and Phyto-Sanitary Standards (SPS), complicated rules of origin, supply side constraints facing ACP countries; the general tendency towards the lowering and removal of tariffs within the multilateral and other

bilateral regimes and in the process eroding the tariff preferences that the ACP enjoys; and the continued maintenance of huge subsidies on EU agricultural production within the framework of the Common Agriculture Policy (CAP).

These have combined effectively to ensure that ACP never benefited from the market access provisions of both Lomé Conventions and the Cotonou Partnership Agreement. It is difficult to envisage how a reciprocal removal of tariffs on the part of ACP will allow them to take advantage of a market access that have been there since 1975 especially when the problems as outlined above remain unresolved.

The assertion by the European Commission that EPAs and their underlying principle of reciprocity are the only way to ensure WTO-compatibility flies in the face of the evidence. It is legally possible for the European Union to extend the enhanced Generalised System of Preferences otherwise known as GSP+ to all the ACP developing countries while the Least Developed countries fall back on the Everything But Arms (EBA) initiative.

On market access in services, the trade union movement and indeed the larger civil society maintain that it is neither necessary nor desirable to negotiate these; indeed ACP states are not obliged to negotiate the liberalization of services with the EU since the present rules on trade in services between the EU and countries of ACP are already consistent and compatible with the rules of the World Trade Organisation;

On the negotiation of the trade-related or the so-called Singapore issues as part of the EPA with particular reference to Government Procurement, Competition and Investment Policies and Intellectual Property, we once again draw attention to the fact that there is absolutely no basis for negotiating such issues;

- a. We remind the leadership of ACP that these are issues the EU and other rich industrialized countries have tried to push through at the level of the WTO and for which the entire developing world including ACP countries have successfully blocked in the belief that having them included in trade agreements could have extremely negative implications for their development. Interestingly, the Cancun Ministerial of the WTO collapsed over the intransigence of the EU to include the Singapore issues and the refusal of the developing world to accept them. Negotiating them into the EPAs will be a stab in the back of the developing world by the ACP;
- b. What is more, by negotiating these policies into the EPAs, the EU would be depriving ACP governments the most important public policy instruments for supporting promising domestic enterprises and grooming into maturity. Ironically, these are tools that have been used successfully throughout history to build and nurture infant industries including the industrial giants we see in the EU today;

In spite of the negative repercussions that these proposals, if ever written into a treaty agreement, could have on the development of ACP states, it is sad to note that after more than 6 years of negotiations no impact assessment has been carried out to form a basis for meaningful negotiations. Independent impact studies including those commissioned by the European

Commission that showed that the proposed EPAs could injure the development of ACP states were quickly dismissed by the Commission.

We in the trade union movement and the NGO community in Africa, deplore the attitude adopted by the European Commission throughout the negotiations in particular towards the end of 2007. The willingness of the Commission to abandon the regional negotiations framework and in the process sign or initial Interim EPAs with individual countries clearly shows that the European Union and its member states are not interested in regional integration of ACP states.

In addition, the attempts by the European Commission to cast all critical voices represented by civil society particularly on the EPAs as disgruntled underscore the desperation of the Commission and clearly undermine the spirit of the Cotonou Partnership Agreement that calls for the involvement of non-state actors.

To quote President Bharrat Jagdeo of Guyana 'we are incessantly lectured by the same group of countries – the EU – that national consultations and working with civil society are essential hallmarks of good governance'. "Yet, when the same civil society opposes the EPA on the ground that it is not sufficiently developmental in nature, we are told to ignore them - that they are complainers," he further argued.

The double standard is hard to ignore. The ACP leadership meeting here in Accra has a historical duty to discharge. That duty has been made quite simple by the events of the past three decades and the present experience in which the world economy finds itself today. The sweeping liberalisation and deregulation of markets around the world have created what analysts describe as unprecedented global financial crisis that the market cannot fix.

The EPAs seek further liberalisation of our economies and a continuation of the policies of the past three decades that have led to widespread destruction of decent employment and livelihoods and thrown people into reversible poverty. They seek to establish free trade agreement between the giants of world trade –the EU – and the dwarfs – ACP countries thereby overthrowing the time tested principle of 'Special and Differential Treatment' which recognizes that countries with weak and fragile economies such as those of ACP cannot trade freely with the economic giants of the world.

The EU also seeks to render governments of ACP countries ineffective by taking away their regulatory powers with which they can initiate and influence the long term development of their countries.

The European Union has refused to listen to the concerns of ACP countries and has mounted intense pressure on our countries to succumb to their interests. Their posture throughout the negotiations suggest that they know all that is good for us and our countries. This is not true and we should not accept it.

We therefore call on our heads of states of ACP to reclaim the destiny and sovereignty of our countries by taking a collective decision on the EPAs. Our heads of state and governments have the power to act and the time is ripe to take a decision. This decision must be two-fold:

Renounce all interim and comprehensive EPAs;

Resolve to negotiate and agree a non-reciprocal 'goods only EPAs with the EU as the Government of Guyana has suggested.

In the meantime, the trade union movement and all the civic organisations and activists here assembled and beyond promise to continue to engage all stakeholders including the EU to find a WTO-compatible alternative to the EPAs.

Thank you!