



Joint ITUC-Africa/ETUC/ITUC¹ Statement

on the EU Economic Partnership Agreements with Central Africa, Eastern and Southern Africa, the East African Community, the Southern African Development Community, and West Africa,
and the EU-Africa trade relations

26th October 2018

Trade unions from Africa and Europe have followed with grave concern the negotiation and conclusion of Economic Partnership Agreements (EPAs) between the EU and regional groupings in Africa.

The ITUC-Africa and the ETUC have called for in-depth changes to the content and guiding principles of current EPAs² to ensure they promote economic growth and sustainable development, guarantee respect for workers' rights and universal access to public services and contribute to the full achievement of the UN Sustainable Development Goals.

We are concerned that trade unions have not been adequately involved in EPA negotiations by governments in the EU or Africa through a process of effective and structured social dialogue. Therefore, the EPAs currently under negotiation and those that have been signed pose significant risks to sustainable development, stable employment, labour standards and public services as well as democracy in African countries.

¹ The ITUC, the ITUC-Africa and the ETUC are the most representative trade union organizations worldwide, in Africa and in Europe.

² For more information on previous joint work done together by African and European unions on this, please see:

- https://www.ituc-africa.org/IMG/pdf/statement_epas.pdf,
- the Joint ETUC-ITUC submission on ACP-EU Partnership Agreement: <https://www.etuc.org/en/document/joint-etuc-ituc-submission-ACP-EU-partnership-agreement>
- A letter to MEPs: https://actsa.org/wp-content/uploads/2018/02/ituc-af-ituc-etuc_letter_to_meps-docx.pdf
- the ETUC Resolution on a EU progressive trade and investment policy <https://www.etuc.org/documents/etuc-resolution-eu-progressive-trade-and-investment-policy-adopted-executive-committee#.WuNDHaQvxD4>

In particular, we share the following concerns relating to **sustainable development and industrialisation**:

- According to a study by the South Centre (2016), the removal of tariffs on EU products would kill infant firms by outcompeting them. No country has industrialised without using tariffs to nurture and develop infant industries.
- Similarly, there is high risk of negative consequences on agro-food production in African countries, as the EPAs are to decrease tariffs on agricultural imports, and therefore protection, over time.
- Bilateral safeguard measures included in the EPAs are not easy to trigger, and they are subject to decisions made by the Joint Implementation Committee, a body that includes the EU and the African Parties. The use of safeguard measures comes with time limits, making such measures temporary and, indeed, unsuitable for a longer-term protection of infant industry.
- The EPAs should allow the policy space that African countries need in order to achieve sustainable development and industrialisation. The existing model of EPAs and particularly provisions like the standstill clause, the prohibition of new export taxes, and the Most Favoured Nation clause would severely limit African countries' policy options.
- In the long term, the EPAs are not encouraging the emergence of a fiscal space for the African countries to finance their own development and to build and maintain public services and social protection. More to this, African countries have been facing difficulties in building taxation systems and institutions that would curb the colossal tax avoidance by foreign corporations – the total amount of which is bigger than the total amount of foreign aid received. In this context, the loss of tariff revenue will deprive countries of one of the few revenue sources available.
- Just five years after entry into force, the EPAs' rendezvous clauses call the Parties to introduce negotiations on investment and services, which could open up public services to further liberalisation and privatisation.

We also note with concern the following issues relating to the EPAs **labour commitments**:

- The EPAs contain no enforceable commitments to respect core ILO labour standards and promote the ILO Decent Work Agenda. The EPAs lack instruments that provide for constant assessments of impact on employment and workers' rights and effective enforceability mechanisms.
- The EPAs are expected to affect women workers adversely more than men workers. The EPAs' removal of protections from industries like manufacturing and agriculture is likely to lead to job displacements from the formal economy to informal activities – a trend that usually affects women more than men. There is no gender impact assessment yet, and we feel that the negotiations did not take into account the impact on women workers.

In **procedural and design matters**, we are worried about the following facts:

- The negotiations did not take into account regional integration processes in Africa. Negotiations did not take place on a block-to-block basis.

- The EU has threatened countries such as Kenya with a loss of preferential market access if they did not sign the EAC EPA and not because of social consideration like failures in the respect of ILO Conventions. This is certainly not a fair way of negotiating with developing countries in the interest of their population.

Due to these concerns, among others, the current EPA negotiations, the signed EPAs in their current form and interim EPAs with African regions do not have our support.

We ask for the EU and African groupings to stop the negotiations, withdraw from and reform signed agreements according to the principles below. The EU should ensure African countries that withdraw from EPA agreements do not lose preferential access to EU markets. African countries must continue to have preferential access to EU markets via Generalized System of Preferences (GSP) schemes, including those that have reached middle-income status.

Progressive principles for trade relations between EU and Africa

Trade unions consider free but fair trade to be of great importance for economic growth and sustainable development. Trade, when taking into account asymmetries, can contribute to a fairer, inclusive and socially just global trading system. In this respect, we support the idea of reconciling trade policy and development cooperation.

The EU's trade policy can be an important instrument for building capacities to support sustainable growth, decent work, economic diversification, and integration in the regional/global economy. It should also provide benefits in terms of better economic and social infrastructure, require good governance and respect for the rule of law and human and labour rights, as well as respect for international environmental agreements and the Paris Agreement goals.

In this regard, the EU's GSP schemes and potentially other trade policy instruments should contribute to building a just and prosperous economic relationship between the EU and the least-developed countries, a relationship in which exploiting workers and looting the environment are no longer accepted means of international competition. We expect a stronger link between preferential access and the respect of workers' rights as defined in ILO standards.

The EU should extend solidarity to African countries, promote cooperation, rather than competition, and with a reformed trade policy assist in achieving the Agenda 2030 goals and in shaping globalisation in an economically equitable, socially and environmentally responsible way.

We call for governments to involve trade unions in social dialogue and negotiations to change course and pursue a progressive trade arrangement between Europe and Africa that takes into account the asymmetries in economic relations and market size.

We ask for the EU and African groupings to develop a new mandate for negotiations. This should follow the principles listed below:

- Before starting trade discussions, the EU and Africa should identify economic activity and sectors where trade opening would be beneficial for the creation of decent jobs, particularly for women, young people and other vulnerable groups. This impact assessment must involve evidence from both employers, trade unions, academia and international organisations, and be transparent. In this regard, we call for the public release of the three sustainability impact assessments conducted by the EU in April 2008, April 2012 and January 2016 and never made public.
- There must be explicit guarantees that any trade agreement will not affect the current market access provided to all Least Developed Countries with no request for reciprocity in market access as long as these countries remain “least developed” in the UN Human Development Index.
- Any future agreements must be more asymmetrical in terms of tariff reductions and other concessions than the current EPAs. Countries must retain the ability to vary tariffs and other protections to allow African countries to develop. This must include the ability to exclude sectors where women and vulnerable groups are particularly likely to be disadvantaged by liberalisation.
- Digitalisation is also a form of industrialisation, so special care must also be taken to avoid any disciplines on the ability of governments to regulate e-commerce and demand local presence.
- Agricultural products from the EU should be completely excluded from liberalisation because the European agricultural sector is subsidised. Tariffs of 20 per cent are sometimes too low to effectively protect a sensitive market in African countries. African governments must have the ability to vary tariffs to ensure their food security. Special care should be taken not to further worsen Africa’s food deficits, and particular attention should be given to the condition of life and work of rural workers.
- Any trade agreement must involve binding commitments with measurable roadmaps and cooperation programmes and resources to achieve respect of core ILO standards and promote the decent work agenda. There must be independent bodies established to monitor compliance with these commitments and stronger and effective enforcement mechanisms, including possible economic consequences in case of non-respect of ILO standards. Workers’ and employers’ organisations involvement should also be foreseen in the EPAs. The EU should provide financial support to ensure all members of these bodies can fully participate.
- Any future agreements should be negotiated between the EU and African regional integration communities.
- The EU should provide development aid that is truly additional to the current aid levels to build up food sovereignty, infrastructure and institutions and to promote decent work and workers’ rights, including social dialogue structures and improving the capacity of trade unions to take part in trade negotiations and monitoring once in place. The EU should provide aid to support African stakeholders to create their own impact assessments so that future negotiations are informed.
- African and EU countries should require the application of the UN Guiding Principles on Business and Human Rights, including human rights due diligence, by all firms, regardless of where they are based. In this way, corporate behaviours could be held accountable in jurisdictions with a higher rule of law.

- African governments should develop rules and processes, such as performance requirements, for a foreign investment regime that promotes development, ensures the employment of local workers in decent work conditions, and guarantees that value accrued in Africa stays in Africa. This would help African countries capture more added value as well as defend against harmful and predatory investment, no matter the country of origin. Any trade agreement must not endanger such procedures.
- Each African regional economic community (REC) should be part of the WTO activities on the same footing as Member States in order to negotiate on behalf of its Member States and to reinforce their voice in the WTO as well as in Free Trade Agreement (FTA) and EPA negotiations.

We commit to continue advocating for a mutually beneficial partnership between Europe and Africa, one that takes into account historical experiences, promotes fair trade based on solidarity and advances respect for labour rights and creates decent jobs in Africa and Europe. We commit our organisations and national trade union centres to improve their cooperation and joint mobilisation with the aim to achieve these objectives and change the EPAs towards a more progressive and fair model.