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ITUC-AFRICA STATEMENT ON EPAs

The ITUC-Africa has noted with deep concern the attempts by the European Commission to cajole African governments into signing the Economic Partnership Agreements (EPA). The Economic Partnership Agreement as currently structured and notwithstanding the superficial concessions that have been granted by the European Union since the start of the negotiations remains inimical to the development aspirations of Africa. The terms of the agreements will only make it harder for Africa to achieve the 2030 Sustainable Development Goals (SDGs). The agreements seem designed to completely remove whatever leverage remains for Africa to transform its economies. ***The ITUC-Africa calls on African governments not to sign the Economic Partnership Agreements as currently structured.***

Africa's share in global trade has continued to decline despite having duty-free and quota-free access to the European Markets and despite implementing sweeping unilateral liberalisation in the 1990s as part of IMF/World Bank Conditionality. The continent's share of global trade has fallen from 6 percent in the 1980s to 2 percent in 2013. Africa accounted only for 4.4 percent of global FDI in 2014 despite the mouth-watering incentives made available to investors.

There are reasons for this state of affairs. The market access offered under previous trade agreements were contrived. As the tariffs came down on African raw materials, they went up for manufactures (tariff escalation). Also, non-tariff barriers including unreasonable sanitary and phyto-sanitary measures replaced the tariffs. In addition, European exporters continued to benefit from huge levels of subsidies that enabled them to out-compete their African counterparts. Above all, African economies had very little beside raw materials to export to the European markets. The colonial economic structure set-up to export raw materials and import manufactures remains. Structural Adjustment foisted on Africa with the active involvement of the European Union has killed off the little industrial capabilities countries mastered immediately after independence.

The EPAs, as currently structured, have no remedy for these challenges. In fact, the EPAs are destined to worsen the situation for African economies. The huge employment deficits that have built up on the continent in the last 30 years of intense neo-liberalism will surely worsen if the EPAs are signed and implemented. The EPAs pose an unassailable threat to existing livelihoods on the continent and should not be countenanced.

For sure, trade can be an important instrument in the fight against poverty and deprivation in Africa. No doubt about that! However, it is highly disingenuous to conceive of a free trade

between the poorest continent on earth (with some of the most weakest economies) and the world's most powerful trading bloc as the solution. Regardless of the spin, the EPAs remain a free trade agreement: tariff elimination will occur whether in 5 or 25 years.

As an international treaty, EPAs will lead to loss of vital policy space. Given the rigid nature of African economies, policy space is needed to address the domestic and international constraints to structural transformation. Policy space is needed to protect (as Europe does) domestic industry and implement policies and programmes that promote high-value added activities in manufacturing and services. Signing the EPAs is signing away that space and probably kissing good-bye to all prospects for structural transformation on the continent.

Additionally, tariff elimination under EPAs now or into the future risks for African countries massive loss of revenues. The inherent liberalisation of external payment regimes on the continent will exacerbate the massive tax evasion and illicit financial flows that have bled the continent in the last few decades. These capital flows are higher than the total amount the continent receives in development assistance and they are crucial in bolstering the continent's ability to provide public service including quality education and healthcare.

In light of the divisive Nairobi Declaration of the 10th WTO Ministerial Conference in 2015, where most developed countries shied away from honoring and reaffirming the Doha Development Agenda, we believe that African nations must prioritize African economic integration. Regional integration remains the most viable instrument for the structural transformation of Africa. Africa must unite against pressure to liberalize trade beyond the commitments already undertaken in the WTO, which are already unequal and biased. The industrialized world, including Europe, has demonstrated enough bad faith such that it cannot be trusted to deliver on the few platitudes that have been inserted into the EPAs.

The EPAs represent the latest attempt by Europe to further the under-development of Africa. The frustrations and anguish exhibited by bureaucrats of the European Commission in the last 15 years of negotiations including their willingness to withdraw support to unwilling governments clearly show that there are more to the EPAs than are openly discussed. The resort to secret meetings and negotiations points to something sinister. The attempts to circumvent the democratic process by bypassing African national parliaments in the ratification process, show ill intentions. There are enough reasons to reject the EPAs: technical, political and historical. African leaders owe it to Africans and Africa to reject the latest scramble!

Urgent action is needed for an African agenda of structural transformation that puts development and social justice first. United action and coordinated policies could help Africa defend against climate change, increase its income base to be able to fund social protection floors and provide universally accessible quality public services, increase the speed of transition from the informal to the formal economy, create decent work and decent livelihoods, and in general pursue the goals of sustainable development.

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