

Trade Justice Movement

February 2008

European leaders have failed poor people

A TJM statement on the initialling of Economic Partnership Agreements by countries in Africa, the Caribbean and Pacific.

We are extremely disappointed by the extent of the anti-development content of interim Economic Partnership Agreements (EPAs), particularly since their principle objective was to deliver for development. We are also dismayed by the European Commission's conduct in the process of negotiations.

In 2007 35 African, Caribbean and Pacific (ACP) countries bilaterally or sub-regionally initialled an interim EPA with the EU that came into force on January 1 2008. However, it is only the Caribbean region that has signed a full EPA which includes agreements on issues such as investment and trade in services.

The agreements require fast and far reaching trade liberalisation by ACP countries, and other damaging reforms, in return for continued entry for ACP goods into EU markets. European member states, including the UK, have largely stood by while the European Commission, led by Commissioner Peter Mandelson, has driven forward its agenda with scant regard for ACP development objectives and regional integration plans.

In the months leading up to the signing of these agreements, negotiators and governments in ACP countries have been put under immense pressure from the Commission, which had variously threatened non-LDC countries (Least Developed Countries) with reduced access for their goods into the European market and diminishing levels of aid if they did not sign an EPA. This bullish approach has resulted in rushed deals, removing the opportunity for appropriate expert or public scrutiny as well as debate of the content either in ACP countries or Europe.

The deals agreed could pose a major threat to development in the countries concerned. Many ACP governments were put in the impossible position of having to choose between supporting existing livelihoods and industries now or retaining policy space to support industries that may emerge in the future – a policy choice that Europe itself made during its development. The EU's chief objective that EPAs would lead to increased regional integration in ACP countries is in tatters as the Commission has sought to strike deals with individual governments or handfuls of countries – a strategy that can only wreck existing indigenous regional integration processes.

The UK Government, thanks to the pressure from campaigners, has found its actions and positions under intense scrutiny and at times has adopted a more progressive agenda. However, its call to the EC, along with the Netherlands, Ireland and Denmark, to show flexibility and not penalise countries unable to sign, while welcome, came as too little too late. By December 10, when the statement of the four member states was made, many non-LDC countries had already agreed deals, given the threats and pressure from the Commission,

Insufficient pressure and leadership early enough in the process across the EU member states, including the UK, has meant that negotiations have hurtled towards a conclusion which does not sit comfortably with the stated aims of the agreements, or UK policy. The UK has at times been active in its support for agreements in which we believe there are direct contradictions with its 2005 position paper on EPAs
<<http://www.tjm.org.uk/download/TJMepaanalysis1207.pdf>>.

The ACP Council of Ministers meeting in Brussels from 10-13 December have called for the contentious clauses in the initialled EPAs to be 'opened up for negotiation' and have 'stressed the need for revisiting the provisions which might be incompatible with their development goals and inconsistent with the binding provisions of the Cotonou Agreement' (ACP Council of Ministers Declaration, 86th Session, 10-13 December).

In the small window of opportunity that remains in 2008 to bring back the focus to 'development' and 'partnership' in these seriously flawed trade negotiations, we call on the UK Government to do all it can to help deliver on its March 2005 position and support calls from the ACP for key elements of the initialled deals to be revised. Specifically, we call on the UK Government to:

- Ensure that the interim EPA texts are opened up for renegotiation, given the haste in which they were concluded and their potential to undermine development and regional integration.
- Publicly call for the European Commission to refrain from pushing for the inclusion of services, investment, competition, government procurement and intellectual property in EPAs. Given the lack of any legal requirement to include them in EPAs and the controversy surrounding the impacts on development of traditional rules-based deals, the EC must let the ACP development concerns drive negotiations – this means letting ACP negotiators take the lead, adopting a more open-minded approach to any eventual cooperation on these topics, and making publicly available external, objective assessments of proposals and positions.
- Push for a strong and effective monitoring and review mechanism within the EPAs that enables ACP countries and regions to assess whether EPAs are contributing to their economic development and regional integration and which builds in the legally enforceable right for commitments to be revised in light of the findings.
- Seek to ensure pro-development alternatives for those countries that have not signed an EPA.