

## European leaders have failed millions of poor people

Traidcraft is appalled that the UK government has backed controversial trade deals which could write off thousands of jobs and destroy industries in some of the world's poorest countries.

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Negotiations on Economic Partnership Agreements (EPAs) between the European Union (EU) and 76 developing countries in Africa, the Caribbean and Pacific (ACP) were officially due to conclude at the end of 2007.

These deals were supposed to have development at the centre and were hailed as pioneering deals that would be based on partnership.

But the deals fail on several counts. Developing countries have been left with no choice but to sign up to agreements which fail to meet their needs.

### The harsh reality

- The European Commission (EC), negotiating on behalf of the members of the EU, has railroaded developing countries into signing away their right to use trade taxes (tariffs) on incoming goods to protect their workers, farmers and industries.
- The tariff reductions that the agreements force on ACP countries will deprive their governments of much needed revenue which could otherwise be spent on health and education services.
- The negotiation process has been deeply flawed with very little sense of "partnership". In the months leading up to the signing of these agreements, negotiators and governments in ACP countries were put under immense pressure from the EC. Negotiators threatened some developing countries with the loss of access to European markets for their goods and diminishing levels of aid if they did not sign an EPA.
- The aggressive approach of the EC has resulted in rushed deals, removing the opportunity for appropriate expert or public scrutiny and debate of the content.
- The EU's chief objective that EPAs would lead to increased regional integration is in tatters as the EC has sought to strike deals with individual governments or handfuls of countries, which is already sabotaging existing regional integration processes.



At the time of writing, 36 countries had "initialled" an EPA. The exact content of each EPA varies from country to country but most are committed to huge and rapid reductions in the tariffs they levy on imports and to continue negotiating on other areas which could undermine their ability to direct investment in ways that will help development.

The feelings the deals have provoked among leaders of ACP countries are clear from a joint statement made in the last week:

"Ministers deplore the enormous pressure that has been brought to bear on the ACP States by the European Commission to initial the interim trade arrangements, contrary to the spirit of the ACP-EU partnership" and "stressed the need for revisiting the provisions which might be incompatible with their development goals".

*Statement from ACP Ministers, December 2007*

### UK government complicit

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.

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. In March 2005 the UK government released a statement outlining the pro-development components that would be needed for them to support EPAs. Traidcraft welcomed this.

But a lack of leadership from senior ministers across the UK government means that ultimately the UK has supported Agreements that directly contradict what it said it would be willing to support in its March 2005 paper. This is extremely disappointing and threatens to undermine the UK government's broader development agenda.

Time and time again the government has done too little too late. The UK should have used this opportunity to place the needs of poor countries at the heart of trade deals. But International Development Secretary Douglas Alexander and Prime Minister Gordon Brown have so far failed to do so.

### A window of opportunity

The President of the European Commission José Manuel Barroso has said that he will review EPAs in early 2008. This provides a small but very real window of opportunity.

We call on the UK government to use this opportunity to deliver on its March 2005 position. Specifically, the UK government should:

- Ensure that key elements of the agreements are revised, given the haste in which they were concluded, their potentially disastrous impacts on development and the request by ACP Ministers for this to happen.
- 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 allows commitments to be renegotiated in light of the findings.
- Ensure that any further negotiations on areas such as services and investment should only take place if requested by the ACP and according to a

timeframe defined by them. Where negotiations do take place, they must not be driven by European offensive interests but must focus on areas that the ACP wants to negotiate.

- Seek to ensure pro-development alternatives for those countries that do not want an EPA.

## The campaign goes on

In 2004 Traidcraft was asked by our partners in developing countries to campaign on EPAs and we will continue to work with them to challenge these deals. We've worked together with a host of agencies in the UK as part of the Trade Justice Movement and with partner agencies around the world. We've campaigned to the UK government directly as well as other European countries including Germany, Finland and Portugal.

But it doesn't stop there. The voices raised against EPAs have included high profile figures like Bono and Bob Geldof as well as politicians, academics, unions, farmers and workers. Even key staff in the UN, the International Monetary Fund and the World Bank have cautioned against the deals.

We have successfully shined a spotlight on the harsh nature of EU trade negotiations and built up a genuine worldwide movement for trade justice. We can continue to push for fair deals for the 40 countries who have not signed an EPA. And we will work to ensure that developing countries are not pressured in to further negotiations.

The European Union's refusal to listen to the concerns of the poor is a defining failure. Their determination to secure a deal at the expense of development shows how much our campaigning is still needed.

## Take action

- [Stay involved](#)

Help us to keep fighting EPAs. We'll send you quick but effective actions to take.

- [Further reading \(PDF briefing\) \(161kb\)](#)

Read our detailed analysis of the gap between what the UK government promised and the reality of the agreements being signed.