

Opinion of the European Economic and Social Committee on 'How to integrate social aspects into the Economic Partnership Agreement negotiations'

(2006/C 65/15)

In a letter of 2 July 2004 from Commissioner Loyola de Palacio, the Commission, in accordance with Article 262 of the Treaty establishing the European Community, asked the European Economic and Social Committee to draw up an opinion on *How to integrate social aspects into the Economic Partnership Agreement negotiations*

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 10 November 2005. The rapporteur was Antonello Pezzini and the co-rapporteur Gérard Dantin.

At its 422nd plenary session (meeting of 14 December 2005) the European Economic and Social Committee adopted the following opinion by 125 votes to 2 with 7 abstentions:

1. Introduction

1.1 The framework of the opinion

1.1.1 This opinion is the response to a request made by Commissioner Loyola Palacio. In her letter of referral of 2 July 2004, after stating that *'the Commission appreciates the active role played by the Economic and Social Committee in promoting an open dialogue between the non-state actors of the ACP and the European Union'* she asks the Committee to draw up an *'exploratory opinion on how to include social aspects in the negotiations on the Economic Partnership Agreements, concentrating on employment, labour standards, social security and gender questions'*.

1.1.2 The Economic Partnership Agreements (EPA) are governed by Article 37 of the Cotonou Agreement. They are to be concluded by 31 December 2007 and aim at fostering *'the smooth and gradual integration of the ACP States into the world economy, with due regard for their political choices and development priorities, thereby promoting their sustainable development and contributing to poverty eradication in the ACP countries'* (Art. 34(1)). More generally, they form part of the implementation of the *'development strategy'* set out in Articles 19 to 27 (Title 1) of the Cotonou Agreement.

1.1.3 The Commission's letter of referral is in line with Article 37 and Title 1 of the Cotonou Agreement. This determines the framework of the present exploratory opinion.

1.2 This referral shows the importance which the Commission attaches to taking the social dimension into account in the negotiations on the Economic Partnership Agreements.

1.2.1 The Committee welcomes the Commission's concern and approach.

1.2.2 Indeed, there cannot be optimum development without a parallel social development. These concepts must go hand in hand if economic progress is to be fully effective and thus improve the way of life and the welfare of the people concerned.

1.2.3 Moreover, the implementation of the EPA will lead inevitably to necessary structural reforms, transforming many aspects of the way the people of the ACP countries live at present. These structural reforms, which will in many cases be difficult to cope with, must be accompanied by parallel social progress if the economic partnership agreements are not to be rejected by the peoples concerned.

1.2.4 From this viewpoint the participation of civil society in the various stages of the process based on the Economic Partnership Agreements is central.

1.3 In general terms the **Cotonou Agreement** provides for a gradual removal of barriers to trade between the two parties and regards the negotiation period as useful and suitable for developing the capacities of the public and private sectors.

1.3.1 The underlying aims of the EPA negotiations — part of the implementation of the Cotonou Agreement — essentially cover the following aspects: eradication of poverty; sustainable development; effective participation by women; involvement of non-state actors; special care to maintain public expenditure in the social sectors at a sufficient level ⁽¹⁾.

1.3.2 The Cotonou Agreement provides for the EPA to cover a wide range of sectors: competition policy ⁽²⁾; intellectual property rights ⁽³⁾; health and plant health measures ⁽⁴⁾; trade and environment questions ⁽⁵⁾; trade and labour standards ⁽⁶⁾; consumer protection ⁽⁷⁾; food safety ⁽⁸⁾; investments ⁽⁹⁾.

⁽¹⁾ Article 25, Cotonou Agreement.

⁽²⁾ Addis Ababa resolution of the Joint Parliamentary Assembly, preamble Q(3643/04/DEF).

⁽³⁾ Article 46, Cotonou Agreement.

⁽⁴⁾ Article 48, relating to the WTO Agreements.

⁽⁵⁾ Article 49.

⁽⁶⁾ Article 50.

⁽⁷⁾ Article 51.

⁽⁸⁾ Article 54.

⁽⁹⁾ Article 75.

1.4 **The EPA** — the framework of which has several dimensions (cf. Appendix 2) — are regarded as reciprocal free trade agreements which are to be negotiated on a bilateral basis between the EU and the ACP countries or regions. An important principle is that the EPA will have to be consistent with the rules of the WTO.

1.4.1 Both the ACP countries and the EU are convinced that the objective should be a more balanced and fairer multilateral trade system under the aegis of the WTO, based on a clear relationship between trade and development and on really differentiated treatment for developing countries — especially the LDCs and the small island countries — and ultimately characterised by transparency and effective involvement in the decision-making process.

1.5 **The negotiations** so far (see Appendix 3) have brought out certain serious divergences between the ACP countries and the European Union, as the ACP-EU Joint Parliamentary Assembly has rightly pointed out.

1.5.1 It must not be forgotten that foreign debt constitutes for many ACP countries an insurmountable obstacle to economic and social development⁽¹⁰⁾. Moreover, this is one of the reasons why the first stage of the EPA negotiations did not lead to a binding framework agreement as the ACP countries had wished.

2. General comments

2.1 Many ACP countries, particularly those of southern Africa, take the view that the prospects of regional integration will lead initially to a reduction in income, particularly as a result of the reduction in customs duties. It therefore seems necessary at this stage to provide for a greater financial commitment on the basis of the various contribution rates. Subsequently, since in many ACP countries customs duties make up a large part of public income, tax systems must be developed as rapidly as possible to compensate for any such reduction. These countries must be supported in their efforts to develop efficient tax systems. Moreover, the ACP countries have shown only slight progress towards practical forms of regional trade cooperation. Existing or forthcoming agreements, apart from being limited to certain regions, have not generally achieved the objective of increasing inter-regional trade. Indeed, few of the existing areas of integration show significant trade at infra-regional level.

2.1.1 At present in all six regional areas the negotiations have turned out to be long and complex. The planned deadline of 2007 will certainly not be respected. The transition period

will be longer and will extend well beyond 2008. The main difficulties are found in southern and eastern Africa. Indeed, the African states show much more interest in infrastructure problems (roads, hospitals, training centres, agricultural development etc.) than in the problems concerning aspects of civil society⁽¹¹⁾.

2.1.2 In each region there are task forces which continuously monitor the trade negotiations⁽¹²⁾. The organisations representing civil society must, of necessity, be consulted by the task force so that it is aware of their analyses and their proposals on social matters and on all development-related issues in general. To this end, civil-society representatives must form regional organisations which will enable them to draw up positions collectively. The European Union must provide financial and technical assistance to contribute to the practical implementation of an initiative of this kind.

2.1.3 The Committee has already come out in favour of strong involvement of civil society⁽¹³⁾, also bearing in mind that, in the Cotonou Agreement, the provisions on participation of non-state actors are found in more than 30 articles, in a final declaration, and in Annex IV on implementation and management procedures. The statements which best express this approach are found in the 'Fundamental Principles' (Article 2) and in Chapter 2, which is entirely devoted to 'the actors of the partnership'.

2.1.4 The EESC thinks it would be important to extend Europe's experience of using the Structural Funds, especially in the Objective 1 regions, to the ACP regions⁽¹⁴⁾.

2.2 The participation of **civil society** in the implementation of the Economic Partnership Agreements is one of the essential conditions for the effectiveness of their results.

2.2.1 Article 6 of the Cotonou Agreement defines non-state actors as: the private sector; the economic and social partners, including the trade union organisations; civil society in all its forms, according to national characteristics⁽¹⁵⁾.

⁽¹¹⁾ Views expressed in meetings with Commission officials.

⁽¹²⁾ They are made up of representatives of each state and representatives of the Commission drawn from the delegations.

⁽¹³⁾ Cf. CESE 521/2002, (rapporteur Mr Baeza Sanjuan).

⁽¹⁴⁾ The vertical partnership goes hand in hand with the horizontal partnership, which includes the mandatory participation of civil society in drawing up and managing regional operation plans.

⁽¹⁵⁾ The Commission documents (DG Development) specify the categories other than workers and employers: human rights organisations; grassroots organisations; women's organisations; young people's associations; child protection organisations; representatives of native populations; environmental protection organisations; agricultural organisations; consumers' associations; representatives of religious bodies; NGOs; cultural and media associations.

⁽¹⁰⁾ Article 45, Cotonou Agreement.

2.2.2 There are very frequent references to civil society throughout the Agreement ⁽¹⁶⁾; in particular, Article 4 defines the way in which it must be involved ⁽¹⁷⁾.

2.2.3 In most of the ACP countries civil society is not very organised. The Economic Partnership Agreement (EPA) negotiations therefore represent an opportunity to improve the organisation of civil society and thereby its capacity to make proposals. Only thus will it subsequently be able to play a greater role on the ground in implementing guidelines adopted and to help boost growth by bringing about an increase in competitiveness and enhancing the social dimension.

2.2.4 In this respect it is important for the negotiations involving all the ACP countries to lay down certain obligatory criteria: as well as rational integration into the world economy, they should aim at **trade development accompanied by the relevant social rights, reduction of poverty and respect for workers' rights** ⁽¹⁸⁾. These are the criteria that should guide regional negotiations.

2.2.5 It should be pointed out that many elements relating to employment, social security and gender questions, and the close connection between trade development and labour standards, are only mentioned in overall terms in the Commission's EPA **'negotiating mandate'** and then only in the preamble.

2.2.6 The documents provided by the Commission on the results of the first phase of negotiations between the EU and the various ACP regions do not address social or gender questions in sufficient depth.

2.2.7 That runs counter to the principle that the EPA represent the economic dimension of the Cotonou Agreement and that the values relating to all aspects of human life, which are strongly highlighted in the Cotonou Agreement, should be included and endorsed in the EPA negotiations.

2.3 To ensure the efficiency of the results of the Economic Partnership Agreements in social terms, it is necessary to set up for the socio-occupational social actors a framework which generates unity of place and unity of time.

⁽¹⁶⁾ Cf. in particular the following articles: Articles 2, 4-7, 8, 9, 10, 15, 17, 19-24, 25, 33, 37, 56, 57, 58, 65, 70, 71, 72, 74-78, 81. Civil society is also mentioned in the Joint Declaration on the actors in the partnership (Declaration 1 annexed to the Final Act), in Annex IV, Article 4, in the Compendium on cooperation strategies, and in the programming guidelines.

⁽¹⁷⁾ Civil society actors must be constantly informed, and they receive funds; they must be involved in the implementation of the projects; they enjoy cultural and financial support for continuing improvements in their organisation.

⁽¹⁸⁾ Article 50 of the Cotonou Agreement and ILO fundamental standards.

2.3.1 In order to achieve satisfactory results both in the negotiations and in the implementation of their content, this framework will encourage the development of an effective participatory methodology, associating economic and social actors right from the stage of preparing contributions.

2.3.2 However, for the time being, the negotiations in progress have to contend with serious and growing inequalities between the two parties, whether in terms of their level of development, quality of life and social rights or with regard to terms of trade, but even more to the autonomous capacity for proposal, management and control. These inequalities and imbalances make the negotiations on the EPA very complex and sensitive. This complexity must not stand in the way of the necessary inclusion of social aspects in the negotiations, either directly or as a clearly identified, certain result of economic and/or commercial options chosen. The main emphasis should be on employment and entrepreneurship, labour standards, social security and gender questions ⁽¹⁹⁾.

2.3.3 At regional level, some roadmaps provide for civil society to be involved in the negotiating phases and in the national and regional committees. However, the levels of involvement and satisfaction of civil-society representatives in the partnership process are not yet known.

2.3.4 The EESC's regular meetings with social and economic representatives from the ACP countries place it in a position to assess their level of involvement during the various phases of the processes.

3. The participation of civil society

3.1 In most of the ACP countries civil society is not very organised. The economic partnership agreement negotiations can represent an opportunity to improve the organisation of civil society and thereby its capacity to make proposals. This is one of the conditions which will enable it to play a major role later on the ground in implementing guidelines adopted, thus helping to boost growth by bringing about an increase in competitiveness and enhancing the social dimension. Improving the organisation of civil society and hence its capacity to act will depend on the determination of the Commission and that of the countries concerned.

3.1.1 A regular, comprehensive assessment of the participation of the economic and social actors in all the phases of implementation of the EPA could create a positive dynamic leading to constant improvement. This assessment should be carried out by the institutional negotiators.

⁽¹⁹⁾ OJ C 74, 23.3.2005.

3.1.2 The consultation and involvement of different sectors of civil society during the negotiations and monitoring of the work carried out would also help to give direction and substance to the common endeavours to improve quality of life for society as a whole, through the EPA and in line with the Cotonou principles.

Examples of good practice should be translated into local languages and disseminated more widely.

3.2 To implement and make the most of an effective participatory methodology — an essential condition for the effectiveness and quality of civil society's contribution — it is necessary to provide all the conditions which enable non-state actors to meet, debate, draw up objectives collectively and propose them in the EPA negotiations, follow their progress and above all ensure and follow their implementation on the ground and assess their impact.

3.2.1 The combination of these conditions reflects the need to create a space for the socio-occupational actors which would ensure both unity of time and unity of place.

3.2.2 To that end, as indicated in the final declaration of the **24th meeting of ACP-EU economic and social interest groups** held in Brussels at the end of June, the European Economic and Social Committee proposes the setting up of **regional social dialogue committees** comprising the socio-occupational actors to help to draw up, propose and ensure the implementation and follow-up of social development programmes.

3.2.3 In general terms, the tasks of the Regional Social Dialogue Committees should essentially cover:

- application and monitoring of the ILO Conventions, particularly those concerning fundamental social rights;
- promotion of decent jobs and social development;
- the economic and social impact of the EPA at regional level and that of regional integration.

3.2.3.1 More precisely, the Regional Committees could concentrate, with the possible help of specialised groups, on drawing up proposals concerning:

- promotion of jobs: objectives and methods; decent work (remuneration, working conditions, etc.);
- education;
- initial and continuous vocational training;
- social protection arrangements;
- negotiated developments in the 'informal' sectors;
- equality between the sexes;
- sustainable development, with particular focus on the environment;
- infrastructure and investment.

3.2.4 The ILO could cooperate, in terms of organisational and operational methodology, in setting up the Regional Social Dialogue Committees. Indeed, in the context of its PRODIAP programme (regional programme for the promotion of social dialogue in French-speaking Africa) the ILO has acquired considerable experience. This experience could be used to help make the committees more effective.

3.2.5 On the composition of the Regional Committee, the eligibility criteria could be based on the agreement between the ACP states and the Council of the European Union as regards access to EDF (European Development Fund) resources.

3.2.6 Insofar as there exist in the homogenous regions already set up (Caribbean etc.) platforms, forums or other structured groupings of non-state actors — set up to meet the needs resulting from the drawing up of National and Regional Indicative Programmes — changes to them should be envisaged in order to meet the objectives of the Regional Social Dialogue Committees.

3.2.7 For the sake of effectiveness the Regional Social Dialogue Committees could be associated as required with the work of the Regional Preparatory Task Forces (RPTF). Indeed, the RPTF play a key role in that they ensure that the needs expressed during the negotiating phases are met when aid is programmed.

3.2.7.1 The involvement of these committees would enable organised civil society to acquire a greater role and be able to monitor sustainable development within the negotiations and in the phases of practical action at regional level.

3.2.7.2 As has been stressed a number of times, issues related to agriculture and the various environmental aspects are particularly significant in the ACP countries, and it is important that they be constantly addressed in the negotiating phases, not least by means of the direct participation of local representatives from the sector.

3.2.7.3 The Regional Social Dialogue Committees will be able to play an increasingly practical, proactive role, particularly since, once funding and organisational questions have been resolved, they will be able to dialogue with the ACP-EU Follow-up Committee and to benefit from exchanges of expertise with the European Economic and Social Committee.

4. Development of employment

4.1 Decent jobs are the essential tool in combating poverty, since they can:

- generate income and hence purchasing power and markets;
- get people and groups out of a situation of dependence on assistance;

— produce goods and services which are accessible to the general public and meet their needs;

— help to finance social benefits: education and training, pensions, unemployment benefit, health care — in short what is known as 'social security'.

4.1.1 Employment policies must stimulate and combine the contributions of the public and private sectors as well as the achievements of the social and solidarity-based economy.

4.1.2 Employment development programmes should envisage: a gradual, negotiated insertion of the informal economy into the private or public sectors, inter alia, by promoting international labour standards (particularly basic rights); a commitment by enterprises which benefit from public funds resulting from calls for tender (investment, various works) to respect international labour standards and the rules designed to protect the environment (climate, biodiversity, Kyoto Protocol, protection of forests etc.). This is partly a question of the social responsibility of enterprises.

4.1.3 These programmes should also sketch out guidelines on the necessary economic, fiscal and administrative reforms, the fight against corruption, the setting-up, for example, of tax credits and other services intended particularly for SMEs and craft industries.

4.1.4 The objectives of the partnership are, as is well known, to promote and speed up the economic, cultural and social development of the ACP states. The main aim is the reduction and, ultimately, the elimination of poverty. The EPA should enhance the partnership, helping economies to open up, particularly on the south-south axis, and to achieve greater liberalisation with clear rules which are attractive to domestic and foreign investors.

4.1.5 A great effort must be made to enable the ACP countries to open up culturally and economically, in particular by taking the opportunity afforded by the EPA to create a customs union, furthering mutual interests and increasingly encouraging regional integration.

4.2 Unfortunately, at the start of the negotiations no impact study was carried out on employment to provide a record of the original situation. Such a study would have made it easier to assess progress made.

4.2.1 A great effort must be made to enable the ACP countries to open up culturally and economically, in particular by taking the opportunity afforded by the EPA to create a customs union, furthering mutual interests and increasingly encouraging regional integration. Alongside this, the public sector in particular must also be strengthened, inter alia with regard to investment in education, healthcare and social services in general, in order to provide support for the private sector.

4.2.2 It is also the task of cooperation to support:

— promotion of the dialogue between the public and private sectors;

— development of entrepreneurial skills and an enterprise culture;

— the elimination of undeclared casual work, while respecting the rule of law.

4.2.3 Measures taken under the preceding agreements⁽²⁰⁾ have produced some results, but clearly not all that could be desired, above all in the field of promotion of the private sector and of its role in stimulating economic growth and diversification.

4.2.4 In working out the development programme, the socio-occupational actors should make detailed analyses of the difficulties encountered in the promotion, protection and supportive measures in favour of very small, small and medium-sized enterprises.

4.3 The fundamental options for development, especially in Africa, are based on agriculture. This will remain for a long time to come the main axis around which to build possible measures:

— in the development of traditional agricultural practices to make them more effective;

— in the establishment of infrastructures and widespread social services;

— in the development of small-scale craft industry and entrepreneurial activities, often linked to the agri-food sector.

4.3.1 For the agricultural sector to develop and be consolidated, trade between the ACP countries and the EU must be governed, particularly in the coming years, by flexible rules which make it possible to incorporate health and plant health rules and enable new small businesses to be created, reinforced and diversified, with the protection of appropriate safeguard clauses.

4.3.2 Measures in the agricultural sector should, in time, succeed in:

— developing agri-food safety standards for export outlets;

— improving access to the agricultural market through marketing;

— removing red tape and improving logistics;

— promoting training in services and research;

⁽²⁰⁾ Association Convention of the Treaty of Rome (Art. 131); Yaoundé I and II; Lomé I, II, III, IV and IVa.

- developing cooperative and agricultural credit institutions;
- adopting clear, widely-supported rules on real estate;
- encouraging a gradual transition from employment in farming to employment in developing rural services.

4.3.2.1 These results can be achieved through cooperation, introduced as part of both the EPA and aid projects, focusing on:

- integrated rural development projects;
- creation and consolidation of farmers' and workers' associations and associations of women in the farming, agri-industry and agricultural credit sectors;
- creation of farm property registers;
- legislation on food certification, supplemented by certification institutes, the introduction of plant health standards and soil analysis, contributing to environmental protection;
- measures in the field of irrigation and drinking water;
- capacity-building among public and private organisations and institutions.

4.3.3 Vast agricultural areas are still subject to drought, even where they are close to lakes or fresh water, simply because there is a lack not only of irrigating infrastructure but also of professionals capable of organising the supply of water by pumping.

4.3.4 Hydraulic systems, acquired with cooperation funds, often lie idle because of a lack of professionals able to operate them or, in most cases, to repair them.

4.3.4.1 In other cases, the obstacles to the development of small enterprises are represented by the slowness of the feasible technological changes and constraints of a cultural⁽²¹⁾ and institutional nature.

4.3.5 In yet other cases, the combination of serious imbalances in the distribution of resources and the weakness of organisational models has limited the results and could, for a long time to come, keep many communities in a precarious condition where they are subject to growing migratory pressure.

⁽²¹⁾ In many African cultures property does not belong to the individual family but to the 'mbumba', the entire extended patriarchal family of several dozen people. This is an obstacle to the accumulation of wealth, which becomes the property of all, including those who have not produced it.

4.4 The EPA negotiation phases should help to enhance the private sector's capacity to analyse the situation. However, the private sector's capacity for action also needs to be built up away from the negotiating table, with cooperation at local level, in which civil society representatives must always be directly involved.

4.4.1 The process of training new entrepreneurs, of setting up enterprises, of making the most of the gender component, and of increasing the skills and making the most of human resources in general has been covered by EESC information reports and opinions, some of them recent.

4.5 In the ACP countries industry, particularly the processing industry, is poorly developed or not developed at all. The casual sector and craft SMEs account for 70 % of employment in production. These two sectors are of key importance and warrant special attention, requiring policies promoting development and providing adequate solutions.

4.5.1 Many of the traditional problems confronting SMEs (lack of funds, difficulties in exploiting technology, limited managerial capacity, low productivity, regulatory constraints) are made worse in a globalised system and in an environment dominated by technology, especially if set in a context like that of the ACP countries, marked by serious structural and infra-structural weaknesses.

4.5.2 The objective of regional integration through the Economic Partnership Agreements should be to encourage the establishment and consolidation of certain structures which are essential for encouraging access by small and very small firms to funding, information, markets, training and technological updating. However, representatives of socio-occupational organisations play a role in the management of these structures, and these representatives must be given the opportunity to be trained, to grow, to learn new skills and to exchange views. The EPA has a contribution to make here too.

4.5.3 One of the basic elements is the category-based organisation. Just as labour productivity grows in proportion as the trade union presence improves, so too the efficiency of small and very small firms can only improve if its representative bodies grow sufficiently as well.

4.5.4 Through category-based organisations it is possible externally to defend the values of the firm and the enterprise culture and internally to strengthen the capacities for management, updating and respect for all who contribute to the development of enterprise and of society.

4.5.5 Essentially, the values proper to the concept of the social responsibility of enterprises can be shared with the ACP countries as well in the appropriate timescale only if the Economic Partnership Agreements incorporate the elements which have enabled Europe to become an example of a social market economy. This kind of economy requires the strength and maturity of both workers' and employers' representative organisations.

4.6 Given the scale of the inequalities mentioned above, some subjects in the EPA negotiations are particularly strategic. *It should be emphasised that trade and economic integration as motors of competitiveness and growth must make it possible to raise living and working standards and improve social rights rather than reducing them.*

4.6.1 From this viewpoint there is a vital need to make studies of economic and social impact (*ex-ante* and *ex-post*) with the participation of the socio-economic actors in the region ⁽²²⁾.

4.7 **The primacy of human rights, and particularly workers' rights.** The EPA must guarantee the primacy of human rights and particularly social rights, as defined by the ILO, in all aspects of trade and finance. These rights must be systematically integrated into all EPA negotiations at regional level.

4.7.1 Visible links must be established between foreign debt reduction and greater investment in social protection, using the public resources that are freed up when debt payments are reduced.

4.7.2 Indeed, the countries with a sizeable debt have little scope for manoeuvre in launching measures to combat poverty ⁽²³⁾. New efforts should be urged to relieve the indebtedness of most of the indebted countries. However, such a measure should be accompanied by a commitment on the part of governments to meet national objectives.

4.7.3 **A practical social development plan.** A negotiating period must be used to implement a practical social development programme pursuing the development objectives of the Cotonou Agreement ⁽²⁴⁾ and also involving the economic and social forces. This programme should form an integral part of the EPA as regards choices of approaches and objectives, its implementing strategy and the impact studies. It must be based on these and, of necessity, support the increasing competitiveness and growth that should be generated by trade liberalisation.

4.8 This programme must be comprehensive and multi-dimensional: it could include rehabilitation of education and of health services, income guarantee measures for small rural producers and small-scale fishermen, active policies for promotion, protection and development of decent jobs ⁽²⁵⁾ and, lastly, a truly participatory approach involving organised civil society.

4.8.1 The programme, targeting human resources, could follow the EU's example and make use of its expertise in mana-

⁽²²⁾ Cf. footnote 17.

⁽²³⁾ The fight against poverty through promotion of sustainable development: a partnership approach (CESE 104/2003, Rapporteur Mr Ehnmark).

⁽²⁴⁾ Cf. Articles 19-27.

⁽²⁵⁾ Cf. also the ILO 'Decent Work' strategy.

ging the European Social Fund (ESF). The measures should focus on skilling and reskilling to foster a more open trade culture and be agreed with organised civil society representatives.

5. Individual and social rights

5.1 In many ACP countries the situation remains difficult as regards basic social indicators and economic activity. The current negotiations on the EPA therefore represent a great opportunity for the ACP countries. The quality of these agreements will be decisive for future development.

5.1.1 It is also important at this stage to bear in mind that the main objectives of the EPA negotiations are, like those of the humanitarian aid negotiations, the development of the ACP countries and the reduction of poverty. The two parties must work together in harmony and ensure that their respective positions reflect these priorities well. Hence the need for sustained coordination.

5.2 It is clear from the history of civilisation that education and vocational training are the bases for development. The former enables man to read, to understand and to see his place in history and the latter enables him to obtain food and to work materials, thus helping to perpetuate the work of ongoing construction of the world ⁽²⁶⁾.

5.2.1 Experience of cooperation has shown that the main reasons why initiatives fail often include:

- failure to place training at the heart of development policy;
- it is difficult for beneficiary countries to implement reforms that would enable them to use both domestic and international resources rationally;
- low level of involvement of the stakeholders directly concerned, particularly when it comes to passing on technology, innovative techniques and entrepreneurship.

5.2.2 Training during the EPA preparation and implementation phases is essential if cooperation initiatives are to succeed. At the root of failed cooperation projects often lie failure to pass on practical skills, management techniques or a number of elements which potential local operators need to be able to make assessments, take operational decisions or exploit opportunities for integration into regional markets, which are constantly changing.

⁽²⁶⁾ Aristotle said that man's brain and culture enable him to understand the world while training and the work of his hands enable him to make a contribution to it.

5.2.3 Even more than economic concerns, a lack of human and cultural resources has been the greatest problem when it comes to modernisation measures, consolidating the market and increasing competitiveness, enhancing formal economic structures, modernising agriculture and integrating agriculture and industry.

5.3 Planned long-term training measures are essential to build up insubstantial production structures. There are three basic strands of measures to be integrated: sectoral policies — agriculture, in particular, measures to improve the production system, measures to improve distribution.

5.3.1 An initiative is needed to stimulate the private sector by:

- investment in human resources and research, to introduce skills necessary for launching socially-acceptable development processes which are sustainable in the long term;
- organisation- and institution-building, including institution-building in central and local public administrations, economic bodies and, in particular, employers' and workers' associations;
- development and dissemination of 'technological packages' ⁽²⁷⁾;
- practical courses on product storage, transport and processing, which help to improve market operation. The development of forms of association could be a particularly significant contribution here; they could draw on expertise from all over Europe and would be supported by a system of incentives for the private sector allowing lower transport and processing costs in addition to the introduction of new processes.

5.3.2 Investment in human capital is the most important element in development processes and this must be a point of reference in the EPA negotiations planned. Basic education makes it possible for training to be assimilated and disseminated in the different sectors and facilitates the formation of associations and technology upgrading.

5.3.3 Education is also extremely beneficial for women, who play a key role in society and the economy. In most of the ACP countries, women are the only source of sustained, reliable income in villages. This means that the economy as a whole could benefit from training being provided for women in particular ⁽²⁸⁾.

⁽²⁷⁾ Seed varieties; production techniques; machinery; water transport, conservation and management.

⁽²⁸⁾ OJ C 74, 23.3.2005.

5.3.4 In each region, the EPA should be able to guarantee and improve:

- non-discriminatory access to education;
- development and dissemination of vocational training in technical subjects;
- close cooperation between non-state actors and NGOs, to ensure more widespread and more effective distribution of training opportunities;
- exchanges of expertise between European ⁽²⁹⁾ and ACP organisations ⁽³⁰⁾.

5.3.5 There is a close relationship between level of education and prospects for a stable job. However, an environment also needs to be created which leads educated young people to give their country and region of origin the benefit of their skills ⁽³¹⁾.

5.3.6 The practice of providing work-experience placements for young people in private companies or public institutions, which has yielded excellent results in European countries, should be extended to the ACP countries and be discussed as part of the EPA negotiations.

5.3.7 Essentially, the wide-ranging subject of education and training should become a key element in the negotiation process.

5.4 In a period characterised by the well-known phenomena of globalisation, civil society has produced a culture based on the values and concepts which distinguish a social market economy, namely: individual responsibility, recognition of the rule of law, respect for the person and for property, transparency, human dignity, equality and freedom, recognition of basic trade-union and workers' rights, sound labour relations, access to education and, lastly, training for all regardless of gender, and a high level of social protection. These values and concepts constitute the basis of the EU's approach to globalisation.

⁽²⁹⁾ Employers', workers', consumers', equal-opportunities, animal-welfare etc. associations.

⁽³⁰⁾ European experiences of managing vocational training, in centres run jointly by representatives of the social partners and administrations, have yielded valuable results, for both young people and the labour market.

⁽³¹⁾ Recent OECD studies show that 50 % of young people who leave developing countries have professional qualifications and could therefore make a very valuable contribution to the development of their country.

5.4.1 As well as underpinning peace and progress, these values have been confirmed and consolidated in recent decades through the regionalisation process which has spread through Europe since the Second World War; they are the platform and good practice on which the EPA process must be built with the ACP countries.

5.4.2 Exchange between government and civil society in the developing countries, as well as yielding a high return in terms of political consensus, has a specific value in that it helps to bring decision-making centres into closer touch with the various demands arising from real conditions in the different areas concerned.

5.4.3 The practice of such a partnership significantly increases the chances of the country's policy responding to the need to spread the benefits of social and economic democracy as widely as possible among the resident population, with a noticeable effect on the reduction of poverty and consequently on the effectiveness of social policies.

5.4.4 The development of civil society and the practice of grass-roots democracy do not arise spontaneously, however. They are the fruit of a participation culture formed by practices and models which, although consolidated, tend towards continuous improvement. The good quality and usefulness of these models, and their application to everyday life, are the strong message which should be included in the Partnership Agreements.

5.4.5 If the ACP countries had the possibility, thorough far-reaching cultural processes and continuous exchanges with European civil society organisations, to make these models their own and anchor them in their social reality, they would probably succeed in overcoming the serious existing imbalances much more quickly.

5.4.6 From this point of view, as the EU body that represents organised civil society, the EESC confirms 'the fundamental role played by women as leading players in development, and emphasise[s] the need to promote their organisations and ensure that they participate fairly in advisory and decision-making bodies' ⁽³²⁾.

5.4.6.1 The aim is not just better integration of women in civil society, but rather to create the basic conditions that would enable them to become truly involved, valued, and supported, so that they achieve equality with men ⁽³³⁾ in making the specific contribution to their country's development for which they have been equipped by their role in society.

⁽³²⁾ Cf. Opinion on the Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century - challenges and options for a new partnership (Rapporteur: Mr Malosse), REX 152/1997.

⁽³³⁾ OJ C 74, 23.3.2005 — The role of women's organisations as non-state actors in implementing the Cotonou Agreement (Rapporteur: Ms Florio).

5.5 A World Bank study of February 2003 states that reducing income disparities and wage discrimination and improving economic performance depend on a high level of trade union membership and on sound labour relations ⁽³⁴⁾, and underlines the need for action to achieve a better balance between economic and social values ⁽³⁵⁾.

5.6 The social dimension of the Cotonou Agreement and its impact on the EPA must be based on the fundamental ILO conventions, particularly those relating to:

- freedom of association, of action and of negotiation;
- prohibition of forced labour;
- elimination of child labour;
- non-discrimination and equality between men and women.

5.6.1 To the above can be added:

- Convention No 183 (2000) on the protection of motherhood;
- Convention No 102 (1952) on social protection;
- Convention No 122 (1964) on promotion of employment;
- Convention No 142 (1975): Recommendation on making the most of human resources;
- Convention No 81 (industrial sectors) and Convention No 129 (agriculture) on labour inspection;
- Convention No 97 on migrant workers.

5.6.2 The optimum social requirement (commitment to guarantee at least the eight 'basic rights' Conventions of the ILO) should be an obligatory condition for any investment in the ACP countries. The same applies to public calls for tender for services funded by the EDF or other funds covered by the Cotonou Agreement.

5.6.3 Some financial measures promoting entrepreneurship and the setting-up and development of businesses should be linked to specific actions implementing businesses' social responsibility. For instance, incentives could be introduced for both businesses which run staff skilling courses and small and very small businesses whose owners can show they are familiar with and apply the established principles of health and safety in the workplace.

⁽³⁴⁾ Trade unions and collective bargaining: economic effects in a globalised environment, World Bank, Washington, 2003.

⁽³⁵⁾ OJ C 221, 8.9.2005.

6. Gender issues

6.1 Gender issues⁽³⁶⁾ must always be borne in mind, both with regard to development aid and in EPA negotiations.

6.1.1 Analyses carried out thus far and specific experience in ACP countries highlight:

- limited access for girls and women to education and training⁽³⁷⁾;
- limited access to financial resources, especially to micro-credit⁽³⁸⁾;
- obstacles to women owning real estate;
- the disparity in access to the regular labour market;
- income differences between men and women;
- the increase in HIV infection rates in girls and women;
- violence and arrogance towards women.

6.2 As part of the EPA negotiation process, targeted studies need to be commissioned and followed up by Commission delegations in ACP regions and countries in order to identify women's organisations and assess their scope and activity.

6.2.1 Commission delegation officials must be constantly involved in the cultural and gender debate. The delegations should be specifically tasked with promoting gender mainstreaming⁽³⁹⁾ in order to establish a capacity-building strategy targeting women⁽⁴⁰⁾.

⁽³⁶⁾ See attached – footnote 39.

⁽³⁷⁾ Cf. REX 154, rapporteur: Susanna Florio: in developing countries 61 % of men have at least a basic school education, compared to 41 % of women.

⁽³⁸⁾ According to FAO studies, women in Africa receive only 10 % of loans earmarked for small land owners.

⁽³⁹⁾ Gender issues affect women in particular, but also people who might be discriminated against for economic, religious, racial, age and cultural reasons.

⁽⁴⁰⁾ Article 3 of the Treaty states that 'in all its activities, including those relating to development cooperation, the EU shall aim to eliminate inequalities, and to promote equality, between men and women'.

6.2.2 Given that the programmed participation of the EU delegations and the Regional Preparatory Task Forces that are following the EPA negotiations, together with any planned development cooperation initiatives, must be underpinned by the Community *acquis*⁽⁴¹⁾, the EESC calls for the impact studies to include uniform gender statistics in order to provide a clearer picture of the impact of the various trade measures on men and women in the ACP countries and regions.

6.3 If we are to address the gender dimension in the Economic Partnership Agreements, we must recognise that the transition towards free trade with the European Union will have a particular impact on women as producers and consumers, and that they are consequently an important part in the process⁽⁴²⁾. An impact analysis would enable us to establish the economic sector in which the introduction of free trade would benefit women as consumers without penalising them as producers.

6.3.1 As is widely known, women occupy a central position in agriculture in most ACP countries, particularly in Africa. They would therefore be more vulnerable to any increase in Community agricultural exports to local and regional markets.

6.3.2 Since women are, *de facto*, already penalised by the WTO rules on liberalisation of agriculture⁽⁴³⁾, it is worth looking at the sectors that are particularly important for women, in order to

- provide any simple and effective safeguards that might be needed;
- exclude them, if necessary, from the products earmarked for the transition towards free trade;
- provide for some special provisions to address the specific interests of some regions.

6.3.3 The gender-focused analysis of the development problems associated with EPAs should aim to establish the areas in which women are at a particular disadvantage in terms of access to production resources, and show how access can be facilitated so that women can better equip themselves to deal with free trade with the EU.

⁽⁴¹⁾ COM(2001) 295 final, Programme of Action for the mainstreaming of gender equality in Community Development Cooperation (2001/2006).

⁽⁴²⁾ Dakar, October 2003, Aprovev Conference, The gender dimension of EPAs.

⁽⁴³⁾ GERA Programme, Phase II/Third World Network-Africa.

6.3.4 Another crucial aspect of the analysis is to stress how women already benefit from government and EU programmes to improve their access to resources.

6.3.5 Any prospective studies must enable the players to target the type of aid women most need in order to address the challenge of free trade.

6.4 In addition to women and those most in need, gender issues also affect small-scale producers, who are the weakest link in the EPA negotiations. In terms of economic and budget problems, two areas are of vital importance to women and small-scale producers, and must consequently be taken into consideration in the Agreements:

- **social services**, e.g. education, health, water usage, maternity care;
- **economic services**, especially in terms of agriculture, infrastructure, farm roads, financial policies, access to micro-credit, innovation.

6.4.1 Generally speaking, the EPA budgets for social and economic services are fairly insubstantial if the aim is to protect regional domestic markets or offer alternative help with supply limitations. An in-depth impact analysis should indicate a target level for aid, given that the transition to free trade with the EU will lead to reduced income for the ACPs.

6.5 In order to improve female integration and participation in the social and economic life of ACP countries, specific actions will need to be planned, e.g.:

- establishing restricted channels for women-only access to European funds for various projects (capacity-building, entrepreneurship, microcredit, women's organisations, training, etc.)⁽⁴⁴⁾;
- more support for women's training programmes;
- upgrading actions to boost female entrepreneurship.

6.6 The most important thing is, however, to insist on women's right to equal access to education and training, as provided for in the third point of the Millennium Development Goals.

⁽⁴⁴⁾ The EU has vast experience in this field. Cf. the ILO programme for European women in the 1980s and the numerous projects funded by the former DG V to promote equal opportunities for men and women. The ongoing EQUAL Programme should also be mentioned.

7. Conclusions and recommendations

7.1 At present all the developed countries are having difficulty in managing the various aspects of globalisation. There is no doubt that the gradual liberalisation of the markets, which underpins the process, will have varying effects on different countries.

7.1.1 The countries with a well developed system of services and an economy in which the Value Added⁽⁴⁵⁾ of the manufacturing sector (GVA 2) has declined are in an advantageous position in a globalised system. In this historical phase — more so than in the past — it is the capacity to provide advanced services which helps determine the success of an economy.

7.1.2 The productive structures of the ACP countries are known to be weak or non-existent, and their services system are in an even worse state. It is therefore a matter of helping them to gain access, through more widespread use of commerce and production, to instruments to reduce hunger and poverty. This means, however, that the processes of liberalisation and reduction of customs tariffs will be lengthy, and will take longer than previously envisaged.

7.1.3 It also means that the current process can only be successful if it involves and motivates society. But the responses and consensus are expressed through organisations and associations; these are still very fragile or, in many states, still impeded in their work.

7.1.4 The first, and fundamental, commitment to be met through the Partnership Agreements is that of strengthening in the various regions the associations of workers, entrepreneurs, consumers, the equal opportunity organisations, and the many others which help to produce culture and guide consensus towards measures to speed up human, social and economic progress.

7.2 The ACP countries are very different in terms of language, culture and religion, and hence their civil society practices also vary considerably. Some studies have been made of these characteristics⁽⁴⁶⁾, which could become important in the course of the partnership negotiations.

7.2.1 Such differences between countries should lead to differentiated regions giving rise to EPAs which differ in their content.

⁽⁴⁵⁾ GVA6 (gross value added of the six most important economic sectors which together determine the GDP) – GVA1: agriculture; GVA2: manufacturing sector; GVA3: building; GVA4: commerce and tourism; GVA5: credit and services to enterprises; GVA6: administration.

⁽⁴⁶⁾ These include those commissioned by the African Development Bank.

7.2.2 While, on the one hand, the division of the ACP countries into six macro-areas makes it possible to develop South-South relations and thus extend the positive experiment so far conducted by the European Union, it should however be emphasised that very different levels of development have been attained by the ACP countries called upon to share economic and social relations. This necessitates a considerable effort on the part of the Commission to pick out certain specific identities of individual regions on which to focus the attention and interests of civil society.

7.2.3 The large-scale projects discussed in Johannesburg, which also underpin the Action Plan for the new millennium (health services, access to water supplies, reduction of famine, sustainable development, capacity building etc.) are the main points to which to draw the attention of civil society, so that the latter perceives itself as a protagonist in the processes of change.

7.2.4 The approach, both during the negotiations and in the various stages of implementation of the projects, must be above all one of listening and sensitivity. Managing to combine the various social aspects with the economic, cultural and environmental aspects is an objective that will require a particular effort.

7.3 As the Commissioner, Peter Mandelson, maintains, trade must be used during the EPA negotiations as one of the factors of development. While free trade is clearly not in itself the cure for famine and poverty, nor the optimum instrument for achieving sustainable development, it must be regarded as one of the factors capable of promoting competitiveness, as part of a partnership project.

7.3.1 The EESC calls for appropriate funds to be allocated to strengthening the representation of civil society in the six areas of the ACP countries and in the already existing relations between organised civil society in the EU countries and in the ACP countries.

7.3.2 Consequently, all trade rules complexities should be discussed and resolved in consultation with civil society representatives, since it is they who will have to deal with the consequences of the decisions.

7.3.3 In particular, the European Commission should support as a matter of urgency the funding of regional cooperation structures including civil society actors in the ACP countries, and primarily the social partners, to promote the association and direct integration of the latter in the process of

ACP regional integration and in the preparation of the EPAs. For its part, the European Economic and Social Committee's ACP-EU Follow-up Committee has agreed to give priority to encouraging the development of such regional cooperation networks of civil society in connection with the preparation of the EPAs.

7.4 The Economic Partnership Agreements will be fully and positively effective only to the extent that the participation of the economic and social actors is guaranteed in the planning, preparation and implementation of the agreements, and particularly in the impact studies, as well as in the negotiation and definition of the inherent social aspects.

7.4.1 The positive aspects of the EPA (regional development, creation of national and regional internal markets etc.) may be offset by:

- the considerable differences in levels of development between the EU and the ACP countries;
- the very unequal distribution of the markets between the partners in technical and financial terms.

7.5 The results of the impact studies will make it possible to decide whether to continue with the integration process, amend it or postpone it, with safeguard clauses or moratoria allowing for regular reviews.

7.6 The impact studies will be able to suggest any corrections needed to WTO rules, so that EPAs can be adapted to the needs of LDCs.

7.6.1 It is clear that LDCs will have to meet significant social and economic costs in the transition towards free trade. Most of the benefits ensuing from the EPAs will be difficult to quantify. The Commission ought, therefore, to assess with ACP civil society representatives the real costs and benefits that will ensue from concluding the EPAs with the EU.

7.7 In any case, the success of the EPAs is closely linked to the involvement of society throughout the negotiation phase.

7.8 As always, the EESC is prepared to step up its cooperation with the Commission and make its experience available in order to enhance dialogue and exchange of best practice with representatives from ACP regions. It would do this by planning meetings and seminars and organising internships for people with a clearly defined professional profile that are active in civil society associations.

7.9 The Regional Preparatory Task Forces active in every region should include some ACP civil society representatives, especially entrepreneurs and trade unions.

7.10 As recommended by the 24th meeting of ACP-EU economic and social interest groups, the EESC, with the agreement of Commissioner Mandelson, expressed at that meeting, proposes the creation of **regional social dialogue committees**, including socio-occupational representatives to contribute to drawing up and proposing social development programmes and ensuring their follow up and implementation. The committees' sphere of action could cover the economic, social and regional impact of EPAs, the implementation and monitoring of ILO core social standards, the promotion of employment and social development, the development of vocational training, social protection provisions, and negotiated developments in the informal economy.

7.11 The European Economic and Social Committee is also convinced that, on the basis of the mandate ensuing from the Cotonou Agreement, key social and gender aspects and the

development of employment opportunities and social protection guarantees must be part and parcel of the negotiations and subsequently translated into reality.

7.12 The issues referred to above are crucial to positive economic and social development and must, in any case, be seriously considered in the development policy framework that must accompany and complement the EPA negotiations.

7.13 The globalisation process has probably reached a point where citizens' 'collective preferences and feelings' call for greater attention. This would make it possible to reduce domestic and international tension and avoid the constant increase in 'ideological' trade wars that existing machinery and external rules, and even experts in the field, seem unable to resolve alone.

7.14 In short, the EESC takes the view — as expressed in previous Committee opinions — that the EPAs represent a very difficult challenge for the EU and for the global economy. They will be concluded later than expected⁽⁴⁷⁾ and will only be successful if they manage to involve civil society and enhance the role of women in the decision-making process and in implementing specific initiatives.

Brussels, 14 December 2005

The President
of the European Economic and Social Committee
Anne-Marie Sigmund

⁽⁴⁷⁾ It is instructive to consider the problems still facing the European Union fifty years after its creation.