"The ACP trade union organisations and the challenge of EPAs: Risks, opportunities and needs for boosting capacities"

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ABSTRACT

Cooperation between the EU and the ACP countries has changed considerably since the Yaoundé Agreements were signed in 1963 and it has given rise to a range of institutional innovations. These innovations result from the dynamics within the EU-ACP agreements but also from the development of a larger institutional framework incorporating the main international institutions (above all, the IMF, the World Bank, the GATT/WTO and the ILO) and developments in the international political and economic context. The major changes over the last 40 years at international, national and regional level have therefore led to modifications in both the need for development in the ACP countries and the offer of development from the EU.

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The ACP trade union organisations and the challenge of EPAs:  

Risks, opportunities and needs for boosting capacities

Prof Frédéric Lapeyre, UCL

General introduction

Cooperation between the EU and the ACP countries has changed considerably since the Yaoundé Agreements were signed in 1963 and it has given rise to a range of institutional innovations. These innovations result from the dynamics within the EU-ACP agreements but also from the development of a larger institutional framework incorporating the main international institutions (above all, the IMF, the World Bank, the GATT/WTO and the ILO) and developments in the international political and economic context. The major changes over the last 40 years at international, national and regional level have therefore led to modifications in both the need for development in the ACP countries and the offer of development from the EU.

As regards the EU/ACP dynamic, the institutional context has changed considerably since the Treaty of Rome of 1957, which marked the start of the European Community’s multilateral development cooperation with developing countries or regions. In fact, the Community policy on development cooperation came about at the same time as the Community itself, with the creation of the first ever European Development Fund (EDF) in 1958, although at this time several ACP countries were still colonies. In 1960, the wave of independence in the South resulted in the modification of the spatial and institutional framework of development cooperation. The Yaoundé I and Yaoundé II Conventions of 1963 and 1969 respectively and then the Lomé Agreements that were renewed four times (Lomé I, Lomé II, Lomé III and Lomé IV, which expired on 29 February 2000) are some of the milestones in the history of development cooperation between the EU and the ACP countries.

The Yaoundé Agreements, which the ACP countries accused of strengthening neo-colonialism by reproducing the division of labour set out in the colonial pact, were followed by the Lomé Agreements. These agreements too proved unsuitable in the face of the challenges of economic globalisation, the debt crisis, the impacts of structural adjustment programmes, the failure of previous development policies, the end of the Uruguay Round (1986-1994) and the creation of the WTO in 1994 and the aftermath of the Cold War. The Cotonou Agreement, which was signed on 23 June 2000 by the EU and 77 ACP countries follows on from the previous agreements and aims to take account of the new rules of the
Trade liberalisation plays a key role in the new framework of development cooperation between the EU and the ACP countries, since it has to help to achieve objectives such as better growth, full employment, poverty reduction and the promotion of decent work. However, specific instruments - such as the new GSP and its special incentive for sustainable development and good governance, the GSP+ (2006-2008) – are also contained in Community trade policy to promote fundamental social rights. The objective of the Cotonou Agreements is not simply to generate sustainable growth that helps to reduce poverty in the ACP countries but also to make the formulation of development strategies more democratic, bring about good governance and better involve non-state actors.

The overall objective of the report is to analyse the main challenges facing the trade union organisations that result from the new institutional framework established by the Cotonou Agreements and to pinpoint the associated risks and opportunities. The first part of the report deals with the new context within which the EPAs are gradually being set up. It will then go on to evaluate the major trends regarding democratic, social and economic changes at national and regional level, against the backdrop of which the Cotonou Agreements are gradually being implemented. This part focuses on macroeconomic indicators, regional integration, integration in a globalised economy, formal and informal employment, access to basic goods and services, good governance and democracy. The second part discusses the involvement of the trade union movement and workers' associations in defining and implementing the national development strategy (NDS). The third part of the report examines the access that the trade union organisations have to development cooperation resources. The fourth part provides an analysis of the challenges of the Economic Partnership Agreements (EPAs) for the trade union organisations. The final part evaluates the trade union organisations' needs for boosting their capacities.

It should be noted that this report is intended to be read alongside a set of expert reports, which deal with the social and economic situation of each country analysed in the project in far more detail and provide a detailed analysis of the position of the trade union organisations as regards the EPAs. This report aims to extract the main elements that emerge from the country reports and to identify the basis for a guide to boost the capacities of the trade union organisations, as fully-fledged players in drawing up the development strategy.

1 – Making poverty reduction a priority: the use of MDGs for development cooperation

The adoption of the Millennium Development Goals (MDGs), drawn from the United Nations Millennium Declaration which was signed in 2000 by world leaders, marked the United Nations' return to the front line on development-related issues after these issues had been dominated for two decades by the Bretton Woods organisations (International Monetary Fund and the World Bank). The Millennium Declaration rounded off a decade that saw the United Nations once again take initiative, which led to the organisation of an impressive series of world summits, above all the World Summit for Children in New York in 1990, the Earth Summit in Rio in 1992 and the World Summit for Social Development in Copenhagen in 1995. The MDGs were the result of a major effort to relaunch the debate on development
strategies in order to include not just the logic of structural adjustment policies but also the human dimension (Lapeyre, 2006).

The commitment made to achieve the MDGs by 2015 caused new measures to be set up in a bid to help the poor countries and the aid donors to boost the impact of their joint efforts to fight poverty. The new National Indicative Programmes (NIPs), which were drawn up in the framework of the Cotonou Agreements, and the generalisation of poverty reduction strategy papers (PRSPs), which largely define the development policy priorities of an increasing number of countries, draw on this immense effort focused on poverty reduction and the integration into the globalised economy. However, it should be noted that the awareness of the need to immediately tackle the most serious social and environmental problems - resulting for the most part from the rapid and abrupt change of the global economy – has not managed to call into question the neoliberal project to adapt national areas of responsibility to the standards of the globalised economy. The convergence towards these standards, in terms of competitiveness, flexibility and attractiveness for foreign investments, is still seen as an inevitable part of any sort of development.

The primary objective of the MDGs is to reduce poverty and hunger in a world where 1 billion people, who live on less than $1 a day, suffer from extreme poverty and 800 million people do not have enough do eat to satisfy their daily energy requirements (United Nations: 2005). However, the issues of inequalities and employment that were at the centre of discussions on poverty reduction in the 1970s are missing from the MDGs. What is even worse is that, since development policies are becoming synonymous with poverty reduction policies, all considerations regarding redistribution can be ignored and the core nature of the growth objective is reaffirmed in the formulation of development policies, a move which is supported strongly by the dominant discourse 'growth helps the poor'. One of the perverse effects of this discourse, in which the improvement of living conditions depends on sustainable growth, is that it offers no concessions as regards the reform programmes required for successful integration into the globalised economy.

2 – "You can't eat growth!": The place accorded to growth in development strategies in the ACP countries

A project which has globalisation as its dominant discourse is a totalitarian project that closes the door to the plurality of possibilities. There is only one possible way of achieving growth and reducing poverty, which is to become integrated into the globalised economy. There are two levels of responsibility within the globalised economy: the responsibility of each country to adapt to the standards of globalisation and that of the new world order to guarantee better conditions for the accumulation of capital at global level by using the ability to intervene or impose sanctions in a bid to make those, who disrupt the world order on which the dynamic of globalisation is based, see sense.

In the dominant discourse, the prospects for growth by becoming integrated into the globalised economy are available to all provided that they meet the requirements for accumulation in its globalised form. Only those countries that will firstly ensure an environment conducive to the arrival of transnational companies and secondly be capable of taking part in the new division of labour within the globalised economy, will be able to advance their economy. The other countries will have to review their policies and strategies so that they can understand where and how they can form a link with the emergent international production system (Lapeyre, 2003).
Growth therefore no longer poses a problem if all measures are taken to become integrated into the globalised economy and if all resources are focused on these core high-performance activities. The development opportunities, which are available to all, depend on how well the country is opened up and how well it meets with the internationalisation standards. The neo-liberal discourse on globalisation is one that heralds adaptation to globalisation and is based on the objectives of flexibility and competitiveness in relation to the standards of the globalised economy.

The development strategy championed by the EU and by the Bretton Woods organisations is based on the hypothesis of the virtuous progression of liberalisation, growth and poverty reduction which would justify the prescriptive side of the dominant discourse and the priority accorded to liberalisation policies in structural adjustment policies. Growth helps the poor and liberalisation helps growth, this is the core of the new development strategies promoted by the IMF, the World Bank, the WTO and the European Commission.

The main challenge when breaking down this doctrine is to question the place accorded to growth in development policies. If the benefits of growth are shared fairly and if growth helps the poor, then a policy focused on promoting growth can be justified. If, on the other hand, the poor are excluded from the benefits of growth or receive proportionally less benefits than other groups in society, the objective of growth should be reincorporated into an integrated development strategy, in which growth is an important aspect but is given no more importance than the creation of productive jobs, the fairer distribution of income and the meeting of basic material and immaterial needs.

In this respect, it should be noted that the developing countries in general and the LDCs in particular have made a considerable effort to open up their economies and adapt to the standards of globalisation, as part of their accession process to the WTO. The explanation provided by the World Bank referring to the lack of integration and the lack of policies of openness in the developing countries with a low level of economic growth, therefore seem overly simplistic. The problem is that these countries have received little thanks for their efforts. They have had to face up to an asymmetrical liberalisation process (countries in the North refusing to open up their agricultural markets) and to the problem of poor integration characterised by their dependency on exports of primary products (lack of diversity, low value added, high level of price fluctuation and unfavourable developments in terms of trade). Once again, the challenge is to gain the ability to control the speed and the sequence of an integration process whose overriding objective should be to improve the living and working conditions of the population and instead of to pursue liberalisation *per se.*
Towards redefining the role of the people and their representative organisations in formulating the development strategy

The recent report on civil society from the Secretary of the United Nations is a perfect example of the new dominant vision of development, based on the involvement of non-state actors and the promotion of public-private partnerships. The key idea is that advantage must be taken of the potential and existing synergies between the various players involved in development and that work must be undertaken to establish contact between the different stakeholders concerned by the same problem (United Nations, 2004). The dialogue that takes place when establishing objectives and defining the project, improves the project, makes it better adapted to reality and ensures it is in line with the development needs of the population. Moreover, redefining the roles and responsibilities between public (national or local) and private (private sector or civil society) players must make it possible to take account of a range of development needs submitted by players who were previously not entitled to have an input and also to improve the management of a whole range of basic services since "where capacity is devoted to multi-stakeholder processes, the pay-offs have been significant" (United Nations, 2004: 10). These new partnerships and participative frameworks are still a vital tool for development cooperation enabling innovative answers to be found to critical questions. The Millennium Development Goals have also had a catalysing effect for the partnerships in the field between the public authorities, the private sector and NGOs since concerted action at a variety of levels is essential if these Goals are to be met.

The expansion of development cooperation to include a wide range of players, in particular civil society and local and parliamentary public authorities, is seen as "the opportunity to harness new capacities and diverse experience to address some of the most exacting challenges the world faces today" (Cardoso Commission, 2004: 7). The process for making development more democratic and opening it up to civil society went hand in hand with a huge process of decentralisation in the South that aimed to make the local public authorities into a stronger players in development. These authorities are still considered as important partners since they are most often the ones that play a key role at local level in areas vital for ensuring the living conditions of the population, for example water, sanitation and health and education services.

The new world governance model must be created on the basis of promoting involvement and responsibility at all levels. However, the commitment of the stakeholders and the development of the partnerships require the capacities of civil society and private sector organisations to be boosted, compromise-building measures, including mechanisms for the prevention and resolution of conflicts, to be shored up and national and multinational civil servants to be trained to deal with a wider range of stakeholders. To achieve this, an institutional context needs to be created that is capable of creating these new partnerships and providing the various stakeholders with the means to act and better develop their potential. This new development paradigm offers genuine opportunities for the trade union organisations to claim a role as fully-fledged players in setting priorities for development policies.
Decentralised cooperation, which was introduced into the framework of the Lomé IVbis Convention in 1989, constituted a new approach to development cooperation. The aim of this type of cooperation was to increase the number of cooperation players, which was usually fairly limited, by legitimising the role of decentralised agents in development (Fonteneau and Lapeyre, 1998). This cooperation differed in the fact that it offered support to initiatives coming directly from grass-roots level. The responsibility for establishing needs and for defining and implementing the project was passed to local players. Consequently, these local agents were no longer regarded as people simply benefiting from or implementing the projects, which were established upstream of them, but instead as people in charge of promoting the improvement in their living and working conditions.

The role of decentralised cooperation as a new development cooperation instrument was reaffirmed in the Lomé IVbis Convention that states in Article 12a: "Recognising the potential for positive contributions by the agents of decentralised cooperation to the development of the ACP States, the Contracting Parties agree to intensify their efforts to encourage the participation of ACP and Community agents in cooperation activities".

The main aim of decentralised cooperation was to better meet the needs and priorities of the people by extending the range of development players using new types of partnerships between the local and national public authorities, the private sector and civil society organisations. The idea was to encourage the redefinition of the role and responsibilities of each and every player in the development process by supporting a process to increase the responsibility of the decentralised players entailing the transfer of responsibility and the decentralisation of resources.

This new approach to development cooperation will be taken even further by the European Commission with the Cotonou Agreements signed in June 2000. The Agreement includes the original measures that aim to promote participative approaches in a bid to ensure the involvement of civil society and social and economic players. In accordance with the conditions stipulated in the Agreement, non-state actors are informed and involved in the consultation on cooperation strategies and policies, on the priorities for cooperation, in particular in the areas that concern or affect them directly, and on political dialogue. They also receive financial resources to support the local development processes. Last but not least, they are involved in implementing cooperation projects and programmes in the areas that concern them (Lapeyre, 2005).

Within this framework, the non-state actors receive support to boost their capacities in critical areas with a view to improving their skills, in particular as regards organisational matters, representation and the implementation of consultation mechanisms to enable them to promote strategic alliances. To meet local communities' development needs and to encourage all players involved in decentralised cooperation, who could contribute to the independent development of ACP countries, development cooperation helps to fund microprojects at local level that have an economic and social impact on the lives of the people and also helps to fund decentralised cooperation, in particular when it draws on the efforts and resources of organisations in the ACP countries and their counterparts in the European Union.
The European Commission has started to work with civil society and companies in order to promote social partners, social dialogue and partnerships in the ACP countries. The Commission will support efforts to:

- strengthen the technical capacity of the social partners and of civil society;
- develop institutions, mechanisms and practices to facilitate and consolidate the process of bipartite and tripartite social dialogue;
- improve the involvement of the social partners and other civil society stakeholders in global governance (WTO, IFIs) on the basis of the OECD’s consultative model;
- conclude transnational collective agreements and global framework agreements.

The other main way that non-state actors are involved in development cooperation is through the PRSPs – poverty reduction strategy papers – that were introduced at the end of 1999 following a joint initiative by the IMF and the World Bank (World Bank, 2000; IMF, 2003). These papers are a new measure that aims to help the poor countries and the donors to boost the impact of their joint efforts to fight poverty. They represent the new development paradigm in the post-Washington Consensus period.

Access to the resources of the main donors is increasingly subject to the country that is requesting the aid drawing up such a document, in which it specifies the social and economic situation in the country, the long-term poverty reduction objectives and the resources planned to achieve these objectives. This document differs in the fact that it must result from a consultative process with a high level of involvement of various players, in particular non-state players. Since 1999, the PRSP measure has become wide-spread in the poor countries and almost 50 countries are involved in this process.

The PRSPs have a number of objectives. One of the most important is encouraging the involvement of non-state actors by implementing a range of participative techniques and creating scope for dialogue and discussion. Internal and external partnerships have been set up on new foundations resulting from a greater or lesser extent of redistribution of the roles and responsibilities between the various development players: between the government, local public authorities, the private sector and civil society and between the government and the international donors.

However, the processes for drawing up the PRSPs seem problematic, as demonstrated by an increasing number of case studies (Booth, 2003; Molenaers and Renard, 2002; Piron and Booth (2004)). These studies illustrate the paradoxical nature of the appropriation processes on account of the dominant role of the Bretton Woods organisations in prioritising objectives and choosing the policies to be pursued. The government is officially responsible for the PRSP, but the World Bank and the IMF are the ones that decide whether to validate it by granting credit or relieving debt. This power of veto will determine the nature of the policies
proposed. Moreover, the participation process is more often than not an information and consultation process which has very little influence on the final PRSP (ILO: 2005).

The wealth of recommendations made by civil society agents is usually ignored. Moreover, they are not involved in all aspects of the poverty reduction strategy since the main aim consisting of adapting to the standards of the globalised economy cannot be discussed in any of the cases. The PRSPs have hence not paved the way for alternative development strategies and instead remain extremely similar to the former structural adjustment programmes in terms of content, although the form has changed and includes participative procedures (Lapeyre and Yepez, 2005).

5 – General social and economic context and implications for the formulation of development policies

The macroeconomic indicators are as different as the production structures in the ACP countries. These indicators give rise to problems as regards interpretation since in several cases the reference years and the macroeconomic aggregates used as a basis for the national reports are not the same. Moreover, important data are not available or the methods used to obtain them are not satisfactory. This is the case, for example, with employment statistics. It is hence extremely difficult to get an idea of the employment situation because no statistical method is available which can monitor the labour market permanently and which is adapted to the realities of these economies that are characterised by the predominance of the informal sector in the structure of employment.

A) Countries in west Africa

a1) Macroeconomic indicators, production structures and specialisations

The examples of Benin, Guinea, Burkina Faso, Senegal and Ghana show that the macroeconomic indicators vary greatly from one country to another. These indicators simply reflect the national and regional economic situation. However, the factors explaining the situation would require a sectoral analysis that does not just go into greater depth but also covers a longer period and takes account of the international and sub-regional economic situation.

Table 1: Some indicators per country (WAEMU)

<table>
<thead>
<tr>
<th>Country</th>
<th>Years</th>
<th>Growth rate of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>2003</td>
<td>6.5%</td>
</tr>
<tr>
<td></td>
<td>2004</td>
<td>4%</td>
</tr>
<tr>
<td>Benin</td>
<td>2000</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>2002</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>2003</td>
<td>4.5%</td>
</tr>
<tr>
<td>Ghana</td>
<td>2000</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>5.8%</td>
</tr>
<tr>
<td>Senegal</td>
<td>2000</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>2002</td>
<td>1.1%</td>
</tr>
<tr>
<td></td>
<td>2003</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Sources: National reports - Senegal, Togo, Benin and Burkina Faso, 2005.

Despite major variations in the growth rates between and within the countries in the region, table 1 shows that the WAEMU has been experiencing positive growth rates since 2000, apart from in Guinea where GDP per capita fell by 32% between 1999 and 2003 following the
devaluation of the Guinean franc and as a result of certain external factors that crippled economic development: insecurity in neighbouring countries (Liberia and Sierra Leone) which led to an influx of refugees and uncertainty from potential investors in the region; the drop in the world price of bauxite and alumina, which together represent over 60% (in value) of the countries exports; and the general price increase in imported petroleum products (Republic of Guinea, 2004).

Over the last few years, Ghana has been experiencing sustained growth. GDP growth increased from 3.7% in 2000 to 5.8% in 2005 (Government of Ghana, 2005). This growth can mainly be attributed to a net improvement in the world cocoa market. However, given the nature of the growth, it did not result in the creation of many jobs and remains highly dependent on changes in world market prices. In Senegal, real GDP per capita has seen a slight increase in recent years as a result of positive economic growth rates since 2000 (World Bank, 2005). The economy in Burkina Faso has developed over the last few years during a period of growth which is relatively high compared to other countries in the WAEMU. Burkina Faso's extremely high rate of growth in 2003 (6.5%), although partially attributable to cyclical factors (an excellent cotton season and record cereal production), demonstrated the resistance of Burkina Faso's economy to the worsening of the crisis in the Ivory Coast (AFDB/OECD, 2005). However, the weaker growth rate in 2004 (4%) acted as a reminder that Burkina Faso remains a country with little diversity and extremely limited comparative advantages where social and economic development (which is fairly slow, or disappointing) is very vulnerable to changes in conditions over which it has no control, such as climate, parasites, terms of trade or parity between the euro and the dollar. Between 2000 and 2004, real GDP per capita averaged $280 per inhabitant, which meant that Burkina Faso was classed as a low-income countries. The primary sector plays a driving role in growth in Burkina Faso. It is mainly dominated by cotton and cereal crops and accounted for approximately 31% of GDP in 2003 and employed between 80 and 90% of the active population. The secondary and tertiary sectors represented 22% and 47% of GDP respectively in 2003 (AFDB/OECD, 2005).

Economic performance in Togo since 2000 falls short of expectations and is insufficient to bring about a noticeable difference in the living standards of the population. Although Togo's economy recorded growth rates of 4.5% in 2002 and 2003 and, after periods of decline of real GDP, GDP increased on average by about 2.5% between 2000 and 2004, growth still remained below population change (approximately 2.7%). This situation resulted in a decline of GDP per capita from FCFA 60,200 in 2000 to FCFA 59,700 in 2003 (Ministry of the Economy, Finance and Privatisation, 2004: 6). Against this backdrop, purchasing power of the population and workers continued to fall and the impact of multidimensional and monetary poverty affects the majority of Togo's population.

In terms of production structures, of the contribution made by different sectors to creating value added and of the percentage of the active population per sector, the economies in the WAEMU zone are fairly poorly diversified, are outward-looking and are heavily dependent on primary (agricultural) products, the prices of which are subject to major fluctuations on the international markets. This is the case in Benin where cotton accounts for 80% of income from exports and almost 15% of national income. Burkina Faso has the same production profile with cotton and cereals accounting for approximately 31% of the GDP in 2003 and between 80 and 90% of the active population. Agriculture and breeding is also dominant in the primary sector and accounts for 18% of the national GDP. Senegal's economy is characterised by a large services sector. This sector represents 31% of production and provides almost half the value added (44.5%). However, the agricultural sector employs over
half the active population and 68% of the female workforce, although proportionally speaking, it only makes a small contribution to production and value added, 21% and 23% respectively. The industrial sector accounts for a large proportion of production (40.5%) and creates 24% of the value added.

Table 2: Relative economic weighting of different production sectors (WAEMU).

<table>
<thead>
<tr>
<th>Country (reference year)</th>
<th>Sectors</th>
<th>Percentage of the active population per sector</th>
<th>Weighting of the primary sector in the national economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>Primary (agriculture, breeding, fishing, mines, etc.)</td>
<td>55%</td>
<td>34-36 % of GDP</td>
</tr>
<tr>
<td></td>
<td>Secondary (industry, energy, etc.)</td>
<td>n.d</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tertiary (trade, administration, services)</td>
<td>n.d</td>
<td>30-35 % of GDP</td>
</tr>
<tr>
<td></td>
<td>Secondary (industry, energy, etc.)</td>
<td>n.d</td>
<td>23% (2003) and 25% (2004) of GDP</td>
</tr>
<tr>
<td></td>
<td>Tertiary (trade, administration, services)</td>
<td>n.d</td>
<td>32% of GDP (2003)</td>
</tr>
<tr>
<td>Burkina Faso (2003)</td>
<td>Primary (agriculture, breeding, fishing, mines, etc.)</td>
<td>80 to 90%</td>
<td>31% of GDP</td>
</tr>
<tr>
<td></td>
<td>Secondary (industry, energy, etc.)</td>
<td>n.d</td>
<td>22% of GDP</td>
</tr>
<tr>
<td></td>
<td>Tertiary (trade, administration, services)</td>
<td>n.d</td>
<td>47% of GDP</td>
</tr>
<tr>
<td>Guinea</td>
<td>Primary (agriculture, breeding, fishing, mines, etc.)</td>
<td>n.d</td>
<td>18% of GDP (less than 1% for fishing)</td>
</tr>
<tr>
<td></td>
<td>Secondary (industry, energy, etc.)</td>
<td>n.d</td>
<td>17% of GDP</td>
</tr>
<tr>
<td></td>
<td>Tertiary (trade, administration, services)</td>
<td>n.d</td>
<td>50% of GDP</td>
</tr>
<tr>
<td>Senegal</td>
<td>Primary (agriculture, breeding, fishing, mines, etc.)</td>
<td>Over 50%</td>
<td>21% of GDP</td>
</tr>
<tr>
<td></td>
<td>Secondary (industry, energy, etc.)</td>
<td>n.d</td>
<td>24% of GDP</td>
</tr>
<tr>
<td></td>
<td>Tertiary (trade, administration, services)</td>
<td>n.d</td>
<td>44.5% of GDP</td>
</tr>
</tbody>
</table>
Another characteristic of the developing countries, which is clearly apparent in all the countries examined here, is the high degree of informality of the economy. This is a result of the structural adjustment programmes which have caused a withdrawal from the public and private formal sector. In Senegal, the modern sector co-exists with a fairly well developed informal sector composed of small family companies and small-time traders. In 2003, the informal sector accounted for 54% of GDP and 47% of intermediary consumption, and thereby plays an important role in economic activities and in improving the well-being of the population. Since it has a strong presence in the production apparatus, it develops intense and diverse activities. Informal activities account for 95.5% of production in the primary sector. In the secondary and tertiary sectors, this percentage is 27% and 55% respectively. The development of the informal sector goes hand in hand with a reduction in the proportion represented by tradable goods and services in the GDP. Tradable GDP, which totalled 35.2% for 1985-1993 period, fell to 32.8% for the 1994-2003 period (OECD, 2005). In Senegal, only 21.8% (15.5% men and 6.3% women) of the workers work in the formal sector. In Ghana, the formal sector accounts for no more than 20% in the structure of employment and is only capable of creating 5,000 new jobs per year, whereas almost 250,000 new people join the labour market each year.

Informalising the labour market has disastrous consequences for the living and working conditions of workers and their families. The formal sector does not provide adequate social protection to workers and these workers are not signed up to the national pension scheme, nor do they benefit from the minimum health and safety standards.

\[a_2\] Links between economic growth, poverty and access to basic services

The general conclusion of the analysis of all the national reports is the poor social impact of the fruits of this growth. In the majority of cases, the wealth created is not shared fairly, no additional jobs are created and there is no noticeable reduction in the level of poverty. The people in Benin were so aware of this that they created the popular slogan: “la croissance ; ça ne se mange pas!” (you can't eat growth). Hence the reason why there is such a huge discrepancy between meeting the needs of the people and the positive image presented by the macroeconomic indicators. In fact, although growth in Benin totalled 4% in 2002, the country is paradoxically witnessing an increase in the number of people unable to satisfy their daily food needs. The country's national report therefore highlights the increase in poverty indexes and an increase in inequalities. The evaluation of the national poverty reduction strategy performed by the IMF in July 2005 indicates that the level of monetary poverty remained unchanged between 1999 and 2002 (29% in 1999 and 28.5% in 2002) and that the human poverty index (HPI-1) improved slightly, falling from 51.4 in 1999 to 49.9 in 2000 and to 48.9 in 2002. The HDI, as measured by the UNDP also increased very slightly from 0.422 in 2000 to 0.431 in 2003. The UNDP estimates that 33% of the total population was living below the poverty line in 2003 and that, if this pace continues, Benin will not be able to reach its Millennium Development Goals.

Despite a slight increase in income per capita, Burkina Faso is witnessing a similar situation. Its high level of economic growth over the last five years (see table 1), has not managed to bring about a major increase in the well-being of its population. Approximately 45% of the population lives on less than $1 a day and 81% on less than $2 a day. In Guinea,
poor people make up 49% of the population (27.2% very poor). Poverty is even more blatant in the rural areas (56% poor people, 35% very poor), than in the urban areas (33% poor people, 31.5% very poor). The socio-professional category of the head of the family (apprentice, family helper, self-employed, not in active employment, unemployed and so on) has a major impact on poverty in both rural and urban areas. Although there is more poverty in the rural areas than in the urban areas in Guinea, a positive correlation exists between urbanisation and unemployment. In fact, according to the ILO unemployment in Guinea is a purely urban phenomenon.

The growth recorded over the last few years in Ghana has only benefited a small proportion of the population and inequalities have continued to increase. The benefits of the growth are concentrated amongst large owners of export cultures, to the detriment of the small-time farmers. Ghana's Gini coefficient is currently 0.6, which makes it one of the countries with the most unfair distribution of income in the world. In Senegal, the return of growth recorded between 1995 and 2001 neither led to a reduction in poverty nor to the creation of additional jobs. The country is witnessing a slight improvement in income per capita, which increased from $526 in 1993 to $655 in 2003. There is a very unfair distribution of income in the country, where 60% of the households share 23% of the national income, whilst 20% of the households receive approximately 60% of the national income. In Togo, at the end of the 1990s it was estimated that approximately 33% of the active population was unemployed (Bendokat and Tovo, 1999: 4). A more recent study puts this figure at 40% in Lomé in 2001 and estimates the number of unemployed graduates at between 21,000 and 25,000 (Bokor, 2001: 35).

The positive correlation that is generally assumed to exist between high growth and a reduction in poverty is not at all confirmed in practice in this area. This is also true for unemployment, whose generally counter-cyclical character in relation to growth is not confirmed either. These results are hardly surprising if we take a close look at table 2. In fact, it is not just that the structural adjustments are still being made and that they are imposing restrictive monetary and budgetary policies, but also the fact that it is not the primary sector – the largest provider of jobs in these countries – that is the driver of the growth. Instead, it is mainly the tertiary sector, which employs a small proportion of the population, that plays this role. With so many poor people and such a high level of unemployment, it is to be expected that access to basic services leaves much to be desired and is not improving much. See tables 3, 4, 5, 6 and 7, that provide information on the situation in the WAEMU zone.

B) Countries in central and south-east Africa

b1) Macroeconomic indicators, production structures and specialisations

The observations regarding the interpretation of the data made in the case of west Africa also apply to central and south-east Africa. The trends uncovered by the economic aggregates are the results of a range of inter-linked factors related to the structures of the national economies, the international economic situation, the domestic social and political situation, structural adjustment programmes and other older domestic political and economic characteristics.
Some ACP countries in this region have endured violent conflicts in recent years, which have seriously affected their development potential. A clear example of this is the Central African Republic, a landlocked country which has suffered from civil, political and military problems since 1976. The sorry state of its production structures, the loss of confidence of business people, the lack of a calm environment and industrial peace which are conducive to economic activities, and a shortage of activities capable of generating income are some of the main reasons for the dramatic drop in the growth rate from 0.9% in 2000 to –7.7% in 2003. The country's national report highlights the fact that it lost over 50% of its industrial equipment and infrastructure for production and processing.

The Democratic Republic of Congo (DRC) is another example of a highly unfavourable national context. The country suffered from a decade of war and cyclical violence resulting in almost 3.5 million deaths and inherent economic and environmental damage. However, despite all the problems that persist in the east of the country, the situation in the Democratic Republic of Congo seems to be improving. The end of large-scale hostilities in late 2002, the creation of a national union government in June 2003 and the national strategy and the NIP approved in September 2003 contributed to the economic upturn, the political recovery and the improvement in security. The new Constitution was recently approved with mass support and the first multi-party elections since independence are planned for next June. A humanitarian action plan for $682 million has recently been approved. GDP is increasing (+5.7% in 2003, +6.8% in 2004) following several years of dramatic decline and forecasts for 2005 and 2006 are verging on 7%. Inflation has been brought down from 135% in 2000 to 23% in 2005. The DRC has also benefited from the increase in prices of primary products and has made great efforts to attract investors. The primary sector accounts for 56% of GDP, the secondary sector for 11% (construction) and the tertiary sector for 30% (development of transport and telecommunications). The informal sector has developed considerably despite the paralysis of the banking system and the weakness of micro-financing.

The situation in Burundi is similar. Following the embargo imposed on the country between 1996 and 1999, cooperation was relaunched after the signing of the Arusha agreements and the creation of a transition government. The EU helped in the rehabilitation of Burundi by supporting democratic transition, peace building and production activities and infrastructures. The 9th EDF (2003-2007) earmarked €172 million for developing production activities in the rural sector, fostering good governance and supporting macroeconomic policies. Growth is increasing (+4.8% in 2004 and 5% forecast for 2005) but depends greatly on climatic conditions (excellent coffee plantation year in 2004-2005 and increase in world prices) and on domestic security. The primary sector accounts for 40% of GDP (coffee and tea exports). The United Nation Observation Mission (UNOB), in which 600 players have been involved since 2004, stimulated demand for local products, in particular food products. The privatisation of the coffee sector and the liberalisation of the sugar sector and the currency system did not attract many investors since the country was still considered too risky. The NIP strategy and the measures advocated by the international institutions to liberalise the economy and prioritise private investment were only partially implemented. However, a mass influx of external aid and debt relief made it possible for Burundi to stabilise its balance of payments.

In Rwanda, the positive growth rates of GDP since 2000 can be partially attributed to the increase – linked to the present economic climate - in exports of coffee and ores. In 2001, 2002 and 2004, the cash crop production sector (coffee exports) benefited greatly from the increase in the price of coffee (National Bank of Rwanda (BNR), Annual report 2004, pp. 26 and 171) and the ore export sector recorded a huge increase in both the price of cassiterite on
the international market and its production in the first few years of this decade (BNR, Annual report 2004, pp. 26 and 171).

Gabon has certain similarities to a cash economy, which is based on a few exported primary products without much diversification. However, Gabon has witnessed a decline in its production of oil since the end of the 1990s because production is levelling off, causing economic growth to fall (-10% GDP in 1999, -0.3% in 2002). This was slightly offset recently by the increase in the price of crude oil (+1.4% GDP in 2004, +2.2% in 2005). Oil actually accounts for 30% of its GDP and 70% of its income from export. In a bid to diversify its economy, Gabon has invested in the production of manganese, uranium, wood, coffee and rubber, but these too are primary products that are affected by changes in market prices.

As for the other countries in this region, note should be taken of the case of Mauritius which is considered to be a genuine economic success story. Its annual growth is about 4-5% (8% in 2000, 5% in 2001, 1.9% in 2002 because of cyclone Dina, but 4.3% in 2003 and 4% in 2004 and 2005). Sugar was the main driver of growth between 1970 and 1980, followed by textiles between 1980 and 2000. The successive turnarounds of these sectors have created a more diversified economy which includes services, tourism, financial products and ICT. This performance is also based on a high level of domestic savings (24.9% of GDP in 2003), which is higher than investments (23.6%). Mauritius is still experiencing strong growth of GDP, estimated at 6.4% for 2005. GDP per capita increased at an average rate of 4.7% per year between 1995 and 2005. The two most important sectors in terms of employment are the manufacturing industry and tourism which together employ 45% of the active population. The unemployment rate is estimated at 9.6% for 2005.

Since 1997, Madagascar has seen its GDP increase by approximately 5% per year, although the political crisis, external disasters (three cyclones in 2000) and the increase in the price of food products and oil have slowed down its growth. Nevertheless, at the beginning of the decade, the way had been paved for sustainable development thanks to the rapid resolution of the political crisis in 2002 and the sound recovery following the external disasters. Economic growth (+4.5% between 1997 and 2001) can be attributed to exports that doubled in value over this period, mainly as a result of the positive development of international prices of certain primary products, such as vanilla.

The Seychelles are a small island state that is distanced from the large markets and has limited resources. Before independence, it was a subsistence economy with a GDP of less than $1,000 per capita. Since, agriculture and, above all, fishing have developed. The Seychelles export fish for $185 million to the European Union, with which it has signed an important agreement. But it is above all the development of tourism, which accounts for 70% of external trade and employs one third of the active population, that has made strong economic growth possible. Nonetheless, the country remains extremely vulnerable to external economic crises and is experiencing financial difficulties that are hindering its ambitious development project. Tourism, fishing and agriculture employ 57% of the workforce, but small individual business leaders, temporary workers, domestic workers and small-time farmers have to be added to this figure. The economic structure in the Comoros is dominated by agriculture which accounts for 80% of employment at 40% of GDP. The agriculture here is mainly subsistence agriculture and is not enough to guarantee the food self-sufficiency of the country, which therefore has to import food products.
The majority of these countries therefore have an extremely limited production base like those in west Africa. Mining and agricultural cash crops are predominant here in terms of export income and impact on the growth rate. The result is a high level of dependency on external demand. The instability of external demand coupled with the instability of international prices weakens the national growth schemes. External factors such as the world prices of primary products, climate, parity between the euro and the dollar, substitutes to exported products, international demand and the local political situation make these economies very vulnerable and unstable. The revival of growth in the Central African Republic in 2004, following the rapid drop of 7.7% in 2003, did not result from the dynamic nature of the local economy but rather purely from the increase in the world prices of diamonds and lumber. This is also the case for Burundi's economy which is heavily dependent on the success of its exports of Arabica coffee and tea. As for Gabon, its economy has also been going through a critical period since 1998 because of the sharp decline in oil production and exportation of 11.9%. Hence the cyclical economic crises which are often caused by the same factors.

Gabon, which is one of the largest oil producers in the area, is the most typical case of a cash economy. Between 1990 and 2002 Gabon's economy was strongly based on mining and exporting crude oil (30% of GDP and almost 70% of total state income). Therefore, an 11.9% reduction in the mining and exporting of oil led to a 9.6% reduction in Gabon's GDP in 1999.

\( b_2 \) Links between economic growth, poverty and access to basic services

In this region too, there is no correlation, with the exception of Mauritius, between the growth performance and the improvement of living conditions. In Gabon, GDP per capita is still high ($5,500). With an ever increasing rate of unemployment (20% in 2000) and over 41% of the population living under the poverty line, Gabon's economy and society are characterised by severe inequalities in the distribution of national income. Since over 80% of Gabon's population lives on less than the minimum wage and 60% do not even have two-thirds of the minimum means of subsistence (WB, 2005), it follows that there is less and less access to basic goods and services that are increasingly frequently provided by the private sector. Moreover, the HDI has fallen, with Gabon going from 109th place out of 162 in 2001 to 123rd place out of 177 in 2005. The inequalities in the distribution of income are therefore the main characteristic of the social and economic base, as demonstrated by the difference between GDP per capita and the HDI. The good ratings regarding the percentage of children in full-time education and the level of literacy (74% and 71% respectively for an investment of 3.9% of GDP) conceal the fact that the percentage of people completing their studies is much lower and the fact that they are unsuitable for the labour market. This is why the EU is supporting the education system that is due to be entirely overhauled. Public health expenditure only accounts for 1.8% of GDP. The lack of resources plus the absence of any strategic planning make access to social services vastly insufficient, especially in the rural areas and in the shanty towns, that are particularly neglected.

In the DRC, GDP per capita increased from $85 in 2000 to $119 in 2004, but at this rate it will take 70 years to get back up to the level of the 1960s ($380)! Moreover, the number of people in employment has fallen dramatically, apart from integration into militias in the national army, and at present barely 10% of the active population is engaged in formal employment. The ANAPI (National Agency for Investment Promotion) launched 308 projects in a bid to create 45,000 jobs. In 2003, 41% of the population lived under the poverty line, mainly because salaries remained unpaid, including those for people working in the army and the police. The government began breaking up the commercial and industrial state monopolies
and reforming the public companies (privatisation or co-management) and privatised the mining conglomerates. 36,000 surplus public jobs will have to be cut within the framework of a plan to improve public finances funded by the World Bank. However, water and electricity will remain in state hands.

In Rwanda, the fruits of the growth were concentrated in the hands of a small minority of people who had mainly invested in real estate which experienced a huge boom, in particular in the capital of Kigali where population has tripled in 10 years. The living conditions of the population in general and workers in particular have therefore barely improved. According to a report entitled Independent Evaluation of Rwanda’s Poverty Reduction Strategy 2002 – 2005 (PRSP1) published on 20 February 2006 by Alison Evans (IDS), Laure-Hélène Piron (ODI), Zaza Curran (ODI) and Ruth Driscoll (ODI) together with Charles Twesigye-Bwakwatsa (Centre for Resource Analysis) and Iyadema Sezikeye J. Bosco (Centre for Resource Analysis), the number of poor people has not decreased, on the contrary it has increased since the rates of economic growth have not been able to clearly top the normal rate of population growth of 3.2% per year. Moreover, workers’ purchasing power is continuing to fall since prices (fuel, energy, transport, living, medication and so on) are continuing to rise but incomes are barely changing. Social security and social protection for workers is reserved for a tiny minority, which does not even equate to 15% of the entire workforce. The risks covered are old age and invalidity in the event of an accident at work. Health insurance provided by the health insurance funds in the administrative districts only covers about 12% of the total population (IERPS 2002-2005, pp. 11, 53-55).

In Madagascar, poverty has not decreased despite the growth and, according to estimations from 2004, almost 75% of the population still lives below the poverty line. Workers’ purchasing power remains low and is further reduced as a result of the increase in the prices of basic products of approximately 13% per year, the doubling of electricity prices and a 10% increase on fuel.

The only country where there has been a general improvement in living conditions is Mauritius, and this is due to economic growth. Life expectancy has increased, there has been a reduction in infant mortality and basic infrastructures have been strengthened. However, the increase in the cost of living and the increase in unemployment are giving rise to a number of discussions regarding ‘an economic development of job losses’. In fact, growth has not created enough jobs and the unemployment rate has increased from less than 3% in 1990 to 10.6% in June 2004, before falling to 9.2% at the end of 2005. Changes to the economy and the structure of the labour market make it impossible for low-skilled workers in industry to transfer over to tourism, the financial sector or ICT. The decline of traditional sectors to the benefit of modern sectors gives rise to the need for capital and highly-skilled workers. We are hence witnessing an increase in the informal sector in Mauritius, since many Mauritians prefer to work in this way by setting up their own small activity. This is why, despite a general increase in living standards over the last five years and plans to combat the precarious nature of employment, some persistent pockets of poverty remain due to an unfair distribution of resources. The rich are getting richer and the poor are getting poorer and these inequalities are extremely visible because the island is so small.
C) The Caribbean countries

C1) Macroeconomic indicators, production structures and specialisations

The Caribbean countries have been experiencing moderate economic growth since the beginning of the decade (with the exception of Grenada and Haiti). The Dominican Republic is experiencing strong economic growth (+8% in 2005), which bears witness to the consolidation of the relaunch process within the framework of the IMF's Standby Agreements. Consumption increased by 17% as a result of the stabilisation of the exchange rate, the slowing down of inflation and a reduction in interest rates. The dynamic nature of tourism and the free zones, coupled with significant foreign direct investment (FDI), boosted growth and enabled the country to pay off its debts within the specified deadlines.

Barbados is witnessing an economic upturn following the recession of 1991/1992. The period between 1993 and 2000 was the longest phase of expansion ever recorded by the country since independence. The average growth rate of GDP is 2.8% per year. Economic activity declined in 2001 when the country registered a 2.6% reduction in the growth rate of GDP. The recession affected the sugar and non-sugar agricultural sector, tourism (drop of 5.9%), international trade and financial services. The economy got back on track in 2002 and still relies heavily on tourism (7.7% increase), construction (2.9% increase), transport and communications. This trend was confirmed in 2004 and 2005 when growth rates were estimated at 4.8% and 4.1%. GDP growth forecast for 2006 totals 4%. Jamaica has also been experiencing positive growth rates in recent years. It production structure is dominated by the services sector which accounts for almost 65% of GDP. Moreover, Jamaica has free access to the European Union's markets for rum, sugar and bananas, which account for almost 36.2% of exports.

Given the importance of the tourism industry in the structure of the economy, Grenada's economy was hard hit by the repercussions of 11 September and by hurricanes Ivan (2004) and Emily (2005). Recent poor economic performance can be attributed to these external factors. After the recession of 2001, real GDP increased by 5.7% in 2003 when tourist activity picked up again. But then Grenada was hit by hurricane Ivan in 2004 which caused damage equal to 200% of GDP and destroyed or damaged almost 90% of the buildings in the country. This resulted in a 3% reduction in economic activity and the restaurant/hotel sector saw a 25% reduction in activity.

Haiti, which has been suffering from political instability in recent years, has an economy in the throes of a crisis which is only surviving today thanks to the loans provided by the international banks, multiple aid and money from the Diaspora mainly from the US and Canada. After a slight economic upturn in 1995, the fragile national economy was quickly plunged back into crisis as a result of political turbulence, making it even weaker. The growth rate in the country was 3.1% in 1997-1998 and -1.2% in 2000-2001. Haiti's economy seems to be completely lacking any sort of structure. The primary sector (30% of GDP and 60% of the active population) is composed mainly of subsistence agriculture across all the small farms. The secondary sector (assembly of imported products) accounts for 21% of GDP and 20% of the working population. Tourism, which was previously an important source of income, was hard hit by the political problems. Foreign aid and transfers made by a large Diaspora are the country's only lifelines. 2005 saw a reduction in GDP (-3.8%), in consumption (-2%) and in investment (-3.1%), a slight increase in export (2.8%) and imports remain more or less stable (0.2%).
**Growth rate of GDP (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>2.3</td>
<td>-2.6</td>
<td>0.5</td>
<td>2.0</td>
<td>4.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Grenada</td>
<td>7.0</td>
<td>-4.4</td>
<td>0.8</td>
<td>5.7</td>
<td>-3.0</td>
<td></td>
</tr>
<tr>
<td>Jamaica</td>
<td>1.0</td>
<td>1.3</td>
<td>1.9</td>
<td>2.1</td>
<td></td>
<td>2.2</td>
</tr>
<tr>
<td>Surinam</td>
<td>-0.1</td>
<td>4.5</td>
<td>3.0</td>
<td>5.6</td>
<td>4.2</td>
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</tr>
</tbody>
</table>

Source: government authorities, IMF fund staff estimates

\[c_2\) Links between economic growth, poverty and access to basic services\]

The Jamaican government has taken action to combat poverty with a national poverty eradication programme by boosting growth, fostering investments and promoting social and human development. Since the programme was launched, poverty has fallen from 27.5% in 1995 to 19.7% in 2002, which equates to a reduction of 7.8%.

The most recent study on poverty in Barbados dates back to 1996. However, Barbados is classed by the UNDP in the group of countries with high human development and was ranked 30th out of 177 countries in 2005. Nonetheless, there is no changing the fact that despite good economic results, pockets of poverty still exist. That is why the government has become involved in a poverty reduction programme and has set up an office to pursue this objective within the Ministry of Social Affairs. Under the programme, unemployed people will be able to receive unemployment benefit, which is a real first in the Caribbean.

In Haiti, unemployment and under employment affect 60% of the active population. Young people are turning towards the informal sector or to crime (drug trafficking, abduction). According to the most recent information available, over two-thirds of the workforce does not have a formal job (CIA, World outlook), 97% of the population has no social protection and 60% is illiterate. One of the biggest challenges for human development in Haiti is mass poverty which affects the whole country. The highest levels of poverty are found in the north where 91% of households can be classed as poor and 81% as extremely poor. The mass rural exodus, which affects the large and secondary cities, gives rise to serious problems regarding basic services and the availability of housing.

In the Dominican Republic, the unemployment rate was estimated at 17% in 2005 and the poverty rate at 25% (CIA, World outlook). Almost 50% of the people working in the non-agricultural sector work in the informal sector. The reasons behind the growth of the informal sector in the Dominican Republic are primarily the global economic crises resulting from political decisions, in particular the debt crisis in the developing countries and the structural adjustment programmes of the IMF and the World Bank (breaking up the public sector, deregulation of the labour market). The majority of workers excluded from the formal sector as the result of the crisis are women. A report by the Autonomous Confederation of Christian Trade Unions (CASC) indicates that women are the main victims of precarious working conditions and the impoverishment created by the crisis.
D) Pacific countries

d1) Macro-economic indicators, production structures and specialisations

Thanks to its forestry resources, ores and fishing, Fiji is one of the most developed economies in the Pacific islands. Following negative growth in GDP in 2000 (-2.8%) caused by the coup d'état, 2001 to 2004 saw substantial increases (2.7%, 4.35%, 3% and 4.1%). The slowdown in 2005 and 2006 (1.7% and 0.7% forecasted) is due to the end of US textile quotas and the uncertainties weighing down on the sector, as well as to a reduction in public investment. GDP per capita has risen steadily from $4,327 in 2000 to around $6,000 in 2005.

Sugar exports and the development of the tourism industry are the two main sources of income. The Fijian authorities are supporting foreign investment in a bid to achieve sustainable economic growth and a high level of employment. Many incentives for investors have been introduced, including the creation of free zones, the abolition of taxes, the covering of losses and the repatriation of profits. A case-by-case approach is often taken, offering various types of aid and incentive.

Vanuatu is a country comprising 80 islands, of which 65 are inhabited, with a population of 205,000. Its economy is based on the primary sector, with 65% of the population living off small farms. The country is also very prone to natural disasters, including cyclones, typhoons, volcanic eruptions (most recently on 27 November 2005), earthquakes and tsunamis. These have a major impact on the economy, which is characterised by ups and downs (+2.7% of GDP in 2000, -2.7% in 2001, -4.9% in 2002, +2.9% in 2003, +2.2% (estimated) in 2004); the average over the past few years can at best be described as stagnation. Even when growth recovers, it cannot make up for the country's demographic expansion. Vanuatu survives mainly on foreign aid, from Australia and New Zealand in particular, a little tourism and some beef, kava, copra, coconut and cocoa exports. However, the low level of investment, the country's mountainous terrain and small size, the fact that its islands are widely dispersed and located far from markets, its limited resources, vulnerability to natural disasters and production costs are holding back any real development.

Similar problems are faced by Kiribati, with its 33 atolls clustered into three groups of islands (Gilbert, Line and Phoenix) and a population of 103,000. However, the country remains very dependent on Australia and New Zealand, which are responsible for its security, as Kiribati has no army and fewer than 500 police officers. Following a few years of growth between 1995 and 1999 (3.5% in 1995, 7.3% in 1998, 2.3% in 1999), a downturn ensued (-4% in 2000, +2% in 2001 and an estimated +1.5% subsequently). The country's main sources of income are money sent back from its workers abroad (over $5 million a year), tourism (3,000 to 4,000 visitors a year, bringing in $5-10 million – equivalent to 20% of GDP), foreign aid (an estimated $20-25 million from the UK, Japan, Australia and New Zealand), fishing rights in territorial waters paid for by the major Asian powers and the US ($20-35 million a year) and copra and fish exports (the majority of the active male population works in the fishing industry). Nonetheless, as with Vanuatu, the small size and scattered nature of the islands, natural disasters, the lack of jobs and the low skill levels of the population, limited natural resources, the restricted local market, global competitiveness and social and cultural constraints are hindering development.
**d2) Links between economic growth, poverty and access to basic services**

In Fiji, following the serious political crisis in May 2000, large-scale redundancies took place and many working hours were lost. The areas most affected were tourism, the textile industry, retail sales and construction. Companies began re-hiring in the second half of 2003 but are unable to absorb the 17,000 people entering the labour market each year. There has been a drop in formal sector employment and a corresponding rise in informal sector employment. In the tourism industry, 75% of workers are employed under temporary contracts. Land ownership rights have led to a major drop in agricultural jobs as leases are not being renewed. The secondary sector employs staff under temporary contracts which expire when the job is complete. Meanwhile, industry is stagnating as clothing factories close due to the expiry of textile quotas with the US, leading to many job losses. In the public sector, privatisations and restructurings have resulted in major cutbacks and many job losses. Only the service sector remains dynamic, thanks to the increase in tourism and the number of hotels; the rest of the private sector is being held back by the low level of investment.

Accordingly, Fiji fell from 44th place in the Human Development Index (HDI) in 1995 to 81st in 2003, due mainly to the rise in unemployment. Data for 2000-2005 are scarce but resources are certainly very unequally distributed and the gap between the highest and lowest incomes has widened considerably. The official poverty rate is 25% but a more realistic estimate is 40%. Despite the large amounts earmarked for poverty reduction projects ($54.76 million in 2003 and $55.5 million in 2004), no progress has been seen among disadvantaged populations and workers.

The public sector reforms aimed at reducing the number of civil servants and cutting costs and improving performance, the use of public funds, productivity and efficiency have had largely negative effects, creating insecurity at work, stress, anxiety and forcing civil servants to choose between keeping their jobs and accepting a generous redundancy payment. The trade union movement is aware of the impact these reforms have had on workers and on the organisation itself; the unions have been affected by this disaster and are witnessing the gradual erosion of workers' rights.

Vanuatu is considered one of the poorest island nations in the Pacific and remains extremely dependent on foreign aid. Its GDP per capita rose from 100,000 vatus in 1997 to 175,000 in 2000, only to fall again to 163,000 in 2003. A minimum monthly income of 20,000 vatus ($179) was introduced in 2000 but this is not enough to offset the increase in living costs. The unemployment rate is not available; all that is known is that 16,200 people were employed in the formal sector in 2004 (excluding subsistence farming) and the informal sector expanded between 2000 and 2001 only to shrink subsequently. Agriculture remains the most dynamic sector, with the number of jobs increasing from 14,300 in 1997 to 18,600 in 2001, thanks to exports of kava, biscuits, bananas, copra and coconuts. No information is available on income distribution but since 2002 employment in the sector has apparently been suffering due to natural disasters. The canning, biscuit and ice-cream industries are suffering from cheaper imports resulting from the reduction or scrapping of customs duties from the Melanesian countries. This has led to a drop in the number of workers employed in the secondary sector. The public sector has been considerably reduced over recent years. Employment in the service sector has increased but remains subject to fluctuations in tourism caused by the natural
disasters that prevent stable long-term development. The poverty index is 46.4%, which means that almost half of the population lives on less than $1 a day. Despite wage increases, the majority of the population has been unable to attain a decent standard of living. Vanuatu is ranked 118th in the Human Development Index (HDI). There has been a focus on poverty reduction programmes supported by institutions such as the Asian Development Bank. A final point to bear in mind is that the only public social security system is in serious financial trouble due to enormous budget deficits and serious management errors.

In Kiribati, GDP per capita stood at $600 in 2000. Purchasing power has not increased and the majority of workers have very low incomes, barely over the poverty line, which makes a decent standard of living impossible for very large families. In 2004, the Asian Development Bank estimated that around half of the country's population had an unacceptable standard of living. Formal sector employment has been in constant decline due to restrucuturings and the current privatisation process. Industry is subject to major fluctuations. Fishing and crafts are the two main industrial activities but they are vulnerable to changes in demand and to natural disasters. The secondary sector accounted for 7% of GDP in 1998 and 11% in 1999, but fell back to 7.3% in 2000. Most jobs are located in the service sector, where employment has expanded due to tourism. The tertiary sector accounted for 73.7% of GDP in 1995 and 83% in 2000. The public sector saw substantial job losses, despite the large-scale strike action in 2000, followed by a slight rise in 2003. It still accounts for 80% of the working population's income. Investment in agriculture and diversification of production, together with a lack of jobs in other sectors, have led to an increase in the number of people working in this sector. Agriculture, which generated 20% of GDP a few years ago, had fallen to 17.6% by 1999. The informal sector fluctuates due to cyclones, which damage infrastructure and small retail sales business, and competition from cheap imports (local production costs remain high). Nonetheless, small factories account for 5-11% of new jobs.

6 – Involvement of the trade union movement and workers' associations in defining and implementing the national development strategy

The involvement of non-state actors is one of the aims of the new EU/ACP cooperation development agreements, but the answers provided by trade unions regarding the willingness of authorities to accept real trade union involvement in formulating development strategies suggest that this aim is far from being met. Involvement is often limited to the provision of information, whilst dialogue is at best limited to the Ministry of Employment and Social Affairs and does not involve the ministries that have a key role in drawing up the development strategy, namely the Economy and Budget Ministry or the Prime Minister's/President's office.

Generally, civil society and workers' organisations are aware of the existence of the Cotonou Agreement and know that it contains provisions encouraging the involvement of non-state actors (NSAs) in ACP/EU cooperation. However, the trade unions are totally unaware of the mechanisms governing the innovations contained in the Agreement which facilitate their involvement and access to resources. Furthermore, in the participatory structures set up by the government, the trade unions feel that they are grouped together with the NGOs and their special status has not been acknowledged. Also, they are not stakeholders in the decision-making processes but are in most cases merely consulted. As a result, they believe that their concerns are not being taken into account. Their knowledge of EPAs is very sketchy. More specifically, the trade union officers consulted said that they were not involved in the EPA
implementation processes currently under way. However, now that they realise the importance of these agreements for the national and regional economy, they are planning to develop alliances with the other actors in civil society to strengthen the EPAs and ensure that they become key players in formulating development strategy priorities.

Analysis of the involvement of trade unions and workers' associations in defining and implementing the national development strategy highlights three distinct situations:

A) 1st group of ACP countries: no real trade union involvement

The first situation is the situation that prevails in all ACPs where there is no trade union involvement and where, consequently, union demands are not heard or taken into account. This is the case, for example, in Guinea, Togo, Madagascar, Vanuatu, Kiribati, the CAR and Burundi. A range of strategies are used to prevent the involvement of trade unions and workers' associations. In the Grenadines, for instance, unions are prevented from accessing information and face attempts at corruption or government silence in response to their questions. In this first group of ACP countries, the problem remains entirely unresolved. The challenge is both to enable trade union involvement and to have unions' views taken into account in decision-making and the implementation of development policies. The countries of Central (CAR, Burundi) and Western (Togo, Guinea) Africa belonging to this group highlight a possible link between a crisis in the national democratic process and a lack of trade union and worker association involvement in national policy-making. In a country like Madagascar where only 10% of workers belong to trade unions, anti-union practices are widespread and the rights of workers' organisations are violated, it is not surprising that trade unions are sidelined when it comes to defining and implementing the development strategy.

In Vanuatu, workers' organisations are virtually excluded from decision-making on development policy issues. The government is trying to disorientate the trade union movement. A number of consultations have taken place with NGOs, but the credibility of these is open to doubt as some are subsidised by the government. Likewise in Kiribati, the government does not take trade unions into account in national policy-making. The unions have not managed to establish a counterbalancing force and no initiative has been taken by the authorities. Partnerships with other organisations have remained minimal.

In the Caribbean, generally speaking and with a few exceptions, trade unions are not consulted or invited to attend discussions on social and economic issues. At the 25th Conference of the Heads of Government of the Caribbean Community in July 2004, the Caribbean Congress of Labour (CCL) delegation called for greater involvement by workers' organisations in economic and social policy-making, saying it was time for governments to see them as partners rather than obstacles. In Jamaica, trade unions also complain of a lack of real constructive dialogue on the development strategy, particularly as regards the EPAs, although they are consulted on some economic and social issues.

The Caribbean Regional Negotiating Machinery (CRNM), the body responsible for providing technical advice to Caribbean governments on trade issues, has taken the initiative of informing trade unions about negotiations and engaging in dialogue with them and the other social partners. The CRNM held a regional workshop on trade and employment issues in February 2006, bringing together 60 participants including representatives of the social partners in all the CARICOM Member States and
representatives from the European Union. A general consensus emerged on the need to include and apply the fundamental ILO conventions in trade agreements.

In Togo, there is still little involvement by workers' and other civil society organisations in formulating and drawing up development strategies. Since October 2001, when the PRSP process was launched, the government, acting under pressure from donors, in particular the World Bank, the IMF and the European Union, has been trying to involve the different non-state actors in the implementation of development policies (PRSPs, EPAs, MDGs). Analysis shows that the involvement of civil society organisations and trade unions remains limited. As far as trade unions in particular are concerned, involvement has been largely nominal, the government showing little real intention of taking their views into account. In most cases, unions are only invited to the launch and approval meetings and are not really involved in policy-making discussions. This state of affairs derives from the fact that the authorities are not yet showing any real willingness to involve non-state actors such as workers' organisations in the process of economic development, as recommended by the Cotonou Agreements and the development partners. Furthermore, a survey of trade union officers at the various centres shows that more often than not, unions do not have the human resources and technical and operational capacities needed to take an active role in social dialogue on socio-economic issues by formulating suitable sustainable human development strategies that take into account workers' concerns on issues relating to employment, decent work and access to basic public and social services. These limited capacities are bottlenecks that prevent real trade union involvement in drawing up development policies.

That said, the initiatives taken since 2004 by the Workers' Trade Union Confederation of Togo (CSTT) and the creation of the Intersyndicale in 2005 have led to a new dynamic in the Togolese trade union movement, which is increasingly trying to boost its capacities, particularly as regards knowledge of the Cotonou Agreement and its mechanisms. To this end, seminars have been organised since September 2005 by the Intersyndicale, a number of trade union centres (CSTT) and the Democratic Trade Union Organisation of African Workers (ODSTA) in favour of trade unions, with a view to wider dissemination of the contents of the Agreement and EPA-related issues. The unions are thus starting to become aware of the importance of implementing the EPAs for local people and in particular workers. As yet, there is no organised and structured partnership between the authorities and the social partners (unions, employers) and other civil society players in relation to the Cotonou Agreement and the EPAs. However, with the new dynamic provided by the Intersyndicale, alliances could emerge between the trade union movement and the other players in civil society on these issues.

**B) 2nd group of ACP countries: involvement of trade unions and workers' associations but no real consideration of their demands**

The second situation is the situation that prevails in the ACP countries where there is involvement by trade unions and workers' associations but in practice their demands and observations are not really taken into account when implementing development policies. This is the case, for example, in Benin, Burkina Faso, Barbados, Jamaica, Surinam, Ghana, the Fiji Islands and Senegal. This group has reached the stage of dialogue and involvement in discussions on priorities, but real consideration of trade union and worker association demands has still to be negotiated and rounded off in order to prevent the existing dialogue from becoming a dialogue of the deaf, which would allow governments to exploit the social dialogue for their own purposes. Senegal is well on the way to resolving this problem by
means of institutional innovations. It adopted a tripartite national charter on social dialogue in 2002 and set up a National Social Dialogue Committee (CNDS). This second group illustrates a key characteristic of political regimes in many African countries, namely the presence of a purely institutional democracy that does not translate into real or tangible means of action.

In Burkina Faso's socio-political context, workers' social rights are respected and there are no major obstacles to the freedom of association and action. This framework has encouraged union activity in the country, which has seven trade union centres and over 10 autonomous and highly active trade unions covering the different sectors of economic activity. Thanks to the new guidelines governing implementation of the development strategies recommended by donors (Bretton Woods Institutions, UNDP, EU), the participatory framework set up by the authorities encourages greater involvement by the various non-state actors. These attempts at involving non-state actors are based on programmes implemented as part of poverty reduction strategies launched in 1996 with the UNDP and have been continued in the framework of the PRSP and MDG processes. It would seem that the various NSA components have been involved to a greater or lesser extent in implementing the comprehensive development strategies launched by Burkina Faso under the aegis of its development partners. However, the trade unions say that they are not very actively involved. They feel as if they are drowning in a sea of civil society players and believe that the way the involvement is organised needs to be overhauled. Working documents are sent out late, consultations are not well prepared and their concerns are not taken into account. Social dialogue is a firmly anchored reality in Burkina Faso insofar as it is based on a clear institutional framework that provides for different forms of dialogue. According to the unions, the Cotonou Agreement has not been an explicit catalyst for social dialogue.

In Mauritius, the National Tripartite Committee meets regularly to discuss the budget, wages and other matters. However, only some sectors are involved in preparing and implementing national development strategies, in particular education and health. Unions are often denied the power of initiative. Not all workers have access to information and those who do, do not always have the capacity to use and interpret it. However, a National Economic and Social Council (NESC), including trade union and civil society representatives, was set up in April 2002 with a view to establishing a social dialogue. It has enabled an ongoing and sustained dialogue, thereby preserving social harmony. Various reports on road traffic, AIDS and the integration of older people have been submitted to the Council.

In the Seychelles, the government regularly consults workers on important issues. However, their opinion was not mentioned in the national report compiled by the Seychelles in July 2002. Sectoral coordination remains inadequate. Trade unions lack the appropriate capacities, financial resources, paid officials, etc. which makes it difficult for them to take part in the sustainable development platform.

In Guinea, trade union involvement in drawing up development strategies is less obvious. This low level of involvement can be attributed to the climate of suspicion that exists between the authorities and the workers' organisations and the lack of political will on the government's part to involve unions in the different processes for formulating development policies. Under pressure from donors, the government has had to involve the unions and players in the implementation of the comprehensive development strategies currently under way, in particular the PRSPs, EPAs, MDGs and NEPAD, as well as the sectoral development strategies.
According to most trade unions, their actual involvement in these processes is not all that it should be. Analysis of the information gathered from Guinean trade union officers in the survey conducted by ODSTA on African trade union involvement and during PRSP and EPA training sessions, shows that unions in Guinea are usually only invited to attend strategy launch meetings and approval ceremonies, the relevant documents having been drawn up by government officials. The authorities do not take any measures to properly organise trade union involvement. In general, unions do not have detailed information about the strategies and receive the working documents and files later than they should. Invitations to attend meetings are also sent out at the last moment. They feel that they are drowning in a sea of civil society players and believe that their concerns are not being taken into account.

One final point: the Ghana TUC welcomes the Cotonou Agreement’s acknowledgement of the importance of non-state actors but laments the non-binding nature of the consultative measures implemented by the agreements. Involvement of non-state actors is only possible if the state wants to do so since the agreements give the state the power to decide whether or not it is appropriate to enter into dialogue with non-state actors. This means that the government can ignore trade unions on crucial issues. However, the Ghana TUC has observed some modest improvements over the past few years, although these cannot be directly attributed to the Cotonou Agreements.

The Ghana TUC thus acknowledges that there is a growing trend towards consultation of workers' organisations in the process of formulating the national development strategy and the Ghana Poverty Reduction Strategy (GPRS). Within this framework, it has made a series of proposals to the government with a view to promoting an active employment policy centred on creating decent jobs, increasing wages by setting a national subsistence wage, introducing tax exemption for low wages and reducing income inequalities. Specific proposals have also been made to use the informal sector to help to create jobs. The Ghana TUC has submitted its proposals to the government and published them in its newsletter, which has a very wide circulation.

However, the situation remains very unsatisfactory because the organisations are only getting involved late on in the process, which allows them little time to agree on a position. Moreover, the information on which they base their position is often inadequate. The government does not involve non-state actors as a matter of course, although they were consulted and involved in formulating the National Trade Policy (NTP) and the Trade Sector Support Programme (TSSP).

**C) 3rd group of ACP countries: involvement of trade unions with real consideration of their demands**

Finally, the third situation is the situation that prevails in the ACP countries where there is real involvement of the trade unions and workers' associations and where their demands are taken into account in policy implementation. This is the case in Barbados, where trade unions are respected and take part in negotiations on trade and government policy. This third group, which also includes Senegal, has already reached the stages of trade union involvement and real consideration of union demands in policy-making. However, ongoing caution and effort are still required to retain this power of initiative and prevent any decline in the situation.
Trade union life is very dynamic in these countries. Senegal, for example, has a dozen trade union centres representing workers and four representing employers. As in Togo, most are affiliated to international trade unions. The unions are very active in the various sectors of economic activity, which makes them a strong force in the country's social, economic and political life. The involvement of Senegalese unions in the process of formulating and drawing up development strategies is better structured than in some other countries in the sub-region like Togo and Guinea. This reflects greater awareness on the part of the non-state actors as well as a political willingness by the authorities to establish social dialogue in the country's economic and social life.

Senegal is firmly committed to implementing social dialogue, as is shown by the fact that a number of consultation and negotiation structures and consultation committees have been created. In 2002, the country also introduced a National Tripartite Charter on Social Dialogue, a social regulation instrument offering a framework for discussion and action that allows the state and the social partners to promote social dialogue and social protection by implementing various consultation, negotiation and information exchange mechanisms. The Charter aims, amongst other things, to: (i) expand social dialogue at all levels by strengthening the institutional framework in which it takes place to further enhance its efficiency; (ii) strengthen social dialogue mechanisms. The Charter, which entered into force in March 2003, applies to all sectors of the economy, both public and private, and to the informal sector. There is also a National Social Dialogue Committee (CNDS). At its first session in November 2005, various subjects were addressed, including: "Social dialogue: challenges and prospects", "Social dialogue and social protection", "Social security of government employees", "Recurrent crises in sectors such as education and health: diagnosing the problem and finding a solution" and "Social dialogue and changes in the world of work".

Rules on worker conduct have been drawn up in the framework of the Senegalese National Charter on Social Dialogue. Employees must, amongst other things: (i) help to find suitable solutions to problems that prevent the company from running smoothly, namely absenteeism, slackness, low productivity and incompetence; (ii) help to improve the working environment and conditions (health and safety) and the social climate (harmonious social relations within the company); (iii) alert their employer when they know of serious and imminent situations or hazards that could have a worrying effect on working conditions or the social climate within the company.

Given the political, social and economic context in Senegal, there would appear to be more active involvement of non-state actors (NSAs) in the various development strategies. The Cotonou Agreements have used this favourable environment to give the NSAs a shot in the arm. However, within this process other civil society organisations have been more dynamic than trade unions in exploiting the opportunities offered by the new cooperation framework between the EU and the ACP countries.

7 – Access to development cooperation resources

Most ACP trade unions are not aware of these funds and thus have had no access whatever to development cooperation resources. They are unaware of the procedures for accessing them and the mechanisms for requesting and using them. This goes to show that information is both inaccessible and very poorly circulated due to competition for development cooperation resources. In Ghana, for example, the TUC has very limited access to development
cooperation resources and the signing of the Cotonou Agreements has not made the process any easier. Information on available development cooperation resources is difficult to obtain, the conditions for accessing these resources are unclear and not being made any clearer while the conditions of use are too strict and not adapted to trade union capacities.

Further, in Rwanda, access to development cooperation financing channels for development projects remains complicated for workers’ organisations, which do not yet have enough information on the conditions for accessing this funding. The specific problems encountered when searching for funding for projects to improve living and working conditions for local populations are a lack of adequate information on all available development programmes and their access criteria, insufficiently transparent and undeclared access conditions and government reluctance regarding direct funding for organisations that are independent of the political authorities. The criteria for managing these resources are similar to those applying to the government, whereas the workers’ organisations do not have the same means of action as the government. The criteria are therefore too strict and not proportionate to the capacities of trade unions.

In practical terms, accessing development cooperation resources remains largely impossible given trade unions’ limited resources. They do not have enough information and human resources to carry out vital tasks at minimum cost. Also, the criteria for accessing and using funds are very restrictive and trade unions, with the capacities at their disposal, are generally not in a position to meet such stringent requirements.

8 – Trade union analysis of EPA challenges and proposed action

The new Economic Partnership Agreement, the effect of which will be to liberalise trade in both directions, aims to encourage the ACP countries to move towards more dynamic and sustainable growth. The EPAs could potentially result in far-reaching changes. For this reason, it is necessary as a matter of urgency to better understand the challenges associated with the agreement and determine what approaches should be taken and what resources mobilised to limit its negative impact on living and working conditions. EU/ACP cooperation is assumed to be an effective instrument: the trade unions see the Cotonou Agreement as a means of helping not only to enhance the role and place of civil society and trade unions in drawing up and implementing development policies but also of boosting economic growth, employment, inflation control and the access of populations to basic goods and services. However, socio-economic clauses need to be implemented within the EPAs in order to improve the respect for workers’ rights, tackle poverty and ensure sustainable development.

The concerns of all ACP countries centre around the liberalisation of trade and the all-out integration into the global market advocated by the Cotonou Agreement. They are concerned that their economies, still geared towards a colonial system of complementarity (i.e. as suppliers of raw materials), cannot stand up to the competition-based system (intra-industry trade) that drives modern global trade. As ACP unions see it, when you put two unequally matched fighters in a ring, freedom of action becomes the stronger man’s weapon. They think that EU/ACP cooperation will benefit the EU alone if the problems raised are not properly taken into account. Some sectors, such as basic goods, small-scale industry, agriculture and crafts, need to be protected by adding special mechanisms to the Cotonou Agreement.
Having financed and conducted a study into the impact of the regional EPA on its economy, Benin can confirm these general concerns. The study notes: (1) an erosion of protection (5% average drop in the nominal protection rate and 9% drop in the actual protection rate). This is resulting in a loss of competitiveness in all sectors of Benin's economy; (2) a 45.69% reduction in the overall offer of local products over the 12 years the EPA has been in place (i.e. an annual reduction of around 4%); (3) an increase of over 28% in imports from the EU and no notable effect on Benin's exports to the EU; (4) a drop in imports from ECOWAS (3.93%) and the rest of the world (3.49%); (5) a total loss in government revenue of around FCFA 175 billion resulting from a drastic fall in customs revenue (down FCFA 181.3 billion) and a slight increase in tax revenue from VAT (up FCFA 6.441 billion); (6) a general drop in domestic goods prices (FCFA 264.3 billion). The latter could result in a surplus and benefit consumers provided that retailers and distributors do not cream off the margins linked to the drop in customs tariffs.

Under these conditions, the unions seriously doubt whether the full market system advocated by the Agreement can be an effective development strategy for the countries in question. West African trade unionists, meeting in Sally, Senegal, in July 2005, took as their basis a trade union proposal made by the Beninese confederations in 2003, maintaining that negotiation of the EPA with the EU should continue (i.e. the opposite to the Stop EPA campaign launched by the NGOs). West African trade unionists therefore wish to: (a) slow the pace of the negotiations to give themselves time to assimilate the scope of the agreements; (b) involve the unions in the tripartite EPA negotiations at both regional and local level; (c) step up regional integration and the movement of goods and people; (d) take account of the region's need to determine trade and investment policies itself; (e) take proper account of the international labour standards and conventions set out in Article 50 of the Agreement with a view to guaranteeing the protection of workers' rights and take account of gender-related issues; (f) implement common sectoral policies, in particular on agriculture; (g) preserve nationally and regionally the rights granted to the Least Developed Countries; (h) bolster the capacities of national and regional economic operators; (i) identify and exclude certain sensitive products from the EPAs; (j) negotiate compensation for loss of revenue; (k) invest more in the development of infrastructure.

The Senegalese trade unions adopted a critical position towards the EPAs, which the EU and the ACP countries see as bridges by which countries like Senegal can enter the global economy. Overall, they see the expected effects of EPAs on the national economy, employment and the living conditions' of workers as harmful (access to public services and social services increasingly provided by privatised companies). The unions view the EPAs as instruments of unbridled trade liberalisation of the global economy, benefiting the WTO, the Bretton Woods Institutions and multinational companies at the expense of workers and trade unions. Hence implementing these new instruments would weaken the trade union movement.

In the case of Mauritius, trade liberalisation in the framework of the WTO, is compromising future competitiveness since as a result of its production costs the country cannot compete with the large emerging countries such as China with which it does not have a quota system or preferential tariffs. The textile sector is expected to shrink by 15% in 2005-2006 (a loss of 1.5% of GDP) and by a further 8% in 2007 (0.5% of GDP). Mauritius must therefore turn towards other production sectors with a high value added, such as horticulture. However, the country still seems very far from implementing such a strategy and its connections with the global market remain inadequate, although rapid progress has been made possible thanks to the development of ICT.
In Togo, the trade unions see the EPAs as a powerful instrument in favour of liberal liberalisation and an driver of globalisation that benefits EU countries more than the ACP countries. They acknowledge that the EPA process governing relations between Europe and the ACP countries from 2008 onwards will have a number of positive effects, but in general they believe that these are outweighed by the negative implications for the Togolese and ECOWAS economies. The positive effects identified by the unions include: encouragement of regional economic integration, increased competitiveness and increased volume of trade performed by national export companies. However, the unions think that the negative impacts will cancel out the anticipated positive effects. According to them, implementation of the EPAs will lead to company closures, job losses, an increase in trade deficits and reduced access to public and social services, in short a decline in working conditions, a deterioration in living standards and an increase in poverty. The economic sectors that will benefit from the EPAs are those in which foreign capital predominates and which are linked to export sectors (phosphate, cotton, coffee, cocoa). However, these sectors, which are undergoing restructuring, account for only a tiny proportion of workers. Furthermore, the division of value added within these companies works to the detriment of workers. Given these conditions, the unions believe that the strategies to be recommended for raising the country’s level of development should focus on the agricultural sector and social and public services.

Ghana, like most ACP countries, lacks the autonomy to decide on the direction, order and speed of the changes to be made as part of a development strategy. Although the ACP countries are ‘in the driving seat’, they must nonetheless comply with the guidelines set by the main development cooperation partners, namely the IMF, the World Bank and the European Union. It is clear that policies aimed at trade liberalisation and unregulated competition are not beneficial to the poor and vulnerable. Trade liberalisation is a subject of major controversy due to the imbalances between the profits and costs that it generates. The profits are concentrated in the hands of a small proportion of the population whereas the costs are borne by the most vulnerable. Imports of cheap products from China and the EU have led to the closure of many small production units. Trade liberalisation and insufficient resources to successfully perform an appropriate industrial policy have forced companies to engage in defensive competitiveness by cutting back on labour costs and health and safety regulations. Trade liberalisation has also tended to make Ghana a commercial society in which imported products occupy an increasingly important place. Production systems have been severely affected by this change, resulting in high levels of unemployment, particularly amongst young people in towns and cities. According to the Ghana TUC, it is vital to maintain a non-reciprocal relationship between the ACP countries and the countries of the EU. The EPAs must also safeguard the right to protect vital but non-competitive ACP sectors. Any system of complete and reciprocal liberalisation between the ACP and EU countries would be a disaster for the former and must be avoided. Safety clauses must also be provided allowing the ACP countries to raise their customs duties in the event of a massive influx of imported products in order to re-establish a balance. The appropriate use of such protective customs mechanisms could encourage the development of growth poles for future export revenue and also stimulate job creation. Moreover, the new sanitary and phytosanitary rules contained in the EPAs open the door to new forms of protectionism that would limit the access of ACP products to the EU markets. Finally, the loss of government revenue resulting from trade liberalisation must be compensated for so that it does not adversely affect government anti-poverty programmes.
The Cotonou Agreements offer real opportunities to bolster trade unions' capacities. The European Commission has pledged to expand the Sustainability Impact Assessment (SIA) and encourage shared assessments with partner countries and regions to help them better select priorities and mobilise external assistance. Thus, within the framework of the thematic programming and country and regional programming, the Commission will support actions to integrate decent work into the national and regional development and poverty reduction strategies, enhance the capacities of administrations and civil society organisations, involve the social partners and civil society in the development and poverty reduction strategies and step up external assistance for social adjustments in the third countries and regions engaged in trade liberalisation. In this context, the Commission has pledged to work with civil society and to foster social dialogue. To achieve this, it will support efforts to strengthen the technical capacities of the social partners and civil society and to develop institutions, mechanisms and practices to facilitate and bolster the social dialogue process, both bipartite and tripartite.

In view of this, it is important for trade unions to identify their own needs. The needs and priorities of trade unions are very similar across the ACP countries. Their needs are centred around four interdependent areas, namely information, intellectual and technical training, organisation and the improvement of institutional capacities.

As regards information, the unions are demanding a more efficient information system that will give them greater knowledge of the practical and political procedures associated with the Cotonou Agreement, which several union members say they know in basic and general terms. The intellectual and technical training needs of trade unions and their members are concentrated in the areas of globalisation (challenges of the globalised economy), macro-economic indicators (meanings, interpretations and limits), international trade, NEPAD and the WTO (institution, rules and modus operandi). The aim is to acquire a capacity for assessment and negotiation with state and international actors who generally sideline trade unions from discussions under the pretext that they have no understanding of international trade. As regards organisational shortcomings and needs, the emphasis is on creating (or strengthening) national, sub-regional and international synergies between trade unions. Consequently, the last union demand expresses the need to strengthen the institutional capacities of unions at national and regional level.

To this end, the priority ACP trade union demands are to: (1) enhance basic knowledge among trade union officers; (2) expand training on trade agreements, particularly for general secretaries and grass-roots activists; (3) identify individuals with trade-related knowledge and skills and help them to pass on that knowledge; (4) support a concrete lobbying plan on the issue of labour; (5) have the option of issuing publications; (6) have the financial support needed to undertake analyses and disseminate information amongst grass-roots activists; (7) enhance the participatory framework for trade unions and civil society in the negotiation process; (8) improve analyses of the informal sector and protection of informal sector workers.

According to the Ghana TUC, for example, workers' organisations have a good knowledge of the contents of the WTO and Cotonou Agreements and the challenges of globalisation.
However, the unions have inadequate human and financial resources when it comes to assessments, counter-assessments and negotiation. This is the result of a substantial reduction in the public sector workforce, de-industrialisation and informalisation, which have considerably reduced trade union membership and, consequently, resources.

Support for NSA capacity development, as provided for in the Cotonou Agreements, has not been forthcoming and the conditions governing eligibility for these resources are too restrictive for trade unions. Unions also have major difficulties accessing information on the existence of resources and the procedures for obtaining them. Another cause for regret is the competition between non-state organisations, whether NGOs, trade unions or others, for access to resources, which does nothing to facilitate the circulation of information.

In Guinea, in addition to the general context, which is not particularly conducive to social dialogue due to institutional weaknesses, government mistrust and poor dissemination of information, the trade union officers consulted acknowledge that workers' organisations have technical, organisational and operational weaknesses that represent obstacles to a real involvement in implementing the Cotonou Agreement and the EPAs. They believe that they lack the expertise and real capacities to draw up alternative development strategies in the social and economic fields.

According to trade unions in Rwanda, workers' organisations have a very inadequate knowledge of the contents of the Cotonou Agreement, the WTO rules and the challenges posed by the development of the globalised economy. Their capacity to assess, form counter-proposals and negotiate is currently non-existent. Regional cooperation amongst ACP workers' organisations in terms of organising themselves, working together and developing their expertise is still at an early stage and the level of international cooperation with the trade union movement in the North is also inadequately developed. Consequently, the priorities for developing capacities that will enable workers' organisations to play a full role in defining and implementing the development strategy are as follows: promote trade union expertise by recruiting and training the right number and kind of trade union officers; promote and strengthen trade unions' institutional and organisational performance; promote and strengthen grass-roots trade unionism for the benefit not only of workers but also of the local populations by means of socio-economic projects; promote and strengthen the financial autonomy of trade unions by means of projects that generate income and provide services for workers.

Finally, alongside the trade unions there are other kinds of associations, not all of which are recognised as NGOs by the international institutions, which are also concerned about the problems posed by the dominant economic and financial system in respect of human rights, the environment and so forth. The trade union movement can help to rally these forces and so create strong relationships that will support the changes it is advocating. It is therefore important to encourage and help these trade unions and civil society organisations to structure themselves more effectively, build networks, make themselves more representative and develop their capacity for analysis.
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