

CIVIL SOCIETY CALL ON GOVERNMENT NOT TO SIGN ECONOMIC PARTNERSHIP AGREEMENTS

We, the undersigned, are deeply concerned with the current status of the Economic Partnership Agreement that the Government of Malawi is negotiating with the European Union Member States through the European Commission. It is our assessment and belief that the EPAs in their current form and process are not going to benefit Malawians nor add value to their ability to get out of poverty and integrate into the global economy.

To this effect, we join hands with the leadership of Africa, which attended the EU-Africa Summit that took place in Lisbon, Portugal from the 8th-9th December 2007, in condemning this Partnership Agreement together.

In their discussions on trade with the EU, the African leaders underlined the importance of trade and development cooperation to the partnership they share with the EU. They stated that now more than ever, Africa needs economic partnerships that will see its people grow in economic power, and live at a standard commensurate to their dignity as human beings.

Our leadership was clear to the fact that the current Economic Partnership Agreement being negotiated between the EU and African and Caribbean Pacific Countries does not represent an agreement that can benefit their people economically and socially. Through the African Union, our leaders have called for the suspension of the negotiations until they can be reviewed at the beginning of 2008. The following are some of the reasons that our leaders cited:

1. That the negotiations as they stand will cause further de-industrialization on the continent as our countries are expected to open to EU exports deeply and broadly.
2. The EU wants to tie us into an agreement that reduces our policy space to consider other perhaps more profitable agreements with other regions like Asia.
3. Impact assessments are clear on the fact that the EPAs will bring with them a lot of adjustment and economic costs (like loss of revenue) to which the EU is non-committal to support entirely. The brunt of these costs will be borne by the poor people of Africa as is mostly the case.

We wish to state that much as we cherish the history that exists between our countries and the EU and the support that this country receives from the EU, we believe it is only right that Africa be given the policy space and opportunity to benefit from economic partnership agreements.

We alert the general public and civil society in Malawi not to fall to the intimidating and pressure tactics that are being used by the EU to 'convince' us these EPAs are good for us. After all from our own culture we know that "chinthu chabwino sachita kuyimbila ng'oma". We cite the following as just a few highlights of the issues still burning in our hearts:

1. Ministry of Trade and Industry and all stakeholders in the negotiations through the National Trade and Development Policy Forum (NDTPF) estimated

that Malawi would need a capital injection of a whopping 5.7 Billion Euros to take care of supply side constraints and other adjustment costs if it could stand a chance of benefiting from the proposed EPA trading framework. Without such an injection, Malawi would remain an exporter of primary commodities with little or no diversification. In other words Malawi would remain the way it is with full exposure to shocks that take place in the commodity market from time to time. The EU's response to this assessment is a mere 12 million euro donation. Not that we are begging from the EU to sort our problems, but that we are asking them not to cause further problems for us.

2. Malawi has been asked to liberalise 80% of all trade with the EU. Our assessment shows that this is too much for Malawi. We are a small and emerging economy with a lot of potential. History tells us that for the EU to reach it's current scale of economic muscle, it was a combination of policies aimed at boosting local production and local industries and one of such policies is the protection of local industries against unfair foreign competition. At this time the EPAs are eroding our policy and developmental space in this area.
3. We just ended another 25 year trade and development agreement with the EU that lasted from 1975 to 2000. In this partnership our exports to the EU dwindled; and supply side constraints remain an issue of our industries. What has changed to make us believe that these next 25 years with EPAs will be any different?

In addition to the above, we note that the much touted 'interim agreement' is not going to add any value to our partnership with the EU. We are worried with misinformation on the matter that leaves out the following at a minimum:

1. Malawi already has duty and quota free market access to the EU market under the Everything But Arms (EBA) Agreement without being requested to open up its markets in return.
2. Even without an EPA, Malawi continues to receive development support from our brothers and sisters from the EU through the European Development Fund (EDF) under the Cotonou Partnership Agreement. This is evidenced by the recent signing of the MK90 billion between the two parties.
3. Malawi is now going to sign an EPA with the EU as a single country rather than a bloc of countries as was originally envisaged. The EPAs now are putting Malawian market in direct competition with the European market unnecessarily at a time when we are slowly on the up, with Malawians hopeful of building up the jobs, industries and livelihoods that had been lost in the past through initiatives such as the Structural Adjustment programmes (SAPs) similar to this one.

To this end, we make the following proposals to our Head of State and Government, His Excellency Dr. Bingu Wa Mutharika, President of Malawi and the people:

1. That the Government asks the WTO members for a waiver allowing the EU to continue granting Malawi duty free access. This is allowable in article IX (3)

2. That the Government considers all alternatives other than having this Free Trade Agreement with a Union whose industry and agriculture sector is far more advanced and heavily subsidised than our own.
3. That there be a review of Malawi's position in the negotiations and the EPA process as a whole (as was agreed during the African Union meeting in Ghana).
4. That the government negotiators prioritise in the negotiations the hard working Malawian for their tireless efforts to secure a livelihood through agri-business or entrepreneurship.

If the government goes ahead signing EPAs in this non-developmental agreement, it will be demonstrating that it does not care about the rights of its people. In an ideal situation, as citizens, we could be compelled to challenge the government in court for violating our rights and possibly seeking compensation. But we realise however, that the mere fact that the EPA violates the right to development does not make them invalid and poses irrevocable challenge to the government. The EPA is a Treaty and under Article 27 of the Vienna Convention on The Law of Treaties, Malawi if it signs as party may not invoke the provisions of its internal law as justification for its failure to perform a treaty. Thus, once the EPA is signed Malawi cannot use its internal laws as reason not to comply with the EPA. Hence the government needs to demonstrate it is prioritising the people, who under no constitution can challenge the EPAs even where the EPAs violate the right to development. Thus the Malawi Government will have to ensure that its acts are not detrimental to the objectives of the EPA that it signs.

Thus by signing on to the EPAs in their current form, the government of Malawi will be tying the citizens into 25 years of acrimony. We, therefore, call on the government NOT to sign the agreement.

Signed:

- Malawi Economic Justice Network (MEJN)
- ActionAid Malawi (AAIM)
- Malawi Health Equity Network (MHEN)
- Maphunziro Foundation
- Manerela
- Institute for Policy Interaction (IPI)
- Centre for Human Rights and Rehabilitation (CHRR)
- National Smallholder Farmers Association of Malawi (NASFAM)
- Joint Oxfam Programme in Malawi
- Youth and Children Shield