



# HOW TO PROMOTE HUMAN RIGHTS THROUGH EU TRADE POLICIES ? THE ROLE OF CIVIL SOCIETY, BUSINESS AND BENEFICIARY COUNTRIES IN THE GSP+

## INTRODUCTION

On 28 November 2018, Democracy Reporting International (DRI), brought together over 60 prominent trade and human rights experts, representatives from GSP+ beneficiary countries, civil society, the business community, EU institutions, as well as academia for the conference “*How to Promote Human Rights through EU Trade Policies? The Role of Civil Society, Businesses and Beneficiary Countries in the GSP+*”. In light of the third GSP+ monitoring cycle following its latest reform, participants discussed how to amplify the effectiveness of the EU’s GSP+ trade instrument in boosting human and labour rights, in relation to the roles various stakeholders play within the scheme.

In most developing countries economic growth and export opportunities do not go hand-in-hand with improvements in citizens’ enjoyment of fundamental human and labour rights. The EU is promoting sustainable development and human rights through its trade instruments, in particular the Generalised Scheme of Preference Plus (GSP+). The scheme currently grants nine countries (Armenia, Bolivia, Cabo Verde, Kyrgyzstan, Mongolia, Pakistan, Paraguay, the Philippines and Sri Lanka) better market access for improved protections of human rights, labour standards, environment and good governance.

The event drew on lessons learned from several projects implemented by DRI in the framework of the GSP+, including a three-year EU-funded project Promoting Human and Labour Rights through GSP+. DRI, in cooperation with local partner organisations, is using the opportunities created by the

scheme to inform and empower citizens so they can claim their rights under the scheme’s [27 UN and ILO Conventions](#). Local partners carry out monitoring of key human rights issues as well as consultations on the situation of human and labour rights engaging with citizens’ organisations, trade unions, the business community and local authorities. In this way, new spaces of dialogue are opened between groups that do not usually sit at the same table to discuss human rights issues.

Michael Meyer-Resende, Executive Director of Democracy Reporting International, opened the conference with introductory remarks on the scheme’s positive conditionality, providing an opportunity to spread the conversation about human and labour rights to groups traditionally not involved. At a time where the human rights idea loses support among many people, he noted that the GSP+ connection of human rights and increased business offered new perspectives for supporting the cause. With the 70th anniversary of the Universal Declaration of Human Rights around the corner, in her opening comments Chiara Adamo (Head of Unit for the European Commission’s DG DEVCO unit on Human Rights, Gender, Democratic Governance) underscored that this is a particularly opportune time to re-engage strongly with the partner countries. As GSP+ is one of the most potent tools in the EU toolbox, she advocated it should be employed to champion for the implementation of the UN Guiding Principles on Business and Human Rights (UNGPs).

## CHALLENGES AND OPPORTUNITIES OF THE GSP+

Speakers at the first panel delved into challenges and opportunities of GSP+. A common theme discussed was that of the scheme’s economic dimension. Walter Van Hattum (DG

TRADE) explained that some countries, like Pakistan, followed by the Philippines, have a large scheme utilisation rate and have increased their exports to the EU thanks to the GSP+. The other seven beneficiary countries however, utilise the scheme very little. This is due to lack of political will, lack of scheme awareness, lack of administrative capacity, and/or a lack of economic incentive, as some products do not meet EU import standards or the country cannot/does not produce enough to export to the EU. An additional question, which is under-researched, is whether even in Pakistan and the Philippines, the increased exports benefit the poorest segments of the populations, which is the main goal of the scheme stated in the GSP+ regulation.

Benedict M. Uy (Embassy of the Philippines) echoed the sentiment that the GSP+ had a large positive economic impact in the Philippines, including on foreign direct investment of companies that seek to export under the privileged customs to the EU. He added the scheme could be rendered even more effective by capitalising on its gravitas and tenacity. In terms of gravitas, he reasoned GSP+ must develop enough scale and leverage for beneficiary countries to take it more seriously, while tenacity refers to the fact that results cannot be seen overnight and that continuous engagement with partners remains essential.

In Cabo Verde the scheme has also been valuable, observed Octavio Gomes (Ministry of Foreign Affairs and Communities, Cabo Verde), where GSP+ has encouraged civil society to become a more active player. In this vein, Mr Van Hattum also described several instances of the scheme's positive effects. For example, in the Philippines, the ILO Convention on the right to organise in the public service was unlikely to have been signed if not for GSP+. Many panellists however, noted that it had not helped to push back the significant number of extra-judicial killings in the Philippines. This point led to discussing a key challenge of the scheme, namely the use (and lack thereof) of the scheme's withdrawal mechanism. This theme was also taken up by Anis Haroon (National Commission of Human Rights, Pakistan), who stressed that GSP+ should have a stronger accountability mechanism in relation to the poor human rights situation in Pakistan.

## THE ROLE OF BUSINESSES IN THE GSP+

The second panel revolved around the role of businesses in the GSP+ and whether they should be involved in monitoring and/or be monitored themselves. Georgios Altintzis (Trade Policy Officer, International Trade Union Confederation) underscored that businesses play a pivotal role in pressuring governments to address shortcomings. While big European importers play a major role, often they are not aware of human rights' violations occurring many layers down the supply chain. Outsourcing of production results in a de facto outsourcing of responsibility. Mr Altintzis noted that the EU is the place where the big companies exist, with supply chains extending to the rest of the world, and that there is a need to shift human and labour rights' compliance from beneficiary countries back to European importers. Panellists discussed that if UNGPs on

business and human rights were mandatory – or at least part of the GSP+ conditionalities – it would lead to a change of the current business practices.

Rudi Delarue (Deputy Head of Unit, DG Employment, European Commission) followed-up, observing the strong interplay between various dimensions of human rights. A case in point, it being difficult to have a right to assembly when the rule of law is feeble – in cases like this, it is questionable what businesses could actually do to improve the situation. Stuart Newman (Senior Legal Advisor, AMFORI) agreed; in his view the influence businesses can have on gross human rights violations is close to zero, such as in the case of Myanmar, but the impact it can have on labour conventions can be substantial.

## THE ROLE OF CIVIL SOCIETY IN THE GSP+

Lenka Vitkova (Team Leader Human Rights, DG DEVC0, European Commission) kicked-off the final session stating the clear role of civil society in the GSP+ agenda and its importance given the worldwide trend of “shrinking space” for civil society. She stressed the need to not take GSP+ as an isolated tool. She sees it as a human rights scheme, not a trade scheme – part of a political dialogue among political players and just one part of the EU's toolbox. Her recommendation being to take a strategic long-term look on how to involve civil society more in dialogue.

In the Sri Lankan political context, GSP+ is seen as an instrument of Western imperialism, observed Paikiasothy Saravanamuttu (Executive Director, Centre for Policy Alternatives, Sri Lanka). He believes engagement of civil society in the GSP+ monitoring process is insufficient and criticised that the EU overlooked serious remaining human rights challenges when [reinstating the GSP+ status to Sri Lanka in 2017](#). He further described some of the practical obstacles surrounding civil society engagement in the scheme's monitoring process, recommending consultations not be restricted to merely a few urban unions, but done further afield and conducted in local languages.

Ben Vanpeperstraete (Lobby & Advocacy Coordinator, Clean Clothes Campaign, GSP Platform) picked up this argument, noting that the moment the scheme was re-awarded to Sri Lanka there was no longer any incentive for the government to engage with civil society. Panellists discussed what they considered to be an unclear nature of civil society involvement in a process that Ms Vitkova herself described as fundamentally a political dialogue between governments. Mr Saravanamuttu contended however, stating if dialogue is primarily between governments then the entire panel discussion is unproductive. He argued if civil society is really to be part of the GSP+ then the EU must do the hard work and have thorough consultations, otherwise the process is a facade.

Describing the experience of a different GSP+ country, Marina Ayvazyan (Programmes Development Manager, Eurasia Partnership Foundation) explained that the EU Delegation in Armenia has been successful in having regular dialogue with

civil society, but separately from business and government. She believes it would be more beneficial for the EU to bring all stakeholders to the same table, as it would foster much needed awareness raising of the scheme. She believes this is particularly the case with the business community, where possible advantages of GSP+ – which could give lots of benefits to SMEs – are not well known.

## POSSIBLE REFORMS

Suggested improvements to the scheme was a cross-cutting topic among the panel discussions. In addition to the ideas on how to better include civil society in the [monitoring process](#), there was the ongoing discussion of whether the country Scorecards should remain confidential or made public to make the process more transparent. A Scorecard is a list of issues that the Commission prepares for each GSP+ country. It highlights progresses and relevant shortcomings that should be addressed by the country in order to effectively implement the 27 Conventions. The EU keeps Scorecards confidential “to build trust between the parties that subsequently discuss it”; meanwhile several organisations have suggested that the confidentiality inhibits key players (e.g. civil society organisations and labour rights organisations) from fully participating in the monitoring process. Mr Vanpeperstraete (GSP Platform) proposed moving away from Scorecards instead towards country Roadmaps where governments lay out their plans for fully adhering to the 27 Conventions.

The other main discussion centred around the scheme’s withdrawal mechanism, of how and when it should be triggered, as happened for [Sri Lanka in 2010](#). Mr Newman (AMFORI) delved into the technicalities, noting that if Article 19 (i.e. the regulation’s withdrawal mechanism) is triggered, the first and hardest hit people will be the workers. That being said, he maintained the only way to show the scheme’s credibility is to remove the preferences in cases of non-compliance, and that hopefully the mere threat of withdrawal would incentivise improvements. He also discussed the timeline of possible suspension itself takes 16-18 months and that the Commission highlights concerns prior – giving the beneficiary country plenty of notice to change behaviour before withdrawal occurs.

Another possibility is a modification to the scheme, whereby there is the option for partial withdrawal, i.e. only certain sectors are penalised for failing to adhere to the conditionalities of GSP+. On the other hand, several speakers felt that the scheme should not be further complicated. Newer ideas were also floated, such as Mr Altintzis’s (ITUC) proposal to bring the GSP+ and its 27 Conventions under the WTO, in the framework of its current reform.

## CONCLUSION

There is a general appreciation of the GSP+ from most of the involved stakeholders: in some countries local businesses benefit from new trade opportunities; civil society recognises it as an additional opportunity of engagement with the government and an advocacy tool at the international level; international businesses appreciate the scheme’s simplicity

and its predictability in the fact that possible sanctions are announced well in advance. Nevertheless, there is a common agreement on the need to further improve the scheme.

As the panels’ discussions indicate, proposed suggestions reflect a wide range of views on GSP+. Some, like Mr Newman (AMFORI) reiterated that the scheme’s primary aim is to reduce poverty. Meanwhile, representatives from the Commission (DG DEVCO) stressed GSP+ as a human rights scheme, not a trade scheme. Ms Vitkova took it a step further, emphasising its role as a political tool and characterising it as a government to government scheme. These various views coincide with the different views on stakeholders’ roles too, such as the extent of the roles of civil society and business in GSP+ and its monitoring process. CSO representatives present called for more formalised and regular EU consultation of civil society, however other panellists underscored the primary role of governments in the scheme’s dialogue. The question of businesses role and whether they can have a positive impact on human rights, or more on labour rights, also remained an important query.

Numerous proposals to improve the scheme have been suggested and it remains to be seen what changes the Commission may take after the next progress report is due in January 2020. It is a strategic time for the GSP+, as the scheme is in its third monitoring cycle following its latest reform.

## ABOUT DEMOCRACY REPORTING INTERNATIONAL

Democracy Reporting International (DRI) is a non-partisan, independent, not-for-profit organisation registered in Berlin, Germany. DRI promotes political participation of citizens, accountability of state bodies and the development of democratic institutions world-wide. DRI helps find local ways of promoting the universal right of citizens to participate in the political life of their country, as enshrined in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

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