

12-14 August, 2008, Auckland, New Zealand.

Pacific Civil Society Organisations Statement on Trade Justice:

Preamble:

Pacific NGOs, churches and trade unions working on trade justice issues are concerned about the push for free trade agreements in the Pacific and the grave risk that these agreements pose for our people. For much of the past decade Pacific Island Countries have faced pressure from our developed country partners, international financial institutions and aid donors to move towards trade liberalisation through free trade agreements (FTAs) and through joining the World Trade Organisation (WTO). With the recent collapse of the Doha rounds in Geneva still fresh in our minds a key consequence is a race by a number of countries to secure an expansion of their overseas markets through bilateral and regional free trade agreements.

Here in the Pacific, the region is currently involved in negotiating the services component of the Pacific Island Countries Trade Agreement (PICTA), a highly controversial Economic Partnership Agreement (EPA) with the European Union, and the fast-tracking of the Pacific Agreement on Closer Economic Relations (PACER+) with Australia and New Zealand.

The hardline approach taken by the European Commission on behalf of the European Union, and signals that Australia and New Zealand are likely to take a similar approach in putting their own economic and business interests ahead of the development aspirations of the people of the Pacific, in the view of Pacific NGOs, Churches and Trade Union is, in direct violation of the principles of good governance. Such inequitable trade agreements pose grave risks for our people and future generations.

The Vision of our leaders in 2004 in Auckland, New Zealand states "The Leaders believe the Pacific can, should and will be a region of peace, harmony, security and economic prosperity, so that all of its people can lead free and worthwhile lives". Signing these free trade agreements will threaten the fulfilment of this vision.

Development must now be the central focus for developed partners, donor agencies and other international agencies whose preoccupation with trade liberalisation and open markets has been shown to fail to address the development concerns of the developing world. Trade is obviously important for the Pacific but it must be harnessed to the service of development in the region.

Key Demands:

Discussions on the future trade relations between the Pacific Island Countries and Australia and New Zealand should be wide ranging and focus on utilising trade to reduce poverty. To this end, all alternatives to a WTO-compatible free trade agreement should be investigated.

The Pacific Islands Countries (PICs) are under no obligation to conclude a reciprocal free trade agreement with Australia and New Zealand. Any change in the trade relations with Australia and New Zealand is likely to have a large impact on the smaller partners, and so a thorough investigation of all alternatives should be undertaken and considered. In

acknowledgment of the special and different circumstance of the PICs, Australia and NZ should offer the region alternatives to a WTO compatible free trade agreement (FTA). Alternatives could include improvements to the status quo (SPARTECA) with a focus on overcoming the difficulties the Pacific Island countries and their peoples have had in utilising their access Australian and New Zealand markets to overcome poverty.

Labour mobility schemes should not be linked to PACER-Plus negotiations in any way.

Temporary labour mobility schemes that enable Pacific Island workers to temporarily enter Australia and NZ are potentially welcome new development in the relationship between Australia and NZ and the Pacific Island Countries. However temporary labour mobility schemes need to be well managed to ensure that social costs are minimised and there are positive development outcomes for Pacific people – helping to ease unemployment pressures, providing remittances for Pacific communities, and providing valuable training for returning workers.

Both Australia and NZ face a shortfall of available labour, especially for their horticulture sectors. This shortfall has economic costs, particularly in rural and country towns. Therefore, temporary labour schemes have positive outcomes for Australia and NZ. These can be structured as “win- win” agreements. Therefore they should not be used as bargaining chips in negotiations to create pressure for trade liberalisation in PICs. Labour mobility schemes, such as NZ’s pilot ‘Recognised Seasonal Employer’ (RSE) scheme (or any similar scheme in Australia), *must be completely separated* from PACER-Plus negotiations.

If Australia and NZ are genuine and want to help the Pacific to improve its trade opportunities, they should do so now.

International trade can contribute to development in the Pacific Island Countries, providing new sources of livelihood and capital through the export of Pacific products and services. Australia and NZ can help the Pacific improve its trade opportunities right now.

Temporary labour mobility schemes allowing Pacific workers entry into Australia and NZ, improvements in Rules of Origin requirements, removal of trade barriers (including Australia’s kava ban) and assistance with meeting necessary sanitary and phytosanitary rules in Australia and NZ are all initiatives that would expand Pacific export opportunities. These initiatives can all be undertaken without requiring a new FTA between Australia/ NZ and the PIC’s.

An adequate structure for trade negotiations must be established well before the Pacific Island Countries engage in any new trade negotiations with Australia/NZ.

Pacific Island Country trade ministers have put forward a proposal for the establishment of an Office a Chief Trade Advisor. This office, to be based in Port Vila, Vanuatu, would assess the PIC’s offensive and defensive positions in any potential FTA negotiations with Australia and NZ. This office would also help to coordinate Pacific negotiating strategies, and could build capacity of national trade officials within the region.

Australia and New Zealand have not accepted the proposal of Pacific Island governments to establish regional negotiating framework. We are concerned at the implication that Australia and New Zealand would prefer to negotiate with its far smaller developing partners on a national level.

It is incumbent on all our Pacific Island leaders to maintain regional solidarity to secure the best development outcome for all its people and members as it's first and foremost priority.

Pacific Island Countries must also have the time and space to undertake a thorough social impact assessment of any new FTA with Australia and NZ, and to review the implications of an FTA for Pacific legislation and for the policy space available to Pacific governments. CSOs need to be centrally involved in framing and undertaking such research.

Australia and NZ must take into account the fact that PICs are currently involved in contentious FTA negotiations with the EU, and are negotiating a new trade agreement amongst themselves. We call on Australia and New Zealand to recognise that any negotiations should not be initiated until the completion of EPA and PICTA negotiations.

Capacity building for Pacific Island Country trade officials should not be driven by Australia and NZ.

Pacific countries have widely acknowledged capacity constraints when it comes to engaging in free trade negotiations. Australia and NZ have expressed a willingness to fund training for Pacific trade officials – to enable them to better engage in free trade negotiations. However, a clear conflict of interest arises when training programmes are directed by Australia and NZ. Trade officials from Pacific countries need independent and objective sources of information, training and capacity building in order to engage in trade negotiations with Australia and NZ.

Research regarding trade and development in the Pacific, including assessing the impact of trade liberalisation and the suitability of free trade agreements, should not be driven by Australia and NZ.

Studies in relation to any new FTA between the PICs and Australia/NZ have to date been funded by Australia/NZ and have focussed narrowly on the 'benefits' of a new FTA and ways to overcome acknowledged costs – described as 'adjustment' costs.

Research on Pacific trade and development options should be undertaken that draw on Pacific researchers and wide consultation within the PICs, including with Pacific civil society organisations, trade unions and church organisations. Studies are required to assess potential alternatives to a WTO compatible FTA (with its acknowledged 'adjustment costs'), to assess the implications of a new FTA for the Pacific's environment, natural resources, land and cultures, to assess the implications of a new FTA for Pacific legislation, and to assess the loss of policy space available to Pacific governments on signing a new FTA. Research of this kind would enable Pacific governments and trade officials to make more considered decisions in relation to trade and development policy – and the suitability of new FTAs in the Pacific. It is essential that research and assessment derives from experience in communities and business, not from theoretical models.

Studies relating to trade liberalisation in the Pacific should not in any way be directed by Australian and NZ governments.

Pacific Civil Society Organisations (CSOs) should be included in all capacity building initiatives and be involved in all aspects of trade and development policy creation (including consideration of any new FTAs, and during the negotiation of those FTAs).

Civil society organisations, including church organisations, trade unions, women's organisations, farmers' organisations, and organisations working on issues of livelihoods, gender, youth, health and education should be involved in the construction of trade policy in the Pacific Island Countries. Governments in the region need to ensure that international trade is placed at the service of social development that is also ecologically sustainable. Pacific CSOs can play a key role in making sure trade is placed at the service of those goals.

Free trade agreements in particular, will have impacts in all areas that Pacific CSOs work in. CSOs should be consulted extensively when considering new free trade agreements, and in an ongoing manner throughout trade negotiations.

For our part, Pacific CSOs undertake to work collaboratively and with the aims of ensuring that trade agreements create real benefits for Pacific people.

This statement has been endorsed by:

Pacific Island Association of NGOs (PIANGO)

Pacific Network on Globalisation (PANG)

Pacific Conference of Churches (PCC)

Pacific Foundation for the Advancement of Women (PACFAW)

Oxfam New Zealand

South Pacific and Oceanic Council of Trade Unions (SPOCTU)

Vanuatu Association of NGOs (VANGO)

O Le Siosiomaga Society Incorporated (OLSSI) – Samoa

Fiji Women's Crisis Centre (FWCC)

Fiji Council of Social Services (FCOSS)

Partners in Community Development Fiji (PCDF)

Samoa Umbrella for NGOs (SUNGO)

Federated States of Micronesia Alliance of NGOs (FANGO)

Development Resource Centre (NZ)

Tuvalu Association of NGOs (TANGO)

Council for International Development (NZ)