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**Labour standards in EU-ACP relations:  
what explains for their limited role?**

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## **Introduction**

In the Preamble of the Cotonou-Agreement, both the EU and the ACP countries express being “anxious to respect *basic labour rights*, taking account of the principles laid down in the relevant conventions of the ILO” (OD0). This reference to ILO-type, fundamental labour rights creates many expectations with regard to the EU’s commitment to promote labour standards in ACP-countries. In practice, however, the EU seems to be reluctant to use its market power to promote compliance with fundamental labour standards, particularly when comparing with other political elements of the agreement, such as the promotion of (general) human rights, good governance and democratic principles. The question is, how can we explain this?

The objectives of this paper are therefore two-fold. First of all we aim to critically review the EU’s commitment to the promotion of labour standards in ACP-countries, by looking at the concrete implementation of the main political pillars of the Cotonou-Agreement since its first signature. Secondly, we will try to formulate an alternative explanation for this lack of attention for labour standards, based on a model where two elements are crucial: the prominence of the Member States when negotiating association agreement and the role played by national political parties when societal interests are to be aggregated.

## **Labour Standards and the EU’s Preferential Trade Agreements**

As a result of an increasingly competitive global economy, the link between labour standards and international trade agreements has been the object of controversial political debates both at national and international levels. On one side of the political debate, proponents of a “social clause”, mostly trade unions and industrialized countries, usually invoke fears of unfair competition (engendering a “race to the bottom”) and moral concerns when advocating a clear linkage between international labour standards and the liberalization of international trade (Bhagwati, 2001). Opponents of this linkage, usually employers’ organizations and developing countries, base their argumentation on the questionable claim that linking social standards to trade in fact represents a disguised form of protectionism (Lee, 1997). Higher labour standards are seen as additional factors hampering the growth potential of developing countries.

At the World Trade Organization, the linkage of international labour standards to trade has been discussed during several occasions. Despite of the efforts of several governmental and non-governmental proponents of a “social clause” to include these international labour standards to the global trade agenda, the 1996 Singapore Ministerial Declaration and later the Doha Declaration of 2001

somehow consolidated a practice in the other direction.<sup>1</sup> The International Labour Organization has been recognized as the only institution competent and capable of dealing with multilateral harmonization of labour standards, also in their connection with international trade.

Unsatisfied with this consensus and unhappy about the reluctance of powerful groups of developing countries inside the WTO to include the most fundamental international labour standards to the global trade agenda, several industrialized countries usually considered as proponents of a social clause (such as some Member States of the European Union and the United States) have been trying to bypass this status-quo by promoting the national internalization of these standards through preferential trading arrangements. In a bilateral or unilateral context, a stronger bargaining power clearly results in an increased capacity to promote compliance to international labour standards by trading partners in the developing world.

In the European Union, the best example of a preferential trading scheme conditioning market access to the promotion of international labour standards can be found in the Generalized System of Preferences. Through this trade policy instrument, unilateral trade preferences may be granted (the “carrot”-component) or withdrawn (the “stick”-component) in accordance with efforts made by beneficiary countries to promote these standards.<sup>2</sup>

Besides the GSP, the European Union recognizes the promotion of labour standards as to be an important element of bilateral trade agreements negotiated with third countries (OD 2). Almost all EU bilateral trade agreements contain a chapter or paragraph on “cooperation on social issues” and a clear reference to some of the core international labour standards is made in the Trade and Development Cooperation Agreement with South-Africa and the Association Agreement with Chile (OD3&OD4).

A first glance at these social provisions might create the impression that the EU is unambiguously committed to promoting fundamental labour standards worldwide, especially because the benchmarks used to evaluate the respect of these labour rights by the contracting parties seem to be stemming from international rather than national labour law (Grynberg and Qalo, 2005) . When looking at the enforcement mechanisms of these “social provisions”, however, the picture becomes more blurry. In its latest communications, the European

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<sup>1</sup> Cf. Par.8 “We reaffirm our declaration made at the Singapore Ministerial Conference regarding internationally recognized core labour standards. We take note of work under way in the International Labour Organization on the social dimension of globalization” (OD1)

<sup>2</sup> For a critical account on the Generalized System of Preferences and the ability of the EU to promote international labour standards through this preferential trading scheme: (Orbie, 2006)

Commission has rejected a sanctions-based approach to labour standards.<sup>3</sup> Instead, the emphasis is put on the institutional set up of dialogue (information exchange) and the provision of technical assistance with the aim of improving domestic legislation and enforcement. The methods used for the promotion of labour standards are thus more in line with the “soft governance” - approach used by the International Labour Organization.

### **Fundamental Labour Rights as an “essential element” of the Cotonou-Agreement**

In the EU's web of bilateral trade-agreements with third countries (and essential elements and social clauses sticking to it), future Economic Partnership Agreements with the ACP-countries seem to occupy a special place.

Already in the Preamble of the Cotonou-Agreement, signed in 2000 by 15 EU Member States and 77 ACP-countries, the contracting parties express being “anxious to respect *basic labour rights*, taking account of the principles laid down in the relevant conventions of the ILO” (OD0). This reference to ILO-type, fundamental labour rights cannot be found in any of the preambles of other association or trade agreements with third countries. Moreover, a strong commitment to respect fundamental social rights is reiterated in two other provisions of the agreement. First, it forms an integral part of the “essential and fundamental elements”, where it stands on an equal footing with the other main political pillars of the Agreement such as human rights, democratic principles, the rule of law and good governance.<sup>4</sup> In this respect, Article 9, including both the essential and fundamental elements, states that: “the Parties undertake to promote and protect all fundamental freedoms and human rights, be they civil and political, or economic, social and cultural” (OD0).

The agreement also determines that human rights (including fundamental social rights), democratic principles and the rule of law are to be the subject of a structured political dialogue (Article 8). Besides that, just like in other trade and cooperation agreements, these essential elements are linked with a non-execution clause (Fierro, 2001: 43). A substantial breach of these elements may lead to an invitation to consultations and eventually, “appropriate measures” may be taken, according to the procedure described in Article 96 (OD0).

Next to the prominent role of social rights in the essential element, other labour rights provisions were included in the trade chapter of the Agreement (Article 50: “Trade and Labour Standards”), which formed the basis for future negotiations of

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<sup>3</sup> Speech Peter Mandelson, “Trade policy and Decent Work Intervention”, at the EU Decent Work Conference, 5 december 2006, OD 5 and OD 6

<sup>4</sup> Note here that human rights (including social rights), democratic principles and the rule of law constitute the “essential elements” whereas good governance is seen as a “fundamental element”.

the Economic Partnership Agreements (EPA's). More, in the EPA-negotiations' directives adopted by the Council of Ministers in 2003, it was stated that in the preambles of these future agreements special reference would be made to "the commitment of the parties to the respect for human rights, *including core labour rights*, democratic principles and the rule of law, which constitute the essential elements of the ACP-EC Partnership and to good governance, which constitutes a fundamental element of the ACP-EC Partnership" (OD7). The revision of the Cotonou-Agreement in 2005 did not alter the importance given to fundamental social rights in any way. On the contrary, it provided for a more structured and robust political dialogue prior to consultations in the sense of Article 96 by clarifying in detail the modalities of this dialogue.

Despite of all the formal attention given to fundamental labour rights, a paragraph in the Cotonou-Agreement mentioning that "fundamental social rights should not be used for protectionist purposes" (Article 50. 3) (OD0), somehow suggests that the relationship between human rights, democratic principles, rule of law and good governance on the one hand and fundamental social rights on the other hand is not as equal as it seems. More than the formal aspects of the agreement, however, the practice of implementation of the Cotonou-acquis has shown how respect for fundamental social rights has not been pursued by the EU with the same degree of assertiveness as the other essential and fundamental elements.

Since the signature of the Cotonou-Agreement, at least seven consultation procedures in the sense of article 98 have been started. The most notorious and extended case of consultations were held between the European Union and Zimbabwe. Based on a UK initiative, the Council sent a letter to the Zimbabwean authorities to initiate consultation meetings in November 2001. Previously, though laws were adopted in Zimbabwe, one on public safety threatening any person found guilty of seeking to overthrow the government or undermining the authority of the president to the death penalty or life imprisonment, and the other amending the electoral law to exclude most Zimbabwe nationals living abroad from the right of vote during presidential elections to be held on 9 and 10 March 2002 (OD8).

The direct cause of the initiation of consultations, however, was the refusal of Zimbabwean authorities to accept the European offer to send an exploratory electoral observers' mission for these elections. The invitation letter clearly outlined the EU's concerns about political violence, the preparation and organization of free and fair elections, respect for the freedom of the press, the independence of the judicial system and the illegal occupation of farms owned by white settlers (OD9).

Consultations were closed on January 28 as the General Affairs Council decided to inflict targeted sanctions on Zimbabwe if authorities prevented the deployment of EU observers and the access of international media to cover the elections, if serious deterioration in the situation on the ground was noted (in terms of violation of human rights or attacks on the opposition) and if the evaluation of the elections reveal that they were not free and fair (OD10). As the electoral process showed many shortcomings, to the extent that several members of the electoral observation mission had to leave the country, the Commission adopted a text with possible sanctions and a decision was taken by unanimity in the Council to implement smart sanctions (mainly the freeze of assets, visa bans and an embargo on weapon exports) on February 18 2002 (OD11). The implementation of these sanctions has been extended in 2004 and more recently in February 2007.

Besides the Zimbabwean case, other consultation procedures with less dramatic consequences were held, among others with Ivory Coast and Guinea. In the case of Ivory Coast, consultations were launched following the country's failure to implement a previous national agreement on the preparation of the country's 2005 elections. Next to concerns on the human rights situation particularly in the northern part of the country, the EU was especially displeased by the obstacles put by the Ivorian authorities to a EU financed audit of the management of the country's cocoa sector (OD12). In the Guinean case, consultations were held in 2004 with the same objective of taking a closer look at the worsening of the democratization process, criticized by the EU since the presidential elections of December 2003 (OD13).

Not all consultation processes were the result of a deterioration of the domestic political situation in ACP-countries. Following a "carrot"-logic, the EU decided for instance to gradually relaunch cooperation both with Liberia in 2002 and Togo in 2004 based on results of successful consultations. In the case of Liberia, some specific measures taken by the Liberian government led to a partial relaunch of cooperation projects and the re-programming of allocations available under the 8<sup>th</sup> EDF. Commitments implemented by the Liberian government included, among others, judicial enquiries into various members of the security forces allegedly involved in human rights abuses, the organization of human rights training programmes for security forces, the announcement that a national reconciliation forum would be held in Liberia, reinforcement of electoral committees and plans to improve public management of tax revenues from forestry (OD14)

In the case of Togo, cooperation had been suspended since 1993. After successful consultations were held between April and November 2004 in which the situation of human rights and fundamental freedoms (particularly press freedom and

proper dialogue mechanisms with the opposition) were assessed, the Togolese government submitted a list of commitments that would be verified in the months to come. (OD15)

Even though Togo succeeded relatively quickly in improving the human rights situation in the country, full resumption of cooperation was only possible in August 2006 when a Global Agreement between all political fractions in the Togolese society was signed. Some additional requirements were forwarded at that moment by the EU, including the provision of an electoral framework acceptable to all parties to move towards free and transparent legislative elections, the definition of a legal framework for the funding of political parties, the pursuit of the process of decentralization, the review of the National Human Rights Commission and its make-up, and the establishment of an office of the UN Commissioner for Human Rights in Lomé (OD16).

The cases above show very clearly that the emphasis of the EU's requirements in these consultations were on enforcement of democratic principles (and particularly the organization of free and fair elections), good governance and fundamental freedoms. Fundamental social rights did not even play a marginal role.

Some might argue that art. 96 consultations are instruments of "last resort", only used when addressing the most serious political problems experienced by ACP-countries. But even when looking at political declarations issued by institutions such as the Presidency or the European Parliament where reference is made to provisions of the Cotonou-Agreement or the importance of some of its "essential elements", the prominence of democratic principles, rule of law and good governance is incontestable.<sup>5</sup> One notable exception was the Declaration of the Danish Presidency concerning Zimbabwe in January 2003 stating that (OD 19):

"The EU would like to express its profound concern by the recent arrests of ten trade union leaders and the allegation of mistreatment during the period of their arrest. As a member of the ILO, the government of Zimbabwe has committed itself to respecting fundamental principles and rights at work. (...) The EU urges the government of Zimbabwe to engage in a political dialogue with civil society and to respect the rights of trade unions". The fact that the Danish Presidency refers to Zimbabwe's obligations as a member of the ILO and not as a contracting

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<sup>5</sup> See in this respect :

- Declaration of the French Presidency on the setting up of the "Independent Electoral Commission" in Togo (12 July 2000, OD17), Declaration of the French Presidency concerning the decision of Ivory Coast's Supreme Court to allow only 5 out of 19 presidential candidates to stand for elections (12 October 2000), Declaration of the Belgian Presidency on the deterioration of the political and security situations in Haiti (28 December 2001, OD18), Declaration of the Irish Presidency on the violent clampdown of peaceful demonstrations organized by the National Constitutional Assembly in Zimbabwe (11 February 2004, OD19)
- Resolutions of the European Parliament: Ivory Coast (18 December 2000, OD20), Haiti (15 March 2004, OD21), Nigeria (26 April 2004, OD22)



party to the Cotonou-Agreement is particularly revealing for the importance given to social rights in the Cotonou-framework (OD19).

The examples above have shown very clearly that labour standards do not seem to be a priority in the EU's agenda towards ACP-countries. Even though they are formally included in the main political pillars of the Cotonou-Agreement, in practice they seem to be absorbed by other political objectives, such as the promotion of democratic principles, good governance and the rule of law. The question is, how can we explain this?

### **Lack of “fear of globalization” as one possible explanation**

The discussion on the link between labour standards and international trade is embedded in a much larger debate in political economy on the impact of globalization on different groups in society. In this respect, several economists have argued that the main opposition to globalization in industrialized societies comes from labour.<sup>6</sup> Sapir, for instance, compared the political economy of domestic adjustment to globalization both in the US and Europe (Sapir, 2001). He concluded that labour voices less opposition to globalization in the EU than in the US, because there is less “globalization fear” in Europe and this for the following reason. In the US, globalization generated more wealth but also more income inequality and adjustment problems than in Europe. In the EU, where welfare systems are more generous, globalization generated less wealth but also less income inequality and labour adjustment than in the US. Particularly the median voter suffered less in Europe than in the US. “Outsiders”, such as young people and immigrants paid the price in terms of unemployment (Sapir, 2001:202). Consequently, labour voices less opposition to globalization in Europe than in the US.

Sapir's analysis might offer a simple and straightforward explanation for the fact that the promotion of labour standards does not figure on the EU's agenda in its relations with the ACP-countries. Because of the “buffer” created by European welfare states and the limited role of the ACP economies in international trade there might just be a lack of “globalization fear” among citizens and labour activists in Europe, at least when it concerns trade with ACP countries. Due to the limited pressure of labour activism, EU decision-makers would not be inclined to invest any negotiating capital on this for most ACP countries quite controversial issue.

However, Sapir's analysis does not seem to offer a completely satisfactory explanation. Basic labour rights to be protected consist of ILO “core labour

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<sup>6</sup> For an overview of this debate see for instance (Lee, 1996)

standards” such as the freedom of association, the right to collective bargaining, the prohibition of forced labour, equality of treatment and non-discrimination in employment and the effective abolition of the worst forms of child labour. These core labour standards have an important human rights’ dimension as well (Lee, 1997:5). Consequently, proponents of the inclusion of labour standards into international trade agreements have not only advocated this linkage with the objective of protecting domestic workers from unfair competition and a “race-to-the-bottom”, but also because of evident moral concerns about inhuman labour conditions in trade partners of the developing world.

Indeed, in the case of the European Union and the ACP countries, it seems that federations of trade unions at national, European (ETUC) and international (ICFTU) have been mobilized and have lobbied for the inclusion of labour standards in the Economic Partnership Agreements.<sup>7</sup> The reality of some activism of the labour movement with respect to these negotiations does not correspond completely with what is to be expected from Sapir’s analysis. Assuming that next to the “lack of fear of globalization” other factors seem to play a role, we choose to turn to one possible factor, which is strongly related with the European decision-making context in which bilateral trade or association agreements with third countries are negotiated.

### **The negotiation of bilateral free trade agreements and the prominence of the Member States**

During international trade negotiations involving the European Union, Member States are usually considered to participate only at “arms-length” in the negotiation process. Once they have specified the terms of the negotiations in a negotiation mandate, an act of delegation takes place in favour of the European Commission who negotiates on behalf of the Member States. Contrary to the United States where different agreements can be concluded in the framework of one single trade negotiating authority law, in the European Union one specific mandate has to be adopted for each trade agreement. Despite of this delegation-logic, the involvement of the Member States in these negotiations becomes crucial both when these trade agreements involve trade-related matters such as intellectual property rights, trade in services and investment rules (Young, 2002) and when these trade negotiations are combined with the establishment of a

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<sup>7</sup> See for instance the speech of John Monks, General Secretary of ETUC at the “Decent Work Conference”, in which he states that: “There is willingness to promote employment, social cohesion and decent work for all in all EU external policies, bilateral and regional relations and dialogues. But the real weight of the EU relies on trade, and we do not discern the same willingness to use that asset to promote the agenda. Our trade agreements must all be made vehicles to promote our values, be they bilateral or in the WTO context”. (High-level Conference on “Promoting decent work for all”, 4.12.2006), or the decisions adopted by the 17<sup>th</sup> World Congress of the ICFTU, stating that “regional trade agreements should integrate respect for trade union rights in their rules and practices. The ICFTU will cooperate with the appropriate trade union organizations to exert pressure in this direction” (Point 16, Decisions of the 17<sup>th</sup> World Congress of the ICFTU, 3-7.04.2000)

political “association” between the European Community and a third state in the sense of art. 310 of the EC Treaty, which was the case of the Cotonou-Agreement and will be the case for the future EPA’s.

In these cases, “mixed agreements” are being negotiated where both Member States and the European Community have shared powers to conclude the agreements. Mixed agreements have two important implications in terms of European policy-making on trade. First of all, unanimity is required in the Council of Ministers for those matters that touch upon Member States’ competences. Secondly, the agreements need to be ratified both by the European Community and all 27 Member States according to their respective national ratification procedures.

When dealing with the inclusion of social clauses in trade agreements, the picture becomes even more favourable towards the (institutional) interests of the Member States. The main reason for this is that different ambiguities persist with regard to the EC’s external competence to promote international labour standards (Novitz, 2002). Even though the ECJ’s Opinion 2/91 has established an implicit exclusive competence for the European Community to negotiate social agreements related to health and safety at the work place, some fundamental labour rights, such as the right to strike, remain a national internal and external competence.<sup>8</sup> Thus, only the Member States are entitled to negotiate agreements touching upon these matters.

The prominent role of the Member States in the negotiation of association agreements has important implications for the inclusion of labour standards into the bilateral trade agreements negotiated by the EU. In order to reach the negotiation table or, in the opposite case, in order to be explicitly excluded from this table, the intensity of the preferences among national constituencies regarding labour standards has to be sufficiently strong to survive both the delegation act from the Member States towards the European Commission and the aggregation mechanisms at the national levels. Assuming that the second process will be more determining for the inclusion of labour standards than the first one, we believe it is important to focus on the aggregation of interests at the national level and the role played by political parties in this process.

### **The aggregative role of European political parties: impact on labour standards**

All European Union Member States can be characterized as party democracies, that is, as parliamentary democracies in which party discipline in parliament is

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<sup>8</sup> Art. 137.5 TEC

strong and in which internal party control mechanisms supersede the normal role that parliamentary majorities have in controlling governments. Indeed, As Storm has argued, two characteristics central to parliamentary democracy, dissolution power and confidence vote, tend to reinforce centralized party leadership control especially over the party's MPs.<sup>9</sup>

Also characteristically of these European political parties is the central role that is played by their extra-parliamentary organizations. European political parties are not just the result of the need for members of parliament to organize themselves in groups of like-minded parliamentarians. Rather, they are organizations created outside parliament that happen to have a representation in parliament too. The parliamentary party is then an instrument of the extra-parliamentary party, and MPs act as agents of that extra-parliamentary party. The same holds for the party members that happen to be members of the government. They also act as instruments of their extra-parliamentary party and are as such accountable to that party. Governmental and parliamentary leadership positions are then, mere derivatives of the leadership positions in the extra-parliamentary party. This is not without important consequences as "a party will select those individuals as leaders who are considered most likely to achieve the party's *collective* goals" (Müller, 2000: 319, emphasis added). Second, these leaders are supposed to act on the basis of these collective goals when monitoring the party's MPs, and enforcing party discipline upon them. It may be the case that the role and impact of extra-parliamentary parties have weakened since the 1980s, and that the role of the parliamentary party has become stronger (Katz and Mair, 2002: 123-125), the fact that MPs operate within a context of parliamentary government still results in a situation where party leaders – now more in their capacity of government leaders – control to a large extent the degrees of freedom within which individual MPs have to operate. The "parliamentarization", or even "governmentalization" of parties has not substantially reduced their level of centralization. It has only shifted the centre of intra-party authority away from the extra-parliamentary party.

(Extra-parliamentary) political parties act as aggregating organizations in society. They aggregate and represent an array of societal interests and concerns. In doing so, they take into consideration both specific interests, and the interest – as they perceive it – of society as a whole, this in addition to the interests of the political party as organization. Important is here that this weighing of interests

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<sup>9</sup> Dissolution power refers to the ability of government leaders to dissolve parliament, and thus, to expose the MPs to an electoral verdict. The vote of confidence refers to the parliamentary majority's dismissal power vis-à-vis government. It is a characteristic that "sets parliamentary government apart from other regime types" but that also "enables the cabinet and the party leadership to dominate the legislative branch" (Strom, 2004: 69).

takes place in the context of concerns for the collective interests of the nation as a whole.

National political parties are well-prone to such an exercise as they internalize tensions and conflicts among a wide array of societal interests within their organizational structure. What Garrett and Lange (Garrett and Lange, 1996: 60) have observed for umbrella associations of labour unions may also apply to political parties. Umbrella organizations have a mitigating impact on distributional conflicts among their members. They have the ability to balance the political benefits of granting rents to specific members against the political costs and benefits of the overall aggregate welfare effects of such granting, especially when the former is detrimental to the latter. Umbrella organizations internalize distributional conflicts among their members and try to resolve them within the wider perspective of the aggregate impact of the possible solutions for such conflicts.

Group leaders play a prominent role here. In their search for solutions they can use longer time horizons, wider than local or sector-specific perspectives, and the ultimate ability to enforce compliance on the rank-and-file. The same holds to a large extent for the national leaders of strong and centralized political parties. They can also ask sacrifices today in the expectation of benefits tomorrow. They might also supersede the local or sector-specific scale of interests and assess them in a broader (national) perspective. And ultimately, they can enforce compliance among their MPs as they can strongly affect the office-keeping prospects of these. Specific sectoral or local demands are filtered away, or are smoothed, in such an aggregating logic.

The perspective from which they engage in this aggregation reflects the scale on which the party is organized. National parties will tend to weigh specific sectoral or geographically concentrated interests against the national aggregate effects of the policy-choices they make. Regional parties will do the same but then concerning the regional aggregate effects of their choices. This aggregative capacity of the political parties is only relevant to the extent that they are able to control the holders of political offices, be it in parliament or in government. In the absence of such control, or in the case of weak control, the logic of the aggregation by individual governmental officeholders instead of the political party as a whole will matter, and with it, the geographical scale on which they operate. That scale is to a large extent determined by the geographical scale (reach) of their electoral district. The size of the electoral district largely depends on the kind (type) of government institution, which may be local, regional, or national. The smaller the scale however, the higher the probability that geographically concentrated interests will be able to capture locally elected officeholders, and

thus to weigh on their policy-choices. This is due to the higher probability of a lower diversity of interests within the electoral district of the officeholder, which limits the ability of such a holder to balance one local interest against another in determining his stance on policy-issues. For parliamentary bodies where such officeholders have a seat, the consequence is that policymaking is submitted to the logic of logrolling rather than to the logic of an integrative aggregation process in which the collective interest matters substantially too.

In the case of strong political party control, the scale at which the political party operates will supplant to a large extent the scale of the electoral districts.<sup>10</sup> Given the wider geographical span of that scale, a higher diversity of interests is probable, and with it the capacity of the officeholders to balance different interests against each other and against the aggregate interests of the party and the country as a whole. For a specific interest, it will be a challenge to stand out among the plenty.

Considering the difficulty a specific sectoral interest faces in “surviving” this process of aggregation, we would argue that in order to stand out among a variety of interests, two conditions have to be met. First of all, the intensity of the interest (or preference) has to be such that it triggers a sufficiently high level of inside and outside lobbying so that it outperforms the voice of all, or most other, interests in society. Secondly, it is necessary that the neglect by the officeholders of that voice comes at a substantial electoral cost for the political party as a whole. In the latter, the characteristics of the electoral system play an important role.

If we apply the above described reasoning to the case of labour standards, the lack of instance on labour standards in bilateral trade agreements by the EU can be explained by the prominent role of the EU’s Council of Ministers in policy-making on trade and the strong role that political parties play in the aggregation processes inside this institution. Even if there is variance in the range of party disciplines across the different Member States, they all share the fact that such discipline is significant for the way in which their parliamentary and governmental institutions operate. As a consequence, internal party interest aggregation mechanisms are prevalent, and with it the role that collective interests play in such aggregation.

Different interests are balanced against each other and against the overall interests of the party, and eventually of the nation. Local interests have less

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<sup>10</sup> Note that even if the scale of the electoral districts has an impact on the power that political parties can exert over the elective officeholders, the relationship between the two is neither linear, nor excessively strong. It is indeed a relationship that is mediated by a range of other factors, including inter alia the nature of the candidate selection within the party, and the constitutional set-up of the governmental system, most prominently its system of institutional checks and balances.

chance to weigh heavily here unless they are able to reach a high level of intensity on the one hand, and to benefit from the institutional characteristics of the electoral system on the other hand. This may be the case for agricultural interests, but is much less so for trade-related labour standards. As a matter of fact, the much more extensively developed welfare state systems (cf. Sapir's analysis), smoothen the impact that trade liberalization has on employees and with it the incentives for a substantial part (but not all) of them to raise their voice and to engage in political activism. For the political parties, the electoral incentives to include strong labour standards in international trade agreements against the opposition from developing countries is therefore, relatively weak. Consequently, the pressure from EU governments in the EU Council of Ministers is relatively low as well, as is the pressure in the national parliaments when international trade agreements concluded by the EU need to be approved as mixed agreements. Moreover, it even seems that this relatively low pressure creates a situation in which disputes about competences on social policy supersede the question of the inclusion of labour standards in international trade agreements concluded by the EU.

### **Interest Aggregation in National Parliaments and the EU-ACP-Council of Ministers**

In order to capture the "aggregation" mechanisms taking place at the level of the Member States with respect to EU-ACP relations, we have chosen to proceed with two limited yet revealing empirical tests. First, we will look at positions taken by Members of Parliament in the ratification process of the Cotonou-Agreement in two Member States for which we expect to find a strong preference on the labour-trade linkage: the United Kingdom and Belgium.<sup>11</sup> In a second step, we will look at the salience of specific issues with respect to the Cotonou-acquis in the Joint EU-ACP-Councils held after the signature of the Cotonou-Agreement. In both empirical tests, we will try to identify the importance given to general (national) party interests in comparison with more locally based sectoral interests such as labour standards.

The ratification procedure of the Cotonou-Agreement in Belgium's Federal Parliament started in September 2002 when a legislative proposal to ratification was submitted to the Senate. In the Senate, this proposal was discussed in plenary session in October, where representatives from both the Socialist Party (PS) and the Christian Democrats (CDH) intervened. The interventions showed some points of convergence as they were both critical on the reciprocity based

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<sup>11</sup> Indeed, in the past both the UK and Belgium have been respectively strong opponents and proponents of a labour-trade linkage (Waer, 1996: 26, Burgoon, 2000:202)

trade regime aimed at in the agreement but welcomed the importance given to human rights, good governance and the rule of law in the Agreement (OD 23). The proposal was transferred to the House of Representatives and discussed in the External Relations Committee in November where a representative of the Green Party (AGALEV/ECOLO) stressed the importance of the inclusion of civil society in the implementation of the Cotonou-Agreement, as established by the text of the Agreement itself (OD 24). Moreover, the Green representative regretted the fact that the partnership principle enshrined by previous Lomé-conventions had been replaced by a “mere economic” agreement. Nonetheless, the proposal was adopted in both Houses almost unanimously.<sup>12</sup>

A proposal to approve the review of the Cotonou-Agreement has been submitted to the Senate at the end of 2006. However, no discussions related to this proposal have yet taken place.

In the United Kingdom, the order of approval of the Cotonou-Agreement was submitted to both the House of Commons and the House of Lords in October 2001, where they were approved without major problems. In the House of Commons, the order was first presented by the Parliamentary Under-Secretary of State for International Development (Labour Party), to the Ninth Standing Committee on Delegated Legislation. The Labour Minister defended the agreement referring to the fact that all the UK's main objectives were achieved (poverty reduction as main objective, re-affirmation of essential elements of human rights, democracy and rule of law, importance of good governance). In the discussions following this “order of approval”, representatives from the Conservative Party, on the one hand, applauded the incorporation of anti-corruption measures in the Cotonou-Agreement, but they regretted the inconsistency with the national International Development Bill, where such provisions were not included. With respect to the link between the Cotonou-Agreement and the “Everything But Arms” (EBA) Initiative, Conservative representatives also stressed the need to protect Caribbean economies in the process of liberalization of Europe's sugar-market (OD27). The Liberal-Democrats, on the other hand, emphasized the need to ensure more simplified technical procedures in the implementation of EU aid in the framework of Cotonou, in order to allow more small UK grass-root organizations to implement these European projects. Moreover, they expressed more general concerns about the EU's role in international trade. In this respect they mentioned the attention given to the “development”-aspect of the Doha Development Round and the interests of Caribbean banana-producers in the EU's bananas-dispute (OD28).

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<sup>12</sup> In the Senate, the proposal was adopted with 50 in favour and 6 abstentions (OD25) . In the House of Representatives, 80 voted in favour, 2 against and 1 abstained (OD 26)



In the House of Lords, where the motion of approval was introduced by the Parliamentary Under Secretary of State of the Foreign and Commonwealth Office, similar issues were raised to the attention. The governmental representative (Labour Party) explained the main mechanisms of the Cotonou-Agreement in a similar way as her colleague did in the House of Lords. Conservative representatives welcomed the incorporation of anti-corruption measures (with its inconsistencies with the International Development Bill) and insisted on the reform of the Common Agricultural Policy and the Common Fisheries Policy as other means to increase the participation of ACP countries to international trade (OD29). Equally, they expressed their concerns on the EBA and Cotonou-regimes on sugar and its implications particularly for the Caribbean region. Liberal Democrats stressed the importance of the inclusion of civil society in the EPA negotiations and expressed their concerns on the participation of developing countries to WTO-negotiations (OD30).

Just like in the Belgian case, the review of the Cotonou-Agreement has not yet been discussed in the UK Parliament.

Both cases show clearly that, despite of the important place of labour standards in the text of the Cotonou-Agreement, they do not seem to reach a place of priority when Member States were ratifying the Agreement. Instead, attention was given to the promotion of democratic principles and good governance through the Agreement and the important implications of the new trading regime proposed (in the case of the UK, particularly for economies in the Caribbean). The objective of promoting labour standards seems to have disappeared in the light of other more general political objectives when societal interests were aggregated by the parliamentary representatives.

The second empirical test proposed is connected with the important role of the ACP-EU Council of Ministers in the management of EU-ACP relations. Indeed, Article 15 of the Cotonou-Agreement provides for a key role for the ACP-EU-Council of Ministers, consisting of members of the Council of the EU, the European Commission and a member of government of each ACP state. As the Council is in charge of adopting political guidelines and taking decisions required for the implementation of the provisions of the Agreement, the issues raised in this institutional setting are particularly important to get a grip on the real priorities of the EU-ACP relations during the last years. Again, we will try to verify to which extent labour standards have made it to the agenda of the Joint-Council. Meetings of the Joint-Council are held on a yearly basis. In 2000 and 2001, the main points of the agenda were related to trade. In this respect, technical trade related assistance and ACP concerns related to both the reform of the EU's Sugar Protocol and the EU's banana-disputes were discussed (OD31&OD32). Moreover,

both ACP-countries and the EU concentrated on preparations of the WTO Ministerial Conference in Doha, particularly with regard to the discussion on TRIPS and access to medicines (OD31). Next to attention to the multilateral level, initial preparations were made for the start of the EPA negotiations. In spite of the strong emphasis on trade, a report from the ministerial committee on the EDF leftovers was discussed and a Joint Declaration on Climate Change was adopted (OD32). Moreover the Council had an exchange of views on a communication from the ACP/EU economic and social partners, even though no decisive steps were taken in this regard (OD32).

In 2002 and 2003, the same “trade and aid-topics” were prominent: reform of the Sugar Protocol, the EU's bananas-disputes, trade related assistance, institutional preparations for the EPA-negotiations and the implementation of the 9<sup>th</sup> EDF (OD33&OD34). Nonetheless, more political themes made it to the agenda as well. Discussions were held on the participation of civil society to EPA negotiations and the concrete implementation of the “political dialogue”-mechanisms of the Agreement. Moreover, the start of Article 96 Consultations with Zimbabwe was discussed. Last, a meeting with representatives of civil society on the theme of good governance was held in the framework of the Joint-Council of 2003 (OD33).

The 2004 and 2005 Joint Councils were dominated to a large extent by the 2005 review of the Cotonou-Agreement, even though trade topics remained important. With respect to the “trade-issues”, EU and ACP-countries tried to agree on principles and objectives to guide the negotiations of the EPA's and additional discussions were held on the trade regimes in sugar, bananas and cotton (OD35&OD36). As the review of the Cotonou-Agreement mainly concerned changes in the political dimensions of the Agreement, political topics were discussed more extensively than before. The discussions mainly concerned the degree of formalization of the political dialogue enshrined in Article 8 of the agreement prior to Article 96 consultations. One of the wishes of the EU in this respect was to keep the right to unilaterally start these consultations. Next to the political-dialogue provisions, the inclusion of clauses on Weapons of Mass Destruction, the International Criminal Court and cooperation in the fight against terrorism were additional topics (OD35 & OD36).

Last, in 2006, next to numerous discussions and disagreements on the “development-dimension” of EPA's, a joint declaration on Climate Change was adopted (OD37). Moreover, one EU-ACP Ministerial Debate on the link between Migration and Development (the first of its kind) and a EU-ACP Heads of States Summit took place aimed at looking at the six ACP regions from the perspective of peace, security and stability (OD37).

The above shows almost unambiguously that the priorities of the EU-ACP Joint Council crystallized around the trade dimension of the Cotonou-Agreement on the one hand and the political dialogue provisions of the Agreement on the other hand. Only in two occasions, when a communication from the ACP/EU economic and social partners was discussed in 2001 and when negotiations were held on the mechanisms to include civil society in the EPA negotiations in 2003, the “social dimension” of the EU-ACP relations came briefly under the spotlight. The promotion of labour standards as an objective of the Cotonou-Agreement seems to have been completely overwhelmed by other more general foreign policy and trade priorities in the relations between the EU and the ACP countries.

## **Conclusion**

In the study of the role of the EU in the world, the notion of “normative power Europe” has become very influential. In this respect, Manners has made a distinction between Europe’s “core norms” such as democracy, liberty, respect for human rights and fundamental freedoms and the rule of law and minor norms such as social solidarity, sustainable development and good governance (Manners, 2002:242).

When we look at the EU’s commitment to promote labour standards in its relations with the ACP countries, this hierarchy of norms can only be confirmed. Social solidarity (or social rights) has not been pursued by the EU with the same level of perseverance as other core norms such as democracy, respect for human rights and fundamental freedoms and the rule of law.

Instead of looking at the EU as a normatively constructed polity in order to explain this discrepancy between core norms and secondary norms, we have tried to explain the difference in the EU’s behaviour by looking at variables related to the political economy of EU decision-making. Two crucial variables have been identified: the prominence of the Member States when negotiating association agreements with third countries and the aggregative role of political parties in European democracies. The impact of both variables have shown that preferences and institutions, both within the Member States and at the EU-level, matter.

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