

# Report: EU trade schemes promote economic development and human rights

Trade acts as an engine for growth and helps promote human and labour rights, good governance and sustainable development principles.

Since the reformed EU initiative known as Generalised Scheme of Preferences (GSP) entered into force in 2014, exports from countries to the EU benefitting from these tariff cuts rose by nearly a quarter to a yearly amount of €63 billion. Least developed countries benefited the most: their exports to the EU increased by nearly 40% and reached €23.5 billion in 2016.

In addition to the economic benefits of the scheme, today's report points out the progress made on issues such as women's empowerment, child and forced labour, torture, illegal drugs trafficking and climate change. The EU monitoring reveals many positive changes due to EU engagement related to the scheme. Among many other examples, this includes Pakistan's new legislation against honour killing and rape, or the inclusion of Paraguay on the list of countries with the strongest commitment to the protection of endangered species under the Convention on International Trade in Endangered Species of Wild Fauna and Flora. However, the report points also at areas that require further improvement in order to fulfil the conditions of the scheme, for instance as regards the implementation and enforcement of the relevant legislation by the beneficiary countries.

A separate document accompanying today's [report](#) provides a detailed overview of progress and remaining shortcomings, specifically in the countries participating in the Special Incentive Arrangement for Sustainable Development and Good Governance, known as GSP+.

The report also shows the increased involvement of civil society in the monitoring of the scheme: 16 civil society dialogues took place in 2016 and 2017; the one dedicated to preparation of the present report involved 20 non-governmental organisations.

High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission Federica **Mogherini** said: *"When democracy and fundamental freedoms are guaranteed, our economies are strong, our societies are resilient, our security is sustainable and our development is built on more solid foundations. The Generalised Scheme of Preference complements the European Union's political engagement with its partners. As a result, we have contributed to the strengthening of civil society and independent voices and to the better protection of human rights through national legislation in partner countries. And we will continue to work together with our partners, investing in human rights, investing in the work of civil society, investing in open societies – to guarantee sustainable security for all."*

Commissioner for Trade Cecilia **Malmström** said: *"Our policies offer generous access to the EU market, coupled with strong engagement with national*

*authorities. We're now seeing positive changes in many places around the world – strengthening core values of EU trade policy such as human rights and sustainable development. Stronger domestic institutions and laws are helping to put crucial international conventions into place. In some countries, there are still areas of serious concern as regards human rights and sustainability. Here, our trade schemes provide leverage for us to apply pressure and effect change, and we need to strengthen our joint efforts.”*

Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne **Thyssen** said: *“The international dimension of employment and social policy is strategic to achieve job-rich, inclusive and sustainable growth. The GSP scheme is a unique tool to put forward decent work conditions and respect for international labour standards. We are encouraged to see positive developments and to have an open dialogue on important labour rights issues, such as eliminating child labour. As significant challenges remain, it is even more so important to step up our efforts. We are committed to promote fundamental principles and rights at work and to achieve growth with benefits to all.”*

During the next two years, the EU will continue engaging with each GSP beneficiary country on the necessary priority actions and organise GSP monitoring missions targeting specifically those countries where strengthened efforts are required due to more serious shortcomings. The EU will also continue to support efforts of the International Labour Organisation (ILO) to improve GSP+ countries' compliance with Organisation's reporting and implementation obligations. The EU will also continue to work for the empowering of local civil society organisations in order for them to contribute more effectively to the implementation of international conventions, through a three-year EU-funded project of €4.5 million.

## **Background**

The Generalised Scheme of Preferences (GSP) is the EU's main trade instrument to support developing countries. It consists of three different arrangements to grant privileged access to the EU market, designed to take into account the different needs of beneficiary countries:

- The standard GSP scheme reduces EU import duties for around 66% of all product categories in 23 countries.
- GSP+, or Special Incentive Arrangement for Sustainable Development and Good Governance, removes customs duties for two thirds of products coming from 10 other vulnerable countries (Armenia, Bolivia, Cabo Verde, Georgia, Kyrgyzstan, Mongolia, Pakistan, Paraguay, Philippines and Sri Lanka) that committed to apply 27 international conventions on human and labour rights, environmental protection and good governance.
- “Everything But Arms” (EBA) removes customs duties for nearly all products coming from 49 least developed countries.

The current GSP Regulation, in place since January 2014, requires the European Commission to submit a report to the European Parliament and the Council every two years, on the effects of the GSP system. The reporting also regularly consists of a ‘Staff Working Document’ accompanying the main

report, focusing on GSP+ beneficiaries. It points out legislative and practical developments in the GSP+ beneficiary countries regarding implementation of the 27 international conventions to which they committed. EU monitoring takes place both through monitoring missions, dialogues with the beneficiary countries and written questionnaires.

### **For More Information**

[Questions and Answers](#)

[Highlights of the report](#)

[Report](#)

[Staff Working Document accompanying the report](#)

[More about the GSP](#)