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## POLICY BRIEF

# The African Continental Free Trade Area (AfCFTA) Agreement and Regional Economic Integration: Reflections and Opportunities for Decent Work and Human Security

Combating Modern Slavery in Ghana Project

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## INTRODUCTION

**ActionAid Ghana (AAG)** is an Affiliate of ActionAid, a global movement of people working together to further human rights for all and defeat poverty in over 45 countries. We believe people in poverty have the power within them to create change for themselves, their families and communities. ActionAid is a catalyst for that change. In Ghana, they operate in the Northern, Upper-East and West, Savannah, North-East, Bono, Bono-East and Ahafo, Greater Accra, Oti and Volta regions. ActionAid Ghana with funding from the Norwegian Agency for Development Cooperation (Norad) under the Organisation for Economic Co-operation and Development (OECD) category on Agriculture/ Agricultural Policy and Administrative Management, is implementing a 3-year project titled "Combatting Modern Slavery in Ghana". Ghana signed onto the Sustainable Development Goals and this project is designed to contribute to government's efforts at achieving SDG 8.7 which demands States to "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, and by 2025 end child labour in all its forms". To achieve this, the

project organized a regional policy engagement on the African Continental Free Trade Area (AfCFTA) Agreement within the framework of trade, decent work, and human security. The regional policy engagement forum which involved civil society organizations was themed "The African Continental Free Trade Area (AfCFTA) Agreement and Regional Economic Integration: Reflections and Opportunities for Decent Work and Human Security". Civil Society Organizations in attendance at the regional policy engagement forum included: Trades Union Congress (TUC), General Agricultural Workers Union of TUC (GAWU of TUC), Network for Women's Rights in Ghana (NETRIGHT), Jakitay Centre for Security, Solidaridad West Africa, International Justice Mission, University of Ghana School of Law, Chamber of Agribusinesses, Rainforest Alliance, International Cocoa Initiative, and a host of media houses including Ghana Television (GTV), TV Africa, Adom TV, Citi TV, Ghana News Agency, GH One TV, Adom FM, Ghanaian Times and Peace FM. Other stakeholders in attendance at the regional engagement forum included Norwegian Embassy in Ghana represented by Her Excellency the Norwegian Ambassador to Ghana, Ingrid Mollestad, UNICEF, and the AfCFTA Secretariat.



## 2. The African Continental Free Trade Agreement

Generally, Free Trade Agreements (FTAs) are designed to remove trade barriers, between member countries. Such barriers include tariffs and quotas, bureaucratic bottlenecks, and infrastructure. They usually aim to make trade between countries as liberal as possible and allow for more rules-based competition. They are based on interventions that seek to make a country's exports cheaper and give easier entry to other markets. They come in multiplicity of forms and with different rules. The purest free trade agreement removes all border taxes or trade barriers on goods. They get rid of quotas, so there is no limit to the amount of trade that a country can undertake. Tariffs are a form of border tax placed on goods coming into a country for a range of reasons but the main one is to protect home-made products and services.



### ***The general objectives of the AfCFTA are to:***

- create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063.
- create a liberalized market for goods and services through successive rounds of negotiations.
- contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs.
- lay the foundation for the establishment of a Continental Customs Union at a later stage.
- promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties.
- enhance the competitiveness of the economies of State Parties within the continent and the global market.
- promote industrial development through diversification and regional value chain development, agricultural development, and food security; and
- resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

### ***AfCFTA comes with it enormous trade opportunities including the following:***

- Enhanced market size and enhanced trade: AfCFTA will create an economic region of 55 African countries, with 1.3 billion people and a combined Gross Domestic Product (GDP) of about \$3.4 trillion (World Bank, 2020).
- World Bank estimates that by 2035 the volume of total exports would increase by almost 29% relative to business as usual.
- United Nations Conference on Trade and Development (UNCTAD) estimates that the AfCFTA will result in total welfare gains of US\$ 16 Billion – 24 billion (+0.97% GDP and +1.17% employment).



### 3. Policy Implications And Recommendations

Although the AfCFTA Agreement has an enormous potential for the of the continent including a \$3.4 trillion combined GDP, 29% increased volumes in exports and a welfare gain of US\$16 billion (+0.97% GDP and +1.17% employment), there are issues of concern around decent work and human security within the broader framework of the AfCFTA Agreement.



#### 3.1 Implications of AfCFTA Agreement for Decent Work and Recommendations

The AfCFTA Agreement seeks to create an integrated Africa regional economy that ensures a single market for goods, and services facilitated by movement of person. The elimination of trade barriers and easy movement of persons has implications for two key elements of decent work:

**Right of Labour to Work:** Although UNCTAD estimates that the AfCFTA Agreement will lead to a +1.17% employment gain within an overall US\$16 billion welfare gain, little is said in the AfCFTA Agreement on structures and systems that are/will be instituted to ensure African countries create decent work and livelihoods for its people. The question is, how well positioned is AfCFTA in terms of structures and systems to protect the African market for African producers and to ensure African producers within the single market provide decent employment for Africans devoid of child labour, forced labour, trafficking and unfair contract practices.

In as much as AfCFTA is working assiduously to boost intra continental trade through the elimination of trade barriers, equally important is the need for AfCFTA to pay critical attention to decent work creation as a human right issue. Article 6 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), affirms the obligation of States parties to assure individuals their right to freely choose or accept work, including the right not to be deprived of work unfairly. This is consistent with the International Labour Organization Convention (ILO) No. 122 concerning Employment Policy (1964) which speaks of “full, productive and freely chosen employment”, linking the obligation of States parties to create the conditions for full employment with the obligation to ensure the

absence of forced labour. Equally worth mentioning is ILO 182 which calls for the prohibition and elimination of the worst forms of child labour, which includes slavery, forced labour and trafficking.

With an institutional framework of Assembly of Heads of States and Government, Council of Ministers responsible for trade, Committee of Senior Trade Officials, and the Secretariat, AfCFTA has a responsibility to ensure the creation of decent work consistent with ILO 122, ILO 182, and Article 6 of the ICESCR. To achieve this, it is recommended that, AfCFTA creates a Decent Work and Human Security Coordination Unit that will coordinate, collaborate, and strengthen state parties' child/forced labour, and human security protection systems to safeguard against child/labour exploitation, and trafficking especially in the world of work in an integrated single market regional economy.

**Right of Labour at Work:** Despite UNCTAD's projection of an increased employment rate of 1.17%, it is critical to highlight for the attention of AfCFTA, the urgent need to uphold the right of labour at work. The ILO Governing Body identifies critical areas that are fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These principles are covered by the ILO Declaration on Fundamental Principles and Rights at Work (1998).

A critical motivation for trade is profit. Profit drives businesses and enterprises including multinational corporations to seek for cheap labour including child labour and trafficked labour; engage in unfair contract practices including forced labour, evasion of social securities of employees, labour exploitations, harassment, and abuse. Within this context, it is recommended that, the recommended Decent Work and Human Security Coordination Unit be equipped with inspectorate and compliance mandate to monitor and protect the rights of employees at work within the framework of decency consistent with relevant ILO Conventions such as Convention 29 (Forced Labour Convention), Convention 87 (Freedom of Association and Right to Organize), Convention 89 (Right to Organize and Collective Bargaining), Convention 111 (Discrimination against Employment and Occupation), Convention 183 (Maternal Protection Convention) and Convention 190 (Convention against Harassment and Violence).

### **3.2 Implications of the AfCFTA Agreement on Human Security and Recommendations**

Undoubtedly, the elimination of trade barriers comes with it enormous economic opportunities. However, it is important AfCFTA does not lose sight of the impact of a single market for goods and service facilitated by movement of persons on human security especially given the generally porous nature of African borders. With increasing threats of violence on the continent, there is the need for special attention on the likely impact of movement of persons on human security especially as it relates to violent extremism; smuggling/trafficking of migrants; illicit manufacturing



and smuggling of firearms, ammunitions, and their parts/ components; and money laundering etc.

Within this context, ActionAid Ghana and its civil society partners recommend that, AfCFTA through the Assembly of Heads of States encourage all state parties to ratify the United Nations Convention against Transnational Organized Crime and its three protocols: the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children; the Protocol against the Smuggling of Migrants by Land, Sea and Air; and the Protocol against the Illicit Manufacturing of and Trafficking in firearms, their Parts and Components and Ammunition. It is further recommended that, AfCFTA establish and mandate a special unit within the recommended Decent Work and Human Security Coordination Unit to work in



collaboration with state parties' security structures and systems to curtail organized crime and promote human security in an integrated single market economy.

ActionAid and civil society partners also recommend the development of an AfCFTA Anti-Modern Slavery Index. According to the Global Modern Slavery Index report for 2016, 9.2 million men, women, and children were living in modern slavery in Africa. There is therefore the need to monitor on an annual basis, the performance of countries relative to the prevention, protection, and prosecution of modern slavery practices. However, given the peculiarities of the African continent with respect to trade, cultures, language and policies, a specific and unified AfCFTA Modern Slavery Index is proposed.



*A Cross section of CSO stakeholders at the engagement forum with the African Continental Free Trade Area Secretariat*



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