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Legitimacy of the monitoring and sanctioning system of the EU's Generalised Scheme of Preferences+

Abstract

One of the tools belonging to the exclusive competence of the European Union in the field of external trade is the Generalised System of Preferences (GSP) introduced in 1971. The main goal of the GSP is to facilitate the access of developing countries to the market of the EU by reducing tariffs on their goods. The most recent and comprehensive reform of the system can be found in European Parliament and Council Regulation 978/2012 of 25 October 2012 which took effect on 1 January 2014. Under the Regulation, the Special Incentive Arrangement for Sustainable Development and Good Governance, officially called 'GSP+', is a special instrument of the EU trade policy which aims to encourage third countries to comply with basic international standards concerning human and labour rights, protection of environment and good governance. Essentially, the GSP+ offers to its beneficiaries preferential market access (complete duty suspensions) for their goods provided that they ratify, promote and effectively implement key international conventions concerning the above mentioned standards.

With regard to the enforcement of the scheme, the beneficiaries of the system must commit to cooperate with both the monitoring procedures imposed by the concerned international conventions, and the EU's own monitoring procedure incorporated in GSP+. Essentially, each GSP+ beneficiary is subject to a continuous and structured monitoring process by the Commission. Several changes to the monitoring process constitute one of the main reforms introduced by the new Regulation and the enforcement practice is now based on tools such as a bi-annual report, monitoring bodies and scorecards. It is the aim of this paper to address the issue of legitimacy of the GSP+ with a special focus on the enforcement mechanism that is incorporated in the scheme. In that sense, the institutional aspects of the monitoring process and the potential sanctions in case of non-compliance will be investigated and put in a broader normative framework of throughput legitimacy. In this framework, the issues such as effectiveness, transparency and inclusiveness in the enforcement process will be discussed.