Expert Comment

Why Europe urgently needs to rethink its unfair trade deals with Africa

Mark Langan
Why Europe urgently needs to rethink its unfair trade deals with Africa

Mark Langan

Executive Summary

African countries are currently negotiating with EU officials for a successor to the Cotonou Partnership Agreement, which is due to expire in 2020. As part of these discussions, one issue remains central to efforts to realise poverty reduction and development – namely the EU’s Economic Partnership Agreements (EPAs). The European Commission launched negotiations for EPAs upon the signing of Cotonou in 2000. Imminently a number of regional EPAs are due to come on-stream in East Africa, West Africa, Central Africa and Southern Africa. Worryingly, however, many African stakeholders remain concerned that the EPAs are wholly incompatible with the EU’s poverty reduction pledges. Namely that these unfair trade deals will expose African infant industry and agro-processing to unfair competition from EU producers, leading to the collapse of vital sectors such as poultry. This opinion piece therefore considers debates about the marriage of the EPAs to overarching development pledges. It warns EU officials to pay more attention to on-going concerns about the inadequacies of civil society dialogues and Aid for Trade initiatives for squaring the circle of their ‘development friendly’ EPAs.

Africa’s relationship with the European Union (EU) is at a critical juncture as officials from both continents seek to conclude a successor treaty to the Cotonou Agreement (a trade and aid partnership signed back in 2000 and due to expire in 2020). One of the key points of contention is how the EU plans to support African countries to achieve economic growth in conjunction with the UN Sustainable Development Goals, and to thereby deliver jobs and poverty reduction for their peoples. In particular, there is much discussion about the potential impact of the EU’s Economic Partnership Agreements (EPAs) for African countries. EPA negotiations were launched upon the signing of Cotonou and a number of regional trade deals are now due to come on-stream in East Africa, West Africa, Central Africa and Southern Africa. The European Commission (2017; 2018) claims that the EPAs will be a
boon to poverty reduction by stimulating African economies and doing away with protectionist tariffs that artificially protect unproductive sectors. Critics, however, contend that the EPAs will impose premature trade liberalisation and tariff dismantling at a moment when African economies are simply unready to compete with European industrial and agricultural producers. The EPAs therefore will ‘lock-in’ African states to an unequal economic relationship with EU members, ensuring that infant agro-processing and manufacturing sectors collapse under the weight of tariff dismantling (Langan, 2012).

Interestingly, however, the European Commission has sought to respond to criticisms of the EPAs and their impact by engaging local civil society and business leaders in the run up to the implementation of the free trade deals. By liaising more closely with African NGOs and private sector operatives as part of civil society dialogues, the EU claims that it is listening to local views about the intersections of the EPAs with sustainable development (Orbie, et al, 2017). This is in addition to EU promises of ‘Aid for Trade’ – monies that will ostensibly help struggling African sectors to improve their current levels of productivity and to compete more fairly on a level playing field with member states’ producers. For example, the EU has promised aid monies under the EPA Development Programme (EPADP) as part of its current efforts to implement a free trade deal in West Africa (Langan and Price, 2015). EU officials therefore are optimistic that the combination of civil society dialogues alongside the delivery of Aid for Trade will ensure that the EPAs are genuinely compatible with development objectives.

Worryingly, however, when EU civil society dialogues and Aid for Trade schemes are examined more closely it becomes clear that the EPAs are not genuinely be aligned to development goals. On the contrary, the EU is utilising these schemes as a means to enhance the apparent legitimacy of its free trade deals and to counter those organisations who continue to protest about the fundamental unfairness of the EU imposing premature trade liberalisation onto former colonies. In terms of civil society dialogues, a number of authors have convincingly pointed to the inadequacies of this EU approach – and to how such strategies act to legitimise the EPAs despite their likely regressive impact for African communities. Recently, for instance, Orbie et al (2017) have queried the development potential of such participatory events, given the EU’s intent to implement far-reaching EPA deals come what may. In this context, the authors contend that these civil society dialogues threaten to become little more than legitimacy-enhancing devices for EU trade policies. Civil society organisations – both within Europe and within the African countries themselves –
are therefore at danger of being ‘co-opted’ into neoliberal decision-making processes, with little tangible benefit poorer citizens in developing countries:

Co-optation is further manifested in the limited power given to civil society groups in the context of EU trade policy. At the EU level, despite the access that was granted to NGOs via the Civil Society Dialogue within DG Trade, these actors have not been able to influence trade policy outcomes in any real sense. A similar picture is revealed in the context of civil society mechanisms in EU trade agreements: while EU domestic and transnational mechanisms convene in practice, participating civil society cannot articulate enforceable rules (Orbie, et al, 2017, p. 532).

An earlier study by Carbone (2008), meanwhile, reinforces this somewhat pessimistic outlook regarding the ability of such types of events to pose a real opportunity for the reform of free trade deals into pro-poor devices. Examining programming processes, Carbone (2008. p. 250) emphasises that a number of logistical barriers exist which diminish the capacity of African civil society organisations to meaningfully engage in dialogue regarding EU trade and development policies:

ACP civil society organisations… listed a number of shortcomings in the consultation process: Short period set aside for consultation; lack of or poor information on the process of consultation; limited range of NSAs involved, generally large and urban CSOs; inadequate effort to establish institutional mechanisms to facilitate the consultation process; insufficient reporting back to NSAs on the results of the consultations…Ad hoc instead of institutionalised dialogue, no roadmaps for consultations, invitation on short notice, limited information before the meeting.

Altogether it becomes clear from engaging the literature on EU initiatives aimed at encouraging ‘dialogue’ and ‘participation’, that African civil society actors and business representatives are denied a real opportunity to make a genuine impact upon the content EU trade and aid policies. Nevertheless, their presence at dialogue events organised by the EU plays an important role in assisting the Commission to present its trade agenda as conforming to legitimating development norms.
In terms of Aid for Trade monies, meanwhile, the example of the West African EPADP illustrates the inadequacies of such initiatives for genuinely marrying EU free trade deals to development objectives, namely poverty reduction. West African countries argued that any Aid for Trade monies must be ‘new’ financing – namely not drawn from existing EU commitments under the European Development Fund (EDF). They also calculated that the transition costs of the EPA and associated finance for enhancing productivity would amount to €9.5 billion. Despite this, however, the European Commission responded by pledging a much reduced €6.5 billion figure explicitly drawn from existing commitments under the EDF (Langan and Price, 2015, p. 283). Accordingly, many West African civil society organisations felt that the EU had cheated West African citizens. Namely, that EU officials had agreed to establish the EPADP only as a means of legitimising the free trade deal as ‘development friendly’ despite its likely negative impact on key sectors such as poultry in the region. The West African Civil Society Platform on the Cotonou Agreement, for example, stated that the “EU’s continued refusal to substantially and specifically commit to meet fiscal adjustment costs that the EPA will impose on ECOWAS economies as well as for ADDITIONAL funding for the PAPED [EPADP] are clear violations of existing understandings and commitments” (ibid, p. 281, original capitalisation). The National Association of Nigerian Traders (NANTS), meanwhile, has condemned the modesty of the EU offer in the relative context of billion-euro bail-outs for Eurozone members (ibid).

In this context, many West African stakeholders remain sceptical about the notion of free market opening altogether. Many hold the belief that the EPA necessarily closes down the possibility of value-addition and industrialisation in the region by opening up local producers to competition from EU producers at a stage in their development when they are simply not ready (Langan, 2017, p. 141). In Ghana’s poultry sector, for example, producers remain unconvinced of the ability of EU Aid for Trade monies to meaningfully improve the future of the industry in the face of continued import flooding of frozen chicken from EU member states such as Germany. These producers remain concerned that the EPA will lock their governments into a low tariff model of trade - where even a so-called ‘sensitive goods’ basket agreed with the EU will be insufficient in terms of the levels of protection offered to vulnerable sectors. A farmers’ organisation in Ghana noted here in succinct terms that:

in a nutshell the EPA is not a good agreement… there will be more chicken imports, poultry farms will close in Ghana – everyone is talking to the
government to give a better deal [for trade with the European Union]. we do not support more imports, we are really suffering… our restaurants are filled with this chicken coming from Europe… the parts [of the chicken that] you don’t like… and it is really killing our poultry industry (Interview A March 2017).

Another farmers’ representative remarked that:

[the EPA] will not help us – it will allow the influx of a lot of products, when you already have local producers struggling to produce some product. The competition will kick us out and it is not the best option – there should be a tax on importation, there should be a reduction because it is not the best for us… we should increase the tax, not reduce it (Interview B March 2017).

Unsurprisingly, therefore, a number of African civil society and business leaders actively seek to challenge EU trade policies and ask EU officials to rethink the detrimental EPAs in terms of their negative implications for sustainable development in Africa. In Cameroon, the Civil Association for the Defence of Collective Interests (ACDIC), for example, led a prominent local campaign entitled ‘chickens of death’ which galvanised consumer opinion in favour of consumption of locally sourced poultry products at the expense of frozen meat emanating from the EU member states. ACDIC worked with local poultry farmers but constituted themselves as an independent activist network, which gave the campaign greater domestic credibility than an industry-led initiative. As Johnson (2011, p. 593) explains:

Part of Cameroonian producers’ success may have stemmed from their early decision to delegate responsibility for the anti-import campaign to agriculture activists who were not poultry producers. The ACDIC was a citizen’s group dedicated to increasing public influence in politics and protecting citizen interests. It was thus able to successfully define itself less as a professional interest group and more as a protector of the common good. Ghanaian producers, on the other hand, and Senegalese producers to a lesser extent, were labelled as ‘special interest’ groups and seen as promoting their own economic concerns rather than the needs of the public.

Moreover, the activist-led ACDIC successfully allied itself with European church NGOs, including the Church Development Service (EED) in Bonn, the Interchurch
Association for Development Co-operation (ICCO) in Utrecht, and the Association of World Council of Churches related Development Organisations in Europe (APRODEV) headquartered in Brussels. A subsequent joint publication ‘No More Chicken Please’ highlighted the domestic impact of the Cameroonian campaign for effecting government action against unmitigated poultry imports. It also drew attention to the responsibility of EU institutions and member states to rectify the damaging consequences of unrestricted poultry imports upon West African livelihoods, and thereby upon economic growth and social development outcomes (ibid).

It is important to recognise, however, that such laudable campaigns from African civil society and business leaders can only partly mitigate the expected repercussions of the EPA for development if there is no overarching change in policy direction – and if there is no acknowledgement by the EU of the unfairness of its trade deals. It is vital therefore, that EU officials are continually reminded about their ostensible promises to poverty reduction in Africa as they liaise with African counterparts about the successor agreement to Cotonou. EU officials must be repeatedly asked to listen to ongoing concerns that the EPAs will be damaging to African prospects for sustainable development – and that their civil society dialogues and Aid for Trade initiatives are wholly inadequate. Namely, they must be asked to recognise that such initiatives cannot square the circle and make unfair trade deals into development opportunities. Worryingly, however, it does seem that a wholesale renegotiation of the EPAs is presently off the table as the European Commission (2017; 2018) stubbornly insists that its trade deals are commensurate with the UN Sustainable Development Goals. If the EU does not take seriously its responsibilities to poverty reduction by rethinking the EPAs, then any successor to Cotonou will be fatally undermined from the outset.
References


Interview A (2017). Conducted by the Author.

Interview B (2017). Conducted by the Author.


