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EU/Africa: A Need For Balance and Equal Trade Deals - Not Generosity

By Victor Bassey in Dakar, Senegal (10/12/2007)

According to EU Development Commissioner Louis Michel, Economic Partnership Agreements (EPAs) would include long transition periods and "generous" regional funds to cover the financial impact. The term "generous" connotes a somewhat charitable arrangement in the EU/Africa partnership. Referring to the presence of Mugabe at the summit, Fredrik Erixon, Director of the European Centre for International Political Economy, said in an interview that "Europe wanted this summit to end 50 years of uneasy post-colonial relations. But the meeting is attended by a leader who exploits the colonial past and uses it as an excuse for his human-rights violations and endemic corruption at home."

The question is, if Europe wanted this summit to "end 50 years of uneasy post-colonial relations" why continue to use language that portends colonialism. Trade agreements and partnerships should not be hastily entered into without considering factors such as economy, development plans, and local trends with regards policies and their content. Prematurely ushering in a regime of tax free trade could have adverse effects on the socio-economic structure of African nations, which any amount of 'generosity' may fail to ameliorate even in the long term. Trade agreements, whether bilateral or multilateral, should be entered into on a premise of equality; one side should not see itself as being generous to the other thereby perpetuating a master/servant relationship. To foster and sustain equality, each side must fully understand the implications of its involvement, carefully examining both short and long term effects. If the EU/Africa partnership is to succeed, consideration must be given to several and unforeseen issues. In largely agriculturally driven economies, how will this partnership promote fair competition between European subsidized products

and African non-subsidized products? How will this agreement foster confidence in the market and create economic balance and stability in the short and long term? "Generosity" in this partnership is patronizing, and will create a dependency that African nations are/or should be trying to break. What happens if the EU stops being "generous" because of unforeseen circumstances? Will Africa reverse to point zero?

The EU will of course want to benefit from these partnerships. Just because the EU has more stable and secured economies does not mean that it will be ready to concede to Africa's demands to the detriment of its own economies and citizenry. The language of generosity is inappropriate here. Is EU saying it will enter into trade partnerships simply to promote Africa's trade? If so, the relationship is flawed, and will deteriorate into one of master/servant.

EPAs are bound to create imbalance, and EU/Africa must identify how these imbalances may be resolved. Economies dependent on agriculture and tariffs will collapse with the signing of any EPA if sound regulatory frameworks are not in place to absorb the impact of sudden shift in trade policies. Such policies may include providing incentives such as tax rebates to African owned industries, manufacturing concerns and the agricultural sector. Other concerns include regional integration, political dynamics and socio-cultural diversity amongst African nations. African sub-regional dynamics may appear simplistic and similar at first glance, but are often highly complex and unpredictable.

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