Introduction

2008 marks an important point in the relationship between the European Union (EU) and Africa. Since 1975 the EU has managed its development cooperation relationship with Africa through successive Lomé Conventions and Cotonou Agreements, in which Africa has formed part of a wider ACP group with Caribbean and Pacific countries. These successive conventions and agreements have been subject to ongoing reform and renegotiation that has seen the underlying development framework shift from one of state-led development to one based on privatisation and liberalisation. This has been accompanied by the incorporation of more coercive strategies including the use of political and economic conditionality by the EU; made possible through the asymmetric nature of the EU-ACP relationship. On the 1st January 2008 the preferential trade system that had underpinned EU-ACP relations was replaced by a raft of complex trade regimes, primarily based on pre-existing regional and sub-regional groupings within the ACP. This paper argues that this represents the latest stage in the redefinition of EU-Africa relations, aligning these with the dominant global development paradigm and placing the logic of competitiveness at its heart. The paper will explore the implications of this for the processes of African development and regional integration via a case study of the EU’s relationship with the Southern Africa Development Community (SADC).

Global Development and the Logic of Competitiveness

This paper argues that the ongoing reforms of EU-ACP relations have been aimed at aligning this ‘partnership’ with the dominant global development paradigm that has the logic of competitiveness at its heart. It takes forward the challenge raised by Cammack (2007) and Charnock (2008) to adopt an applied focus in the exploration of contemporary forms of the management of global capitalism that seek to guarantee the conditions for the global accumulation of capital.

Cammack’s (2007) key contention is that the logic of competitiveness is now the leading force shaping both global and domestic politics around the world. Within this, leading actors, including key capitalist states, international institutions and regional bodies such as the EU seek to embed the disciplines of capitalist competition throughout the world. In this ‘new epoch’ in the development of capitalism all states are driven to offer more attractive and better climates for investment, pressing states to “compete directly with each other to offer the best site for accumulation in an integrated global capitalist economy.” (Cammack 2007 p.13). Via a focus on international institutions such as the World Bank, it is argued that these increasingly coordinated international organizations are relatively autonomous agents of a broader global capitalist project that seek to advance capitalism ‘in its most developed form’ on a genuinely global scale. This goes beyond the imposition of the ‘Washington Consensus’ towards the design and promotion of strategies for deep domestic reform, converting national states
This paper seeks to investigate the incorporation of this logic of competitiveness within the relationship between the EU and SADC. Central to this is an understanding of this relationship as one component of broader mechanisms of coordination between global institutions, nation states, and other agencies that seek to secure the general interests of capital. This coordination exists via a myriad of inter-locking agreements, networks and institutions, both formal and informal, that do not by-pass the nation state, but rather encompass it. The foundation of this research project is to explore the extent to which the logic of competitiveness has been embedded in the relationship between the EU and the ACP as part of an ongoing project to lock in the reform and redesign the development framework between these two ‘partners’, in a framework previously described as ‘multifaceted and multi-layered (Nunn and Price, 2004). Importantly this paper recognises that this is a conflictual and contradictory process, and therefore seeks to establish how successful this project has been thus far and the implications this has for development within the ACP. This is a particularly pertinent question given the challenges posed to the consensus around development posed by recent financial crisis and the growing momentum for reform of the management of the global economy. This paper will explore these key themes via the lens of the EU-SADC relationship.

2. The Road to EPAs: Locking in liberalisation

The initial relationship between the EC and Africa were enshrined in the founding Treaty of the European Community, based on the need to accommodate the relationships between European member states and their colonies and former colonies. With the accession of the UK to the European Community in 1973 and the formation of the African, Caribbean and Pacific Group of states (ACP) EU–African relations became reformulated into the Lomé Convention (and its successive incarnations from Lomé I to Lomé IV). The first Lomé Convention was signed at a time when attitudes to development reflected ‘Third World’ concerns over the allocation of resources in the global political economy, and were represented in the provisions of the relationship. These were non-reciprocal trade preferences in a system to stabilize the export earnings of many ACP states to combat the adverse effects of the fluctuations in commodity prices of ACP export earnings. This reflected the dependence of many ACP states on a few primary commodities, which was further accommodated by the inclusion of separate protocols for certain commodities, such as bananas, sugar, rum and beef, based on quota arrangements and agreements to purchase minimum volumes at a guaranteed price. Alongside the trade provisions the EU supplied aid in the form of grants and loans, given without ‘strings attached’. Taken together the interventionist trade regime and the generous aid provision were regarded as responding to the needs and concerns of the ‘South’.
Over time, however, this generosity and interventionist stance came under pressure. The relationship was renegotiated every 5 years, with the EC/EU able to press through reforms due to the imbalance within a ‘partnership of equals’, often utilizing a divide and rule strategy to gain agreement (Price 2004). Increasingly these reforms reflected a neo-liberal approach to development, aimed at locking in the logic of capitalist competition via complex and inter-related features of redesigning development strategies based on privatization and liberalization. This is represented by a brief survey of the changing discourse of development embodied in each convention which shifted from a relationship based on interdependence, equality and redistribution (Lome I); to participation in the global economy (Lome II 1979); to private sector led development based on the central role of the individual (Lome III 1984); to macroeconomic reform, civil society participation and individualized human rights (Lome IV 1989) to decentralized participatory development (Mid Term Review 1995). Through the evolving convention the ACP committed themselves to a framework whereby development was defined as participation in, rather than protection from, the global market. It sought to enshrine and guarantee the rights of capital through investment frameworks, the rule of law and the guaranteeing of individual and property rights. Alongside this, the aid provision shifted from project aid to programme-aid, with the inclusion of performance assessment, and conditionality. This represented a move to a more coercive form of relationship and further undermined the notion of a ‘partnership of equals’. Taken together, the gradual reform and the evolution of the Lomé framework demonstrates its coherence with the development frameworks at the global level. The shifting basis of the relationship demonstrates Charnock’s (2008) argument around the importance of discourses within the promotion of global competitiveness, particularly when accompanied by mechanisms of consent and coercion as were increasingly incorporated into the Lomé relationship.

While the preferential trade regime had undergone some erosion (not least due to the proliferation of EU trade agreements across the developing world, effectively devaluing the preferential position of the ACP) it was not until 2000 that this component of the relationship was fundamentally reformed. Based on a discourse of poverty eradication, sustainability and integration of the ACP into the global economy, the Cotonou Agreement replaced the previous Lomé Conventions and set the basis for the end of non-reciprocity via the creation of Free Trade Areas in Economic Partnership Agreements (EPAs) between the EU and regional organizations within the ACP. The rationale for this reform was the perceived problems of WTO compatibility, to bring the relationship in line with Article XXIV of the General Agreement on Tariffs and Trade (GATT). However the remit of the new EPAs was to go beyond the trade in goods.

“Through EPAs, the EC also seeks investment liberalisation, guaranteed protection for European corporate property and increased ‘intellectual property’ rights, the opening up of ACP services sectors and government procurement (public tenders) to the operations of European companies,
the imposition of inappropriate ‘competition’ rules and much else.” (Keet 2007:1)

While this highlights the manner in which the reforms are designed to serve powerful economic interests in Europe, they also demonstrate the coherence between the EU and key global institutions such as the World Bank and the WTO. It also reflects a more generalized shift in the EU’s approach to development.

The Cotonou Agreement set out four key principles on which the new EPAs are to be based. The first principle is development through economic growth in order to achieve poverty eradication. The second principle is reciprocity, based on the dismantling of substantially all trade restrictions between the EU and the ACP. The European Commission (2003) has argued that “reciprocity will stabilise the framework for trade, secure market access to the EU and provide opportunities by attracting investment and increasing productivity”

“The rationale for reciprocity rests on the principle that liberalization of ACP markets towards the EU will increase competition within the ACP economies, thereby stimulating local and foreign (including EU) investment and the necessary adjustment of their economies, leading to growth and development” (Stevens et al 2008:71).

The third principle is regionalism, reflecting the view of the EU that this will act as a ‘stepping stone’ towards further integration into the world economy as well as stimulating investment by ‘locking-in’ the necessary trade reforms (Stevens et al 2008: 71). The final principle is differentiation and special treatment based on levels of development. “Hence EPAs should provide sufficient scope for flexibility, special and differentiated treatment and asymmetry” (Ibid). However there is a fundamental conflict between these criteria, demonstrated in the problems facing the EU in order to achieve its aims.

EPAs, based on sub-regionalisation of the ACP, have been presented by the EU as an effective strategy for securing more sustainable future economic development and poverty reduction primarily by overcoming the small and uncompetitive nature of their markets. “Larger, more attractive markets are a key-criterion to attract investments. At present, small, segmented markets in Africa are too expensive and not competitive” (European Commission 2003). The form of regionalization promoted by the EU is outward-orientated and open, aimed at further integrating the ACP into the global economy, rather than inward focused processes aimed at achieving ‘autonomous, integrated and self-sustaining internal development within such regions” (Keet 2007:9). However, this approach has been problematic due to the prevalence of overlapping organizational memberships, the relatively un-developed nature of existing regional organizations and important intra-regional differences in levels of development. This is compounded by an overall lack of consensus between the
EU and ACP over trade and investment liberalization, and has presented real difficulties for the EU in enforcing competitiveness via regional integration. During the Cotonou negotiations the ACP had resisted the focus on sub-regionalisation, fearing it would weaken the ACP as a group.

“The breakdown into regions reduces our clout and strengthens the hand of the EU vis-à-vis each part of the ACP. It is folly to think that any regions will be as strong as before, or better off, if they enter individually into critical negotiations with the EU (Edwin Carrington, Caricom Secretary General EC 1998a: 4)

Furthermore the ACP argued that far from encouraging regional and global competition and cooperation EPAs would create additional barriers between the sub-regional units and tie the ACP ever closer to the EU (Olsen 1999).

Although criticisms have been raised about the efficacy of the EPA programme, the EU has been able to push on with this agenda using the ‘carrot’ of potential increases in investment and the ‘stick’ of an ambiguous future for those that did not sign up. The schedule for reform was to begin the EPA negotiations in 2002, complete them by 2007 for full implementation by 2008. However the negotiations were difficult and conflict-ridden and by the end of 2007 none of the African regions were in a position to conclude a full EPA.

“The EU insisted on abiding by the letter of the WTO rules and on not seeking any further derogation. In the absence of any decision to the contrary the only alternative trade regime available for those ACP not signing an EPA would have been EBA for LDCs and for others the standard GSP” (Stevens et al 2008: 1)

Such a threat focused attention on achieving agreement, and although the EU’s preference was to create partnerships with regional organizations, pressing hard for regions rather than individual states being the prime focus of the new agreements (ACP General Secretariat 2003) as the deadline loomed the “European Commission switched away from a purely regional approach and started conducting parallel bilateral negotiations with single countries and sub-regions as a fall back position” (Stevens et al 2008 p. 2). The EU agreed to interim measures that provided a legal basis for continuing ACP preferences until 2008, and on January 1st 2008 the new trade regime replaced the Cotonou/Lome trade framework with eighteen African states having initialed interim EPAs (as have two Pacific states with CARIFORUM signing a full EPA) (Stevens et al 2008:xi). Those ACP states that have not initialed such agreements now come under the EU Generalised System of Preferences (GSP) or the EBA for LDCs or the less favourable GSP. While South Africa continues to operate within its own free trade agreement with the EU, the Trade, Development and Cooperation Agreement (TDCA), this agreement includes de facto its neighbours within the SACU and has implications for the interim EPA signed with them.
The conclusion of the interim agreements was a conflictual process, with the ACP Council of Ministers 'deploiring' the pressure brought to bear on them by the EU. The result of these difficulties is agreements with many 'inconsistencies and gaps' (Stevens et al 2008:2). The resultant interim measures have lifted the time constraints facing the EU and its partners, allowing the continued ‘negotiations towards more comprehensive EPAs’ and for the European Commission to fulfil its mandate to conclude full EPAs (Stevens et al 2008:2). However the completion of this project will be a difficult process and will require strategic management by the EU if it is to achieve its aim of further aligning its development cooperation relationships with the broader global development framework. This can be demonstrated via an exploration of the particular case of Southern African Development Community (SADC).

EU-SADC Relations: Locking in via regionalization:

SADC was created in 1980 (then as the Southern African Development Coordination Conference , SADCC)\(^1\), with the aim of lessening economic dependence on Apartheid South Africa following the adoption of the *Lusaka Declaration - Southern Africa: Towards Economic Liberation* (SADC 2008). In 1996 it signed the SADC Trade Protocol, which was implemented in 2000 and initiated a process of asymmetrical liberalization within the group, with the more developed member states liberalizing tariffs at a faster rate that others. South Africa, Botswana and Namibia removed most tariffs in 2000, with others such as Mauritius adopting a more gradual approach by gradually reducing their tariffs each year between 2000 and 2008. For least developed countries such as Mozambique and Zambia tariff reductions have generally been introduced during 2007-2008 (SADC 2008)\(^2\). In 2008 the SADC Free Trade Area was launched, with 12 of its 14 member states ratifying the protocol on trade, and liberalizing 85% of the trade between them (SADC 2008).\(^3\) The SADC region now represents a cumulative GDP of US$431 billion and a total market of 247 million people (SADC 2008b). Since the Trade Protocol entered into force there has been an increase in intra-SADC trade, in absolute terms from approximately US $5.6 billion to approximately US $10.8 billion in 2006, although the total SADC share of world trade is currently only 1% (Salamao 2008).

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\(^1\) By Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe

\(^2\) Facilitation measures already (or shortly to be) in place to ease the movement of goods, are the harmonising customs procedures and customs classifications; increased custom co-operation; the introduction of a single, standardised document (Single Administrative Document) for customs clearance throughout the region; "one stop" border posts and a single bond to ease transshipment across several borders with the Community (SADC 2008b)

\(^3\) The FTA protocol has been ratified by 12 of the 14 SADC member states. These are Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, while Angola and the Democratic Republic of the Congo (DRC) have yet to (SADC 2008b).
The FTA is regarded as a first step in the broader SADC integration agenda and is seen as an “unreserved commitment towards promoting deeper regional integration, economic growth, poverty eradication and sustainable development in SADC” (Salomao, the Executive Secretary of the SADC Secretariat 2008). The group has affirmed its commitment to follow the creation of the FTA with a customs union by 2010, a common market by 2015, monetary union by 2016 and a single currency by 2018 (SADC 2008b). This regionalization agenda is aimed at addressing the challenge of “low productive capacity, characterized by low volumes of intra-SADC trade. The composition of goods traded is mainly primary and unprocessed goods, with about 90% of exports comprising mineral and agricultural products” (Salamao 2008). SADC regionalization is viewed as the vehicle for coordinated efforts to improve productive capacity and competitiveness, enhance trade facilitation efforts and diversification and industrialization with the state playing a key enabling role in improving the climate for domestic, cross border and foreign investment (Salamoa 2008). However with the advent of the world food crisis the region increasingly re-focused its attention on agriculture and in particular on food production to ensure food security (Salamao 2008).

It is within this broader agenda of South African regional integration via SADC that the latest reforms of the Lomé/Cotonou trade regime need to be viewed. Despite the commitment to the strengthening of SADC regional integration it could be argued that the reform of the EU-ACP trade relationship will have profound implications for this agenda. This is because SADC has emerged from the EPA negotiations divided into 4 different groups of relations with the EU (Stevens et al 2008). The main SADC EPA is between the EU and the members of the SACU (BLNS) plus Mozambique (referred to as the SADC-minus EPA). Those not included with the SADC-minus EPA have joined the East and Southern African (ESA) EPA (although not all are signatories to the interim EPA). This ESA group is a vehicle specifically created to accommodate an EPA, and cuts across the SADC and COMESA. “ESA is thus a contrived ‘negotiating’ body, created specifically to reach a separate EPA with the EU, and which does not, per se, have a formal legal persona” (Keet 2007:11). (Table 1 shows the reconfiguration of trade relations between the EU and SADC member states)
Table one: EPAs created between SADC member states and the EU.

<table>
<thead>
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<th>SADC 14 Member states</th>
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<tbody>
<tr>
<td>Angola, Botswana, Democratic Republic of the Congo (DRC)</td>
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<tr>
<td>Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia,</td>
</tr>
<tr>
<td>South Africa, Swaziland, Tanzania, Zambia and Zimbabwe</td>
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For their trading relationships with the EU SADC is divided into 4 groups

<table>
<thead>
<tr>
<th>SADC EPA</th>
<th>ESA EPA</th>
<th>EAC EPA</th>
<th>Non signatories</th>
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<tbody>
<tr>
<td>“SADC minus” the 4 signatory members of SACU (Botswana, Lesotho Namibia, Swaziland) Plus Mozambique</td>
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<tr>
<td>Angola (non-signatory) South Africa (non-signatory)</td>
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<tr>
<td>Madagascar, (EPA) Maurice, (EPA) Zimbabwe (EPA)</td>
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<td>Malawi (non signatory) Zambia (non-signatory)</td>
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<td>DRC Congo Angola</td>
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The groupings that have emerged are all different from those that were engaged in negotiations with the EU until the middle of 2007 (and from those that have agreed Free trade Areas or customs unions under COMESA and SADC) (Stevens et al 2008: 5). This result is in part due to the range of different relationships that exist within the group and highlights the issue of overlapping membership and jurisdiction. When SADC was identified as a potential regional partner for the EU in the EPA negotiations, it comprised 14 members including South Africa, with its preexisting Trade, Development and Cooperation Agreement (TDCA) with the EU, and some SADC member states that were also members of COMESA and the Indian Ocean Commission, both regional organizations separately identified as possible EPA partners. It was clear that the negotiations of the EPAs would necessarily bring a reorganization of pre-existing patterns of regional integration and institutions, as well as having to accommodate differing levels of development. On entering the negotiations SADC incorporated 7 LDCs, 6 non-LDCs and South Africa categorized as developed by the WTO and ‘a country in transition’ by the EU (Gibb 2000:474). All of the SADC states with the exception of South Africa enjoyed non-reciprocal

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4 Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Kingdom of Swaziland, Tanzania, Zambia and Zimbabwe.
duty free access to the EU market through Lome and Cotonou Agreements, with LDCs offered more extensive access under the Everything But Arms initiative. The inclusion of LDCs into EPAs brought the threat of losing that non-reciprocity while the maintenance of that preferential access to the EU market would add difficulty to the operation of differentiated regimes with the regional grouping (Keet 1999:4).

The position of South Africa within this refashioned trade regime is unclear. EU-South Africa relations have been managed via the TDCA signed in October 1999, that included provisions leading, after a transition period to the creation of a fully reciprocal FTA (the South Africa-EU Free Trade Area – SEFTA). The fully WTO-compatible regime involved the EU liberalizing 96% of its imports from South Africa over 10 years and South Africa liberalizing 86% of its imports from the EU over a 12 year period. This asymmetry, with the EU committed to eliminating the majority of tariffs in the first 3 years, was designed as a development tool to assist South Africa’s integration into the global economy (Gibb 2000; 474-5). As South Africa also belonged to the South African Customs Union (SACU) with Botswana, Lesotho, Namibia and Swaziland (BLNS) the SEFTA applied de facto to the BLNS states despite them not negotiating the terms of their inclusion. Meyn (2004p.4) argues that the signing by South Africa of the TDCA and entering into a free trade agreement with the EU it “locked neighbouring Botswana, Lesotho, Namibia and Swaziland (BLNS) into its liberalization schedule towards the EU” due to their membership of SACU (and lack of capacity to monitor the indirect imports from the EU into their countries).

“Considering that the liberalization schedule of the TDCA started already in 2000, the EU will have free market access to the BLNS economies by 2012 instead of 2018/20 as to other ACP countries”(Meyn 2004:17)

The SACU agreement of 2004 states that no member can agree a new trade regime with a foreign country without the consent of all members (Stevens et al 2008). While the BLNS have initialed the interim EPA agreement with the EU, South Africa did not. While in practice, South African can consent and accept the EPA, and as Stevens argues “the import policy of the BLNS with respect to the EU is likely to be very similar to that of South Africa under the TDCA” (Stevens et al 2008: 49)

The experience of the SACU member states highlights the incremental spread of the ‘logic’ of integration, as one regional project ‘spills over’ to the next, locking states into a rapid form of liberalization. The EU- SADC –minus FTA will exist within the broader mechanisms of SADC regionalisation aimed as it is at monetary union and a single currency. This echoes the forms of variable geographies evident in the EU, and might provide an impetus for the wider integrative momentum of the region and offer a mechanism by which the

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5 The EBA was introduced in 2001 and provides LDCs for immediate access to the European market for all exports except arms.
problems faced by the EU in the creation of a SADC-wide EPA in the long-term might be overcome. This is particularly telling as when negotiating the FTA with South Africa in the late 1990s, the EU insisted that the agreement only suited industrialized South Africa, rather than lesser-developed states (Keet 1999:6). The rationale for this separate agreement was that reciprocal free trade would not be suitable for states at a lower level of development. However the SADC-minus EPA incorporates developing states and Lesotho and Mozambique, both of which have LDC status and so could have maintained their non-reciprocity via the EBA but will now offer reciprocity to the EU⁶. For Mozambique almost all liberalization is taking place in 2008, with implementation completed by 2018 “This eleven-year implementation period is the shortest of any EPA and it is the most heavily front-loaded” (Stevens et al 2008:48). In this way the EU’s concern to accommodate the differing levels of development appears to have been sidelined, with the EU-South Africa model emerging as a blueprint for the region (Keet 1999:5).

The sidelining of this developmental differentiation within the SADC-minus EPA is accompanied by the apparent fragmentation of SADC as a regional organization, given the multiple trade regimes that the EU has negotiated within it. Meyn (2004:18) however suggests that, given the low level of economic integration within SADC, its subdivision into various groupings was a rational option, in order to overcome any constraints on negotiations. The SADC-minus EPA has emerged within a sub-grouping of SADC that is already more intensively integrated than the broader SADC group, due to their membership of the SACU; it already has undergone more intensive liberalization of its relationship with the EU, due to the signing of the TDCA by South Africa; and it is a relatively more economically diverse and strong alliance, given the centrality of South Africa.

When looking at the structure of BNLS trade, the centrality of South Africa and the EU is clear. With the exception of Lesotho (which trades almost exclusively with South Africa and the USA) the EU has been the second largest trading partner of the BLNS countries, with the BLNS countries showing a positive trade balance towards the EU. For example, in 2002 BLNS exports to the EU accounted for €2,469.5million and were more than seven times higher than their imports (European Commission cited in Meyn 2004: 3). In terms of BLNS trade, Botswana and Namibia export mainly diamonds and beef, and Swaziland mainly exports sugar and sugar products and beef. Lesotho is the exception, drawing its export revenue from manufactured products (UNCTAD 2008:19 and Meyn 2004:3). While Lesotho as an LDC already receives duty-free access to the EU under the EBA, the “fact that Lesotho nevertheless hardly trades with the EU suggests that indirect market access issues, such as restrictive rules of origin and insufficient cumulation, high quality standards and complex administrative arrangements constrain its exports to the EU” (UNCTAD 2001 cited in Meyn

⁶ The other options for Lesotho was to erect its own customs barriers or leave SACU.
The BLNS mainly import capital and knowledge intensive goods, such as transport equipment, machinery and electronic products.

“It can be said that trade between the BLNS countries and the EU is characteristic for trade relations between developing and industrialized countries. BLNS exports to the EU are dominated by primary and labour-intensive manufactured goods, while their imports are predominately capital-intensive manufactures” (Meyn 2004:7)

The true extent of the trade relationship between the BLNS and the EU however is difficult to measure as they receive the ‘vast majority of their imports via South Africa” (WTO 2003 cited in Meyn 2004: 3).

Keet (2007) argues that the South African economy is already feeling the impact of the liberalization undertaken via the TDCA, and which is set to intensify with the operation of the EPAs. Moreover, such pressure will be felt more keenly by the weaker SADC states.

“Trade liberalisation towards the EU would place pressures within their own economies but would also subject them to competition from EU companies in other areas of their region, above all in South Africa. Producers in SADC countries that have managed to establish trade routes and their own small market niches in South Africa — as a relatively more accessible and larger market for them – would find themselves having to compete there with EU exporters, and most significantly with EU subsidised agricultural products” (Keet 2007:13)

Stevens et al (2008:105) concur. They argue that trade liberalisation will open domestic industries to regional and global competition and could cause fundamental restructuring and loss of jobs. Furthermore it will cause a substantial loss of government revenues as for many ACP countries the collection of duties constitutes a considerable proportion of their total revenue (Stevens et al 2008:105). “The African ACP states will lose significant tariff revenues – in some cases very quickly- and financial support to offset this is needed. The total theoretical revenue … that will be lost during the first tranches of liberalisation is $359 million per year” (Stevens et al 2008: xvii). Within the SADC-minus EPA the effect of tariff reductions on revenues will be variable. Due to the manner by which the BLNS applied the TDCA, the liberalisation of trade with the EU will have a profound impact on Namibia’s import regime than for Botswana, Lesotho and Swaziland, as Namibia alone has not been applying the TDCA tariffs. However Mozambique will lose a theoretical revenue of $10 million, with 91% of this taking place in 2008 (Stevens et al 2008:53). There exists some provisions to offset the losses incurred by the ACP states, under the Aid for Trade Strategy, however this will require substantial financing and as yet the amount of resources available for this are unclear and the EPA texts make no firm commitments (Stevens et al 2008: xvii).
Concerns over revenue loss are reflected in the broader WTO liberalization agenda. The Doha round has faltered, now stretching over seven years and reflecting the contested nature of the free trade agenda. Lyn (2008) argues that while for developed countries the budgetary importance of tariffs are relatively low, for developing countries they represent a sizable, if falling share of government receipts. IMF economists Keen and Mansour, cited in Lyn 2008, estimate that in sub-Saharan Africa, revenue from tariffs was 4 percent of gross domestic product in 2005, down from 6 percent in 1980, while trade taxes account for more than 20 percent of total revenue in most African countries, and more than 40 percent in some. However under WTO liberalization, it is bound rates rather than applied rates which are targeted, and often applied rates are already well below these ceilings. Lyn (2008) cites the example of Rwanda, that has an average bound tariff rate of 89.5 percent for all goods, but an average applied rate of 18.7 percent. Lesotho has an average bound rate of 78.5 percent and an average applied rate of 7.8 percent. Thus via the WTO process, the cuts in bound rates may have a limited impact on government revenue, however as Lyn (2008) notes “such reductions are still valuable, because they reduce the extent to which countries can legally raise tariffs, and so limit the scope of protectionism”. In terms of locking-in, the WTO process prevents a reversal of economic reforms to ensure their longevity.

**Contesting Locking in**

Within the WTO the ACP have called for reform of the rules governing trade. In their agreement to the reforms made in the Cotonou negotiations, Dearden and Salama (2001) suggest that rather than an acceptance of liberalization, ACP support for EPAs was a tactic to buy time to seek reform of the WTO rules before their entry into force. Stevens et al (2008:76) argue that “most of the ACP countries engaged in the EPA negotiations with reluctance and with the prime objective of maintaining their preferential market access to the EU while making the least possible commitments in terms of opening of their own markets.” The lengthy negotiations for Doha that have run concurrent to the negotiations for EPAs demonstrate the difficulty faced by developing countries in achieving their aims. Moreover Keet (2007:2) argues that through EPAs “the EC is also seeking to outflank the resistance to such trade and investment liberalisation policies by ACP countries within the G-90 alliance at the WTO”.

The argument regarding ‘outflanking’ is an important one in relation to understandings of locking in, as the creation of EPAs will run counter to any regional attempts to create frameworks and engender development cooperation relations among the ACP states. Stevens et al (2008: 73) refer to the EU acting as an “external guarantor” to avoid a reversal of economic and integration policy” Keet (2007b) argues this is a policy that both the USA and EU have pursued throughout the South. “They have both gone further in trying to fully open up or outflank plans and programmes for regional groupings among countries of the South “ (Keet 2007: 8). Alternative forms of regionalization could provide
targeted support and selective protection of “local, national and regional producers within stronger regional economies. The EU's proposed EPAs are threatening the self-determined aims and potential gains from developmental regional integration within ACP regions”. (Keet 2007: 2). Keet (2007:8) argues that there is strategic potential to alter the course of regionalization in Africa, to use regional integration as an effective basis for tactical engagement with the global economic system, effective strategic repositioning or even “strategically deployed transitional ‘de-linking’ from the international/global economy”, allowing the creation and implementation of diverse development programmes.” These would be built through regionally designed and multilaterally negotiated processes and within time frames appropriate to the specificities of the internal needs of the respective participating countries and communities” (Keet 2007:8).

Within Africa there has been civil society mobilization against the EU’s reform agenda. The Africa Trade Network (ATN) and the Stop EPAs campaigns have focused their attention on the inclusion of the ‘new generation’ issues and the anti-developmental implications of EPAs, highlighting the imbalance between the trading partners, threats of trade deficits and balance of payments difficulties, unfair competition and the decline of uncompetitive sectors and companies. Keet (2007:4) argues that EPAs will contribute to de-industrialisation and the retrenchments and exacerbation of unemployment, while EU agricultural exports will increase and threaten the livelihoods of agricultural producers, both small and large, potentially leading to increased food insecurity. In the build-up to the signing of the interim agreements, the 27th September 2007 was designated as a STOP EPAs Day and statements were released by the African Industrial Association stating the opposition of industrialists from Western and Central Africa to EPAs. On November 1st and 2nd, networks of Farmers organizations of the ACP (PROPAC, ROPPA, SACAU, EAFF, WINFA) converged in Brussels to demonstrate against the EU’s reforms. However, the interim agreements were initialed and came into force on January 1st 2008, locking their signatories into liberalization schedules and the agreement to sign eventual full EPAs.

Conclusion

The reform of the Lomé/Cotonou relationship based on the creation of EPAs reflects the importance placed on the sub-regionalisation of the ACP by the EU, in order to embed the logic of competition into regional and domestic political economies. In this form, regionalisation becomes an effective ‘police thyself’ strategy, in which the ‘logic of integration’ becomes a vital means of spreading the logic of competitiveness. In this way the establishment of EPAs creates a significant obstacle to alternative models of regionalism and development. In spite of the objections by civil society actors and representatives of key sectors within Africa, interim agreements have been signed and the course set for the conclusion of full and extensive free trade areas between regional groupings and the EU.
In contrast to the high speed integration being pushed forward by the EU, the European economic and political integration process has been a slow and incremental, often conflict ridden and halting. This variable project has been accompanied by social provisions, such as social cohesion funds, regional development agencies and policies to offset the negative effects of liberalisation. Little similar provision has been made in response to the creation of the EPAs, and the cost of adjustment to liberalisation is likely to be felt particularly harshly by certain areas and sectors of African society. The EU has displayed an ongoing and deep commitment to the reform of its own development cooperation relations with Africa, in which it has identified open orientated sub-regionalisation and trade liberalisation as vital to the burgeoning framework of organisations, institutions and agreements that coordinate in order to embed competitiveness into the domestic political economies of the developing world. This relies on facilitating the deeper integration of the Africa into the global economy, ensuring their engagement in global competition as key locations for investment and production. The logic underpinning this is that those domestic producers that are able will become more productive and competitive, while those that are not will cease to be sheltered from external competition. As such the development of the EU-ACP relationship through the latest phase in the evolution of the Lome/Cotonou framework is part and parcel of the wider application of the logic of competitiveness to the politics of development world wide.
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