African Agency in World Trade Undermined? The Case of Bilateral Relations with the European Union

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Introduction

Historically the dominant understanding of Africa’s place in world politics has been one dominated by concepts such as ‘marginalisation’ or ‘exploitation’. During the 1960s and 1970s there were a number of adherents of the dependency theory view, which understood African underdevelopment as the product of the continent’s economic relationship with the core of the world economy (see Amin 1976, Rodney 1972). Then as we entered the post-Cold War era, Africa’s international relations were seen to result in a struggle for state survival as superpower rivalry within the continent gave way to the rigours of an increasingly global economy (Clapham 1996). Others went as far as to argue that after two decades of the structural adjustment era, due to the persistence of neo-patrimonial regimes in particular, what we were witnessing at the turn of the century was the persistence of long-term economic crisis in African economies (van de Walle 2001).

By contrast, in the last few years perceptions outside of Africa are changing. For example an editorial in The Observer newspaper in February 2011 proclaimed that a new continent is emerging, concluding that ‘Europe and the UK have been slow to adjust to the rise of an Africa powered by economic growth and a burgeoning consumer boom. The African lions are finding their voice’ (Editorial 2011, p. 28). The ‘evidence’ for these changes in Africa’s position in international relations is often rates of growth of key African economies. For example, six of the ten fastest growing economies in the world from 2000-2010 are to be found in Africa, with Angola top of the list (The Economist 2011, p. 12). Similarly Africa’s share of world trade has increased in recent years, although there was a downturn in 2009 when the figure fell again to 3.1% (UN Economic Commission for Africa 2011, p. 50). This coincides, and is partly explained by, the fact that during recent years we have also witnessed increasing African co-operation with other countries in the global South, most notably China (Lopes 2010: pp. 74-77).

It is not the intention of this paper to question the fact that there is clearly some truth to the claim that the fortunes of African economies have improved over recent years. Of course, it should be noted that many of these statistics reflect increases from a very low base. From 1985 to 1995 average annual growth of GNP per capita in Sub-Saharan Africa was -1.1% (World Bank 2000, p. 23). Similarly, between 1950 and 1999 sub-Saharan Africa’s share of world exports fell from 3 per cent to just 1.5 per cent (Hoogvelt 2002, p. 17). Moreover, there
is other more contradictory ‘evidence’. The Human Development Index for Sub-Saharan Africa for 2010 is 0.389, which is well below any other region of the world (UNDP 2010, p. 146). Africa’s share of global inflows of Foreign Direct Investment (FDI) remains small and fell to 4.4% in 2010, despite a growth in inflows to developing countries as a whole (UNCTAD 2011, p. xiii)

Coupled with these ‘good news’ stories about African economic development, in recent years both in the academic literature and in policy-making circles we have seen an emerging discourse that refers to the increased influence or ‘agency’ of developing countries in the global political economy. For example, a recent article by a UN official suggests that ‘in any event, the renewal of South agency is already palpable’ (Lopes 2010: 73). As Cornelissen suggests this shift ‘has a great deal to do with the way in which the economic, but increasingly political significance of states from the developing world affects politics in the international system (Cornelissen 2009, p. 8). Part of this discourse refers specifically to the increasingly prominent role played by sub-Saharan Africa in world politics.

The specific focus of this paper is on one particular aspect of this wider debate on ‘African agency’ – namely the influence of African states on the ideational and material structures of world trade. In line with the wider literature outlined above, some scholars have begun to acknowledge that African countries have become more active and influential in shaping the contours of world trade via their activities in the WTO (see Lee 2009, Mshomba 2009). This paper seeks to question the significance of these claims by focusing on one of the key changes in the organisation of world trade since the creation of the WTO in 1995, namely the exponential growth of bilateral free trade agreements. Notifications have risen sharply since the early 1990s to the extent that at the time of writing 206 regional trade agreements are currently in operation, of which 84 cover both goods and services (WTO 2011). It is important to note here that we have witnessed a proliferation of bilateralism whilst progress in a new multilateral agreement within the WTO appears indefinitely delayed. The response of the established players within the WTO (notably the US and the European Union) has been to switch their attention to negotiating bilateral agreements with much of the developing world. In a recent discussion document the European Commission outlined that if all ongoing negotiations were concluded then approximately half of all the EU’s external trade would be covered by FTAs (European Commission 2010, p. 10). This paper focuses on the EU’s
bilateral relations with Africa and in particular the negotiations over Economic Partnership Agreements (EPAs) between the EU and sub-regions within sub-Saharan Africa are assessed.

The paper considers the influence or ‘agency’ of African countries in their trade relations with the EU. The central argument is that the current discourse on the rise of African agency in world politics, and world trade in particular, is undermined if we consider both the process and potential implications of these bilateral trade negotiations with the EU.

**Africa in the ‘Changing’ Global Political Economy**

The position of Africa within this changing global political economy is being misrepresented in much of the contemporary debate. One of the familiar themes in the optimistic discourse on Africa is the rise of the BRICs and the new opportunities this offers to the continent. However, despite South Africa’s recent membership of this informal club – the centrality of Africa remains marginal. Moreover, it is clear that South Africa’s interests are qualitatively different to the rest of sub-Saharan Africa. In terms of negotiations with the EU, South Africa has been opposed to regional liberalisation with the EU due to its own economic interests and therefore ‘stood accused by the smaller states of pursuing its parochial interests at the cost of the region’ (Vickers 2011, p. 194).

Andreasson encapsulates the key question here, which is as Africa turns its attention increasingly to the new emerging powers, ‘will its relations with external actors…become conducive to African growth and development, or will asymmetrical relations of the past merely be replicated in newfound relations?’ (Andreasson 2011, p. 1169). Here I would suggest that the latter is a far more likely outcome. It seems clear that China’s relations with Africa, like those of the West, are not primarily based on genuine political partnership and mutual economic gain. As Taylor suggests ‘China’s interactions with the continent fit the pattern of most external actors’ intercourse with Africa: beneficial to the ruling elite but to the long-term disadvantage of Africa’s peoples’ (Taylor 2010, p. 81).

It is clear that the rise of the so-called ‘emerging powers’ has altered the context of Africa’s international relations. There is certainly renewed interest in the continent and the closer political and economic ties that have emerged between Africa and Southern ‘partners’ such as China, India, and Brazil, have altered the context for relations between the global North and
Africa. In essence the consequence is not that we are witnessing a replacement of the old North-South with the new South-South, but rather that the rise of emerging powers results in intensified competition within the global economy (Andreasson 2011, p. 1170). The European Commission seems fully aware of this in its assertion that ‘where our partners have signed FTAs with other countries that are competitors to the EU, we should seek full parity at least’ (European Commission 2006, p. 9). Whilst the configuration of the global economy is clearly changing Africa’s relations with the EU remain highly significant. As Table 1 below demonstrates, in 2010 the EU comfortably remains the continent’s major trade partner, accounting for just over a third of both Africa’s total imports and its exports.

Table 1: Africa’s Major Trade Partners

<table>
<thead>
<tr>
<th>Major Import Partners</th>
<th>Major Export Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Value in 2010 (€ million)</strong></td>
<td><strong>Share of Total Imports (%)</strong></td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>EU</td>
<td>127,783</td>
</tr>
<tr>
<td>China</td>
<td>49,223</td>
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<tr>
<td>United States</td>
<td>23,353</td>
</tr>
<tr>
<td>India</td>
<td>11,203</td>
</tr>
<tr>
<td>South Korea</td>
<td>10,390</td>
</tr>
<tr>
<td>The Rest</td>
<td>141,999</td>
</tr>
<tr>
<td>Totals</td>
<td>363,951</td>
</tr>
</tbody>
</table>


**Understanding Agency**

When considering aspects that undermine effective African ‘agency’ the aim is not to return to the arguments of ‘marginalisation’. Rather, as Taylor suggests, Africa has always ‘...been inextricably entwined in world politics and has continually exercised its agency’ (Taylor 2010, p. 2). However, what we could label the ‘optimistic’ discourse on African agency fails to sufficiently acknowledge, is the persistence of wider structures (both material and
ideational) that set the parameters of Africa’s engagement in the global political economy. As Cornelissen concludes, ‘the deepening of multilateral ties in the current international arena has had mixed results . . . [and] does not seem to have resulted in an autonomous voice for the African continent’ (Cornelissen 2009, p. 24).

Proponents of the ‘rise of Africa’ thesis use material changes in the significance of the continent in the global economy to justify their argument. However, it is the contention of this paper that we also need to consider agency in an ideational sense. In other words, ‘ideas of the social world arise from, as well as construct, the material conditions in which social groups exist’ (Bieler and Morton 2001, p. 21) In doing so, there is a desire to take structural constraints as significant whilst at the same time not wanting to replicate the structural determinism of approaches such as dependency theory. Rather, structures (both ideational and material) are seen as placing limits on the actions of (in the case of this paper) states, but that these outcomes are not pre-determined. The examples of African agency within the WTO are testament to this.

However, the case of bilateral trade relations with the EU, explored below, highlights the structural weakness that persists with respect to the position of African states within world trade. In this sense, agency should be understood as a way to challenge the dominant material and ideational structures of the global political economy.

**Africa in world trade**

African agency in world trade has been highlighted with respect to the effective diplomacy of groups of African states within the WTO. At a general level, the agency of African states in world trade negotiations have contributed to the impasse in the Doha Development Round of the WTO. The WTO itself has been active in providing capacity-building support to help African states increase their influence within the organisation. Within the WTO African states have made use of a number of groupings that have bolstered their overall influence. This certainly contrasts with the influence of African states in the GATT prior to the formation of the WTO. African states have been able to exploit the discourse of fairness and a focus on ‘development’ within the WTO to increase their influence within the organisation. Two key examples of African activism within the WTO highlight the literature on African agency in world trade. Lee (2009) focuses on the role played by Benin, Burkina Faso, Chad
and Mali - the so-called ‘Cotton 4’ - in WTO Ministerial meetings. The ‘Cotton 4’ has pursued a campaign, which has been supported by a number of NGOs, to challenge the huge domestic subsidies provided to producers of cotton in the United States (and to a lesser extent in the EU) on the basis that it lowers global prices due to over-supply. Lee suggests that this case ‘serves to challenge traditional views that small developing states are vulnerable and weak in multilateral trade negotiations’ (Lee 2009, p. 200).

Whilst the ‘Cotton 4’ have so far failed to get a final agreement on the issue of cotton subsidies, another example of African activism in the WTO has led to a more concrete outcome. This is the challenge posed by the Africa Group to the provisions on compulsory licensing under the WTO TRIPS accord. The key focus being to secure access to cheaper generic antiretrovirals used for the treatment of HIV/AIDS. This led to a temporary waiver agreed in 2003, which was then converted into a permanent amendment to the TRIPS Agreement in December 2005 (Mshomba 2009, p. 134). As Mshomba concludes, getting a permanent amendment to the WTO’s TRIPS Agreement to allow compulsory licensing for the production of generic drugs in cases where there is a public health emergency must be seen as a victory for the Africa Group (Mshomba 2009, p. 134).

Any claims to agency of African countries in the global trade system, must be understood within the context of the myriad bilateral trade and aid relationships between Africa and key trading powers. The fact that these trade partners are also aid donors should always be acknowledged. Hence, developed countries ‘can use criteria for preferential access to their markets and conditions for financial assistance to propel African countries to “voluntarily” reduce barriers to trade and foreign investment, without necessarily resorting to the WTO dispute settlement mechanism’ (Mshomba 2009: 80). The negotiation of EPAs with Africa, enables the EU to dictate the direction of its trade relations with African countries. Moreover, due to the broad nature of what is under the remit of ‘trade’ now, what may in the past have been considered in the realm of ‘domestic’ policy-making is now considered within trade negotiations. Although not the focus of this paper, it is also worth noting that the US African Growth and Opportunity Act (AGOA) also requires in its eligibility criteria a series of measures that encroach on what could be considered the ‘domestic’.

Due to the nature of the tariff levels agreed at the conclusion of the Uruguay Round of the GATT, African countries have significant room for manoeuvre when it comes to increasing
trade barriers without compromising their WTO obligations. As a result, Mshomba suggests that it is therefore unsurprising that developed countries choose to use preferential agreements and development assistance to ‘encourage’ African countries to pursue trade liberalisation (2009: 86). As Robert Zoellick, then US trade representative, famously concluded in 2003 as the WTO talks in Cancún collapsed, ‘we will keep opening markets one way or another’ (cited in Denny et. al. 2003).

For example, both the EU and the US argue that the WTO’s protection of intellectual property under the TRIPS agreement does not go far enough and as a result in their bilateral trade agreements with other countries they often push for stronger protection of intellectual property (Mshomba 2009: 122). Pharmaceutical companies in the US have lobbied the government successfully for tighter rules in bilateral trade negotiations with regard to the use of compulsory licensing (Mshomba 2009: 139). Similarly, bilateral trade deals between the EU and third parties (e.g. India) may contain intellectual property provisions that will undermine the ability of Sub-Saharan African countries to import generic anti-retrovirals to help address the HIV/AIDS pandemic. The Treatment Action Campaign in South Africa campaigned earlier in 2011 against a draft of the EU-India FTA, which they claimed included ‘provisions regarding data exclusivity and tougher border measures, both of which go far beyond what is required under international trade law’ (TAC et. al. 2011).

EU-Africa trade relations

Whilst early relations between the EU and Africa, formalised in the two Yaoundé Conventions, notionally recognised the sovereignty of their newly independent partners, they were still dominated by Europe’s economic interests (Koutrakou 2004, p. 122). Lomé I which was agreed in 1975 did mark something of a departure and reflected the era of ‘Third Worldism’ prevalent in the early 1970s. ACP states secured enhanced financial aid and non-reciprocal trade preferences. However, only a few years later as the negotiations began for a new Convention in 1978, one observer noted that, ‘the atmosphere surrounding the current ACP-EC negotiations is very different from that prevailing in 1974-5’ (Cosgrove Twitchett 1978, p. 473). With hindsight we can say that Lomé I represented a high-point in African agency in terms of determining the direction of its relations with the EU. Ever since, we have witnessed the gradual adoption of neoliberal thinking and increasingly EU policymakers came to question the non-reciprocal trade arrangements. The Cotonou Agreement of 2000 set
forth the process of re-negotiating the EU’s trade relations with the ACP with the ultimate aim being to secure EPAs with sub-regions of the ACP group, which would be based on reciprocal trade liberalisation in order to satisfy WTO rules.

‘African Agency’ is undermined by EU bilateral trade relations, in particular the EPAs, in two ways:

1. Content - and in particular the aim of WTO-Plus agreements. The EU has regularly sought to achieve concessions from ACP states on the so-called ‘Singapore Issues’ (government procurement, investment, competition and trade facilitation) and it was their rejection of these demands that contributed to the collapse of the WTO’s 2003 summit in Cancún. Nevertheless, despite their rejection at the multilateral level and the ACP raising concerns over their inclusion in EPA negotiations, the European Commission has been determined to include them at the bilateral level. In fact the Commission has ‘insisted that binding rules on services and ‘some’ related issues represented the real development component of EPAs’ (Meyn 2008, p. 519). In contrast, a critical reading of the EU’s desire to include a number of trade-related issues highlights the fact that in doing so, the EU seeks to lock African states into a particular form of economic governance. Hence, comprehensive EPAs threaten to undermine agency in terms of constraining the possible development strategies that are open to African states (Hurt 2012).

Also sub-regional EPAs are compromising African ownership of the processes of their own regional integration. Where the EU is currently rather unique, within the context of broader North-South trade relations, is in its desire to promote what has been labelled ‘regulatory regionalism’ via EPAs in Africa (Sicurelli 2010, p. 150). In essence, the model of regionalism contained with EPAs is closely based on the model of integration adopted by the EU. This has not been welcomed by many African leaders who have been openly critical of the impact of the EPA negotiations on regional integration within the continent. It seems clear that EPA negotiations are disturbing processes of regional integration, although of course this is not to say that regional integration in Africa, prior to EPA negotiations, was functioning successfully.² What EPA negotiations are doing is providing a further obstacle to the plans outlined in the AU’s Abuja plan of regional integration within Africa. Moreover, in negotiating EPAs the EU may be seeking to gain a competitive advantage over its main
competitors (in particular the US and China) who tend to focus on bilateral trade deals with individual African countries (Sicurelli 2010, p. 100).

2. Process – in bilateral negotiations with the EU African states have a relatively weakened negotiating capacity as compared with the WTO. Negotiations are bound up with the process of EU development assistance and you are always in a weak position when negotiating with your donors. With respect to the EDF the European Commission also has discretionary power. Compared with other aid instruments, because the EDF is agreed outside of the EU budget, member states (via the EDF Committee) maintain tight control on the use of these funds (Holden 2009, p. 133). During the EPA negotiations the ACP’s proposal for a dedicated adjustment fund, in addition to money from the EDF, was rejected by the EU (Sicurelli 2010, p. 106).

Even at the multilateral level the agency of African countries in the WTO is compromised by the wider context of aid dependency and a reliance on developed countries (Mshomba 2009, p. 21). In contrast with the WTO, where African states are part of a number of coalitions, EPAs are being negotiated with sub-regions of the ACP group of states. This weakens negotiating strength. As one official in DG Development noted it is not easy for African states ‘to maintain teams of capable negotiators at the same time in Geneva and at the EPA table’.

The agency of African countries is also undermined in some of the more potentially beneficial bilateral trade arrangements with the EU. The EU’s ‘Everything But Arms’ (EBA) initiative, announced in 2001, further complicates the negotiation of EPAs by splitting many of the sub-regions into LDCs and non-LDCs. The EBA initiative is not a binding treaty and as a result the terms of the trade could be reversed in the future (Flint 2008, p. 73). Similarly the Generalised System of Preferences is also unilateral with no scope for African states to negotiate the details.

Conclusions

Africa’s trade links with emerging powers in the global economy, in particular China, are becoming more significant. China’s trade relationship with Africa is of course centred on oil and other primary goods. Nevertheless, it is the contention of this paper that bilateral trade
relations with the EU remain significant. Moreover, in its bilateral relations with China I would suggest that a similar story of the extent of African agency is in evidence.

As Taylor and Williams have argued, ‘Realistic interpretations of the continent’s position in world politics thus lie somewhere between the fatalism inherent in Afro-pessimism and the somewhat utopian dreams of Afro-optimists’ (Williams and Taylor 2004, p.2).

As this paper has demonstrated, African states have managed to exert some influence on multilateral trade negotiations within the WTO. In the main this has been demonstrated by the collective ability of African states to say ‘no’ to certain proposals (in particular the inclusion of the so-called ‘Singapore Issues’). In its bilateral relations with the EU, there is still the possibility that many of these issues will be included if full EPAs are eventually concluded with African sub-regions. In sum, the achievement of deadlock in the Doha Development Round of the WTO by African states should be perceived as a ‘hollow victory’ given the developments in bilateral relations with the EU outlined in this paper. If ‘agency’ is understood as the ability to meaningfully shape the ideational and material structures of the global political economy, then in the realm of trade, Africa continues to be a peripheral player.

Notes

1 These eligibility criteria include making progress on a number of areas including ‘establishing…market-based economies; the rule of law and political pluralism; elimination of barriers to U.S. trade and investment; protection of intellectual property’. Full details are available at http://www.agoa.gov/AGOAEligibility/index.asp [accessed 20 October 2011].
2 Personal interview with Karin Ulmer (APRODEV), Brussels, 28 April 2009.
3 Personal interview with Karin Ulmer (APRODEV), Brussels, 28 April 2009.
4 Personal interview with an official at DG Development, Brussels, 27 April 2009.
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The Economist (2011), Spread the wealth, The Economist, 12 February.


