COLONIALISM’S NEW CLOTHES
The EU’s Economic Partnership Agreements with Africa

World Social Forum 2007: Delegates demonstrate in Nairobi against EPAs. (Photo: SwissInfo)
Since 2002, African, Caribbean and Pacific (ACP) countries have negotiated a reciprocal free trade agreement known as the Economic Partnership Agreement (EPA) with the European Union (EU). While it was marketed as the magic bullet towards the ACP countries’ industrialisation and development, it is in fact an unfair agreement that is located within a colonial framework.

Though not highly publicised, the EPA has faced continued opposition from across the ACP countries, not least because of its devastating effect on small scale farmers. The case of some African countries presented here is illustrative of the way communities are fighting to regain control over their resources and protect their markets from the flooding of cheap EU processed foods, along with pesticides and genetically modified organisms.

“A tonne of cocoa is roughly US $1,300, while one 4x4 vehicle is now about US $120,000. So you need about 92 tonnes of cocoa to exchange for one 4x4. But to get one tonne, you will need not less than 20 acres of land. The average cocoa farmer in Ghana has only around 2-3 acres, meaning it would take him or her well over 500 years to produce enough cocoa to buy a 4x4.”

John Opoku, human rights lawyer and activist, Ghana.

This statement highlights the dire terms of trade that Africans and other peoples of the global South deal with on a daily basis. Since time immemorial, nations in the global South have entered into unfair trade agreements with the rest of the world - keeping them in perpetual poverty! The nature of trade that follows these agreements and the benefits are always one-sided. Of specific interest, are the so-called Free Trade Agreements (FTAs) that keep popping up. One such FTA is the Economic Partnership Agreement (EPA).

Since September 2002, African, Caribbean and Pacific (ACP) countries have been negotiating EPAs as reciprocal trade arrangements with the European Union (EU) under the Cotonou agreement. These EPAs are aimed at further liberalising the economies of former European colonies, a move that would have far-reaching implications for farmers, fisherfolk, miners, workers and consumers across the concerned regions.

Before EPAs, the ACP countries had preferential trade arrangements with the EU. One of these arrangements was the Everything But Arms (EBA) initiative which offered unilateral non-reciprocal market access for Least Developed Countries (LDCs) to the EU, thereby granting LDCs duty-free and quota-free market access to the EU. Despite this opening, ACP countries rarely ever managed to fill the allowable export quotas to the EU under the EBA. Uganda, for instance, has a 5,000 metric tonne quota for sugar but its exports to the EU never attained this amount, partly because of the EU’s stringent rules of origin and supply side capacity constraints.

The premise used by the EU to switch from the EBA to the EPA with the ACP countries was the argument that preferential trade was not in compliance with World Trade Organisation (WTO) rules. This was a ruse, as exceptions to WTO rules are always possible. The idea really was to push liberalisation further into the three regions for the benefit of European capital (exporters first, investors over the longer term), by creating a global market with the same rules everywhere. The ACP countries would supposedly reap more growth, jobs and technology transfer as a result. [1]

In fact, the promises in the EPA are not any different from the ones that we saw and heard during the much-heralded great things to come that were housed in the now failed Structural Adjustment Programmes (SAPs) - effects of which are still being felt today! Both are rooted
Current state of Economic Partnership Agreements (EPAs)

This illustration represents regional groupings at different stages of signing or negotiating the EPA. Currently, only the Caribbean has signed onto a full EPA while the agreements in Africa and the Pacific have been scaled back to interim texts that only concern trade in goods for now. In West Africa, for example, all countries have signed except for Nigeria, Gambia, and Mauritania. In Central Africa, only Cameroon broke ranks and signed. It should be noted that under pressure from Brussels, all of these countries negotiated as regional blocs under the expectation that they would sign as a bloc. This means that Kenya, for instance, cannot enjoy certain benefits that come with the EPA until all EAC countries ratify the deal. It is therefore clear that this approach did not do much for the African regional integration process - on the contrary.
within a colonial framework which allows transnational corporations of the EU and the global North to extract raw materials from these countries under their own terms. As with all FTAs, the EPAs need to be analysed and understood as a series of interlinked events that are negotiated one after another with the sole purpose of crippling emerging economies.

Instead of pursuing bilateral FTAs with all 79 ACP countries, Europe divided the ACP countries into 7 blocs – West Africa, Central Africa, Eastern and Southern Africa (ESA), East African Community (EAC), Southern African Development Community (SADC), Caribbean and the Pacific. The process was touted as a way to promote regional integration. However, since it started in September 2002, much division and acrimony has been created, deadlines have gone unmet and the current situation, as illustrated, is quite messy, especially in the African continent.

How the EPA affects food and farmers in Africa
Since inception, the EPA has been mired in controversy. This stems from certain clauses that have been included in the agreement which pose serious threats to human rights and force the privatisation of critical sectors in national economies. This is particularly true in most African countries. Along with undermining national sovereignty, EPAs have destabilised regional integration processes, strangled local industries and withdrawn policy space from the civil society. Of specific interest are the effects of the EPA on Africa’s agriculture, especially smallholder farming, which is the backbone of most African economies. [2]

Smallholder farmers on the African continent account for 90 per cent of all farms but have access to only 15 per cent of the continent’s agricultural lands; also, smallholder farmers supply 90 per cent of the seed used on the African continent. Smallholders provide 80 per cent of the food supply in these regions, while close to 43 per cent of agricultural labour in Sub-Saharan Africa is comprised of women.

Also, it is estimated that the fisheries and aquaculture sector employs close to 13 million people in Sub-Saharan Africa. Pastoralism is a livelihood for 50 million people, 12-22 million of whom are in the Horn of Africa. Alongside this backbone, a plantation sector dominated by big capital produces export crops such as bananas, sugar cane, cacao, pineapple, tea and coffee. [3]

African smallholders produce to feed their local communities and markets, and do not have the capacity nor a real interest in producing for Europe. Under the lopsided free trade rules, the EU has an lucrative access to African markets through the export of processed food products. Conversely, African countries are bound to the less lucrative and less sustainable business of exporting raw agricultural products such as coffee and cotton to EU markets.

Liberalising the EAC market means that cheap and subsidised products from the EU can freely flow into the region, and ultimately cripple the industrial sector. Therefore, they have a lot to lose from an FTA with Europe that would see European foods displacing their own and that would open the door to European companies establishing more plantations, fish farms and other agricultural export operations that affect their access to land, water, seeds and markets. [4]

Experience already shows that agreements with Europe are not there to benefit Africans but to open up their borders for European companies to come in and produce for their own market.

Take the case of East Africa where this arrangement is already affecting the food security of many and destroying the natural environment. East Africa is home to Lake Victoria, the second largest fresh water lake in the world. The lake has a variety of fish which are a source of livelihood for many across the region.

Yet, ordinary East Africans can no longer afford fish. As a result, they can only afford to buy the pocket-friendly mgongo wazi (fish skeletons). Mgongo wazi are remnants from fish firms that process Nile perch for export. This, coupled with the production of flowers, cocoa, cotton, string beans and coffee, ensures that African production is essentially export-oriented towards the EU.

The EAC’s market access offer under the EPA
The EPA negotiations were meant to promote liberalisation of African economies as well as increase access for European companies to African markets. As such, African countries, like many ACP countries, were obliged to progressively open their markets to European products as illustrated in the EAC liberalisation schedule below.

On the face of it, the schedule caters for the protection of infant industries and sensitive products. On careful examination, however, glaring contradictions on the schedules cannot be missed.

For instance, on one hand, the EAC has protected maize flour (HS Code, 6 digits 110220) at a duty rate of 50%. Yet, on the other hand, maize starch (HS Code, 6 digits 110812), which is a bi-product of maize flour, has been liberalised. These contradictions equally apply to
Fish skeletons set out to dry on wooden poles in a market in Kisumu, Kenya. The fish skeletons, referred to as “mgongo wazi”, are sun-dried and deep-fried before being sold as affordable food. (Photo: REUTERS/Thomas Mukoya)

other products like potatoes. With such a liberalisation schedule, value addition through agro-processing will be constrained and will also compromise food security given the supportive linkages between agriculture and manufacturing.

The colonisation of agricultural markets in Africa

Some of the EU countries are also part of the G7’s New Alliance for Food Security and Nutrition (NAFSN), which is directly supporting the expansion into Africa of major agribusiness companies like Bayer and Unilever. By extension, these countries are part of the agenda of increasing EU access to African markets so that they can sell their pesticides, transgenic seeds and cheap processed foods.

Further to this, seed companies are facing saturated markets in North America, Europe and Japan. They are therefore increasingly pressuring Africa to open up its markets for their products. For example, Syngenta’s chairman Ren Jianxin aspires to double the size of Syngenta in the next 5 to 10 years. Jianxin has already indicated that his expansion will happen mostly in India and in African countries. [5]

This context makes African countries more vulnerable to many unwanted products, including the infiltration of Genetically Modified Organisms (GMOs). Once corporations and their lobbies succeed in getting some countries to accept them, it will be difficult for other African countries to say no. In many countries, GM foods are promoted as the panacea to food security. Anne Maina, from the Kenya Biodiversity Coalition (KBioC), is concerned with the escalating infiltration of GMOs into Kenya. [6]

Despite an existing ban on the importation of GMOs into Kenya, the country has had little control over the entry of GMO foods, especially in times of food shortage. For this reason, in 2017, Kenya’s National Biosafety Authority (NBA) publicly warned traders on the continued importation of corn-based products like cereals, certain cornflakes brands and popcorns. Kenya has the strongest economy in East Africa and can set a precedent vis-a-vis other countries in the continent, particularly Nigeria and Ghana which are taking steps
to improve national provision for biotechnology and biosafety. [8]

Under the EPA, countries are expected to cut tariffs heavily. The EAC, for example, has committed to liberalise 80 per cent of its market for European Union imports over a 15-year period. This includes raw materials and capital goods which already enjoy duty-free status. Such a move would expose the agricultural sector to unfair competition from the EU, which would undoubtedly shake the very core of regional trade, and displace local farmers due to competition from cheap products from the EU. For that reason, sensitive products will be excluded from tariff elimination and remain protected for now.

Dairy is one of the most sensitive products, as Africa is well supplied by small producers who cannot compete with subsidised European agribusiness. On a positive note, some regions have opted to protect their dairy sectors. In East Africa, all dairy products will be excluded from liberalisation if the EPA is signed. For example, once the Kenyan government realised that the livelihoods of close to 600,000 dairy farmers would be negatively affected by the importation of milk powder and dairy products from the EU, it opted to list dairy products as a sensitive product. In West Africa, dairy is excluded except for powdered milk, of which Nigeria is the biggest importer. In the case of South Africa, some meat and dairy have been excluded, but not all. [9]

Fisheries are another sector threatened by the EPA in African countries. Tariffs for trade in fish products are clearly designed to protect EU-based fish processors and provide them with as much flexibility as possible for sourcing fish products at the lowest price in African markets. As a result of the enormous differential between the tariffs for processed and unprocessed fish products to enter EU markets, African fisheries are forced to export unprocessed fish at cheap prices, while tinned fish products from the EU flood local markets.

Liberalising the fisheries sector does not have any benefits at all for small-scale fisherfolk, rather what is being witnessed are increased cases of locals who cannot afford fish, illegal fish trawling around the coastal areas and decline in fish stocks due to over-fishing. [10]

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### The EAC’s market access offer under the EPA

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<tr>
<th>Phases of liberalisation</th>
<th>Percentage of trade liberalisation</th>
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<td>2008 – 2010</td>
<td>64%</td>
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<tr>
<td>2015 – 2023</td>
<td>16%</td>
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<td>2020 – 2033</td>
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#### Goods covered

- **All zero-rated goods (industrial inputs/raw materials, capital goods).**
- **Intermediate goods used in the production process and goods whose availability at lower costs would enhance competitiveness.**
- **Finished products whose availability at lower costs is deemed to have consumer welfare enhancing effects, or products that are deemed to have a potential to contribute to exploitation of the EPA.**

#### Total liberalisation

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<th>Phase</th>
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<tr>
<td>2008 – 2010</td>
<td>82%</td>
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<td>2015 – 2023</td>
<td>18%</td>
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<td>2020 – 2033</td>
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#### Excluded from liberalisation

- All goods in the exclusion list. Mainly agricultural products, and some industrial goods including textiles, footwear, etc.
Flowers and seeds expediting trade agreements between Kenya and EU

Kenya has recently signed and ratified her instruments to be part of the EU-EAC economic partnership agreements (EPAs). The pressure to sign on the dotted line comes from the lucrative flower export industry which is controlled by a few rich foreign farmers and corporations.

The benefit of flower exports hardly trickles down to the common citizen given that these multinational corporations are involved in tax evasion schemes. In 2011, Christian Aid reported that Kenya may have been losing US$ 500 million every year as capital flight from flower exports to the EU. [11]

The same horticulture industry was instrumental in pushing Kenya to adopt the Seeds and Plant Varieties Act. This has since been upgraded to be compliant with the more draconian protocol of the International Union for the Protection of New Plant Varieties (UPOV) of 1991.

Kenya’s rush to be the first to sign into EPA and UPOV 1991 laws spells doom to smallholder farming and the right to food. It is immoral for Kenya to expect other EAC member states to sign and ratify this EPA. By rushing to sign the Market Access Regulation with the EU, the Kenyan government skirted around a Kenyan court ruling that there be adequate consultations with Kenyan smallholder farmers and that they be involved as important stakeholders.

Just like for the EPA, much of the burden for Kenya to join UPOV and drag the rest of the EAC countries along, came from the floriculture and seed industries, who wanted to ensure a regionally seamless and expedited trade for their own benefit. [12]

Daniel Maingi, Director of Growth Partners Africa and National Coordinator of Food Alliance Kenya.

Agreement to negotiate rights for the seed industry

As mentioned, the EU-African EPAs only concern trade in goods for now. But they do contain a clause which says that in 5 years’ time, the parties will negotiate further chapters under the Rendezvous Clause. The Clause stipulates that parties should undertake to conclude negotiations in other issues within five years, once the agreement comes into force. This includes negotiations in areas of services, investment, government procurement, trade and sustainable development, intellectual property rights and competition policy. [13]

On intellectual property, if the Caribbean EPA is any model, African states can expect that the EU will present new rules that go beyond current international standards as established under the WTO. They will be asked to adopt the rules of the UPOV which provide patent-like rights for plant breeders, to boost profits for multinational seed companies, and possibly join the Union. [14]

Agreement to give more rights to foreign investors

It is unclear how far the EU will go in demanding the liberalisation of investment rules that EU companies enjoy under similar deals in other regions, including the powerful Investor-State Dispute Settlement (ISDS) scheme. ISDS is a procedural mechanism that is provided for in international agreements on investment. It allows foreign investors to bring a case directly against a State where they have invested in before an arbitration tribunal, if they feel that the State has breached the rules set out in their agreement. If the latest negotiations are to be taken as models, the EU may push for the widest liberalisation possible along with a modified version of ISDS that the EU secured in its recent trade agreement with Canada.

One major concern will be land. FTAs tend to promote the concept of “national treatment”, which means that foreign investors should receive the same treatment as national ones. Unless African states take a stand on this, the EPAs could make it illegal to restrict access to farmland by foreigners. Beyond land, liberalising rules on investment will ensure that European agribusiness companies and major retail chains – from Nestle and Danone, to Carrefour – get ample benefits from building their presence in Africa. The devastating effects on the agricultural sector extend to the other sectors, the reality of which is mind-blowing! Due to the unfair trade deals, the local food processing industry is in decay or struggles to grow in most African countries. In parallel, the farmers’ capacity to produce food for their own
communities and local markets is compromised and, with it, food sovereignty. The predominance of export-oriented cash crops in Africa is one of the signs that colonial exploitation is alive and well, 50-60 years after the independence of many African countries.

**Production and processing**

“If somebody is trying to plan with you based on where you are today when you are planning to move somewhere else, it will be wise to look ahead and make sure that the agreement anticipates where you are going. The problem with the EPA is that it does not anticipate where we want to be as an industrial economy,”

*Dr. Okechukwu Enelamah, Nigerian Minister of Industry, Trade and Investment. [15]*

Africa’s manufacturing share is, without a doubt, so small that it has led the African Union (AU) to launch an initiative titled Action Plan for Accelerated Industrial Development in Africa (AIDA). AIDA was adopted in 2007. If manufacturing is already struggling, an EPA will not be the magic potion that Africa needs to grow its manufacturing sector.

When it comes to manufacturing, signing an EPA means that industry and products have to strictly adhere to European standards before they can be accepted for export to the EU. As John Opoku puts it, adhering to standards really means prioritising Europe’s manufacturing sector at the expense of Africa’s. He argues that “even ordinary palm oil standards have to be met before they allow you to export. Fish has to meet certain standards, otherwise we cannot export fish. So you find that it became a means of restricting our production matrix and allow them to still bring their goods.” [16]

This is true for almost all African economies which are still exporting unprocessed products that eventually make it back to the same country processed and more expensive. For example, Kenya is one of the biggest producers of coffee but an ordinary Kenyan cannot afford instant coffee. It is precisely for these reasons that Tanzania and Nigeria have advanced for not signing the EPA. [17]

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**Grassroots protests against the EPA in Kenya**

The Kenya Small Scale Farmers Forum (KSSFF) and many others are working for the opinions of smallholder farmers to be heard or taken into consideration when it comes to trade agreements. For this reason, together with six other petitioners, KSSFF took the Kenyan government to court in 2007. [18]

The group were “[…] suing lack of public participation in the EPA negotiations because one condition is that there should be intensive public participation, facilitated by the government of the countries. So the court ruled that Kenya has to ensure that there is public participation and government just ignored and went ahead and negotiated the way they wanted to,” stated Justus Lavi, one of the petitioners and member of the KSSFF. [19]

The farmers argued that the draft EPA would lead to food insecurity and undermine Kenya’s food sovereignty. They denounced the possible detrimental effects to the Kenyan economy due to “cheap and heavily subsidised products from the EU, leading to unfair competition which may lead to the closure of the Kenyan manufacturing industries.” The farmers did win the case in 2013 but never followed up on the judgment. In 2016, the Kenyan government signed and ratified the EPA.

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**What’s next**

Another critical concern for the EPA is Brexit and its apparent impact on the EPA. It is no secret that Britain is the biggest consumer of most products from most of these countries. For the EAC alone, Britain accounted for 35.5% of total EAC exports to the EU in 2015. Brexit calls for an immediate halt in the negotiations because the negotiating parties have changed. Africa Kiiza, from SEATINI, argues that “We need to first assess the implication of the Brexit. […] Because we might not benefit, but the EU [minus Britain] stands to benefit in every way.” [20]

Despite the obvious disarray that exists, the EU continues to push hard for the most recalcitrant blocs like East and West Africa to sign the EPA. All of this is happening against the backdrop of the imminent negotiation of a successor to the Cotonou Agreement, which expires in 2020. The ACP states have already announced
that they want to shift their trade and investment relations with the EU from a free trade to a preferential basis under the new agreement.

Further to this is the Continental Free Trade Area (CFTA) that was established by the African Union Summit in an attempt to fast-track the continent-wide trade integration element of the 1991 Abuja Treaty. The CFTA is an attempt by the African Union to create an African Economic Community. Among other aspects, it will negotiate issues around tariff elimination, rules of origin, non-tariff barriers, sanitary and phytosanitary standards, trade facilitation and trade in services. It is expected to be completed at the end of 2017.

The EPA is running into all kinds of hurdles like Brexit, a growing rise of nationalistic tendencies and xenophobia as well as other national processes that are overshadowing regional and international agreements. There is increasing opposition towards FTAs in Africa and beyond. Even within the EU, there is mass mobilisation by people who oppose them. As a result, governments are barely able to pass these agreements.

These setbacks present a perfect opportunity to renew the opposition against the EPA and other upcoming FTAs like the post-Cotonou arrangement that is currently being developed. This is the moment when the whole FTA agenda in Africa needs to be challenged and groups need to come together to push for a new deal. The time is now for African countries to prioritise their citizens and put their needs first, before FTAs are negotiated and signed.

References

[6] Interview with Anne Maina.
[7] Adapted from SEATINI (2014); EU – EAC – EPA Implementation; Maximising the opportunities and minimising the risks.
[13] SEATINI (2014); EU – EAC – EPA Implementation; Maximizing the opportunities and minimizing the risks.
[14] GRAIN (2016); New trade deals legalise corporate theft, make farmers’ seeds illegal. Available at https://www.grain.org/5511.
[16] Interview with John Opoku (May, 2017).
[17] Interview with Justus Mwololo Lavi (June, 2017).
[18] Petition No. 1174 was filed in the High Court of Kenya under the constitutional and Human rights division. Available at http://kenyalaw.org/caselaw/cases/view/91805/.
Annex: Interview with Justus Lavi, from the Kenya Small Scale Farmers Forum (KSSFF)

GRAIN: Can you tell us about the time you sued the Kenyan government on EPAs?

JL: We sued the Kenyan government on EPAs in 2006. We were working with the Kenya Human Rights Commission (KHRC). At that time, the EPA issue was very hot! Before we sued, the European Union (EU) supported ACP countries to build their capacity in EPA. I was one of those that attended the 6 months intensive training in Nakuru, Kenya.

GRAIN: They didn’t know that they were “nurturing a monster”.

JL: They didn’t know that they were sharpening the knife that will cut them. We got very good training funded by the EU on international trade, on the WTO and EPAs. By the time we finished, I was a good negotiator. I have attended very many negotiation sessions in Africa, Europe and in the Pacific. The most interesting one was in Cancún, Mexico, where we stripped and walked naked to the negotiation hall. The Europeans ran away and the meeting ended, just like that! We thought we had succeeded in preventing the trade deal from being signed. Far from that, when we travelled back from Cancún to Nairobi, we realised that the Kenyan government still had intentions to continue with EPA negotiations. The EU chose to put pressure on the Kenyan government because they knew that, if they got Kenya to sign, then the rest of East Africa would follow. We realised that Kenya was going to be captured! KHRC decided to go to court and I told them that the farmers were going with them. We filed our case in court and secured a good lawyer. That case went on for very many years, but we eventually won in 2013.

GRAIN: There was a time when the campaign was “NO EPAs”, then you started compromising with a few specific clauses. Why?

JL: The negotiation process never stops. The EU plus other developed countries take stock of the dynamics of the market space. For example, as we were negotiating EPAs, Americans offered AGOA. Since these processes are dynamic, there are constant changes e.g. formation of the EU, regional groupings on the continent, the fall of the Soviet Union, new EU members, there was a lot of movement in EU and during that time, African countries also changed negotiators. The EU started adjusting themselves. Then new players like China, Japan and the BRICS came into the picture; they presented alternatives. We started buying government vehicles from Japan instead of Land Rovers. We started using Chinese construction companies for our roads. The EU started softening their stance and because the process of negotiation is very long, when you are sleeping they are there negotiating seriously. So they started offering something - but these were just tidbits that were being thrown at us. But things became very serious and hit us hard when they found the opportunity of arm-twisting Kenya through the flower sector. So while Kenyans were not very sure of what they wanted, the Europeans saw an opportunity in the flower business and this is in part why Kenya was forced to sign EPAs.

GRAIN: In conclusion, what caused the EPAs to move the way they did, especially in the case of Kenya?

JL: As I said, when the negotiations started, the EU offered money to train ACP countries to build their capacities so that they could negotiate. It was training funded by EU. While EU countries knew what they wanted to get out of the negotiations, ACP countries didn’t know what they were going to get out of it. Capacities should have also been built in EU countries, especially among new member countries who were not familiar with EPAs. Then, there were many changes in Africa and in the ACP region which affected the speed of the negotiations. But then China made a very big difference, China gave what Africa wouldn’t get from anywhere else.
GRAIN is a small international non-profit organisation that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. GRAIN produces several reports each year. They are substantial research documents providing in-depth background information and analysis on a given topic.

The complete collection of GRAIN reports can be found on our website at http://www.grain.org/article/categories/14-reports