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Economic Partnership Agreements: Why have they taken so long?

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Bonn, 24 October 2016. Economic Partnership Agreements (EPAs) are trade agreements negotiated between the EU and African, Caribbean and Pacific (ACP) partners who are engaged in regional economic integration processes. As of 10 October 2016, the Southern African Development Community (SADC) EPA entered into force, and it joins the Caribbean as only two out of seven ACP regions to sign, ratify and begin implementation of regional EPAs. Ratification of the East African EPA has been delayed until the end of the year, while the West African EPA remains mired in uncertainty. In the remaining regions, regional EPAs are a lost cause, as non-Least Developed Countries have implemented individual bilateral EPAs with the EU, while Least Developed Countries have opted for alternative arrangements. 14 long years after negotiations were launched, we look back at the process to examine some of the broad trends contributing to the drawn-out nature of EPA negotiations, and the remaining obstacles to signature and ratification.

First, among these trends was a general lack of enthusiasm and political will from political leaders in the ACP. Many expressed the opinion that EPAs, in their current form, do not serve the long-term developmental interests of ACP states, that they will lock-in poor trading terms, and undermine long-term ambitions of industrialisation. This scepticism towards EPAs was exacerbated by the EU's tendency to use the EPAs as a means to push a World Trade Organisation-plus agenda, in order to pursue its own long-term strategic trade interests and advance the global trade agenda outside of a deadlocked multilateral system. Given that developing nations had previously rejected the introduction of provisions on services, investment policy, government procurement, and intellectual property at the global level, the EU's attempt to include them in EPAs generated a significant degree of pushback.

Secondly, broad geostrategic concerns placed a further damper on EPAs. Since the turn of the millennium, increased trade with China has granted African countries increased leverage vis-à-vis Europe. At the same time, the TTIP and TTP trade deals have been prompted by European and American desires to edge-out China from key markets, and get a head start on the setting of global regulatory standards. In such an evolving geopolitical landscape, ACP states are incentivized to adopt a 'wait and see' attitude, in the hope that shifting balances of power can be played to their advantage.

Thirdly, limited national and regional institutional capacity hindered the progress of negotiations. It is

difficult for developing nations to participate simultaneously in trade negotiations at the WTO, at the regional and continental levels, and with the EU.

EPA processes were supposed to be participatory and include a range of non-state actors from both the business sector and civil society. Yet weak institutions and limited capacity hindered societal participation in many countries and regions, with a resulting lack of 'buy-in' from crucial societal interests, which presents challenges in getting EPAs ratified and implemented. At the regional level, weak institutions and a lack of experience in negotiating as regional blocks resulted in difficulties in overcoming heterogeneous national preferences and formulating coherent regional positions. In some regions there was a lack of feedback between regional negotiators and national ministries, particularly in those that opted for a supranational approach to the negotiations (namely West Africa and the Caribbean). This has led some to suggest that negotiations were 'captured' by professional trade negotiators, and may account for the current difficulties in West Africa, in which Nigeria is refusing to sign an agreement it claims does not fit its economic interests.

Finally, high levels of societal opposition to EPAs, in both the ACP and Europe – as evidenced by the transnational Stop EPAs campaign, and various national and regional campaigns across the ACP – contributed to extending the negotiations far beyond the initial 2007 deadline. These groups claim that EPAs will erode economic policy space, decimate local manufacturing, and undermine African efforts to achieve regional integration. In some countries, such as Nigeria and Uganda, vigorous lobbying from business groups and civil society actors is a factor in their reluctance to move forward on EPAs.

Given that the world has changed significantly since the EPAs were initiated 14 years ago, some might question whether the agreements are still fit for purpose. If TTIP and TTP are implemented, ACP states will see the value of what they negotiated decline, and for states with significant exports to the UK, Brexit also decreases the value of EPAs. ACP states will no doubt seek formalized trade relations with a post-EU United Kingdom, but in the meantime the uncertainty caused by Brexit may further delay the progress of EPAs, as countries question whether the concessions they have made are really worth it. Even though the negotiations are now ostensibly over, the processes of ratification and implementation, not to mention the rendez-vous clauses and mid-term reviews, will no doubt see the EU and the ACP states revisiting contentious trade issues in the future.