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From the Lome Convention to the Economic Partnership Agreements: an assessment of trade relations between the ECOWAS and the EU

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Chapter 1

1. Introduction

1.1 Background

The European Union has had trade relations with the group of African, Caribbean and Pacific (ACP)[1] countries, under the framework of the first Yaoundé Convention. The first Yaounde Convention was signed in 1963 and named after the capital city of Cameroon, and it was followed by the second Yaoundé Convention signed in 1969. However, according to Dominique David, both Yaounde Conventions did not effectively respond to the challenges faced by a number of ACP countries. Instead they constituted a learning process not only in terms of partnership, but also in terms of contractual systems.[2] Then in 1975 the first Lome Convention was signed, and it was hailed as a breakthrough in North-South relations.[3] One of the ACP countries achievements during the first Lome negotiations were the preferential market access to the European Community markets, and compensation fund scheme (STABEX), set up to help countries if export earnings fell below a certain level[4]. In short, trade arrangements between the two parties was characterised by non-reciprocal trade benefits for ACP countries.[5] However, preferential trade agreements existed from 1975-2000; and there were extensive negotiations regarding trade relations, which went through different phases, from Lome Convention I to Lome Convention IV and later led to the adoption of the Cotonou Partnership Agreements.

The Green Paper document published by the European Commission in 1996 which intended to amend trade relations existed under the Lome Conventions, made it clear that trade preferences had to be seen in the light of the World Trade Organisation (WTO) rules.[6] This meant that, ACP countries needed to prepare themselves for a new trade regime that would be

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[1] This paper will continuously refer to ACP countries, alternately called the *Group of African*, Caribbean and Pacific countries that are signatories of the Lome Convention with the European Commission (48 African, 16 Caribbean and 15 Pacific countries

[2] David Dominique, "40 years of Europe-ACP relationship", *The Courier*, September 2000, p.18

[3] Isebill Gruhn, " The Lome Convention: inching towards interdependence", *International Organisation*, Vol 30, No. 2 (Spring 1976) pp. 243

[4] Ibid.p. 247

[5] Konrad Von Moltke, "Implication of the Cotonou Agreement for Sustainable Development in the ACP countries and Beyond" *International Institute for Sustainable Development*, November 2004, p. 1

[6] Ibid. p.1

compatible with WTO rules. Essentially, what needs to be understood about these trade reforms is that they did not happen in isolation; however, the end of the Cold War in 1990 was a catalyst in bringing about such reforms. Firstly, the ACP countries importance to the EU started to decline.[7] Secondly, the inception of the new global economic order played a significant role in bringing about changes in trade relations between the EU and West African states. Subsequently, the adoption of the Cotonou Partnership Agreement (CPA) in June 2000 signed between 73 ACP countries and 25 European countries was a reflection of the kind of partnership that would exist in future between the two parties. Then in 2002, the Economic Partnership Agreements (EPAs) negotiations were started with six sub–regional organisations from the ACP countries, five from Africa and one from the Caribbean and others from the Pacific. One of the major aims of the new trade regime is that of establishing free-trade agreements that would be compatible with the WTO rules. Subsequently, according to the Cotonou Agreement, negotiations regarding free trade agreements were supposed to be completed by the end of December 2007. However a majority of sub-regions failed to meet this deadline. Since then, the EU has been pushing African sub-regional blocs and also individual countries to endorse or sign the Interim Economic Partnership Agreements (IEPA). The Economic Community of West African States (ECOWAS) as one of the regions that are negotiating the EPAs is expected to conclude its negotiations by the end of June 2009.

1.2 Statement of the Problem

The EU-EPAs that are being negotiated between the European Commission (EC) and a majority of African sub-regions proposes free-trade agreements not only in goods, but also in services and government procurement. First and fore- most, African sub- regions are not in the right position to compete with developed regions such as the EU, largely because of the state of underdevelopment that they are in. Liberal theory contends that trade is an engine of growth and free trade agreements are the catalyst towards achieving that growth, however, it is not clear how the underdeveloped region like ECOWAS will benefit especially if they continue to trade on raw materials. While the developed regions like EU trade in manufactured goods that command high prices in developing countries, then ‘terms of trade’ between the developing and the developed countries has not provided mutual benefit.

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[7] Carol Cosgrove. “Has the Lome Convention failed ACP trade?” *Journal of International Affairs*, Vol. 48, Iss. 1, New York, Summer 1994. p. 242

Inevitable international interdependence set the parameters for developing states to vigorously challenge the developed countries; hence the political environment constrains the scope for action that government can take. Subsequently, economic development of developing countries under the auspices of free trade agreements is questionable. On that note, the ECOWAS region is considered as one of the poor regions in the world, because the economic structure of this region relies predominantly on agriculture and services.[8] In addition, ECOWAS region consists of 16 member states and 13 of these states are classified as Least Developed Countries (LDC), and many of these countries are landlocked with poor and costly transportation.[9] Thus the question is: Why should a poor region such as ECOWAS, with small industries sign the free-trade agreements with a region that has the most advanced industrial economies in the world? What implication will the reciprocal trade regime have for the regional integration objectives of the ECOWAS region? What implication does this new trade regime have to the project of regional integration in West Africa?

1.4 Research Questions

Why does the ECOWAS region intend to sign the EPAs?

What are the repercussions on the economies of ECOWAS states arising from these agreements?

Will regional integration objectives of the ECOWAS region be stimulated under the EPAs?

1.5 Aims of the Study

The aim of the study is to critically look at the evolution of negotiations between the EU and majority of developing countries, especially with the ECOWAS. But importantly, to respond to the question raised by Peter Draper on his thesis titled "EU-Africa Trade Relations: The Political Economy of Partnership Agreements" where he questioned whether vulnerable economies (such as the ECOWAS region) could cope with the competition from efficient

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[8] Matthias Busse, Axel Borrmann, and Herald Grobmann "The Impact of ACP/EU Economic Partnership Agreements on ECOWAS countries: An Empirical Analysis of the Trade and Budget Effects", *Hamburg Institute of International Economics*, Hamburg, July 2004, p. 10.
[9] Ibid. p. 11

northern producers?[10] To put it succinctly, I intend to study on what basis the poor region like ECOWAS could sign a free-trade agreement with the most advanced region like the EU. Furthermore, to look at how 'asymmetrical of power' influences the negotiation process (especially economic power), particularly by how the EU uses its economic power to influence developing country negotiating partners. Furthermore, to look at how free-trade regimes between unequal partners could produce undesirable economic outcomes. This will be done by making a profound analysis on the negotiation process between the two parties, so as to illustrate whether or not this new trade regime will have a negative impact to regional integration and exacerbate poverty to the region.

1.6 Rationale

The Cotonou Partnership Agreement signed in 2000 opened new avenues to study the kind of trade relation that will exist in future between the African countries and the European Union. Previously, the ACP countries had the preferential market access to the EU markets; however, this was not compatible with the WTO rules. In essence, free-trade agreements between developed and developing countries are governed by Article XXIV of the WTO, and on the basis of this Article countries or regions forming the FTA should liberalise "substantially all trade" within a reasonable length of time,[11] but there are exceptions made by the WTO for the developing countries. Clearly, opening African markets for European products will have disastrous impact to the small economies in West Africa, especially because both regions are not on equal foot in terms of development. According to Judith Kaulem "it is true that trade is at the heart of interdependence that binds countries together and this is indisputable."[12] He continues to argue that interdependency can only contribute to human development advancement, enabling millions of people to escape poverty if the cost and benefit of trade are evenly distributed within countries.[13] Therefore, Kaulem emphasises that unless this happens "trade will perpetuate a pattern of globalisation that builds prosperity

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[10] Peter Draper "EU-Africa Trade Relations: The Political Economy of Economic Partnership Agreement", *European Centre for International Political Economy*, Brussels, June 2007. p.9

[11] Matthias Busse, Axel Borrmann, and Herald Grobmann, "The Impact of ACP/EU Economic Partnership Agreements on ECOWAS countries: An Empirical Analysis of the Trade and Budget Effects". Ibid.

[12] Judith Kaulem "Linking Economic Partnership Agreements (EPA) to Poverty, Development and Millenium Development Goals: An African Perspective", *Trade and Development Studies Centre (Trade Centre)*, May 2009, p. 11

[13] Judith Kaulem "Linking Economic Partnership Agreements (EPA) to Poverty, Development and Millenium Development Goals: An African Perspective" Ibid p. 11

for some amid mass poverty and deepening inequality for others."[14] The fact that the European agricultural farmers are much more competitive compared to West African farmers, due to the constant agricultural subsidies that are being offered under the Common Agricultural Policy (CAP) framework. Then this raises questions about the EU's motives behind this new trade regime. With regard to industrial development, the European Union member states are far ahead with technological advanced method of production and they can produce more goods at the cheapest rate, overcrowding African markets with their own products. Therefore for mutual partnership to exist, development objectives of the region must be prioritised to ensure that these countries are not subjecting their economies into a complete destruction. The EPA trade regime requires serious commitments in areas such as the liberalisation of services, investment, government procurement and competition policy to the West African states. This will place enormous pressures on regional producers and traders within their own national markets.

First and fore-most, a free trade agreement between unequal partners is problematic and it needs to be investigated, especially in the event whereby regional grouping is not yet consolidated. Besides, the EPA poses threat to regional integration and economic development in the region. The real challenge is that, West Africa exports to the EU have been concentrated predominantly on primary products subject to low income elasticity's of demand. While the EU export manufactured goods that are of the higher value. Subsequently, free-trade agreements between unequal partners cannot produce mutual beneficial result given the state of underdevelopment in the region like ECOWAS, and the extent in which the EU industries have advanced. Certainly, technological advanced industries can exploit the economies of scale, preventing any opportunity for domestic industries to grow in the process. It is within this context that the World Bank has argued that if all developing countries would sign free trade agreements with the major hubs (such as Canada, EU, Japan and USA) sub-Sahara Africa would lose over 3 billion US dollars in 2015.[15]

South Africa's Trade Development and Co-operation Agreement (TDCA) with the EU demonstrate clearly the negative impact of free-trade agreements on regional integration. For instance countries that are members of the Southern African Custom Union (SACU) such as

[14] Ibid. p. 11
[15] Ibid.

Lesotho, Botswana, Swaziland and Namibia were supposed to reduce their tariffs at the rate agreed by South Africa, and this had a clear impact to these countries economies, and effectively making them *de facto* members.[16] Similarly in West Africa, Ivory Coast and Ghana signed the bilateral interim EPAs with the European Commission while there was no common external tariff in place. As a result, this led to the same situation that prevailed in the SADC with South Africa's agreement with the EU. Therefore, before the free trade agreements can be signed there must be harmonisation of the common external tariffs between members of the particular regional grouping so as to avoid trade disruption.

In the context of this study there is a vast literature that critically investigates the essence of free trade agreements between the two unequal partners. Matthias Busse, Axel Bormann and Herald Grobmann, for instance, in their thesis put more emphasis on the significance of desired positive effect of trade liberalisation and the cost of adjustment from the developing region that need to be considered before any free-trade agreement can be started.[17] On the other hand, Judith Kaulem argues that the EPAs are not creating a levelled trading field between the EU and the ACP countries. He went on to argue that "asking African countries to liberalise any further after the effects of Economic Structural Adjustment is limiting further Africa's ability to develop and making her more vulnerable to global competition."[18] Olumunyiwa Alaba stresses the need to consolidate regional integration and trade facilitation in West Africa, and he also articulate "the need for ECOWAS to take initiative on development assistance needed to enhance capacity building for mutually beneficial trade with the EU."[19] Certainly the above literature shows that the study is worth of academic inquiry, especially because free trade agreements between unequal partners are always problematic given the differences that exist with regard to knowledge and expertise on various aspects of trade which the developing world does not possess.

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[16]Tetteh Hormeku, "Unequal Partners: How EU-ACP Economic Partnership Agreements could harm the development prospects of many of the worlds poorest countries", *Oxfam International*, Ghana, September 2006. p. 2.

[17] Matthias Busse Axel Borrman, and Herald Grobmann, "The Impact of ACP/EU Economic Partnership Agreements on ECOWAS Countries: An Empirical Analysis of the Trade and Budget Effects" Ibid. p. 234

[18] Judith Kaulem, "Linking Economic Partnership Agreements (EPA) to Poverty, Development and Millenium Development Goals: An African Perspective" Ibid. p. 16

[19] Olumunyiwa Alaba, "EU-ECOWAS EPA: Regional Integration, Trade Facilitation and Development in West Africa", *Department of Economics University of Ibadan*, Nigeria, May 2006, p. 2

However, the above mentioned scholars did not pay much attention to how the negotiations between the EU and ECOWAS have progressed. Hence, the future of regional integration heavily relies on the outcomes of the EPA negotiations. Precisely, the fate of ECOWAS development objectives can only be projected through this negotiation process, by continuously demanding that the EU align the EPA with the development agenda of the region. Therefore this study is important because it is relatively new, and the negotiation process is still on. Certainly, it will shed some light on how the strong party in the negotiations determines the future of the weaker party, by making use of their economic strength. It is within this context that this study will fill the gap within the existing literature by probing the 'power asymmetry' theory that put power at the centre, and then the outcome of the negotiations are decided by those that possess more power. However, it does not rule out the possibilities of the weak to gain on negotiations with the strong party. Certainly, it seeks to intensify the need for more comprehensive integrated common market, and the significance of unity in the process of negotiation processes.

1.7 Literature Review

In the post-Cold War era the developed countries have increased their influence in the developing world, through the projection of liberal norms and ideas, such as development through trade. The major challenge for developing countries is that global free-trade regime serves the interest of Northern developed economies by extracting wealth from the South.[20] For instance, "less developed states find themselves locked into a cycle of poverty and underdevelopment from which there is no obvious escape."[21] The manner in which the advanced industrialised states continues to dominate global trade through the production of manufactured goods while developing countries supply raw materials indicates the widening of this unequal relationship.[22] However, neo-liberals perceive free-trade agreements to be the most welfare-maximising options for developing countries, and trade liberalisation have been viewed as an answer to the challenges associated with minimum levels of growth in the developing world. Majority of liberal scholars sees trade liberalisation as inevitable in the

[20] Nafeez, M. Ahmed. "The Globalisation of Insecurity: How the International Economic Order Undermines and National Security on a World Scale", *Institute for Policy Research and Development*, United Kingdom, October 2004. p. 118
[21] Ibid. p. 122
[22] Ibid. p. 123

presence of globalisation. In addition, within the developed world, there is a shared sentiment that the establishment of free-trade agreements between the developed and developing countries are significant for the purpose of stimulating economic development and growth. Hence, trade is perceived as an engine of growth. The neo-liberal argument is centred on the idea that when developing countries open their markets for trade, this allows their small economies to be integrated to the global economy. Which in return, present opportunities to developing countries to be able to access new technological innovations and skill transfer from the developed countries. Therefore base on these perspectives the neo-liberal scholar's insists on the need for developing countries to sign or endorse free trade agreements with a developed region, for the benefit of their own economies and their people. Certainly, it is within this context that EPAs have been introduced by the developed region (EU) to entrench the ideals associated with trade liberalisation. For instance, Peter Draper argues that he "is in favour of a broad and liberalisation agenda for Africa, but under certain conditions."[23]

Furthermore, Mark Person concurs on the basis that "introducing a more liberal set of rules in the forthcoming EPAs could act as a critical tool to stimulate growth in many of the world's poorest nations."[24] Similarly, Peter Thompson asserted that EPA are trade agreements but the central objective is to ensure that trade brings about sustainable development to developing countries.[25] In essence, these arguments have not been realized with the Doha Development Round of trade talks that are suppose to make trade fair between the developed and developing countries was deadlocked due to positions of the United States and the EU. On the other hand the EU continues to put pressure on poor countries to sign free trade agreements.[26] In a sense, the expectation with the establishment of free-trade agreements has been that intra-African regional integration arrangement would increase the bargaining power of African countries in international trade negotiations, by doing this; intra-regional trade could help reduce conflict, and can also assist Africa's landlocked countries with inadequate

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[23] Peter Draper. "EU-Africa Trade Relation: The Political Economy of Economic Partnership Agreement", *European Centre for International Political Economy*. No. 2 June 2007, p. 5

[24] Marc Pearson "Agreeing EPA rules of origin: a strategy unfolds", *Trade Negotiation Insight,* Vol. 6, No. 4, July-August 2007, p.6.

[25] Peter Thompson "EPA and natural resources: The European sustainability agenda", *Trade Negotiation Insights*, Iss, 04, Vol. 8, May 2009, p.11

[26] Ibid.

infrastructure.[27] Lastly, neo-liberal scholars view free-trade agreements as training grounds for preparing domestic producers for facing the competition that will emerge in future.

The dominant view within the literature is that free-trade results in states developing a comparative advantage. Comparative advantage purports that states will specialise production in areas where they have a greater advantage. However, this has been a challenged as trade liberalisation within the LDC has not necessarily resulted in the development of comparative advantage as state actors, since the EU constantly maintains the use of agricultural subsidies to its farmers. Automatically, this prevents LDC goods from competing equally with EU agricultural goods. On this note, Christopher Stevens et el, argues that "although the EPA's have only non-binding provisions for development co-operations, African ACP states will lose significant tariff revenue- in some cases very quickly,"[28] which would then undermine future development objectives.

The unbalanced level of development between countries adds uncertainty to the benefits of free-trade agreements to the developing world. For instance, according to Nafeez Mosaddeg Ahmed "terms of trade favour industrial products over raw material, and late industrialised countries face markets already saturated with goods for higher quality than they can produce for exports."[29] Eventually, developing countries remain with no option but to accept the position of weakness on multilateral trade, which can produce unprecedented outcomes. Certainly, trade liberalisation without taking into consideration the unique situation of developing countries contributes to domestic socio-political instability.

Agriculture is the dominant economic driver in West Africa. However, free-trade agreement with European partners tends to lead to the importation of EU agricultural products at low prices. Therefore, this leads to a deterioration of domestically produced agricultural products and subsequently reinforces poverty. Clearly there is a discontent between various scholars about the impact which the EPA will have to poor countries, in particular the West African region. In essence, the Least Developed Countries (LDCs) in Africa are in a difficult position,

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[27] Nafeez, M. Ahmed. "The Globalisation of Insecurity: How the International Economic Order Undermines and National Security on a World Scale" Ibid. p. 120

[28] Christopher Stevens, Mereik Meyn, and Jane Kennan "The New EPA's: Comparative analysis of their content and the challenges for 2008," *Overseas Development Institute*, March 2008, p. 1. Also available on line at http://www.odi.org.uk/iedg/Projects/0708010_The_new_EPA_html.

[29] Nafeez, M. Ahmed. "The Globalisation of Insecurity: How the International Economic Order Undermines and National Security on a World Scale" Ibid.p. 124

partly because the EU is driven by its ambition to create a conducive environment for their own transnational companies to exploit the economies of scale in the developing world, and also to counter against the emerging economies such as China, Brazil and India influence in the region.

Research conducted by the *International Food Policy Research Institute (IFPRI),* suggests that the EPAs, would do more harm that good to poor countries.[30] Trade reciprocity with the poor countries must be accompanied by adequate funds to boost trade performance; otherwise, the region will be subjected to permanent poverty. This is highly possible because technological advanced companies from the EU will ascend to the West African market and exploit economies of scale. Having said that, African domestic industries need a 'marshal plan' before they can compete with developed countries. Therefore, in the absence of adequate support mechanisms such as development aid to protect domestic industries from competition, development initiatives in the region will be hindered.

Certainly on this note Nazeef Ahemed contend that the indirect violence done to individuals when unjust economic and political structures reduce their life expectancy through lack of access to basic material needs,[31] therefore, this means that the EPAs will become a launching pad for underdevelopment. On that note, it is important that the West African negotiators demand a pro-development EPA with the EU. And this will help to reinforce development initiatives of the region, especially that of regional integration.

1.8 Theoretical Framework

The theory of 'asymmetric of power' in trade negotiations between the developed and developing countries emphasizes on the imbalance of power between two unequal partners. The theory contends that 'power' between two parties engaged in negotiations plays a significant role in terms of dictating the direction and the outcome of the negotiations process.[32] It is purported that an uneven playing field exists between the developed and

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[30] Susan Sechler, and Joe Guinan, "ACP and EPAs: where's the beef?" *Trade Negotiation Insights*, Vol. 6, No. 8/ December 2007 and January 2008 p. 15.
[31] Susan Sechler, and Joe Guinan, "ACP and EPAs: where's the beef?" *Trade Negotiation Insights*, Vol. 6, No. 8/ December 2007 and January 2008 p. 15. Ibid.
[32] William I. Zartman in *Conflict Management and African Politics*: Ripeness, bargaining, and mediation, Lyons, T and Khadiagala, G. (eds) *Conflict Management and African Politics*: Ripness, bargaining, and mediation, Routledge, Washington D.C, 2008. p. 14

developing countries which acts as a critical issue for development. The distribution of knowledge and expertise between developed and developing nations is not equal. Developed countries traditionally have greater access to knowledge and expertise in negotiating trade related issues, which gives them an advantage over the traditionally under resourced developing countries in many areas of trade negotiations. For example, on issues pertaining to intellectual property, developed countries have well established technological expertise to inform and support their negotiating position, whilst developing countries do not have the same capacity, especially in the area of intellectual property rights.

Such an imbalance in power raises question about how the 'weak' can confront the 'strong' and assert their power and interest.[33] Zartman contends that power in negotiation relates to the resource potential of state actors. Power in this context can be separated into two spheres "structural" and "behavioural" power.[34] Structural power refers to one actor's potential to influence the other on reaching mutual interest, while behavioural power refers to actions in which actors employ their resources (financial) to bring about a preferred outcome. Given the central research question of the current study, the use of power and its manifestation and the attempts to address power imbalance in negotiation are central. The European Union has been active in contributing to African development, particularly with the ECOWAS countries. Recently, Ghana and Ivory Coast have entered into a trade agreement with the EU. Therefore, applying Zartman's theory will be instructive and assist in analysing the kind of trade relations that will exist in future between the ECOWAS region and the European Union. Therefore this study will help us to understand the nature and structure of these negotiations, and apply the preliminary parameters of Zartman for bargaining and negotiation.[35]

Negotiations between the developed North and developing South countries have been underpinned by the conditions of 'structural asymmetry', whereby the 'strong' dictates the direction in which negotiations proceed and the outcome that result.[36] This is due to the fact that "more powerful parties are better able to control the negotiation process and obtain

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[33] Ibid.
[34] Ibid.
[35] William I. Zartman in *Conflict Management and African Politics*: Ripness, bargaining, and mediation, Lyons, T and Khadiagala, G. (eds) *Conflict Management and African Politics*: Ripness, bargaining, and mediation. Ibid.
[36] Ibid

results to their liking, and negotiations only confirm a given power distribution."[37] Therefore, African countries traditionally have not achieved expected outcomes associated with economic partnership or free trade deals. In particular, the Lome Conventions have created undesirable economic conditions for majority of African countries, because it habited African interest from diversifying their economies. Currently, the Economic Partnership Agreements are being negotiated between the EU and majority of African sub-regions are major problems. Here asymmetric power is evident in the negotiations with the use of particular clauses that seek to protect European interests at the expense of poor countries in West Africa. For example, the MFN clause and the competition policy are problematic to the region because they would limit policy space and trade diversion in global economy.

The current dissertation will highlight the EPA negotiations between ECOWAS and the European Commission (EC); the ECOWAS represents a 'weak 'negotiating party while the EC represent the 'strong' negotiating party. In fact, this is a clear reflection of what Zartman called an "independence that is impossible and interdependence that is dangerous,"[38] partly because as much as African countries have not benefited from previous agreements, they are now being introduced to a new trade regime that will absolutely undermine regional development initiatives. The massive importation of European goods at lower prices would put enormous pressures on local producers and traders within their own national markets. In fact, the challenge for ECOWAS member states is that the EU has been constantly subsidising their own agricultural farmers, while the ECOWAS member states have been prevented by the IMF, World Bank and WTO to provide subsidies to their own farmers. In many ways, this contradicts the idea that a key component of development is through participating in international trade, partly because the playing field in global trade is uneven.

The dependence of the ECOWAS region to foreign markets such as the EU through trade is unquestionable. First ad fore-most, the EU in this region remains the most important trading partner. Therefore given this power imbalance between the EU and ECOWAS one need to examine and unpack how negotiations have unfolded. What implication will the agreement have on regional integration which the ECOWAS member states have worked hard to perfect? And the possibilities that are available for the weak party like ECOWAS to find a

[37] Ibid.
[38] Ibid p.4

point of *pareto* optimality with the European Commission (EC). In addition, the big question is that of enhancing development and regional integration through this trade regime from the West African states point of view. The time frames set out to complete the EPA negotiations have been revisited now and again, especially because the West African states have been moving back and forth in trying to find the common external tariffs (CET) that will please both LDC and non-LDC. In that event, the EU signed bilateral interim agreements with Ghana and Ivory Coast, which created a challenge in finding a common ground on the CET. Other scholars have perceive this as a "divide and rule" strategy from the EC negotiators. "Power within negotiations is one of the important tools which parties in negotiations use extensively to influence the negotiation process to their own direction, by making use of "carrot and stick" approach. Subsequently, it is suspected that EC used carrots to make both countries to sign the interim EPA while other members were still trying to understand the content of the IEPAs.

In the presence of power imbalance between the developed and the developing countries in the negotiation process, John Odell put more emphasis on the importance of coalition between developing countries to maximise their gains when negotiating with a strong party like the EC. Coalition tactics will shape the distribution of gains as well as chances of reaching any deal.[39] For instance, establishing of the common ground and separating differences can bring positive gains to all member states and minimize the problem of asymmetrical power in trade negotiations. However, in order for coalition to bring positive outcomes, it needs to be informed by a particular strategy. On this note, Odell concur that in the multiparty negotiations a tactical strategy for forming a winning coalitions is important.[40] Undoubtedly, Nigeria as a regional leader has played a prominent role in building coalition between the ECOWAS member states, partly because there has been a growing tendency of other member states seeking bilateral agreements with the EC. Once coalition is consolidated, then the strategy becomes the catalyst in cementing the negotiation position. For the developing countries, an appropriate strategy is that of *defensive claiming tactics*. Why this strategy? This strategy is considered as a catalyst in terms of preventing the strong negotiating party to take advantage of the weaker party in the negotiation process. While

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[39] John S. Odell Negotiating the World Economy, *Cornell University Press*, London, 2000, p. 191.
[40] Ibid. p. 191

offensive claiming tactics is often used by the strong parties in an attempt to marginalise the weak, however the *defensive claiming tactics* aim to prevent the strong party from taking advantage of the weaker party.

Through *defensive claiming tactics* the weaker party can delay and refuse to agree or participate on certain issues perceived to be dangerous for all member states.[41] On the other hand it is vital to note that developing countries could adopt an offensive strategy by criticising the other party's actions or arrangement, and also by excluding certain issues on the negotiation agenda, that might have negative implication to their countries. The positive gain with this strategy is that, developing countries would only agree on issues that have less impact to their countries. For instance, states can agree to liberalise in goods sector, but refuse to liberalise services and investments.

Certainly, in the context of this study coalition accompanied by a strategy can produce positive gains, and minimise the threat of asymmetric power in negotiations. Therefore, it for this reason that Nigeria in West Africa have move back and forth in building coalition with other member states so as to confront the EC with one voice. The Prebisch theory of the "centre and periphery" put more emphasis on the hegemonic relationship between the two discrete elements in a single economic system. This theory argues that "terms of trade" favours the industrialised countries and disadvantaged the developing countries on international trade.[42] However, it does not explain how the developing countries can engage with the developed region in trade negotiation and achieved something out of that. Furthermore, the problem with this theory is that it cannot be employed for the benefit of understanding the negotiation between unequal partners, and the conceivable alternatives that exist for weaker party in the negotiation process.

In addition both Liberalism and Realism are often used to provide a comprehensive and inclusive explanation of state relation in the international system. For instance, liberals put more emphasis on economic benefits through free trade as an incentive for co-operation. On the other hand, the realists put more emphasis on power imbalance to the international

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[41]John S. Odell "The Negotiation Process and International Economic Organisation", School of International Relations, *University of Southern California*, United States of America, Los Angels, p.192

[42]Joseph L. Love, "Raul Prebisch: The Origins of the Doctrine of Unequal Exchange" *Latin American Research Review* 15(3):45-72, p. 221

political environment. The realist's argument is centred on the idea that states in the international system aspire for power and influence as means to achieve their national interest.[43] Therefore, in an attempt to tackle this study, both theories provide a limited explanation, if any exist, on how the developing countries could deal with asymmetric power in the negotiation process with the developed countries.

Clearly crafting the strategy and tactics of the developing countries engaged in negotiations with developed countries is not at the centre of this theory. In addition, it does not explain on how the developing countries could engage the developed in an attempt to achieve better trade agreements. Therefore, it is within this context that Zartman and Odell approach is important for this study because it explains how the developing countries in negotiations can build coalition and challenged the developed region such as the EU for the benefit of all member states in West Africa. In addition, this approach also probes strategies which can be employed by the developing countries in trade negotiations, which the Prebisch theory does not take into account. Therefore, Zartman and Odell theoretical approach on this study will be instructive because of its contribution to the negotiation process between the developing and developed countries.

1.9 Methodology

The analysis provided by William Zartman's theory on negotiations between unequal partners will play a very significant role in this study, because William Zartman transcend the narrow confines of economic theorist by probing that 'power' is one of the major tools in negotiation, in fact, power in these negotiations(EU-EPAs and ECOWAS) undermine the conventional relation of trade and development. The negotiations strategies which suit the position of the 'weaker' parties are well explained by John Odell on his book titled "Negotiating the World Economy". In his literature, he provides a comprehensive explanation on how the weaker parties in negotiations can use coalition building accompanied by a strategy to engage the strong party in the negotiation process. Therefore, this will allow us to ponder on divergent positions combined by limiting alternatives. As a result, data collection from library research resources that directly deals with EPAs and

[43] Stephen, D. Krasner, Structural Conflict: The Third World against global Liberalism, Berkeley: University of Califonia Press, 1985.pp3-5, but cited from Mopeli Moshoeshoe's thesis, p. 9

ECOWAS negotiations, such as Masters Student thesis, Wits electronic journals and other International journals would be important for this study; because much of the data can be gathered at the library. Statistical data collection (quantitative) method is important because it will provide a statistical predictions of the extent in which EPAs will reduce states revenues of developing countries and other trade related issues.

However, to visit the regions and countries that have recently sign the IEPA would have been very important, in order to be able to make a concrete speculation on whether the EPAs will intensify unequal trade co-operation to signatories' countries or they will stimulate growth in these countries (ECOWAS). And the spill-over effect, it would have to countries that do not intend to sign the IEPAs. Due to lack of funds, the research is desk-based. In the process of data collection this paper will rely on primary and secondary sources that deal with the EPA debates. These included, journal article, reports from various institutions which monitor the EPA negotiation process, such as the South Centre, International Development Institute and various Non-Government Organisations. For instance, the *Trade Negotiation Insight* and, the TRALAC will be very instructive to my paper.

Furthermore, Christopher Stevens, Mareike Meyn and Jane Kennan have done a constructive research which they presented to the *Overseas Development Institute*, which was also presented to the *European Centre for Development Policy Management (ECDPM).* Their thesis provide extensive information with regard to the number of countries and regions that have signed the IEPAs, sectors of the economy that will be liberalised, and the period which countries will be given to adjust, and they also anticipate amounts of revenue which signatories will loose in the first trench of liberalisation. In addition, the relevant material from the South Centre organisation (www.southcentre.org) which is based in Geneva, Switzerland provide an extensive information on the progress made so far, with regard to IEPAs negotiations between the ACP countries and the European Commission. In fact, this is one of the organisations which continuously monitor the IEPAs negotiations. In addition, the report from the United Nation Conference on Trade and Development (UNCTAD) will be very important in terms of scrutinizing co-operation between the developing and the developed countries. This paper seek to add on the existing literature by probing the theory of "asymmetric of power" to analyse whether regional integration and development objectives will be prioritised under the EPA framework after signing the agreement.

Chapter 2

2. The origins of the partnership

The post-colonial era in Africa had immense challenges of underdevelopment which has made it difficult for Africa to isolate itself from her colonial masters, be it for trade or for development aid. Therefore from that context there was a need for the continuation of co-operation between the ACP countries and the European Community. One of the main reasons why co-operation needed to be maintained and intensified was the fact that, the North (particularly Europe) was depended on supply of raw material from the South.[44] For instance, the former France Foreign Minister Robert Schuman in the 1950s, prior to the independence of African states, alluded to the importance of the continuation of the relations between France and its former colonies.[45] The importance of African mineral resources encouraged European countries to maintain their colonial relations with majority of developing countries in the continent, so as to ensure a sustainable access to raw materials from the South natural resources such as copper, gold, diamond and many other raw materials.

The end of colonialism in Africa coincided with the expansion of the European Economic Community (EEC) which intended to include the former Soviet bloc countries from Eastern Europe. At this point, extraction of resources in the continent was important for stimulating growth in the North. According to Isebill Gruhn "the European dollar shortage at the time served as an impetus for trade between Europe and Africa."[46] As a result, this played a significant role in financing the European currency zones. It is within this context that the Strasbourg Plan of 1952 urged all European Economic Community member states to develop trade and aid relationship with their colonies so as to give preferential market access. The Treaty of Rome signed in 1957 cemented or entrenched co-operation between the six member states, France, Netherlands, Italy, West Germany, Luxembourg, and Belgium. Under this treaty France propagated that its former colonies must get preferential market access to the EEC member states. As a result, during the establishment of the European Common Market

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[44]Mopeli, L. Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations. MA research report for the University of the Witwatersrand, Department of International Relations, Johannesburg, 2003, p. 18.
[45] David Dominique, "40 years of Europe-ACP relationship" *the Courier*, September 2000, p.11
[46] Isebill Gruhn, " The Lome Convention: inching towards interdependence", *International Organisations*, Vol 30, No. 2 (Spring 1976) pp. 243

(ECM), France insisted that a special relationship be created between the Community and its former colonies in West Africa (Francophone) states, and this also became a pre-requisite for France to participate in the European Economic Community.[47]

Undoubtedly, the establishment of the overseas countries territories (OCT) ignited the need to intensify and maintained relations with their former colonies through the provision of development aid and preferential market access. Since, there was growing a demand of foreign aid in the newly independent states in Africa. Therefore from the European Economic Community (EEC) point of view, it became necessary to instigate a framework that would comprehensively guide this relation and give the African states a platform to engage with the EEC in an institutionalised form. Eventually, trade relation between the EEC and African countries was institutionalised under the framework of the two Yaoundé Conventions (1963 to 1969). In essence, the Yaoundé Conventions were regarded as the first major trade and development agreement between the EEC and large group of African nations.[48]

However, these Conventions did not cater for wide range of African countries but only the French and Belgian colonies, which left British colonies in Africa outside. Since Britain at that time was not a member of the EEC. For example, France gave preferential market access to its former colonies; and in return, its former colonies were required to give the EEC rights to own commercial enterprise on their own backyard.[49] Eventually, this led to huge discontent from other African countries that were not part of French colonies, and their discontent was also shared by both Germany and Netherlands who argued for a development policy with a broad spectrum.[50] Clearly, trade relations between European and African countries during the existence of Yaoundé Conventions reflected the continuation of colonial trade relations that existed during the colonial period. Furthermore, what also exacerbated the problem, is that when Britain intended to join the EEC, she had already existing trade relations with its former colonies under the framework of African Commonwealth States.[51] This framework included countries such as Nigeria, Ghana and Sierra Leone and many other former British colonies. France as a founder member of the EEC was not in favour of British

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[47] Isebill Gruhn, " The Lome Convention: inching towards interdependence", Ibid. p. 243
[48] Ibid.
[49] Ibid.
[50]Richard Dobreva "Unique in the World: 50 years of north-south co-operation" The Courier, www.acp-eu.courier.info/Unique-in-the-world-50.y.199.0.html. retrieved on the 9 of July 2009
[51]Ibid.

colonies being given preferential market access, hence there is always been conflict of interest between the two countries. In real sense, Paris attitude towards English speaking countries was justified by her refusal to implement a trade agreement that was signed between Nigeria and the EEC in 1966,[52] whereby France used a Nigerian civil war as an excuse for not implementing the agreement.

Subsequently, during the Yaoundé Convention negotiations on Richard Dobreva article Nkwame Nkrumah referred to the EEC as a "new system of collective colonialism that will be stronger and more dangerous than the old evils that they were striving to liquidate."[53] In 1969 the second Yaoundé Convention was signed with an aim of addressing contentious issues that were raised by the majority of states that were not French colonies, but from the Caribbean and the Pacific regions. However, the second Convention signed in 1969 failed to address issues related to market access or to substantial increase in development aid, especially for the former British colonies which were largely discriminated in the first Convention. Clearly, both Conventions failed to respond to the challenges faced by the majority of African countries. On this note, Mopeli Moshoeshoe contends that "African government had become more conscious of what they considered to be relationship of dependence on western countries based on the legacy of colonialism."[54]

The need for diversification of objectives by the inclusion of the new countries on the ACP group was contested vigorously and it was unavoidable, hence after the demise of the second Yaoundé Convention in 1973, Britain became the full fledged member of the EEC.[55] As from 1973 onwards, from both the EEC and ACP states, it became significant to establish the framework that will guide relations towards giving sustainable market access for African countries and also for Caribbean and Pacific countries. Then, in 1973 negotiations were started with an aim of establishing a new kind of partnership. During this period the developing countries stood together in one voice and called for the New International

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[52]Ibid
[53]Ibid.
[54]Mopeli, L. Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations. MA research report for the University of the Witwatersrand, Department of International Relations, Johanersburg, 2003, p. 28.
[55]Richard Dobreva, Unique in the World: 50 years of north-south co-operation" The Courier, www.acp-eu.courier.info/Unique-in-the-world-50.y.199.0.html Ibid.

Economic Order (NIEO)[56] that will take into account the voice of the developing countries on policy formulation. On that note, Mopeli Moshoeshoe argued that "the NIEO agenda for variety of reasons might have compelled the North, in including the case of the ACP states, to grant unilateral trade concessions to some trading entities in the South as a compensatory measure."[57]

2.2 The First Lome Convention

It is vital to point out that, when the first Lome Convention was signed in 1975, European Community at a political level did not have a problem in maintaining relations with both Soviet Union and United States aligned countries.[58] Therefore, this allowed the ACP countries to make genuine political choice of their own, without any political pressure from the EEC countries. Sovereignty of each state was given priority by the EEC in the first Lome which was not the case under the both Yaoundé Conventions, and countries were allowed to pursue other bilateral trade relation without any interference from the European Community.[59] On the other hand, at the commercial level Lome awarded the ACP countries non-reciprocal trade terms, protocol on selected products, for example, sugar, bananas and beef, and also guaranteed the ACP countries higher prices than those offered on world markets during 1975.[60]

Furthermore, the compensation fund (STABEX), which was a system aimed at responding to the fluctuation of commodity prices in the world market was introduced. This system allowed ACP countries to make compensation claims from the European Community STABEX fund, if ever there was a decrease in commodities that each ACP country exported to the EC. The STABEX system benefited largely the African countries, such as Ghana and Zambia as major commodity exporters of cocoa and copper. However, STABEX funds did not cater for the fluctuation of prices in services.[61] However, it catered only for commodities, and this actually left other ACP countries outside. Through the provisions of protocol favouring exports, in

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[56]Stephen Hurt, "Co-operation and coercion? The Cotonou Agreement between the European Union and ACP states and the end of the Lome Convention", *Third World Quarterly*, Vol. 24, No, 1. 2003, p. 162.
[57]Mopeli, L. Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations. Ibid. p. 18
[58] Richard Dobreva, Unique in the World: 50 years of north-south co-operation Ibid. p.*45*
[59] Stephen Hurt, Op.Cit. *123*
[60] Ibid.
[61] Ibid.

sectors such as sugar, beef and bananas, the EC declared to import from thirteen ACP countries millions of tones of sugar canes at a guaranteed prices related to the Common Agricultural Policy (CAP),[62] which was a positive move for countries that exported these products, such as Swaziland and Mauritius. Certainly, STABEX mechanisms made it possible to help ACP countries to maintain their production capacities or diversify their mining sector economies.

Therefore, given the substance of this achievement in the first Lome negotiations, majority of African negotiators agreed that, it was for the first time whereby the ACP countries have been able to achieve something on negotiations with the European Community (EC). Furthermore, it was acknowledged that their strength in these negotiations was boosted by the event of the oil crises in 1973[63] which forced the EC to provide substance support in return of oil imports from ACP countries. Significantly, the EC had a strong interest in reaching a mutual agreement with oil producing countries such as Nigeria in securing the continuous supply of oil and other important raw materials.[64] As a result, the EC was obliged to make some substantial concessions such as preferential access to the EC market. Therefore, the agreement was signed with 9 European countries and 46 ACP countries.[65]

During this period it became rational to the European Community to rethink the new form of co-operation by giving more concessions to the developing countries. With an aim of addressing new challenges and strengthen trade relations to ensure that partnership benefited all the ACP states. On this note one need to note that the European integration project could not have been in this stage without the injection of mineral resources and raw materials from the African continent. As a result, this forced the European countries to recognise the importance of the ACP countries towards their integration agenda which was still at the infant stage.

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[62]Mathew Macqueen, "Lome versus Free Trade Agreements: The Dilemma Facing the ACP countries", *Blackwell Publication Limited*, United Kingdom, 1998, p. 45
[63] Isebill Gruhn, " The Lome Convention: inching towards interdependence" Ibid. p. 56
[64]Karin Arts, and Jessica Byron, "The mid-term review of the Lome Convention IV: heralding the future"? *Third World Quarterly*, Vol. 18, No. 1, 1997, p. 75
[65] Ibid.

The Georgetown Agreement which institutionalised the ACP group and gave it a permanent structure: the General Secretariat,"[66] became a catalyst in consolidating partnership and co-operation under the first Lome Convention. Certainly, the proper formalisation of ACP countries was the result of their strength that was largely influenced by the oil crises which emerged during 1973. In real sense, the oil crises event gave the ACP countries courage to critically engage the EC, by making use of their resources as strength for achieving their demands. Furthermore, countries like Ghana and other commodity export orientated economies in Africa perceived this as a victory, because they had anxiously wanted a more equitable guaranteed market access of their product to European markets. Subsequently, during this period, the ACP countries were the most important trading partner to European countries among the developing countries, and the Lome I agreement was heralded as a "partnership of equals."[67]

Moreover, Lome agreement was also perceived as a new model for North/South partnership and solidarity which did not exist during the existence of both Yaoundé Conventions.[68] However, because other ACP countries were left outside by the STABEX system, then this prompted the need for innovative structure which will cater for mineral resources. Subsequently, from 1979 there were negotiations which culminated to the signing of the second Lome Convention in 1980 between 58 ACP countries and EC member states. However, there were no significant changes from the previous Lome, except that it created a mechanism similar to STABEX, but with special focus on mining products resources (SYSMIN) system.[69]

The second Lome Convention expired in 1985, opening a space for new negotiations to start, because the number of ACP countries kept on increasing from 58 in 1980 to 65 towards 1985. Clearly, this gave birth to new challenges because the interest of the ACP countries started to be more diverse compared to previous negotiations, hence more countries from the Caribbean and Pacific were joining to the ACP structure. Furthermore, less attention was given on how to make aid effective; instead, much attention was paid on development

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[66] Ibid. p. 75
[67] Carol Cosgrove, "Has the Lome Convention Failed ACP Trade?" www.Africa.org.com/articles retrieved on 18 of May 2009.
[68] Karin Arts and Jessica Byron. "The mid-term review of the Lome Convention IV: heralding the future?" op.cit p.*34*
[69] Ibid. p. 75

founded on self-sufficiency and food security and also to combating desertification and droughts.[70] In essence, aid disbursement and trade related issues such as the inclusion of compensation fund on services became a challenge, because STABEX and SYSMIN did not cater for loss of revenue on services.

As a result, the former President of the ACP Council of Ministers, Bernard St John stated that ACP countries were unhappy that neither STABEX nor the schemes for minerals (SYSMIN) met many of their major concerns, partly because, those ACP states economies heavily depended on the export of services were still left without any cushion to the fluctuations in their export earnings.[71] According to other scholars, complications under Lome were the result of the post-colonial arrangement that existed between various European Community member states and their former colonies.[72] What need to be understood is that these negotiations took place in the context of the Cold War, and on top of that most of the African countries that participated were former colonies of the European countries, then there was no common ground between the ACP countries themselves.

Even though this division existed, but by virtue of trade, preferential market access given particularly to African countries by the European Community,[73] should have allowed the African countries to stimulate growth and accelerate economic development to their own economies, but they failed. Then the question is: Why African countries did not benefit much under the first Lome Convention with the presence of preferential market access? The answer is simple, the ACP countries failure to achieve growth were based on the following factors. Firstly, Protocol 6 and 7 embodied agreement between the EU and ACP states on bananas during the Lome Convention formed one of the contentious issues, partly because, the free-access did not cover those products covered by the EU's Common Agricultural Policy (CAP).[74] Secondly, the ACP countries received duty free access, often within quota or calendar limits on some CAP products.

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[70] Ibid
[71]The signing in Lome: A ceremony worthy of the Convention:The groundwork of our continued co-operation in the 1980's", *The Courier ACP-EEC*, No, 58, November 1980-81, p. 4
[72]Severine M. Rugumamu, "EU-ACP Partnership an appraisal" Co-operation South no. 2 1999, www.tiger.edu.pl, retrieved o 27 of May 2009.
[73]William Brown, "The European Union and Africa: Restructuring of North-South Relations", *I.B TAURIS publishers*, London 2002. p. 7
[74] Ibid

Thirdly, the Convention included a ludicrous 'safeguard clause' which allowed the European Economic Community countries to restrict ACP products access, should export from ACP countries cause serious disturbance in the economies of the EC member states (Article 10).[75] Evidently, all these factors created complications on the EU-ACP partnership, especially the CAP restriction, which seriously limited the potential for the ACP to diversify its agricultural sector.[76] As a result, the Lome Convention was later perceived as a part of the problem rather than a solution, because market access was attached to ludicrous conditions. Therefore, there was general acceptance among African leaders that, in the specific sense Lome I, II, and III all represented an example and means of "perpetuating dependency through what was perceived to be its encouragement of a colonial style international division of labour."[77] On this note, Rugumamu Severine stressed that, Lome was not only unequal but it was also exploitative and a root cause of underdevelopment to majority of ACP member states.[78] Clearly, this reflected on how the EC had played its cards in these negotiations, especially by introducing preferential trade agreements and also placed restriction in the market access.

Subsequently, ACP countries export performance in Europe, deteriorated very extensively during the existence of the first Lome Convention. For instance, the share of the ACP in total EU imports fell from 6, 7 per cent in 1976 to 3, 8 per cent in 1996.[79] In essence, Maastricht Treaty was signed in 1992 followed by the establishment of the Single European Market in 1993. In real sense, the Single European Market project introduced legislative program which required products standardization, consumer protection, and health and safety standards.[80] Furthermore, the ACP countries were then required to familiarize themselves with new technical standards. These new standards included packaging and safe processing of canned fish and canned meat.[81] This had a negative impact on ACP export potential because majority of the ACP states failed to meet these requirements. For instance, it is said that in volume terms ACP exports grew by less than 4 per cent, while those of other non-ACP developing countries grew by about 75 per cent. It is for this reason that Rugumamu Severine argued that "the failure of the ACP countries to benefit from trade preference during the first Lome

[75] Ibid
[76]Severine M. Rugumamu "EU-ACP Partnership an appraisal" Ibid p. 49
[77] Ibid.
[78] Ibid.
[79]Severine M. Rugumamu,"EU-ACP Partnership an appraisal", Ibid p. 49
[80] Ibid
[81] Ibid.

Convention had to do with the composition of their export than with the existence of preferences."[82]

Agricultural crops that were mostly affected included sugar, cocoa; cotton and timber. Clearly, conditions which would have allowed the ACP states to accelerate their export performance were eroded by the introduction of biotechnology. Furthermore, the Uruguay Round also intensified the difficulties by the increased in liberalisation of the European Community tariffs regime, which led to the tariff preferences extended to the developing countries under the GSP, and this eroded the margins of preferences that were accorded to the ACP countries.[83] Even though it was difficult for other countries to claim their victory on adequate market access, but few countries managed to report positive growth to their economies. Countries that had managed to diversify their economies into non-traditional sector like clothing, processed fish and horticulture, did achieved growth to their economies.[84] For example, countries such as Kenya, Zimbabwe and Mauritius were at the fore front to those that benefited. However, because of the challenges that were witnessed on three Lome's, there was a need to conceive a new Lome that will seek to address contentious issues between the European Community and majority of the ACP countries.

2.4 The Lome Convention IV: The "Winds of Change"

The Lome Convention IV was signed in 1989, between 68 ACP countries and 12 European countries, soon after the Cold War ended.[85] It was for the first-time that the Lome policy became genuinely political, with respect to human rights becoming one of the key factors in establishing the new relationship. Since during the Lome II and Lome III negotiations, the ACP countries were totally against the suppression of their national sovereignty. However, in the Lome IV negotiations, the ACP countries started to accept and familiarise themselves with the idea of strengthening the human rights provision, and the addition of "democracy clause" to the Convention.[86] The mid-term review (MTR) of Lome IV produced a new

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[82] Ibid.
[83] Ibid.
[84] Ibid.

[85] David Dominique, "40 years of Europe-ACP relationship" Ibid. p. 23
[86] Karin Arts and Jessica Byron "The mid-term review of the Lome Convention IV: heralding the future?" Ibid. p. 79

agreement in Mauritius in 1995 between 15 European countries and 70 ACP countries.[87] Subsequently respect for human rights, democratic principles and the rule of law, became one of the elements of the partnership between the ACP and European countries.

However, there was a need for a clear mutually accepted definition of the concepts of democracy, human rights, good governance and the rule of law.[88] What one need to understand with the introduction of democratic principles, is that the European Community was pressurised by its own public to instigate measures that would make aid effective through the enforcement of responsible management of public resources, transparent decision making procedure, institutions governed by the rule of law and measures to combat fraud and corruption.[89] On the other hand, Mr Adamou Salou, former Minister of Development in Niger argued that neither the ACP countries nor EC were against good governance, however, the problem was its inclusion as an essential element in future agreement.[90] In essence, ACP countries feared that, if human rights are violated, it would trigger the non execution clause which would then lead to sanctions.

The MTR in February 1995 reached a stalemate, since the EC member states failed to come up with a common negotiation position on the size of the financial aid package.[91] The major challenge to the EC was the incorporating of the Central and Eastern European countries, and this complicated the process of reaching a common negotiation stance during the MTR processes. Furthermore, the EC signed the Maastricht Treaty in 1992, and these were some of the objectives that were taken into account, firstly, the harmonious and progressive integration of developing countries into the World economy, and the fight against poverty in developing countries.

Subsequently, as from 1995, the European Commission (EC) embarked upon the process of changing the existing relationship through the introduction of the Green Paper, which extensively dealt with the "challenges and options for a new partnership."[92] This actually

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[87] Ibid.
[88] Ibid. p. 80
[89] Karin Arts and Jessica Byron, Loc.cit
[90] Caroline Ofoegbu " Post-Lome EU-ACP Ministerial Negotiations Round Two: Patchy Results" *The ACP-EU Courier*, No. 177, October-November 1999, p. 5
[91] Karin Arts and Jessica Byron, "The mid-term review of the Lome Convention IV: heralding the future?" Ibid. p. 80
[92] Ibid.

initiated a spirit of dialogue; hence the post- Lome negotiations were not set to begin, until September 1998. Then in 1996 November the Green Paper document was published and it made crystal clear that trade preferences had to be seen in the light of the new WTO rules.[93] Certainly, under the auspices of the Green Paper document, the EU called for the creation of Regional Economic Partnership Agreement (REPA) with the ACP countries, with an aim of changing the previous trade regime. As a result, the gradual introduction of reciprocity in the trade relation between the two parties became unavoidable. In real sense, when the Lome IV was about to expire in 1999, the new trade and development treaty had to be negotiated. Therefore, as from 1995 to 2000 it became clear to the majority of the ACP countries that their co-operation with the EU was beginning to change.

Undoubtedly, the end of the Cold War ignited the new Global Economic Order that made changes inevitable to European technocrat. According to Mopeli Moshoeshoe "free trade areas in the form of REPA were therefore seen as the most effective and flexible way of reconciling the demands of the WTO compatibility."[94] While, the ACP countries importance to the EU was beginning to decline, for example, in 1997 the former European Union Commissioner for Development Joao De Deus Pinheiro once argued that "in spite of the Lome success, ACP-EU co-operation needed to adapt to a different geostrategic situation after the demise of the East."[95] Therefore from this period, the European Commission owned and even dictated the direction of the Lome IV negotiations, while, the ACP countries on the other hand adopted a defensive stance aimed at protecting the Lome *status quo* as it has evolved during the past 20 years.

From this point, it then became clear that the situation was getting difficult for ACP countries; partly because the European Community was rethinking its policy on trade and aid to developing countries. In addition, "good governance" and human rights principles began to be a prerequisite for countries to access development aid. On the other hand, the World Bank and the International Monetary Fund (IMF) also started to prescribe reforms on economic policies as a token of sustaining aid to developing countries. Subsequently, the ACP countries were caught up between the rock and the hard place during the MTR process. Since, the EC

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[93] David Dominique. "40 years of Europe-ACP relationship" Ibid. p. 9
[94] Mopeli, L. Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations. op.cit p. 41
[95] David Dominique, op.cit. p. 10

constantly used good governance as a pre-requisite, yet there was no common understanding on what was meant by good governance. According to Arts Karin and Byron Jessica the ACP countries perceived these to be major violation of the established Lome principle's of equitable partnership and respect for ACP countries sovereignty.[96]

Subsequently, this clearly illustrates that after the end of the Cold War, coupled by the new international economic order; the geopolitical importance of some ACP countries declined during the negotiation process leading to year 2000.[97] Since, the expiry of the Lome IV in 1999 created the opportunity for deeper changes to EU-ACP co-operation, and the neo-liberal orthodoxy approach to development was becoming the order of the day. On this note Konrad von Moltke concur that reports published by the EC emphasised the need of the new agreement that would be more compatible with the trade regime, which had been revitalised in 1994 by the conclusion of the Uruguay Round.[98]

Therefore changes on trade relations were formally introduced by the Cotonou Partnership Agreement (CPA) signed in 2000, which then became a framework for future negotiations between the EU and majority of ACP countries. It is imperative to point out that, the replacement of the Lome with the Cotonou Agreement emanated from the WTO ruling on Banana disputes whereby the EU favoured ACP countries which was incompatible with the WTO rules.[99] Significantly, the CPA put more emphasis on the creation of regional groups of ACP countries, and it represents a desired goal to validate the link between trade and development to ACP countries. According to Konrad von Moltke the benefits of the CPA will not flow more or less automatically but will depend to a large extent on the ability of EC and ACP negotiators to craft agreement that can promote development of ACP countries under the auspices of the EPAs.[100]

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[96] Ibid.
[97] Ibid.
[98]Konrad Von Molkte. "Implication of the Cotonou Agreement for Sustainable Development in the ACP countries and Beyond": Ibid. p. 1
[99]Amani Alavi, Peter Gibbon and Neils J. Mortensen "EU-ACP Economic Partnership Agreements (EPA): Institutional and Substantive Issues", *Danish Institute for International Studies* (DIIS), Copenhagen, 2007, p.14
[100]Konrad Von Molkte, Loc.cit.

Chapter 3

3. Economic Partnership Agreements: Content and the Nature of proposed EPAs

Trade relations between the EU and the group of African Caribbean and Pacific (ACP) states have been underpinned by the concept of non-reciprocity for decades. From Yaoundé to Lome I-IV conventions, the ACP group which includes West African countries benefited from preferential market access to the European markets. Then, with the adoption of the Cotonou Partnership Agreement (CPA) in 2000, preferential markets access continued under the auspices of the WTO 'waiver' that was granted until the end of December 2007. Since then, it was agreed that, the EPAs negotiations should be completed by the end of December 2007.Therefore, as from June 2000, the European Union and ACP countries under the CPAs framework engaged in negotiations with an aim of creating a new trade arrangement titled economic partnership agreement (EPAs).[101]

The main aim of the EPA is to establish a trade regime that will be WTO compatible, while it will also seeks to ensure that the achievement of both Lome and the Cotonou Agreement are maintained. Subsequently, this new trade regime presents a concrete shift from non-reciprocal preferential trade enjoyed by the majority of ACP countries in the past to reciprocal trade. In fact, the real challenge with this new trade regime is that poor countries in the ACP regions will be required to open their market for the first time to European products with no imposition of tariffs. However, it does take into account development challenges such as poverty reduction in developing countries or regions that seek to endorse the EPAs, in which the EU is prepared to fund the cost of implementing this new trade regime.

Since, preferential trade agreements contradicted the WTO rules; therefore, it then became necessary to the EU to restructure their trade relation with the ACP countries to adhere to the WTO rules. Furthermore, prior to the adoption of the Cotonou Partnership Agreement both parties (EU and ACP countries) agreed that poverty reduction; sustainable development and gradual integration of ACP countries into the World economy would be prioritised under the EPAs. On this note, Burcak Martzenczuk contends that "the Cotonou Agreement attempted to set out objectives and principles that will guide ACP-EC development co-operation well into

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[101] Olumuyiwa, B. Alaba. "EU-ECOWAS EPA: Regional Integration Trade Facilitation and Development in West Africa", op.cit p. 1

the 21st century."[102] Therefore, the EPAs are conceived as a vehicle for economic development and promotion of regional integration to majority of the ACP regions. Initially, the ACP countries hope that the EPAs will not deviate from development mandates agreed upon by the EU and ACP countries under the CPA framework signed in 2000. On top of that, the European Commission (EC) also made it clear that it intends to use the EPAs as an instrument of development,[103] so that poverty and promotion of intra-regional trade can be addressed constructively.

However, the challenge with the EPAs is that, the EC has included certain issues which West African countries cannot envisage benefits in relation to their own development challenges. These issues include government procurement, liberalisation of services and investment, the Most Favoured Nation (MFN) clause and the competition policy. Certainly, the inclusion of these issues could undermine what was agreed upon under the Cotonou Agreement, for example, promotion of development and poverty eradication in the ACP states. Despite the intent of the EC to establish reciprocal trade with developing countries as required by the WTO, the EPAs pose a threat to both regional integration and to the promotion of intra-regional trade particularly in West Africa.

Subsequently, this has led to an outcry from developing countries that the EPAs are not supportive of national development strategies instead they are impose as a free market dogma resembling that of the Washington Consensus.[104] Undoubtedly, the EPAs are central to the EU's economic interest, driven by a desire to dominate African markets, through transnational co-operation that seek to exploit economies of scale in West Africa at the expense of regional developmental goals. Since, the EC has constantly threatened to end trade privileges to the ACP countries, if a comprehensive EPA agreement is not signed.[105] The EC persuaded the West African region to sign the interim free trade agreements, without taking into consideration the plight of the poor countries in the region.

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[102]Amani Alavi, Peter Gibbon and Neils J. Mortensen "EU-ACP Economic Partnership Agreements (EPA): Institutional and Substantive Issues", Ibid. p.14

[103] Lawrence E. Hinkle and Maurice Schiff, "Economic Partnership Agreement between Sub-Sahara Africa and EU: A Development Perspective", *Blackwell Publication LTD*, United Kingdom, 2004, p.1322

[104]Civil Society Statement on the Occasion of the 4th African Caribbean Pacific, Head of State Summit, Mozambique, Maputo 21 June 2004.

[105]Senator Iroegbu, "Nigeria: COS seek to halt EU-ACP Economic Partnership Agreements," www.bilaterals.org posted 6 December 2007 and retrieved on 21 of January 2010.

Clearly, the EC enjoyed a position of structural dominance in the international political economy; therefore, through its power it has a tendency to set the agenda in terms of their choice of issues.[106] Rob Davies the Minister of Trade and Industry in South Africa argues that the introduction of new generation issues or Singapore issues such as liberalisation of services and investment and intellectually property rights are linked to the EU global strategy to promote offensive interest of the European companies across the world.[107] Therefore, it is important that the West African negotiators critically examine this new trade regime to ensure that the development agenda of the region is not undermined within the proposed trade regime (EPAs).

In order to put the EPAs into context, it is vital to start with the propose arrangement that was tabled by the EU under the guidance of the WTO rules. Firstly, according to the WTO rules, the EU and the ECOWAS must eliminate barriers on 'substantially all trade' (SAT) between themselves within a reasonable period.[108] This must be achieved to ensure that the EPAs are WTO compatible like any other free trade arrangements. Therefore, with regard to the SAT requirement, the EC requires that at least 90 per cent of trade among the EPA parties must be liberalised**,** since the EC has already committed to liberalise 100 per cent of its trade and the ECOWAS is expected to liberalise at least 80 per cent of her trade in return.[109] While there is no consensus on the interpretation of the SAT by both parties, in terms of which products must be liberalised. It is important to note that, with regard to the liberalisation of market access for European goods, the ECOWAS reiterated its position that was taken in July 2007, where it made it clear that only between 60 and 70 per cent of the regional economy should be affected over a transition period of 25 to 30 years preceded by a five to seven year period of moratorium.[110] On the other hand, the WTO rules provide that in the case of the FTAs like the EPA, the transition period should not exceed 10 years except in the exceptional circumstances. Certainly, in the absence of what would constitute exceptional circumstances,

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[106] Mopeli Mosheosheo Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations op.cit. p. 93
[107] Rob Davies, "Bridging the Divide the SADC EPA" *Trade Negotiation Insight*, Vol.7, No. 4 May 2008, p. 1.
[108] Cosmas, O Ochieng, "Legal and Systematic Issues in the interim Economic Partnership Agreements: Which Way Now?" *Lancaster University*, Issue paper no. 2, United Kingdom, June 2009.
[109] European Parliament, Motion for a Resolution, Session document 2004-2009 www.europarl.europa.eu retrieved on the 7 of January 2010.
[110] Oghogho Obayuwana, "ECOWAS, EU free trade agreements on a cliff hanger", Gurdian, Tuesday, May 26, 2009, www.bilaterals.org/article retrieved on the 8 of January 2010.

this has led to a situation whereby the EC and the ECOWAS need to work a way out, on how liberalisation schedule will be facilitated to ensure that development agenda of West Africa is not undermined.

In real sense, when ECOWAS liberalise 80 per cent of its market as required by WTO rules this will only allow the ECOWAS to protect 20 per cent of her total trade, spread across different products lines.[111] This in turn will be defined by negotiated concessions, among the ECOWAS countries regarding which sector or products require protection. For example, if Nigeria strongly believes that cocoa and cassava requires protection, but not timber. While Benin believes that timber deserves maximum protection above cocoa and cassava, then Nigeria would have to sacrifice at least one of its sensitive products cocoa or cassava in order to accommodate Benin sensitive product (timber) within the 20 per cent exclusion list.[112] Clearly, this needs more communication and co-operation between the West African states so that national trade policies can be align to regional trade policy. Undoubtedly, this will be catalyst in attempt to advance development in the region.

3.2 Why the European Union has put immense pressure to the ECOWAS region to sign the EPAs?

To start with, preferential trade agreements were not WTO compatible; surely there has been a growing need to reconcile preferential trade with the WTO rules. Particularly because preferential trade agreements discriminated other WTO members, as a result, the WTO had remained with no choice but to put immense pressure to the EU to find an alternative trade arrangement that will be in line with its rules. However, the EU is pushing the ECOWAS to endorse the Interim EPAs (IEPA) while the region still struggle to reach consensus on the regional common external tariff (CET). In addition, the EC is also pushing for Singapore issues to be attached to the ECOWAS EPA text. On this note, other trade experts within the academic circle have made it clear that WTO compatibility does not require an agreement on trade in services or Singapore issues which the EU has continuously demand the West African states to endorse.[113] As a result this has led to questioning whether the EPA will

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[111] Ibid.
[112] Aniakan I. Ukpe, Understanding the Economic Partnership Agreements (EPA), NANTS Briefing note, Abuja, April 2009. Accessed through the interview that I conducted over the email with this scholar.
[113] Ibid.

stimulate development or it seeks to reverse the achievement reported by the region in previous years. Clearly, this is an indication that the EU has its own hidden agenda under the EPAs.

As it has been mentioned above that, the objectives of the EPAs are based on the promotion of regional integration, sustainable development, and growth, enhancement of economic diversification and gradual integration of ACP economies into the mainstream world market. However, in order to achieve these objectives, it is significant that within the EPA framework the West African states must not be worse off compared to the economic benefit which they have had under the Lome Convention or the Cotonou Partnership Agreements. Therefore, it is within this context that for ECOWAS, the development dimension has become part and parcel of the EPAs in order to address the uneven level of development between both parties. This would then allow the ECOWAS EPA to be development focused. In real sense; the significance of the development dimension in the EPA is that, it seeks to equip the developing countries with the capacity to play an effective role in the global economy, while also eradicating poverty on the other hand.

Since one of the reasons why the ECOWAS is negotiating the EPAs, is because trade preferences under Lome agreements failed to promote economic growth and development as it was expected. For instance, Mike Kwanashie and Ken Ukaoha from the National Association of Nigerian Traders concur that Lome Convention did not produce remarkable progress in the economies of West African states, since it failed to produce desired results in terms of market share increase, increase in trade, increase in income and standard of living.[114] Therefore, with the EPAs West Africa hope that their developmental challenges could be achieved, since the EU also promises to boost the performance of local industries through the provision of EPA implementation funds.

However, there are some alarming issues which frustrate the ECOWAS negotiators under the IEPAs text that have been propagated by the EC. These issues include: the commitment on tariff reduction, the freezing of export taxes that West African countries have been using, the

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[114] Mike Kwanashie and Ken Ukaoha, "Benchmarking the EPA between the EU and ECOWAS", National Association of Nigerian Traders (NANTS),www.acp-eu-trade.org/library/files/Kwanashie%20Ukaocha_EN_NANTS_BENCHMARKING%20EU_ECOWAS, retrieved on 13 of January 2010

requirement that ECOWAS member states should not increase duties on products from the EU beyond what they have been applying (standstill clause).[115] Certainly, this is one of the reasons that the ECOWAS is doubtful that this new trade regime would veritable respond to the development needs of the region. Hence, the EU expect the freezing of export taxes yet majority of West African countries budget depends on these export taxes to facilitate other government programmes.

In addition, the EU has included the Singapore issues on the ECOWAS EPA text which then contradicts the principles of the Cotonou Agreement. In essence, Singapore issues were raised by the developed countries in the WTO at its inaugural Ministerial Conference in 1996 held in Singapore.[116] These issues are liberalisation of investment, intellectually property rights, competition policy and government procurement. Therefore, because of the unforeseen benefit by the developing countries on these issues they were then rejected for negotiations in the WTO by the majority of developing countries. The real challenge with these issues is that they are non-trade issues, especially government procurement and liberalisation of investments. Furthermore, for EPA to be WTO compatible countries do not need to make commitments on these issues. It is for this reason that West African negotiators have been very sceptical about EPA negotiations preoccupied by fear of being locked into poverty.

For example, under the auspices of the Singapore issues, the EC requires that there must be a protection on intellectual property rights which must include bio-technology licensing.[117] Which means that, when the ECOWAS sign the IEPAs with the intellectually property rights embedded to it, that would mean that when the local crop shows positive result on the international market, an agricultural biotechnology company in the EU can reproduce a close substitute for a certain agricultural product. Thereafter, the firm can then patent the crop and its name copyrighted which make it eligible for intellectual property right under the Trade

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[115] "Economic Partnership Agreement between West Africa and European Community: Accompanying and monitoring the Interim Agreement of Cote d'Ivoire and Ghana", Extra-ordinary session of the Ministerial Monitoring Committee, Nouakchott, 18-21 February 2008, www.uemoa.int/CentreOMC/fiches/CMS%Nouakchatt retrieved on the 15 of January 2010.

[116] Martin Khor, "WTO Wrangle over the Singapore issues" Third World Network, posted Monday 8 December 2003 www.twnside.org.sg retrieved on the 8 of January 2010

[117] Ken Ukaoha, "The ECOWAS EPA: A Funeral Oration to Regional Integration", *Trade Negotiation Insights*. Vol.8.No.5 June 2009. www.ictsd.net/i/news/tni retrieved on 27 June 2009.

Related Aspect of Intellectual Property (TRIP).[118] Certainly the critical question is how the ECOWAS could achieve sustainable development in the presence of such issues that intend to marginalise the production of agricultural products in West Africa? On this note, Tatteh Hormeku argues that the EU has an opportunity to develop fairer trading relations with developing countries, but because of extreme disparities in negotiation power that could easily produce unfair results.[119] Therefore, the pressure directed to West Africa and the inclusion of Singapore issues on the ECOWAS-IEPA text indicate that there is a contradiction between the objectives of the EPAs and what was promised when the Cotonou Agreement was adopted in 2000.

Undoubtedly, part of the EU's motive to pressurise the West African region emanates from the fact that emerging economies in Asia, primarily China and India poses threat to European interest in the region. In addition, both countries are making moves to the continent, which instigates a desire for the EU to establish trade agreements with the West African region. Subsequently, this has intensified the ECOWAS strength and its bargaining position in the EPA negotiation process, hence the ECOWAS has not endorsed the IEPA till today. For example, the Indian company Indorama Group became a key investor in Nigeria's Eleme Petrochemical company Ltd, and the company is now interested in making the complex of the petrochemical hub of Africa to cater to the growing demand for plastic in the region.[120] Same applies with China with its investment in different part of the region. Therefore, this indicates that emerging economies from Asia have an interest in investing in the continent, which then allows the region to exercise caution on agreements they intend to make with the European Union.

Olumuyiwa Alaba concurs that other regions of the world are equally ascending into greater prominence of the external trade profile of West Africa.[121] Certainly, the current evidence indicates that developing countries in Africa are beginning to see better trade opportunities in

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[118] William A. Kerr, Jill. E. Hobbs and Revandee Yampoin, R "Intellectual Property Protection, Biotechnology, And Developing countries: Will the TRIP's Be Effective?" *The Journal of Agro- biotechnology Management and Economics*, Vol. 2, No. 3 & 4, Article 9, 1991

[119] Tatteh Hormeku, op. cit p. 2

[120] "India-Nigeria Business Forum to Boost Trade and Investment", www.centad.org/tradenews posted on the 27 of May 2009 and retrieved on the 7 of January 2010.

[121] Olumuyiwa, B. Alaba. "EU-ECOWAS EPA: Regional Integration Trade Facilitation and Development in West Africa", op.cit p. 4

Asia. Therefore, the EU is pressurising the ECOWAS region to sign the EPA so that they can achieve better trade deals before any profound trade agreements are established with the emerging economies in Asia. For example, the MFN clause which is included in the EU-ECOWAS EPA text prohibits the signatory region to give better trade deals than what they have offered the EU. It also has a negative impact in future ambitions of the region to establish trade relations with the emerging economies such as India, China and Brazil. And it also threaten South-South co-operation. On this note, Emily Jones and Javier Perez concur that the MFN clause risk locking the ACP countries into current pattern of inequality and marginalisation and away from the increasing opportunities global trade is already offering.[122] Certainly one of the reasons why the EC has put immense pressure to the West African region to sign the EPAs, is that the EPA are part of the EU's strategy to secure market opportunities for its own companies while also seeking to dominate the world economy.

In contrast, the EC argues that with the EPAs, it aims to reduce trade barriers between the ACP countries themselves and the EC, which will also foster the smooth integration of the West African states into world economy.[123] However, what became central from on the onset of the negotiations and which both parties agreed upon is that, the EPAs should be development focused and they must not deviate from the Cotonou Agreement. It is imperative to note that even though the negotiations were supposed to be completed by the end of December2007. However, that depended mainly on the clarity on how the EPA would address underdevelopment and poverty eradication in the region. From that context, firstly, it then became necessary and imperative from the EC and the ECOWAS negotiators to ensure that development challenges should be properly addressed under the EU- ECOWAS EPA text for negotiations to proceed. Secondly, the issue of the liberalisation schedules, in which it became difficult for both parties to reach a common ground with regard to the transition period to full liberalisation.

For example, the ECOWAS negotiators want a first phase of liberalisation process to be targeted at intensifying integration process and expanding intra-regional trade before they

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[122] Emily Jones and Javier Parez "Partnership or power play" *Trade Negotiation Insights*, Vol. 4, No. 7 May 2008, p. 3

[123] Amin Alavi, Peter Gibbon, and Neils, J. Mortense, "EU-ACP Economic Partnership Agreements (EPA's): Institutional and Substantive Issues" *Danish Institute for International Studies,* Copenhagen 2007, p. 14.

could open their market for the EU goods.[124] However, in the midst of the conflict of interest the EU asserted that the market access offer to ECOWAS member states and majority of other ACP states in respect of duty free-quota free access will only take place once the EPAs are endorsed. Subsequently, negotiations between both parties have been moving back and forth, because it is still not clear on how the EPA will address underdevelopment challenges in the region. Since, West Africa expects that the free trade area that is inline with the WTO rules need to take into account the level of development of both parties if it seeks to achieve mutually beneficial results. Other than that, free trade agreements under the auspices of the EPA will subject the region to absurd poverty and reverse the gains that have been achieved in the past.

The challenge now for the West African region is that in the absence of the EPA, the EC is only prepared to guarantee the Generalized System of Preferences (GSP) for non-LDC that gives preferential access to the EU market. However, with various restrictions on product coverage and less preference than the EPA, since, the Everything But Arms (EBA) initiative caters for LDC and it gives duty and quota free access to the EU market. Certainly, the co-existence of different trade regimes between the ECOWAS member states is detrimental to regional objectives. Undoubtedly, if both GSP and the EBA co-exist this is going to defragment the region even further.

For instance, within the ECOWAS, Ghana, Nigeria and Ivory Coast, are considered as non-LDC and their exports are subjected to tariffs and quotas to European markets. While other countries such as Burkina Faso, Togo, Somalia, Benin and Niger are considered as LDC and they benefit from the EBA initiative. Subsequently, this allows their exports to enter the European markets without any tariffs and quotas being imposed on their products. Certainly, both trade regimes are not responding to desired goals of the region, since they do not promote regional integration and development. Subsequently, this has put immense pressure to the non-LDC to rearrange their trade policy and sign the agreement with the EU with the exception of Nigeria. Since Ghana and Ivory Coast initial before the deadline of December 2007, and signed in 2008. Undoubtedly individual countries trade policies are detrimental to regional integration objectives because in the absence of the comprehensive regional trade

[124]Mike Kwanashie and Ken Ukaoha, “Benchmarking the EPA between the EU and ECOWAS”, Ibid. p. 2

policy, it is difficult to configure a holistic economic integration that could promote trade within member states. Therefore, it is significant that West Africa establish a regional trade policy, by firstly establishing a common external tariff before they could sign the IEPAs.

Therefore, in the presence of these challenges it is clear that the European Commission (EC) ambitions to get the West Africa region to sign the IEPAs have not produced desired outcomes. Since, by the natural turn of events, it has become clear that the region need more time to reconcile their differences before it can endorse the IEPAs. However, the EC during 2007 persuaded Ghana and Ivory Coast to sign the IEPA, while there was no common external tariff in place. Subsequently, this raises questions of how important to the EC to promote regional integration and development in West Africa? Can the EC adhere to the principles of the Cotonou Partnership Agreement signed in 2000 under the EPA trade regime?

3.3 Why Ghana and Ivory Coast signed the interim EPA?

It is imperative to note that bilateral talks between the EC and individual countries in West Africa has been perceived as an alternative strategy for introducing the EPAs in many sub-regions in Africa, especially after it became clear that the regions are not in the position to sign the IEPA soon. This strategy was employed prior to the deadline of December 2007. The fact that Ghana and Ivory Coast are considered as non-LDC this resulted in exports being faced with huge tariffs in the EU markets under the GSP initiative. Therefore, in an attempt to escape the EU tariffs it became necessarily to sign the interim EPA, which will guarantee market access to the EU and avoid trade disruption which could have a negative impact to the economy. This is true because with the GSP the EC subjects all developing countries into same quotas and tariffs so as to make their local produce product uncompetitive to the EU market. On this note, the Minister of Trade and Industry in South Africa Rob Davies argues that many countries in different regions signed the interim EPA reluctantly under the threat of a serious disruption of trade with the EU.[125]

As a result of the signing of the interim EPA by two countries, unity and solidarity of the ECOWAS was marginalised after it became clear that the region as a collective was not

[125] Ibid.

going to endorse the EPA. Soon after Ivory Coast signed the interim EPA, Ken Ukoaha the chairperson of National Association of Nigerian Traders (NATS) an influential non-government organisation in the EU-ECOWAS EPA negotiations asked these questions: When did the EC under Louis Michel suddenly discover that Ivory Coast needs a kind of assistance being promised now? Why has the loss of the Ivoirian banana markets access become more important than the several lives that were lost under the crises?[126] These questions were justified because Ivory Coast has been faced with a civil war for many years. Then, soon after the war ended, Ivory Coast becomes important to the EC. This raised a lot of questions about the EC's possibility to respect and adhere to the CPA principles that calls for promotion of regional integration and development to ACP regions, because the signing of the interim EPA by both countries made it difficult for the region to proceed with the negotiations, hence the negotiations reach a stalemate in 2007.

It is within this context that the Nigerian government condemn the signing of the interim agreement by both countries because it weakened the strength of the ECOWAS region on EPA negotiation,[127] since Nigeria remained the only country in the region subjected to the GSP. Then, from the Nigerian negotiators, it became important to examine the impact of the IEPA to the ECOWAS Trade Liberalisation Scheme (ETLS), which Nigeria has long remained a facilitator. This initiative was important for the prevention of the EU products entering indirectly to her economy. In addition, denouncing Ghana and Ivory Coast for signing the interim EPA became unavoidable for strengthening the negotiation position of the region. Hence there was a wide shared sentiment in the region that, both countries were easily convinced by promises of development aid made by the EU, therefore, it became important to remind both countries about the significance of promoting regional integration under the ECOWAS EPA.

However, Ivory Coast defended its own position for signing the interim agreement on the bases of trade patterns between her and the EU. For instance the Ivorian Minister for African Integration Amadou Kone argued that his country accounts for 70 per cent of all West African exports which is worth € 240 million, and Ghana and Nigeria comes behind Ivory

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[126] Ken Akaoha "ECOWAS EPA- the Facts and the Fallacies" Ibid.
[127] Ibid.

Coast, if petroleum products such as oil are excluded.[128] Certainly, this was an illustration of decline in unity that confronted the ECOWAS region in the first phase. It became clear that each country was trying to get better trade deal by positioning the trade policy to maintain market access to the EU market. On the other hand it is said that Ghana signed because she wanted to avoid disruption of their exports after preferential trade terms had expired by the end of 2007. For instance, according to the former Ghana Minister of Trade Joe Baidoe-Ansah both countries signed the IEPA because they are the world's top two cocoa exporters and they wanted to ensure that they avoid the possibility of losing out in the European market from January 2008.[129]

This signing by both countries clearly demonstrated the EC's offensive strategy of getting countries to sign, while disintegrating the region and causing division at the same time. For instance, in West Africa, LDC states that share borders with Ghana and Ivory Coast felt threatened by the easy access of EU products to their own countries. As a result, it then became important for the region to regroup and convince both Ghana and Ivory Coast about the importance of regional integration, which the EC is deemed to destroy. It is within this context that Ghana and Ivory Coast needed to reconsider their position so as to strengthen the regional agenda. Subsequently, for negotiations to proceed, it was agreed that Ghana and Ivory Coast IEPAs would be superseded by the ECOWAS EPA.[130] Clearly, this created a conducive environment for the LDC to participate on EPA negotiation.

3.4 The framework of the EU-ECOWAS EPA negotiations

The EU-ECOWAS EPA negotiations started in September 2002, under the framework of the CPA that is supposed to be a guiding document for the EPA negotiations. Furthermore, the roadmap which was adopted in 4 August 2004 in Accra, charted the way forward with the aim of concluding the EPA by the end of 2007.[131] However, that heavily relied on proper communication and co-operation between the EU and the ECOWAS, especially with regard to liberalisation schedule that proved to be a major concern for West African states.

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[128] "EPAs in the midst of a maelstrom", *The Courier Magazine*, No. 8, October-November 2008, p. 29
[129] Makalo. S. "Ghana sign the EPA" http:www.afrol.com/articles posted on the 7 of January 2010 and retrieved on the same date.
[130] The Statesmen "ECOWAS: EU policy supersedes Ghana's interim EPA deal" posted Tuesday, 8 July 2008, www.bilaterals.org/article retrieved on 8 of January 2010.
[131] Mike Kwanashie and Ken Ukaoha, "Benchmarking EPA between EU and ECOWAS" Executive summary from the Nigerian Association of Nigerian Traders (NANTS),Ibid.

Subsequently, because liberalisation schedules are supposed to start once the EPA's are in place. It then became significant for the ECOWAS negotiators to demand the set up of development benchmarks that would ensure that EU-ECOWAS EPA delivers on development and also to ensure that EPA do not deviate from the objectives of the Cotonou Agreement.[132] Certainly, benchmarks that have been set include ensuring that ECOWAS tariff reductions are linked to the attainment of pre-defined development indicators and not to pre-determined timetables. Since, fears that pre-occupy the ECOWAS member states are based on the fact that, when they open their market, while important issues are not addressed, that would have negative impact to their economies. Furthermore, the elimination of custom duties on products that originates from the EU, which would lead to significant reduction of tariff revenues need to be addressed constructively. Certainly, it is within this context that safeguard clauses must be put in place to cater for adjustment cost to EPAs.

In addition, one of the major problems has been around the formation of the Custom Union in West Africa. To start with, prior to the deadline of December 2007, the region was faced with two major challenges: preparing to negotiate an EPA, as well as taking part in the launch of the Doha Round.[133] Christopher Stevens argues that December 2007 deadline was unattainable for normal trade agreement given the need to approve thousands of detailed tariff changes in the West African region.[134] Certainly, the imposition of this deadline by the EU was an indication of power asymmetric in negotiation process, because there was no consultation of the ACP countries on the approval of this deadline. The EU cemented its offensive strategy by threatening to impose punitive tariffs on Europe- bound exports from the majority of ACP countries, hoping that before the 'waiver' could expired countries would run to complete negotiations and sign the EPA's,[135] which did not happen. The West African region was one of those regions which failed to meet the deadline of December 2007-if signed it could have allowed the provisional entry into force of an EPA in January 2008.[136]

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[132] Mike Kwanashie and Ken Ukaoha, "Benchmarking the EPA between the EU and ECOWAS", Ibid.
[133] Eric Hazard, "The Complexities of negotiating a West Africa EPA", *Trade Negotiation Insights*, Vol. 6, No. 4, July-August 2007, p. 11
Christopher Stevens "EPA: entering the danger zones, *Trade Negotiation Insights (From Doha to Cotonou)*, Vol. 6. No. 4 July-August 2007, p. 3
[135] Peter Draper, "EU-Africa Trade Relations 'The Political Economy of the Economic Partnership Agreement" Ibid.
[136] San Bilal "Concluding EPA Negotiations: Legal and institutional issues*", European Centre for Development Policy*, May 10 2007, www.ecdpm.org, retrieved on 13 April 2009, p. 23

However, only two countries managed to sign the interim EPAs on bilateral bases, which are Ghana and Ivory Coast.

3.4.2 Challenges confronting the ECOWAS negotiators with regard to EPA and its position

It is vital to note that since the level of development is uneven between both parties, therefore, that has intensified the desire of the West African negotiators to ensure that the fundamental principles for negotiating the EPAs, is that EPAs should promote regional integration, and respond to developmental challenges of the region. The main challenge in the region has been that, free trade agreements though officially in place since January 2000. However, less progress has been made in terms of consolidating the free trade agreements (FTA) to ensure that countries remove barriers to trade and start focusing on regional development. Consolidation of the free trade area in West Africa is prominent for ensuring that the region market offers to EU products are guided by the common external tariffs Instead of having different tariff policies that might impede on regional integration objectives. For example, Nigeria trades more with the outside world, than it does with neighbouring states and almost 60 per cent of West African external trade comes from Nigeria.[137] Therefore, this indicate that trade within the region has not reported any significant improvement, given the long existence of the ECOWAS.

Furthermore, within the West African region the challenges have been centred on the differences between the English and French speaking countries. In short, this has had a negative impact in accelerating intra-regional trade through the implementation of regional trade agreements. For example, the West African Economic and Monetary Union (WAEMU) member states were using the same currency (CFA franc) pegged to the France currency (franc); this gave the WAEMU member states to report positive growth, especially after the devaluation of the CFA franc from 1994 to 1998.[138] While the non-WAEMU remained stagnant. In addition, it is said that the WAEMU countries have experienced substantially low

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[137] Tom Miller and Jenny Lovbom "Nigeria and the European Union Trade For Development: An Introduction to the Economic Partnership Agreements posted in 2007 www.ec.europa.eu retrieved on the 6th of January 2010, p. 9

[138] Paul Mason and Catherine Pattillo, Monetary Union in West Africa (ECOWAS): Is it Desirable and How could it be Achieved? International Monetary Fund, Occasional Paper no. 204, Washington DC, 2001, p. 10.

rates of inflation, than the non-WAEMU member states.[139] Therefore, accelerating regional trade through the implementation of regional trade agreement has been a difficult exercise, considering the progress which has been made by WEAMU countries. In addition, the fact that the WEAMU currency area remains the most directly relevant to ECOWAS,[140] therefore, this has also reinforced the slow process of the EPA implementation. Clearly, it is fair to proclaim that there is uncertainty regarding the impact of implementing the regional trade agreement to national economies.

The establishment of the common external tariffs (CET) has been one of the biggest challenges between the WAEMU states and the non-WEAMU member states. For example, Nigeria with its huge population requested 50 per cent in ECOWAS CET to protect her infant industries, while other countries wanted 20 per cent tariff which make sense to them hence export performance is very low.[141] These differences emanated from the fact that the LDC does not have a vibrant manufacturing sector, while Nigeria as a dominant player in the region does have. For example Nigeria's main export to the EU is oil, while other countries export agricultural products. On this note Peter Draper concur that the region is heterogeneous in resources structures,[142] therefore the one size fits all approach cannot bring positive outcome in the region. Initially, Nigeria has been opposed to a minimum tariff on the basis that political implication can be severe given the fact that its population out number that of other countries in the region. Therefore, bringing both Ghana and Ivory Coast into negotiating table in an attempt to find a common ground on the CET was significant for consolidating the regions position on IEPAs negotiations.

Another factor which has also exacerbated the differences in the region is that the LDC group of countries seems to be comfortable with the EBA initiative, which allows their goods to enter European markets with no tariffs or quotas imposed, while countries such as Nigeria, Ghana and Ivory Coast exports are subjected to tariffs and quotas under the GSP initiative. This is one of the reasons why Ghana and Ivory Coast went for an interim EPA in order to escape quotas and tariffs imposed under the GSP initiative. As a result this led to the presence

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[139] Ibid. p. 10.
[140] Ibid.
[141] Abimbola Akosile, "West Africa: Common External Tariff- Region Adopt 5th Band", *This Day*, 4 November 2008, www.allafrica.com/stories retrieved on the 18 of January 2010.
[142] Peter Draper "EU-Africa Trade Relations 'The Political Economy of the Economic Partnership Agreement" Ibid.

of three distinct trade regimes that co-existed in the region, the EPA, EBA and the GSP initiative. Therefore prior to the deadline of December 2007, this led to a situation whereby Ghana and Ivory Coast tried to re-arrange their trade policies to make it relevant to the EPAs, while there was no common external tariff in place. On the other hand, the LDC countries remained with no other option but to stick to the EBA initiative.

From the EU point of view, engaging into bilateral negotiations with individual countries in the region was seen as a fallback position, but contradictory to the CPA objectives. On this note, Christopher Stevens contends that there had been only limited substantive progress in most negotiations, partly because, the ACP negotiators in most cases have not been able to reach a common understanding and approach on the cornerstone of the new trading arrangement, for example, on the development component and regionalism.[143] Under the leadership of Commissioner Peter Mandelson the EC believed that broad-ranging trade liberalisation was a key to development,[144] however, the reality on the ground provided contradictory evidence. Clearly, completing the EPA negotiations between the ECOWAS member states on December 2007 was never going to be materialised, given the realities and challenges that faces the region on the ground. On the other hand, the EC "one-size-fits-all" approach to ECOWAS EPAs has made it difficult for the region to reach a common negotiating mandate that will favour everyone's "reasonable satisfaction."[145] Since the challenges of underdevelopment within the region varies from country to country. Instead more time is needed for West Africa region to negotiate various issues that are central to their development agenda. It is for these reasons that the ECOWAS EPA negotiations were stalled prior to the end of the deadline of 2007.

It is imperative to note that during April 2008 both parties had a 13th ECOWAS-EU Ministerial Troika Meeting. In this meeting both parties exchanged views on the major priorities and objectives of the regional strategy for West Africa with major focused on fostering the integration process and the security agenda of the region[146]. Clearly, there was

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[143] Ibid.
[144] The G20 agenda and the road ahead: A view from Africa, *Trade Negotiation Insights*, Issue 3. Vol. 8, April 2009, www.ictsd.net/news/tni. retrieved in May 12 2009, p. 3
[145] Clive Thomas "CARICOM Perspective on the CARIFORUM-EC", *Institute of Development Studies*, University of Guyan, May 2008, p. 78
[146] Council of the European Union, 13th ECOWAS-EU Ministerial Troika Meeting, press release, Luxembourg 28 April 2008, www.consilium.europa.eu retrieved on the 8 of January 2010.

no substantive progressed made with regard to the EPAs and its challenges to the ECOWAS. In April 2009 both parties (EU and ECOWAS) engaged in negotiations with an aim of meeting the deadline of 30 June 2009, that was set up after the West African region failed to meet the December 2007 deadline. Firstly, in areas such as export taxes and free movement of persons progress was made, secondly, there were also achievements in areas of EPA related development co-operation part of agreement.[147] However, parties could not agree on funding procedures and implementation of a pro- development EPA, and nor could they agree to extend support beyond fiscal compensation.[148] As a result, the West African Ministers Follow-Up Committee meeting from 12-15 May 2009 insisted that the EPA trade commitments and their implementation modalities should be inline with the level of development of the ECOWAS, secondly, they called for a link between the implementation of ECOWAS EPA commitment, and the provision of EC financial support programs to improve competitiveness and production capacities.[149]

3.5. Nigeria's role as a regional leader in consolidating unity.

Essentially, Nigeria's influence in the region is very immense either economically or politically. On top of that, half of the West African population is found in Nigeria, and she is also a largest trader in the region. For example, EU-West Africa bilateral trade was worth € 43, 6 billion in 2008, it is said that more than half of this is between the EU and Nigeria.[150] Therefore, it is from this context that Nigeria leadership has been prominent for the whole region to demand a pro-development EPA, since she has presented herself as a 'saving grace for regional integration', and not only that, but also a mouth piece of the LDCs in the region.[151] On this note, the former EU Trade Commission Peter Mandelson argued that Nigeria "is sitting like an elephant in the middle of the road."[152] Undoubtedly, Nigeria's constant demand for pro-development EPA is justified because any agreement that would be sign will hit hard to its economy compared to other countries in the region. Therefore, the

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[147] Mellissa Julian, "EPA progressing, but signing depends on development certainty: ACP-EU" *Trade Negotiation Insights*. Vol. 8. No.5, June 2009, www.ictsd.net/i/news/tni/ retrieved on 24 of June 2009
[148] Ibid.
[149] Tetteh Hormeku, "Africa on the brink of disintegration" *Third World Network*, Vol. 3, No. 1, May 2009, www.twnafrica.org/documents retrieved on the 8 of January 2009, p. 8
[150] "EU and West Africa move toward a regional EPA". ec.europa.eu/trade/issues/bilateral/regions/ , Brussels 17 June 2009, retrieved on 17 October 2009.
[151] Ken Ukaoha. "ECOWAS- EPA- the Facts and the Fallacies" Ibid
[152] Ken Ukaoha and Leo Ugbajah. "EPA: Reasons Why Nigeria is a Sitting 'Elephant'?" Ibid.

region's reluctance towards signing the IEPA is a result of Nigeria's discontent about the development text of the EPA. In addition, the degree in which the CPA commitments are undermined, especially after Ghana and Ivory Coast has initialled the interim EPA, this has also intensified resistance.

It is within this context that it appeared impossible for the region to meet the deadline of June 2009, partly because of the provisions of the Ghanaian and Ivorian deals with the EC were not underpinned by the regional CET. Therefore, for the negotiation process to continue, the interim EPA of both countries needed to be re-negotiated for the benefit of the LDC and for also for a common desired goal of promoting intra-regional trade. Subsequently, during the meetings held between Nigeria, Ghana and Ivory Coast, it became crystal clear that EPA negotiations would not be completed by the end of June 2009. Certainly, the ECOWAS negotiators asked for another deadline which was set to the end of October 2009, which the region has also failed to meet.

In real sense, it is not feasible for the region to sign the EPA especially if the Doha Round Development negotiations are not completed, whereby the issue of agricultural subsidies is a catalyst towards creating conducive environment for trade and development in developing countries. The EU agricultural exports continue to be dumped to developing countries, therefore, if the ECOWAS would sign before the conclusion of the Doha Round that will put agricultural farmers at risk of being driven out of the market by EU agricultural imports. Certainly, Nigeria's role in the EPA negotiations has been very important in ensuring that the region does not submit to the EU, without proper examination of certain areas in the ECOWAS EPA text.

Undoubtedly, it is not going to be easy for the ECOWAS to sign the IEPA, given the degree of "sensitive issues" that sometimes makes it difficult for the negotiators to envisage the benefit under the EPAs. In addition, some of this sensitive issues the region does not have capacity to negotiate them. This includes issues like liberalisation of investment, intellectual property rights and the compensation scheme for trade liberalisation on EPA. For example on intellectually property rights the EU wants the agreement to include the provision on bio-

technology licensing of which the West Africa negotiators have declared a ‘ no go area’.[153] It is imperative then, to explain the reasons why the region is rejecting these issues placed on the ECOWAS EPA text which have heavily contribute to the slow progress on the EPA negotiation process.

The EU argues that when the ECOWAS region sign a binding investment agreement, the West African region would benefit from an influx of foreign direct investment, which will stimulate economic growth. On the other hand, the study conducted by the World Bank concluded that countries that have investment agreement are not likely to receive additional investment flow than countries without such a pact.[154] Therefore, the ECOWAS region does not need the binding agreement on investment to attract investors, based on the findings of the World Bank. What really prevent investors to invest in Sub-Sahara Africa according to the World Bank findings is political instability, security and unreliable electricity supply, not the absence of binding investment agreement. It is within this context that various sub-regions in Africa are opposed to liberalisation of investment, and developing countries negotiators want such issues to stay outside the ambit of the EPAs.[155] Furthermore, liberalisation of investment is problematic because multilateral rules on competition make multinational firms operate freely in a manner that frustrates domestic investment. Therefore, how can developing countries have the competitive economy if they allow multinational companies to overflow the domestic economy? Certainly, within the pretext of development objectives domestic producers must be defended against unfair competition from the multinationals.[156]

With regard to the EPA Development Program, the EU made commitments of € 13, 5 billion from the European Development Fund (EDF) covering the agreement’s first five year plan and support for the ACP government in their attempt to create a balance macro-economic picture with expansion of the private sector.[157] The ECOWAS requires that funding must be

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[153] Ken Ukeoha, “The ECOWAS EPA: A Funeral Oration to Regional Integration”, *Trade Negotiation Insights*. Vol.8.No.5 June 2009, Ibid.
[154] Tatteh Hormeku, op. cit p.6
[155] Ibid. p.6
[156] Abiodum S. Bankole, “Negotiation on Singapore Issues: To be or Not to be: A Nigerian Perspective”, Trade *Policy Research and Training Programme, Department of Economics*, University of Ibadan, Nigeria, November 2003, p. 4, www.ileap-jeicp.org retrieved on the 28 of October 2009.
[157] Wood, D. and Yesilada, B. “External Economic Relations of the European Union” in *The Emerging European Union* (3rd ed), Pearson/Longman, London, 2004. p. 207.

accessible and adequate beyond the commitment already made by the EDF. In real sense, financial resource is the catalyst in the process of implementing the ECOWAS EPA, and this will also be significant for helping subsistence farmers to graduate to progressive farmers. In essence, € 10 billion of this is for long-term allowance, € 1; 3 billion is for regional allowance, while only € 2, 2 billion is set aside for investment facility.[158]

However, the ECOWAS based on its own extent of challenges requires that there must be an intensive mobilisation of resources to implement priority projects which will accelerate and stimulate the competitiveness of local industries as it opens to European goods. Subsequently, the ECOWAS Commission has been urged to ensure that there is a relation between the market access and the commitment expected from the EC on financing of the development projects. The assertion by the EC that good governance will be pre-requisite for accessing financial support in the process of EPA implementation after countries have signed,[159] will become an obstacle for other countries to access funding. Since there is no common understanding on what is meant by good governance. Undoubtedly, it is true that funding of the EPA implementation constitutes one of the major challenges, which both parties must deal with constructively. It remain a biggest challenge since the EU previously has failed to honour the agreement made under the Lome Convention, which then become difficult to trust whether there will be adequate funding or the EC is just playing hide and seek game with African countries. However, this will come clear once the negotiations are over.

Even though there were difficulties caused by different trade policies from ECOWAS member states, the Ministerial Monitoring Committee (MMC) continued at a technical level to adopt a joint comprehensive approach with regard to definition of adjustment measures and programs, covering: (1) measures linked to improving competitiveness and strengthening productive capacity (2) adjustment measure to mitigate the short-term recessionary effects of adjustment costs.[160] Particularly on tax revenues, measures linked to the implementation of the rules and obligation contained within the EPAs.

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[158] Ibid.
[159] Christina Weller. And Karin Ulmer "The EU's cock-eyed approach to trade and governance", *Trade Negotiation Insights* Vol. 8 Iss. 2 March 2009, it's also available on the net. www.ictsd.net/news/tni.
[160] Ken Ukaoha. and Leo Ugbajah, "EPA: Reasons Why Nigeria is a Sitting 'Elephant'?" Ibid.

The Singapore issues such as liberalisation on investment, competition policy and government procurement, the region has made it clear that these issues must be negotiated within the WTO framework. However, progressed has been made on regional market access offer to the EU for liberalisation of 60 per cent of EU imports in goods over 25 years (2010-2034), and this was tabled by West Africa at joint technical and senior level EPA negotiation held in Dakar from 16-20 February 2009.[161] Ivory Coast remained significant for harmonising the region CET. In addition, the region has also continued to make preparation to its market access offer, particularly by drawing up a regional list of sensitive products and make them available to the EPA Committee. Furthermore the EPA Regional Fund with a calculable Regional Equilibrium Model which is necessary to analyse the impact of the EPAs and to calculate the net fiscal impact has been established.[162]

During the Nouakchott Ministerial meeting of the ECOWAS Ministers in February 2008, the common external tariff (CET) was adopted in the same year.[163] The significance of the adoption of the CET is to establish the market access offer for EU imports, and prevent countries from acting outside the regional objectives. On this note Melissa Julian and her colleagues concur that progress on the market access offer has been linked to the finalisation of the ECOWAS CET.[164] However, according to Ken Ukaoha it is still unclear on how the parties are working to solve the technical problems of linking the sensitive products list with the recently adopted CET and the fifth tariff band of 35 per cent.[165]

Secondly, the challenge is also on how parties are working-out ways to address the issue of non-tariff barriers and sanitary and phyto-sanitary (SPS) concerns, since countries will need to support the development of related infrastructure such as laboratories for products testing and traceability which does not exist currently in the region.[166] Therefore, these are the challenges in which the region is faced with and which requires Nigerian leadership in the region. Since, the October agreement is expected to cover trade in goods, development and

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[161] Mellisa Jullian "EPA Updates" Trade Negotiation Insights, Iss. 3. Vol. 8, April 2009, p. 13.
[162] Ken Ukaoha and Leo Ugbajah, op.cit.
[163] Ken Ukaoha Loc.cit
[164] Melissa Julian, Nicholas Mombrial and Corinna Braun-Munzinger "EPA Negotiation Update: ACP-EU Council adopts EPA resolution" *Trade Negotiation Insights*. Vol.7 No. 6, July 2008.
[165] Ken Ukeoha, "The ECOWAS EPA: A Funeral Oration to Regional Integration", *Trade Negotiation Insights*. Vol.8.No.5 June 2009. www.ictsd.net/i/news/tni Ibid.
[166] Ibid.

some trade rules yet there are still other countries which are lacking behind with the provision of the list of the product which must be excluded in the liberalisation process.

Lastly, even though, there have been challenges with regard to the content of the EPAs. However, from 2004 prior to the deadline of December 2007, the West African region had made progress on sensitive products, by drafting the regional list of sensitive products discussed at the workshop organised by the ECOWAS and UEMOA on August 4-5 in Dakar, Senegal, but it was not finalised because countries, for instance, Cape Verde and Mauritania were not part of the EPA negotiations.[167] Then the 14th ECOWAS-EU Ministerial Troika meeting held in Burkina Faso, Ouagadougou in 23 October 2008 published a document that contain a list of sensitive products which was drawn up in the light of regional policies and of the ECOWAS joint agricultural policy (ECOWAP).[168] Certainly, all farm or food products have been included in the sensitive product list, which reduces a threat to food security in the region. However, many countries in the region in particular the LDC still believe that there is little coherence between the EPA agenda and the regional integration process in Africa,[169] especially because development aid which the EC must disburse as an incentives for signing the agreement is not legal binding. Which means the EC can defect anytime on the promises made to the region.

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[167] Melissa Julian, Nicholas Mombrial and Corinna Braun-Munzinger "EPA Negotiation Update:To sign or not to sign that is question, Trade Negotiation Insight, Vol.7 No.7 September 2008 www.ictsd.org retrieved on the 7 January 2010.

[168] "EPA's- The ECOWAS decision on sensitive products: Will the ECOWAS produce a new customs tariff consistent with its list of sensitive products". www.abcburkina.net/content/view/662 retrieved on the 3 of August 2009.

[169] Ibid.

Chapter 4

4. Nigeria's Trade Relation with the EU

In an attempt to demonstrate or illustrate unequal terms of trade between the EU and the ECOWAS, it is vital to look at Nigeria's trade performance with the EU. This will be important because the EU trades more with Nigeria than it does with other regional member states. Apart from that, Nigeria has a huge population compared to other countries in the region. This then becomes important to use Nigeria in order to see how the EPAs will affect Nigeria's economy if signed. Hence, the EPAs impact to Nigeria can also be equated to majority of countries in the region given the extent in which agricultural products dominates regional exports to the EU.

The EU exports manufactured goods while Nigeria exports raw material. For example, fossil-fuel are by far the dominant export, making up about 94 per cent of exports towards the EU in 2006, followed by food stuff and animal products at about 3 per cent.[170] This reflects that, as far as trade is concerned, Nigeria predominantly exports raw materials and less manufactured goods. Certainly, the EU has the potential to control the direction of negotiations to its liking, which they have demonstrated since the beginning of the EPA negotiations in 2002. In addition, power to set the agenda in negotiations has constantly lies with the EU; therefore, because of the uneven level of playing field on international trade, the ECOWAS region is subject to inferior negotiation position. In addition, (table 4,1a) demonstrate the extent in which the EU dominates countries like Nigeria in terms of trade. Therefore, based on this evidence the EU poses immense power to influence the direction of the IEPA negotiations.

In essence, if Nigeria or the ECOWAS region signs the free trade agreements with the EU, in the absence of the region development agenda, that will mean the region is subjecting itself to underdevelopment. The important question is how does the West African region envisage mutually beneficial agreement to such an unequal environment favouring one party? Clearly, if the ECOWAS endorsed the EPAs without adequate funding that will be directed towards

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[170] Statement from Peter Mandelson, the former EU trade commissioner, "Nigeria and the European Union Trade and Development: An introduction to the Economic Partnership Agreements (EPA)", Luxembourg, http://ec.europa.eu posted April 2007, and retrieved on the 14 of January 2009 p. 9.

addressing the cost of the EPAs implementation, this will entrench poverty in the region. In fact, support to local industries through the initiative such as 'aid for trade' must be entrenched to achieve mutually beneficially outcomes on international trade, and these funds must be made available as soon as the IEPAs are endorsed. For example, Nigeria's population is estimated to be 157 million people. Therefore, this means that the average of the population engaged in the production sector would be out of employment once the EPAs are implemented, if funds are not disbursed in time to boost the competitiveness or the production capacity of local industries. Then one can imagine what is going to happen to countries that are still in process of building their industrial sectors through tariff revenues, if free trade agreements are endorsed without the provision of adequate funding to address the cost of EPAs implementation. In fact, West African countries would have to face competition from the technological advanced EU producers, which will then undermine any industrial policy directed to improve the supply side of local producers in the region.

Table. 4.1 a

EU Export to Nigeria in 2008

Goods	Value in Million of Euros	Share of the total 100%
Mineral Fuel Lubricants	3,956	35.3%
Machinery and transport equipment	3,917	34,9%
Manufactured goods classified by materials	1,217	10,9%
Beverages and tobacco	119	1,1

Source: EUROSTAT Comext(StatisticalRegime4): http://europa.eu.int/comm/trade/goods/stats.htm

Table. 4. 1b

EU imports from Nigeria in 2008

Product Group **Primary Products**	Value in Million of Euros	Total	Share of Total in Percentage	Total
Agricultural products	491,2	**15172,5**	3,2%	**98,6 %**
Fuel and mining products	14,681,3		95,5%	
Manufactures Iron and Steel	0,3	**19,4**	0,0	**0,1%**
Chemicals	17,2		0,1	
Textile	1,9		0,0	

4.1 Discussion on EPA

Under the Interim EPA (IEPA) the European Commission (EC) proposed that the ECOWAS open 80 per cent of its market to the European exports by 2020.[171] In addition, the EC requires that there must be a commitment on tariff reductions, freezing of export taxes that the West African countries have been using to boost the local industries performance, and the requirement that West African countries should not increase duties on products from the EU beyond what they have been applying (standstill clause).[172] However, the West African negotiators completely disagreed with the European Commission on these issues, and this

[171] Erik Hazard " The complexities of negotiating a West Africa EPA", Ibid. p.12
[172] Tatteh Hormeku, "Africa on the brink of disintegration", Third World Network, Vol. 3, No.1 May 2009, p. 3 www.twnafrica.org/documents/ATA3 retrieved on 18 of January 2010

was also emphasised at the May 12-16 meeting of the EPA Ministerial Monitoring Committee in Abuja, Nigeria. Certainly, the EU offensive strategy have been managed appropriately to ensure that majority of LDC in the region are protected.

In real sense, out of all ECOWAS member states, Nigeria will be worst affected because she has a huge population which cannot be compared to any regional member states. Apart from that, the impact assessment study on the implication of the EPA suggests that it will experience significant erosion in tariff revenues, if it implements the degree of import liberalisation that the EPAs call for.[173] As the reality of the persisting crisis not only in Nigeria, but to the whole region, Nigeria has veritable argued that a pro-development EPAs will resonate better with developmental challenges of the region. For example, Ken Ukaoha the chairperson of the National Association of Nigerian Traders (NANTS) argues that if Nigeria had signed the EPAs in December 2007, she would have lost about $ 478 million by the end of 2008, while the EU would have gained about $ 709 million in the same year.[174] Therefore, this reflects on how the EPAs will undermine Nigeria's ability to lead integration and development efforts of the ECOWAS. Subsequently, Nigeria has taken an offensive stance against the EPAs in attempt to defend and protect the interests of the LDC, while also ensuring that regional objectives are central to the EPAs agenda.

On top of that it must be noted that Nigeria is the regional hegemony. For instance, Nigerian Gross Domestic Product (GDP) amounts to about 60 per cent of the regions GDP, and apart from that Nigeria is also the largest trader in the region, accounting for almost 60 per cent of West African external trade.[175] Subsequently, based on this evidence it is true that Nigeria can championed the development efforts of the region and provide a financial muscle that is key for promoting regional integration. However, the EU has suggested that as a long-term solution, West Africa should diversify its revenue from tariff revenues to fiscal revenues through excise duties, sale taxes or taxes on revenue.[176] Therefore, because Nigeria is keen to

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[173] Chibuzo Nwoke. "Nigerian and the challenge of the EPA", Ibid. p. 18

[174] Ken Ukoaha "EPAs as impediments to Nigeria's development strategy" This Day (Lagos), 16 May 2006, www.bilateral.org retrieved on 5 November 2009.

[175] Statement from Peter Mandelson, the former EU Trade Commissioner, Nigerian and the European Trade for Development: An Introduction to the Economic Partnership Agreements (EPA), Luxembourg, http://ec.europa.eu posted in April 2007, Ibid. p. 9

[176] Aniekan, I. Ukpe " Understanding the Economic Partnership Agreements" *National Association of Nigeria Traders Briefing Note NB 1*, Nigeria, Abuja, April 2009. (received through the email after I have send questions regarding the stance of Nigeria on EPA)

attain a development focus EPAs that will promote and entrenched regional integration objectives, it argued against the EC proposals. On this note, Aniekan Ukpe from the NANTS argued that "consumer taxes and efficiency of tax administration are in adequate measures to offset the potential revenue losses from the envisaged import liberalisation."[177] Undoubtedly, looking at the Nigeria's population that is over 140 million, and which constitutes the half of the regions population. As a result, signing the EPAs will have a severe impact to the livelihood of majority of people, and also to the local economy. Clearly, the EPAs will undermine development effort of the ECOWAS and Nigeria's ability to champion development agenda in the region.

Furthermore, even though Nigeria can compile the exclusion list of products that must not form part of trade liberalisation together with other member states in the region under the EPAs. However, that does not rule out the fact that the EPA will have a negative impact to Nigeria and the sub-region at large, not only on development, but also to regional liberalisation which is a catalyst for promoting regional integration. Since, the EC proposes that after 2020, it expects full liberalisation from the West African region. This poses a challenge because, for example, it is unclear how the parties are working to solve the technical problem of linking the sensitive product list with the recently adopted CET in the region. On this note, the EC claims that this is inline with the WTO article XXIV which requires removal of tariffs on "substantially all" trade within a "reasonable period". As a result, this has raised the possibility of each ECOWAS member states selecting a different product on which to liberalise, which might make regional liberalisation less likely. For instance, some countries willing to remove barriers to import from their neighbours with similar economies may be unwilling to offer the same terms to highly competitive EU imports.[178] Certainly, because there has been a slow process in West Africa towards implementing the FTA, the IEPAs will exacerbate the existing problems.

It is true that the EPAs will undermine regional integration objectives such as that of structural transformation of the various economies in the region, especially if the ECOWAS economies are opened to EU imports. Since, the ECOWAS member states have different

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[177] Ibid.
[178] Christopher Stevens "The EU, Africa and Economic Partnership Agreements: Unintended Consequence of policy leverage" *Journal of Modern African Studies* Vol 44, 3 2006, p.446

priorities regarding the liberalisation of different sectors and products. Therefore, it is important that regional integration must be intensified before any agreement can be endorsed in the region.

4.2 Interpreting the data

The data provided in the previous chapters is critical in the process of making the constructive analysis in the current state of negotiations, and probe whether the EPAs will undermine regional integration objectives and threaten any future development of local industries, or if what has been agreed so far work in favour of the West African negotiators. In essence, with the EU-ECOWAS EPA it was proposed that this new trade regime will strengthen regional co-operation and integration, reduce and eventually eradicate poverty to attain sustainable development in the region.

On that note, the ECOWAS in November 2009 agreed to reclassify a large number of products from the exclusion to liberalisation list in an attempt to encourage mutually beneficial trade agreements.[179] Products that are included specifically are certain animal products, vegetable fat products and prepared food stuff and beverages. However, it is imperative to mention that the ECOWAS Commissioner for Trade and Industry, Alhaji Mohammed Daramy asserted that the revised West African market access offer was conditional on the commitment of the EU to support the EPAs development program.[180] In addition, West Africa and the European Commission (EC) technical and senior officials met in Abidjan from 10-13 November 2009 and agreed to the text of the articles that will be included in the EPA agreement relating to development.[181] It was agreed that this will include a commitment by the EC and its member states to mobilise the necessary financing for implementing the development dimension of the EPA and to seek complementary financing from other donors.[182] The outstanding issues are mainly the MFN clause, and "Singapore issues" which the ECOWAS has refused to negotiate because of the anticipated impact to South-South co-operation.

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[179] "Debates continue on the basis for an EU west Africa EPA", www.agritrade.cta.int/en/content retrieved on 9 of January 2010.
[180] Ibid.
[181] "EPA Update: EU Ministers adopt a series of conclusion on developments and external relation policies", *Trade Negotiation Insights*, Vol. 8, No. 10, December 2009, www.ictsd.org/i/news/tni/65747 retrieved on the 9 of January 2010.
[182] Ibid.

Unequal terms of trade had been debated extensively, and the extent in which developing countries have been marginalised it is well documented. For example, Oliver Morrissey and Igor Filatotchev argues that mostly poor developing countries or transitional economies of the former USSR and sub-Sahara Africa appear not to be benefiting from the expansion in the global economy.[183] Furthermore, Mopeli Moshoeshoe concur that the EU enjoyed structural dominance in the international political economy.[184] Therefore, this gives a clear indication that the EU has more power to dictate the terms and conditions of negotiations. For instance, on 27 November 2007, Nigeria submitted an official request for the EC to undertake the necessary measures to enable immediate admission of Nigeria and other ACP non-LDC to the GSP+ scheme in the scenario that no agreement is reached by 31 December 2007; however the EC rejected that request.[185] Subsequently, this further illustrated the offensive approach of the EC on EPAs negotiations and its intent to disintegrate the West African region.

Furthermore, the EC negotiated an interim EPA with Ghana and Ivory Coast while undermining the ECOWAS as a negotiation bloc in the process. Therefore, this eventually reflected on how the EC seeks or plans to achieve its own interests under the auspices of the EPAs. However, what emerge now is that the weakest party in the negotiation process can deter power asymmetry through the use of negotiation strategies such coalition building. For instance, prior to 2007 December deadline EU-ECOWAS EPA negotiations reach a stalemate after Ghana and Ivory Coast signed the interim EPA's. In real sense, the ECOWAS member states refused to continue with negotiations in the absence of both countries, and this indicated the significance of solidarity with regard to IEPAs negotiations process.

From this context, it is true that from the Lome negotiations in 1970's the EC has been able to guarantee or ensure that trade agreements respond to its own interests. The emergence of other players in Asia such as China and India are perceived as a conceivable alternative for Africa's development. First and fore -most, the fastest growing economy in the world is

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[183] Oliver Morrissey and Igor Filatotchev, Globalisation and Trade: Implication for Exports from Marginalised Economies, Frank Cass Publishers, London, 2001, p. 2

[184] Mopeli Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations op.cit. p. 93

[185]"Economic Partnership Agreement between West Africa and European Community: Accompanying and monitoring the Interim Agreement of Cote d'Ivoire and Ghana", Extra-ordinary session of the Ministerial Monitoring Committee, Nouakchott, 18-21 February 2008, Ibid.

China, and in future she might become the biggest trading partner of the African continent. For instance, trade between China and Africa in 2006 totalled more than $ 50 billion, with Chinese companies importing oil from Angola and Sudan.[186] Therefore, the prevalence of these alternatives will reduce the EU influence gradually on trade negotiation, in a sense that African countries would not only depend to the EU market, but China, Brazil and India will be viable market for African products, particularly in the context of West Africa.

Subsequently, so far the ECOWAS has demonstrated that the strong parties in negotiations can be challenge by the weak parties, given that the right negotiation strategy is employed to reduce the impact of asymmetric power in the negotiation process. To clearly illustrate how the ECOWAS has dealt with asymmetric power. It is imperative to demonstrate what happened prior to the December 2007 deadline. To begin with, it must be understood that from the onset, when the IEPAs negotiations were instigated it was expected that majority of African regions will endorse the IEPAs before this deadline. However, what transpired was the opposite, because majority of African regions did not adhere to this deadline including the ECOWAS, due to the lack of clarity on various issues. In real sense, the pressure that the EC has put on the ACP sub-regions with regard to the deadline of December 2007 did not produce expected results. Instead, only two countries in West Africa signed the interim EPA, which was also renegotiated by the ECOWAS. Since, the region refused to proceed with negotiations after both countries had signed.

In addition, the introduction of the Singapore issues on the ECOWAS EPA text has been rejected by the ECOWAS, since they have constantly refused to negotiate these issues such as liberalisation of investment, government procurement and competition policy. Undoubtedly, the ECOWAS has shown that it is not the victim of asymmetric of power within the IEPA negotiations; hence, the adoption of the ECOWAS development dimension on the EPA text is still perceived as a prerequisite for signing the EPAs.

Subsequently, the EPA will be tantamount to the destruction of human life in West Africa, if they are not accompanied by adequate developmental aid that goes beyond the EPA implementation period or if the West African agenda is not attached to this new trade regime.

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[186] Ali Zafar, "The Growing Relationship between China and Sub-Sahara Africa: Macro-economies, Trade, Investments and Aid Links", Oxford Journals: The World Bank Research observer, posted April 20, 2007, www.wbro.oxfordjournals.org/cgi/content retrieved on the 9 of January 2009.

On this note, Oxfarm observes that "if the rules are fair, international trade and investment can be a source of shared prosperity and development, if not they can be a source of increasing poverty and exclusion.[187] Since, the EC has constantly used its power to push the negotiation process by using a 'one size fits all' approach which they thought would save time and effort.[188] The fact that the EC argument has been centred on the idea that "the only way to learn to swim is by being thrown into water- with varying kinds of life jackets,"[189] meaning that the region should liberalise trade and it will deal with challenges as they emerge. The sad part of the story is that the former EC Trade Commissioner once stated that the EC is negotiating a trade agreement not a development co-operation.[190] Clearly this reflected that within the EPAs, development of African sub-regions is not at the centre. On the other hand, the EC believe that trade liberalisation is a solution to underdevelopment of the region. As a result, it exerts pressure to various regions to sign the EPAs. Undoubtedly, there is contradiction between what the EC promised under the EPA and what they are doing in the negotiation process. Subsequently, many scholars agree that the EPAs trade regime has been imposed to the ECOWAS region, regardless of the repercussion that might transpire in the long-run. Since the EPAs text does not have a development clause, which specifically explains how the cost of adjustment will be taken care of, without solely relying to EU development fund.

First and fore-most, the EPAs should be in line with the outcome of the Cotonou Agreement that emphasis on the importance of promotion of regional integration, and development of the ACP countries. However, the EU seems to deviate from that original framework, which is supposed to be a guide of these negotiations. According to Rob Davies the South African Minister of Trade and Industry argued that the inclusion of Singapore issues on ECOWAS EPA text is in line with the EU global strategies to promote offensive interests of European companies across the world.[191] Therefore, it is within this context that the region has constantly refuted these clauses, arguing that the EPAs must be accompanied by a section on

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[187]Chibuzo Nwoke. "Nigerian and the challenge of the EPA", Ibid

[188] "Pacific Lessons from the Economic Partnership Agreements", *Pacific Institute of Public Policy*, Iss. 03, Vol. 8, April 2009, www.icstd.org/tni retrieved in 19 August 2009.

[189]William, I. Zartman, The Politics of Trade Negotiations between Africa and the European Economic Community: The Weak Confront the Strong, *Princeton University Press*, New Jersey, 1971, p. 40

[190] Draper, P EU-Africa Trade Relations 'The Political Economy of the Economic Partnership Agreement' South Africa Institute of International Affairs, No. 2 2007

[191] Rob Davies, "Bridging the Divide the SADC EPA" Ibid. p. 2

development that takes into account the plight of the poor countries. As it is mentioned above, the central goals of the EPA include the promotion of sustainable economic growth and development and reduction of poverty.

Apart from that, the IEPA seeks to create a gradual integration of West African countries into the world economy. With regard to EPAs goals, it is believed that this new trade regime would stimulate regional economic integration to majority of ACP countries. In addition, it is believed that these goals can be achieved through the expansion and diversification of trade as well as increased domestic and foreign investments.

The aims of the EPAs are based on the fact that, West African countries engaged in negotiations with the EU, need to implement import and investment liberalisation schedule at two levels, firstly, within their regional groups, second, between them and the EU.[192] In addition, under the auspices of the EPA, the EU expects West African countries to open their market to European goods and services faster and more substantially than to goods and services from signatory region and the rest of the world. Undoubtedly, this can only be possible if adequate funding is provided by the EU in order to allow the West African countries to respond to challenges that will be posed by trade liberalisation. For instance, with regard to market access in goods, the elaboration of a regional list of sensitive products and the adoption of the ECOWAS common external tariffs has proven to be challenging.[193] Subsequently, it is within this context that the December 2007 and June 2009 deadline were not met. Even though the deadline was not met, however, both parties agreed during a ministerial meeting in Brussels in June 2009 to conclude a regional agreement on trade in goods and development co-operation by October 2009.[194]

The offensive strategy which the EC has constantly employed in the ECOWAS EPA negotiations through the introduction of short-time frames, confirms what other scholars have asserted. For example, Emily Jones and Javier Parez argue that the EU for its trade deals with ACP countries has chosen power politics over partnership.[195] Therefore, because the EC had

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[192]Chibuzo, N. Nwoke, "EU-ECOWAS EPA: Nigeria's role in securing development focus and regional integration", *Nigerian Institute of International Affairs*, Nigeria, November, 2009, p.5

[193] EPA negotiations: Where do we stand? www.acp-eu-trade.org/index posted on 30 of September 2009 and retrieved on 10 of January 2010.

[194] Ibid.

[195] Emily Jones and Javier Parez "Partnership or power play" Ibid. p. 3

ambitions to fast track the negotiation process, yet there has been no common understanding on how the EPAs would stimulate regional integration and promote development. While, on the other hand the EC has been reluctant to adopt the ECOWAS development agenda. Therefore, this indicates the clear intentions of the EC under the auspices of the EPAs. Subsequently, it is within this context that the West African negotiators have refused to negotiate non-trade issues, which the EC seek to attach on the EPAs text. Instead the region has preferred that these issues must be negotiated on the WTO framework so as to ensure that development agenda of the region is not impended.

Bilateral engagement between the EC, Ghana and Ivory Coast which led to the signing of the interim EPAs by both countries contradicted the objectives of the EPAs, especially that of promoting regional integration. Therefore, it is during this event, whereby it emerged that the EC is using a double standard approach in an attempt to advance its own interest under the auspices of the EPAs. On this note, Nigeria has played a significant role in the EPAs negotiation process by ensuring that ECOWAS member states do not deviate from the regional agenda. Therefore, Nigeria has move back and forth in an attempt to ensure that Ghana and Ivory Coast realise the importance of regional integration. For example, after both countries signed the interim EPAs, Nigeria took an initiative to convene a meeting in Accra with the two countries, in the presence of ECOWAS official, to douse the tension.[196]

Furthermore, Nigeria has also provided a required leadership for the ECOWAS region to move towards pro-development EPAs, as directed by the regional Ministers in February 2008.[197] Due to the existence of interim EPAs in the region, it became difficult for ECOWAS to continue with the negotiations prior to the deadline of December 2007. Therefore, it was rational for the region to refuse to negotiate without Ghana and Ivory Coast on the table, since this became detrimental to regional integration agenda and also to the compilation of products that need to be excluded from the liberalisation list.

Undoubtedly**,** the EPAs could have a negative impact to regional integration and to the development of infant industries in the region, if one draws his conclusion from the basis of

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[196] Chibuzo, N. Nwoke, "EU-ECOWAS EPA: Nigeria's role in Securing Development Focus and Regional Integration", *Nigerian Institute of International Affairs*. Ibid. p. 26

[197] Ken Akoaha, "The ECOWAS EPA: A Funeral Oration to Regional Integration" *Trade Negotiation Insights*, Ibid.

the offensive strategy that the EC has constantly employed in these negotiations. What need to be clarified with this negotiating strategy is that, through this strategy a strong party have a tendency to use its power to achieve its expected outcome, by marginalising the weaker party. On this note, the European Commission in West Africa, in an attempt to achieve its desired outcomes, they wanted to manipulate the key strategic countries in the region such as Ghana, Nigeria and Ivory Coast so as to diffuse solidarity and unity. These countries are important for one reason; the EU trade with them in large quantities compared to other ECOWAS member states in particular the LDC, from agricultural products to manufactured goods in the region. However, with the existence of William Zartman and John Odell theory, the weaker parties in the negotiation process can mitigate power asymmetric as a way of protecting their interests, and this can be done through the adoption of the defensive claiming tactic strategy on negotiation.

It is then important to explain how the weakest party (the ECOWAS negotiators) can minimise the impact of asymmetric of power in the negotiation process, by making use of the defensive claiming tactic outlined by John Odell. Firstly, it is widely accepted that the strong party has the potential to influence the negotiation process to bring about its expected outcome. And this is true because from the Lome negotiations the EC had dictated the terms and conditions of the trade agreements, through the use of their economic power. Mopeli Moshoeshoe on his thesis also concur that during the Lome Convention negotiation the EU controlled the decision-making levers of power,[198] and this has been a recurrent theme of the developed countries in trade negotiations. William Zartman on his theory asserts that power inequality among negotiators, whereby the strong party with high power tend to behave exploitatively, whereas the less powerful party tends to behave submissively,[199] is a major problem in the negotiation process. Clearly, this statement confirms what has been transpiring in the IEPA negotiation process since they were introduced in September 2002.

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[198] Mopeli Moshoeshoe, Continuity and Change: Towards a Post-Lome-Convention. Framework for European Union and Sub-Sahara Trade Relations Ibid. p. 93

[199] William I. Zartman and Jeffrey Z. Rubin, Power and Negotiation, the University of Michigan Press, 2002. p.

4.3 Internal Challenges to Cohesion in ECOWAS

One of the goals of the EPAs is to promote regional integration and poverty eradication. Therefore, it is important that these goals must be achieved through getting rid of factors that seek to undermine the imperatives of the EPAs. For example, in West Africa three countries are considered as non-LDC, Nigeria, Ghana and Ivory Coast. While the rest fall under the category of the LDC. The differences between the non LDC and the LDC in the region had slightly fragmented solidarity and unity in the region, especially after Ghana and Ivory Coast had signed the interim EPA. This differentiation treatment of states has at some point made individual states vulnerable to EC influence during the initial stage of negotiations. It is therefore vital to explain the division caused by the differentiation of the West African countries under the auspices of the LDC and non-LDC.

In real sense LDC states benefits from the EBA initiative, while the non-LDC were tempted to sign the interim EPA to secure their market access to European market.[200] Therefore, this created a problem for the region to negotiate as a collective; since West African states were positioning their trade policies for the benefit of European market access. In addition, the debates over the region common external tariff, whereby LDC and non-LDC had differences with regard to tariff that must be placed on EU imports has been a major problem. Therefore, this challenge has also been exacerbated by the fact that other ECOWAS member states does not have sound industrial base compared to Nigeria. It is within this context, that Nigeria made the sacrifice of reducing its 120 per cent tariff level to as low as 35 per cent to accommodate the LDC.[201]

Therefore, in attempt to promote agricultural development in West Africa, particularly with regard to the LDC it has been important to protect products that are perceived as a catalyst in ensuring the survival of the rural population. For example, in the case of cotton, the LDC such as Benin, Mali and Burkina Faso want the explicit acknowledgement that cotton is a so called special development product and means of combating poverty; therefore, it must enjoy

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[200] Ken Akoaha, "The ECOWAS EPA: A Funeral Oration to Regional Integration" *Trade Negotiation Insights*, Ibid.

[201] Chibuzo, N. Nwoke, "EU-ECOWAS EPA: Nigeria's role in Securing Development Focus and Regional Integration", *Nigerian Institute of International Affairs*. Ibid. p. 26

special treatment to ensure it has equitable access to the EU markets.[202] On the other hand, countries like Ghana, Nigeria and Ivory Coast requires a market access on manufactured goods such as semi-finished products. However, in many ways Ghana and Ivory Coast for signing IEPA motivated by domestic interests created a problem in the process of regional coherence. Since, both LDC and non-LDC needed to consolidate their position for the sake of regional integration. Undoubtedly, this indicate how important for ECOWAS in trade negotiation to have a common negotiation position. It is from this context, that Nigeria's role has been prominent since she constantly reiterates the importance of harmonisation of national trade policies to defend regional integration and development objectives.

Furthermore, Nigeria's persistent to a pro-development EPA has instilled confidence to the LDC. Since she insisted that "the funds must be placed on the table and not mere promises of assistance."[203] Implementation funds are vital to cater for the revenues that would be lost during the implementation of the EPA. In real sense, lost to tariff revenues will have negative impact on government spending, since West African states will be forced to cut fiscal expenditure.[204] Certainly, Nigerian refusal to sign the interim EPAs gave the majority of LDC states confidence to participate on IEPAs negotiation process with the hope of achieving a pro-development EPAs, that will take into account the plight of the poor countries. On this note, the ECOWAS Trade Commissioner concur that "Nigeria's failure to sign the interim EPA agreement provided another opportunity for its neighbours to ensure that they get a development oriented EPAs."[205] In addition, Nigeria provided a desired leadership in the region by constantly engaging the key players in the region not to deviate from the regional objectives.

Therefore, the question raised by William Zartman on his theory when he asked a question of "how does a weaker party in the negotiations managed to get something, since there is a belief that the agreement to weaker parties is often imposed and shaped along the interest of

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[202] Ibid.
[203] Justus Nduwugwe. "Why Nigeria refused to sign EPA-ECOWAS", www.bilateral.org/article.php posted in July 2008 retrieved in the 4 of August 2009.
[204]Tatteh Hormeku, "Unequal Partners: How EU-ACP Economic Partnership Agreements could harm the development prospects of many of the world's poorest countries. Ibid. p. 5
[205] Justus Nduwugwe. "Why Nigeria refused to sign EPA-ECOWAS". Ibid.

the stronger party.[206] Hence, it is commonly accepted that "the capabilities of the weaker party are inferior to those of its adversary, and weaker parties have little alternative but to accept the desires of the stronger riparian."[207]

Therefore, Nigeria's role in building coalition after the initialling of the interim EPAs by Ghana and Ivory Coast has been important for the region to move forward with the negotiation process, because consolidating states individual interest is vital towards achieving better trade deals, especially with the EU. It is for this reason that it became important for the region to adopt a *defensive claiming tactic*, right from the beginning. Why this strategy? The essence of this strategy according to John Odell is that the weaker party can refuse to negotiate certain issues, which they perceived to be detrimental to their interests, and they can also delay the negotiation process so as to obtain more time to fine tune contentious issues. The refusal of the region to negotiate (Singapore issue) included under the ambit of the EPAs, has provided a clear indication of how the region is exercising caution on issues perceived to be detrimental to the regional agenda, and to the future plans of development to individual countries. Apart from that, the region has refused to be pressurised by the EU through various deadlines.

The civil society in West Africa has also play a prominent role in terms of exerting pressure to the regional negotiators of the IEPAs, in an attempt to protect the interests of small farmers. For example, in Dakar (Senegal) 50 000 people took part in demonstration, and Bamako (Mali) Social Forums meeting have been organised,[208] to put pressure to the ECOWAS negotiators. Secondly, West African Farmers and Agricultural Producers Organisation (known as ROPPA) have once asked their government not to sign the EPAs, and they have also threatened to boycott election as a means to keep up the pressure.[209] Thirdly, the involvement of the National Association of Nigerian Traders (NANTS) also plays a significant role in an attempt to cement the need of the pro-development EPAs. On this note, Eric Hazard concur that "according to the recent study the EPA agreement are only

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[206]William, I. Zartman The Politics of Trade Negotiations between Africa and the European Economic Community: The Weak Confront the Strong. op.cit.
[207]Dinar Shlomi. "Power Asymmetry and Negotiations in the International River Basins" *International Negotiations*, Vol. 14, Issue 2, p. 329-360
[208] Tinette Schnatterer "Mass protest against Economic Partnership Agreement with EU" and 6 February 2008, www.socialistworld.net retrieved on 16 April 2009.
[209] Eric Hazard, "The Complexities of negotiating a West Africa EPA", Ibid. p. 12

possible if it is accompanied by a section on development that takes into account the main preoccupation of the region, as well as by a more in-depth study of regional integration, and by improving productivity and competitiveness."[210]

Subsequently, given the involvement of various stakeholders in the ECOWAS EPA negotiation such as the NANTS and the African Union, it is clear that the ECOWAS negotiators will not attempt to sign the agreement that will threaten the survival of small farmers, especially because there is huge uncertainty on the provision of EPAs implementation funds. Apart from that, the current trade deals kick away the development ladder that countries around the globe have used to build their own economies.[211]

Undoubtedly, it is correct for one to conclude that base on what has transpired in the negotiation process; regional integration and the development dimension on EPAs are perceived as catalyst towards uplifting the region from sinking to high levels of poverty. Furthermore since the West African negotiators have refused to sign the EPAs with Singapore issues included. Since, negotiations are not yet over, it is not easy for one to conclude that the EPAs will underestimate regional integration. However, what can one assert is that the future of regional integration can be stimulated or destructed under the EPAs, depending on the negotiation strength of the region. Hence the region has only signed the agreement on the free movement of people and trade on goods; this indicates how ECOWAS has actually taken cautious steps to avoid any situation that might lead to the destruction of regional integration, which they have worked hard to perfect for the past decades. Certainly, the EC offensive strategy has not delivered the expected outcomes, because even today the region has not endorse the IEPAs, and the region has constantly postponed the deadlines up until answers are provided on how the developmental challenges of the region can be prioritised under this new trade regime.

The fact that the negotiation are still in the process, it will be then difficult for any scholar to provide a holistic analysis of the exact impact that the EPAs would have in the region, but more work can be left for future development on this study. Particularly, what is important is to see how the EPAs will support economic diversification away from low value agricultural

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[210] Ibid. p. 11
[211] Emily Jones and Javier Parez "Partnership or power play" Ibid. p.3

production by restricting the choices of ACP government to support the development of new industries through the inclusion of ambitious tariff liberalisation schedule.

Chapter 5

The Evaluation of the EPAs Negotiation versus Collective interests of West Africa

The EU-ECOWAS EPA negotiation process has not moved in the expected pace by the EU, particularly because both parties have difficulties in finding the mutual beneficial solution with regard to the development dimension of the EPAs and the manner in which the this new trade regime can stimulate regional integration. Development focused EPAs is what the West African is seeking to achieve with the European Commission, and what is also central with this new trade regime is that, it must contemplate regional development challenges otherwise the region will be subjecting itself to underdevelopment. Olumuyiwa Alaba argues that "the main thrust of trade negotiations whether bilateral, regional or multilateral is to fashioned trade agreements and trade policies which ensure mutually beneficially market access among countries involved.[212] Therefore, it is important to evaluate the EPAs negotiations process versus collective interest of the ECOWAS member states.

Under this new trade regime (EPAs) the EU has constantly argues that it seek to facilitate the smooth integration of ACP countries into global trade. However, the current evidence indicates that, EPAs are embedded by a number of challenges that threatens to worsen the poverty levels for West African states. Apart from that, the EC is negotiating the EPAs in the manner that seeks to undermine the spirit of the Cotonou Agreement, if one observes the EC approach on EPAs negotiations. On this note, it is important to reiterate that under the Cotonou Agreement, it was agreed that the aim of future trade co-operation between the EU and ACP countries "is to foster the smooth and gradual integration of the ACP states into the world economy, with due regard for their political choices and development priorities, thereby promoting their sustainable development and contribution to poverty reduction."[213] In addition, the EU and the ECOWAS vision of what the future trade agreement should look like have been very different. To start with, the EU has included the liberalisation of investment and government procurement, and these issues are forced under the false pretence that they will stimulate development in the region. As, it is mentioned above that, these issues

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[212] Olumuyiwa Alaba, "EU-ECOWAS EPA: Regional Integration Trade Facilitation and Development in West Africa" Ibid.

[213] "Partnership under pressure: An assessment of the European Commission's conduct in the EPA negotiations", www.tilz.tearfund.org/Webdocs/Website/Campaignings/Policy%20andresearch/EPA/%20report%20web2.pdf retrieved on the 12 of January 2010.

are non-trade issues and were rejected by the majority of developing countries to be negotiated under WTO. Subsequently, this raise questions about how will then the EPAs stimulate regional integration and development, especially if the EC includes issues that undermines regional integration and development. Therefore, because these issues tremendously contradict the Cotonou Agreement spirit, the ECOWAS member states have remained with one option, which is to oppose any EPA clause that seek to undermine developmental agenda of the region. Furthermore, the ECOWAS has constantly raised concerns about the fundamentally differences and also work together to resist pressure from the EC.

What has also come clear with regard to the EC focus on EPAs is that it intends to establish free trade agreements at levels that goes beyond anything on the table of the WTO, and beyond what the West African countries believe is appropriate for their own development.[214] In contrast, to the EC position, the ECOWAS want priority to be given to the building and consolidation of intra-regional trade. And for this to be achieved, they are calling for increased development resources from the EU, to enable them to put in place the production and infrastructural development necessary for them to benefit from trade opportunities. In short, the ECOWAS collective interests under the EPAs are centred on the following issues that have been in the fore front for decades.

●Regional integration

●Economic diversification

●Food Security

●Infrastructural development

●Market Access

It is then imperative to illustrate how the EPAs deviates from the collective goals of the region by looking at the manner in which the negotiations have unfolded. To begin with, the EU ambition and determination to get individual countries to sign the interim EPAs clearly

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[214] Chibuzo, N. Nwoke, "EU-ECOWAS EPA: Nigeria's role in Securing Development Focus and Regional Integration. Ibid.

indicated its intention to undermine developmental objectives of the region. Since, Ghana and Ivory Coast signed their interim EPA prior to the end of the December 2007 deadline due to the EU pressure, and this was done in the absence of the regional common external tariffs. In essence, if the EU is keen to advance regional integration, why then it wanted to have interim EPAs with particular countries, instead of devoting its energy to promotion of regional cohesion agenda? Therefore, this clearly indicates that the EU seeks to promote or to advance its Global strategy agenda at the expense of the West African interests under the auspices of free trade agreements. Undoubtedly, the EU has completely undermined the objectives of the Cotonou Agreement, because it wanted both Ghana and Ivory Coast to open up their markets, while regional integration is not yet consolidated. Apart from that, the EU is determined to gain access to the West African markets, even if that means undermining the good intentions of regional integration. Certainly, this clearly illustrate that it is not in the EU interest to see the advancement of regional integration in West Africa.

With regard to economic diversification, the EU has restricted the options of West African states to support the development of infant industries. In addition, the EPAs are unable to support West African economic diversification away from low-value agricultural production.[215] The EU has done this through the inclusion of ambitious tariff liberalisation schedule. For example, the EU proposes the 10 years transition period without the provision in the ECOWAS EPA text that would allow a longer transition period in a very exceptional case,[216] and which was refuted by the ECOWAS. Subsequently, ECOWAS ministers reiterated their position of July 2007 that regional economy should be affected over a transition period of 25 to 30 years preceded by 5-7 period of moratorium.[217] Therefore, this further indicates that the EU-EPA will not do justice to the collective interests of the region, because it wants to impose liberalisation schedule that will undermine any initiative directed to stimulate regional cohesion. In essence, the EU wants Ghana to continue export raw cocoa and cotton in return of expensive products that the region might not even need. On that note, it must be stated that the region will not reap any substantial benefit from the EPA, especially because of its lack of desire to promote economic diversification in the region.

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[215] Ibid.
[216] Ibid
[217] Thomas Kai Toteh, "ECOWAS, EU on Economic Partnership Agreement", www.liberianforum.com/Articles/ECOWAS-EU-on-Economic-Partnership-Agreements.posted on Friday 22 May 2009 and retrieved on 13 of January 2010.

Food security in West Africa constitutes one of the collective goals in the region; however, the EU argues that once the EPAs sets in, West African states would not be allowed to raise taxes on imports or to subsidies the domestic agricultural farmers. To start with, majority of the West African population is base on agricultural production, for instance, in Burkina Faso 80 per cent and Mali 70 percent.[218] Subsequently, European cheap agricultural products will overflow the West African markets once the liberalisation transition period ends after 20 or 30 years. Furthermore, the eradication of import taxes will subject local producers to high competition with the EU farmers, which will then force them out of the market. Undoubtedly, this will automatically force West African states to depend on the EU supply of agricultural products, and undermine any initiative directed to boost production of food in the region.

In addition, it is said that the EU would deliver significant additional finance support to infrastructure and tackling competitiveness constraints to finance nationally owned plans. However, the EU has constantly refused to increase aid to developing countries for decades. Apart from that, the EU would want to disburse these funds on the basis of good governance, yet there is no common understanding on what is meant by good governance. Certainly, these are some of the issues that will impede West African states to access development funds to the EU. In real sense, if the EU is interested to bolster infrastructural development, why then put conditions? Subsequently, it is within this context that one can assert that the EU wants to subject the ECOWAS member states to mere promises that they would not keep. Instead, it will be imperative for the ECOWAS region to galvanise funds internally to fast track the building of infrastructure other than hoping that the EU will provide adequate funds to address all challenges related to the improvement of infrastructure in the region.

The West African negotiators has put forward a draft of regional market access in February 2009, and also liberalisation of 60 per cent of EU imports over 25 year in 2010, however, the EU maintain its position that a final market access most include most sectors covering 90 per cent of bilateral trade.[219] Firstly, what has become clear in the Doha Development round is that the EU has been reluctant to remove anti-development measures such as export subsidise that benefits their own farmers. While majority of people in West Africa are subjected to

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[218]Tinette, Schanatterer, "Mass protest against Economic Partnership Agreements with the EU", www.socialistworld.net posted on the 6 February 2008 and retrieved on the 13 of January 2010.
[219]Maria Persson, "EPA and Fiscal Transition in ECOWAS countries" Lund University, School of Economics and Management, June 2009, p. 22.

absurd poverty, the EU consistently continues to provide subsidise to the domestic farmers. Subsequently, this raises questions on exactly how the EU is planning to establish free trade agreement that will be mutually beneficial in the presence of its Common Agricultural Policy that provide huge funds to its farmers. Undoubtedly, African products will not enjoy free market access on the EU due to the uncompetitive environment that is caused by the provision of subsidies. Therefore, it is for these reasons that Nigeria must ensure that the European Commision provides adequate funding to address the cost of implementing the EPAs. In addition, the provision of the implementation fund must be a legal binding clause on the EPAs text; otherwise the landlocked economies in West Africa will not envisaged any benefit from this new trade regime.

Chapter 6

Conclusion and Recommendations

The essence of this study was to discuss and explain the negotiation process between the West African region and the European Commission in the context of the EPAs, which seeks to introduce reciprocal trade agreements. Due to asymmetric of power relation between the negotiating parties, this study provided a concrete investigation on how so far the negotiation process has unfolded. This has been done, by exploring the issues that seek to undermine development objectives of the West African region. Since one of the main goals of the EPAs is to promote regional integration and eradicate poverty in the ACP countries. Therefore, it became important to look at how West African negotiators have worked hard to ensure that the collective interests are protected within the EPAs negotiations.

Furthermore, we have observed on this paper that from the end of Cold War in 1990, the EU has engaged in the process of restructuring trade relations with majority of ACP countries. In essence, the end of Cold War produced a political climate which confirmed the insignificant of African countries to the developed world. Subsequently, it became feasible for the developed world, particularly the EU to instigate trade liberalisation under the auspices of the GATT/WTO. While majority of developing countries are still struggling to implement some of the WTO agreements, now they are faced with the EPAs. Certainly, it is clear that neo-liberal policies from the developed world are becoming the base in which the developed region such as the EU can engage with the developing countries. Even though the developing countries lack capacity to negotiate certain trade related issues, but that does not seem to be a concern for the developed world. Developing countries continue to be marginalised on trade negotiations, however, alternative do exists that can help developing countries to mitigate power asymmetry, so as to ensure that development objectives of their regions are taken into consideration.

Subsequently, the constant refusal by West African negotiators to engage on issues that will undermine intra-regional trade, such as Singapore issues indicates the strong desire from the region to ensure that the pro-development EPAs is obtained. As much as the EC has promised that this new trade regime will improve levels of development to West African countries. However, the ECOWAS negotiators have constantly ensure that the EPAs negotiations

produce results that will put development at the centre. This study, therefore, has sufficiently illustrated how the West African negotiators are working hard to defend regional integration which they have worked hard to perfect. Certainly, in order to understand whether EPAs will have disastrous impact to regional integration, the study has demonstrated how the region has position itself to ensure that the non-LDC and LDC interests are protected for the sake of consolidating unity in the region.

The analysis also illustrate that in the prolonged IEPAs negotiation process, the EC has not been shy to project its power from different phases on the negotiation, by continuously including issues that undermines the development agenda of West African countries and further disintegrating the region. For example, firstly, the December 2007 deadline was not a negotiated time frame by both parties; instead it was imposed by the EC to majority of the sub-regions in Africa. Secondly, the signing of the interim EPAs by Ghana and Ivory Coast, which totally contradicted the Cotonou Partnership Agreement, signed in 2000 reflected on how the EC seeks to push its own agenda at the expense of the collective interests of the region. Thirdly, the introduction of the Singapore issues indicates the interests of the EU under this new trade regime. All this point to one direction that the EU wants to exploit West African markets without taking into account the plight of the poor countries in the region.

In the event of enormous pressure by the EC to West African countries to sign the EPAs, this study has also illustrated that Nigeria has played a very prominent role in an attempt to protect and defend the interest of the region. This then gives hope to the LDC within the region to continue participate in the EPAs negotiation process, by ensuring that countries remain intact with regard to the objectives of the region at large. The study indicates that Nigeria as a regional leader has instil the significance of solidarity in the region, especially after Ghana and Ivory Coast had signed the interim EPAs. In addition, the Abuja Treaty signed in 2002 does put emphasis on solidarity and collective self-reliance, therefore, Nigeria has been consistent towards ensuring that the region moves in one rhythm as far as EPAs are concerned.

While the study has acknowledged the anticipated impact of the EPAs in shaping evolving trade relation between the two parties, it also asserted that promotion of regional integration is central to regional development that is accompanied by promotion of intra-regional trade. Therefore, instigating trade liberalisation with the developed region is only going to hinder

the development process, especially if the EC fails to attach the ECOWAS development agenda on the IEPAs text. Furthermore, in an attempt to achieve United Nations Millennium Developmental Goals (MDG's) the region need not to deviate from this obligation. Subsequently, international economic cooperation is a must for the region to realise developmental goals, and fair trade is part of the prescription for the continent to ensure that poverty is eradicated in the region. Therefore, it is within this context that liberalisation schedule must be longer so that West African countries can support the competitiveness of the domestic producers. Since, international trade is a catalyst for economic development, and it gives countries an opportunity to access foreign currency.

It is quite true that there is no country or region that has achieved high levels of economic development and growth without trade. In addition, it is true that developing countries have something to gain in an open international trading system. However, trade liberalisation need to be accompanied by adequate funds to address supply-side constraints and improve production capacities to eradicate poverty. In essence, the EPAs should be decisively directed to promote development and competitiveness of the local industries and bolster employment rate in poor countries. Therefore trade liberalisation need to be introduced in correlation with specific region's development goals to ensure that poverty is eradicated. If that is not the case, the EPAs will entrench underdevelopment and poverty to majority of the African sub-regions. In addition, it is for these reasons that the EU need to disburse adequate funds to ensure that adverse impact of EPAs implementation is addressed. On this note, this study has profoundly explained Nigeria's prominent role in terms of ensuring that the EU comes clear on how much is put on table to cater for adjustment cost towards the EPAs implementation.

As a result of immense challenges facing the region with regard to EPAs, the region has been unable to meet the consecutive deadline set up by the EU, which is reflection of how West African negotiators are sceptical with regard to the development dimension of the EPAs. Firstly, international economic cooperation between the West African region and the EU has never worked to the advantage of the region, partly because, the industrialised countries have always view Africa as an economic vehicle towards their development initiative. In addition, the EU does not have any altruistic sentiment to develop the economies of West Africa, beyond extracting resources and exploiting West African markets with their own products.

And it does not look like the *status quo* will change soon; however, through coalition building the ECOWAS has been able to mitigate the power asymmetry problem.

Therefore, given the invigorated negotiating strength of the ECOWAS region after Ghana and Ivory Coast had signed the interim EPA, clearly that indicates that the region will not sign an agreement that will be detrimental to its development initiatives or to regional integration for that matter. In addition, the slow progress on IEPA negotiation accompanied by the continuously postponement of EPA deadline by the region, gives the ECOWAS more time to refine their differences and also to be able to consolidate the common position in the IEPAs negotiation process. For instance the ECOWAS region was expected to sign by the end of October 2009, but the region did not sign. As I have mentioned, on my analysis that Asian countries such as India and Brazil are ascending to African markets, whom might become biggest trade partners of the region in future, and reduce structural dominance enjoyed by the EU on international trade.

Therefore, since the EPAs negotiations is an ongoing process, it is important that the future research investigate in-depth the implication of this new trade regime, by specifically looking at what the ECOWAS has signed for. For instance, if West African countries end up signing the EPAs text with Singapore issues and the standstill clause attached. On this note, it would be important to examine the implication of these clauses to the evolving South-South co-operation. Since, South-South co-operation seems to be an only viable alternative to deal with the New International Economic Order which is dominated by the developed countries. Certainly, for South-South co-operation to produce positive outcomes depends on consolidated partnership between the developing countries from different part of the World. Therefore, it is important that the ECOWAS region does not tied itself by signing trade agreements that will prevent such co-operation to advance in future.

Recommendation

First and fore-most the region need to fast track the implementation of the Common External Tariff (CET), so that the EU market offers cannot deter any plan directed towards promoting regional trade. This is important in a sense that regional integration can only be stimulated in the presence of the CET, which also brings countries trade policies in line with the regional trade policy. In addition, the region must not sign the full EPA agreement without the

provision of the legal binding agreement on EPA implementation funds. In essence, the region needs to vigorously demand that the implementation funds must be legal binding. More precautionary measures must be taken to ensure that the liberalisation schedule give countries enough time to adapt to the global economy. In addition, Singapore issues must be continuously rejected, and the ECOWAS would need to galvanise support of the African Union to argue against the inclusion of clauses inserted on the ECOWAS -IEPA text. This will help the region to avoid a situation, whereby government accountability to the citizens is reduced.

For the negotiation process to produce mutually beneficial outcomes, it is vital that the EC should align the EPAs with the development needs of the West African countries. This could be easily done by offering adequate development assistance, which will then stimulate trade performance and socio-economic condition in the West African region. Undoubtedly, without adequate funding to the region, the EPAs will undermine regional integration and reverse the positive gains which the region has recorded in the past decades.

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