

## **Panel X: Trade/Development Nexus and Africa (Chair: Yenkong Nganjoh-Hodu)**

### **1) Yenkong Nganjoh-Hodu (University of Manchester, UK): EU-Africa Trade Policies in the 21<sup>st</sup> Century and their implications on regional integration in Africa**

The proliferation of regional trade regimes which share similar ideals with the World Trade Organization (WTO) has added to claims of disintegration within international economic order. Notwithstanding the ambiguity surrounding the reading of the meta norm-the General Agreement on Tariffs and Trade (GATT) Article XXIV which defines the province of regional economic bloc between the multilateral community, WTO members are far from being moved by the general call to harmonise their economic policies. In the context of European Union (EU)-Africa trade relations, both trading blocs are locked into Economic Partnership negotiations since 2002 which has so far been marred by controversies. The December 2007 EU-Africa summit was expected to be an appropriate venue for leaders from both sides to resolve the controversy surrounding the idea of development-friendly free trade agreements between the contracting parties. But, the summit was wrapped up without achieving any clear answer to this issue. Similarly, at the multilateral level, i.e. the WTO Doha Development Round negotiations, which the EU and the African, Caribbean and Pacific Group of States have sponsored, numerous development-friendly proposals on RTAs stalled since July 2006. Consequently, in view of this controversy, if development concerns can be factored into economic partnership agreements (EPAs), what would be an acceptable threshold for such RTAs to conform to GATT Article XXIV requirements of “substantially all trade” and “reasonable period of time”? What is the impact of the EPAs debate on regional integration in Africa? What bearings do all these have on wider EU-Africa policy? This paper aims at providing some inside to these questions bearing in mind the idea of development and WTO compatibility in the context of the EU-Africa Economic Partnership negotiations.

### **2) Silke Trommer (University of Helsinki, Finland): West Africa’s global political economy space and participatory trade governance**

The Economic Community of West African States (ECOWAS) has institutionalised civil society participation in "Economic Partnership Agreement" (EPA) negotiations with the European Union (EU). This contrasts with the view defended in the global North that excludes the possibility of meaningful civil society engagement with trade policy.<sup>1</sup> Nonetheless, influence of domestic non-governmental organisations (NGO) on ECOWAS negotiating positions is documented. My paper asks in how far the participatory trade governance model is conditioned by the space that West Africa occupies in the global political economy. In 2001, Olukoshi identified the choice between regional cooperation and continued pursuit of individual national strategies as the region's key challenge.<sup>2</sup> I argue that judging from EPA negotiations, globalisation facilitates political economy processes that move West Africa towards regional integration. Due to negotiating asymmetries and capacity weaknesses, resulting from West Africa’s global economy space, ECOWAS has taken civil society input in trade policy choices more seriously than any other trade institution. NGOs have therefore played an important role in recent progress on regional integration. For West Africa, this means that globalisation has the potential to liberate the political forces that help to reconcile its economic space. For our theoretical understanding of trade policy formation, it follows that the global political economy context in which political processes evolve impacts on the governance models that emerge.

### **3) Ransom Lekunze (Metropolitan Univ. College, Copenhagen, Denmark): The Global Financial Crisis and Trade Implications for West Africa**

The global financial crisis is having a real impact on developing countries, nonetheless, African countries, and is mostly being felt through trade and trade-related channels. To make matters worse, in most African countries the crisis was preceded by a trade boom which, failed to lay strong foundations for financial stability and capital accumulation. Proof is that Africa's economic growth, estimated at 4.8 per cent in 2008, fell to about 2.8 per cent in 2009 (AfDB, 2009). This also is enough evidence that Africa is more integrated than before with the world economy through trade, Foreign Direct Investment (FDI), and remittances. The Financial crises risk undermine hope for growth resurgence, in these poor West African countries and offers an opportunity to re-examine the potential that an integrated approach to trade and finance may have to improve the design of development policies. Indeed, trade factors are central to the effects that the ongoing financial crisis is having on a large number of West African countries. As the financial crisis threatens the stability of African states, there are desperate attempts to enhance trade liberalization and ensure the completion of the WTO Doha Round. Yet, this was rather paradoxical as the Doha Round itself included several elements such as the financial services agreement that would likely carry negative impacts for the overall resilience of the financial system. Given the extent of the problem, world leaders have responded in an unprecedented manner through unilateral and multilateral responses in the form of stimulus packages, bonuses and reforms to the global financial system. Beginning in November 2008, at the meeting of the G20 countries in Washington DC, to 2 April 2009, in London, and a UN summit in June 2009, world leaders have put in place a process to implement reforms of the international financial system and pledged co-ordinated action to tackle the downturn. But with so much attention focused on the response of the financial crisis, it is argued, trade considerations are taking a backseat to financial ones (COC, 2009), nonetheless in West Africa. This paper aims to assess the role that trade structures and their linkages with finance have played in the unfolding of the crisis in West African countries and recommend that such assessment is included in the responses. The research explores the practical applications that an integrated approach to trade and financial policies could have on improving specialized policy-making on both the trade and financial field, domestically and internationally.

### **4) Bert Edström (Institute for Security and Development Policy, Stockholm, Sweden): Japan and the TICAD Process**

Japanese attention to Africa is a recent phenomenon. Before and after the Second World War relations between Japan and African countries were few and contacts scarce. In the initial post-war period, Japan's focus was primarily on Asia in regional affairs and on the United States in world affairs, and Japan saw rarely any need for paying any interest in African countries. After the end of the Cold War, Africa started to be given a larger place in Japanese foreign policy. As a trading nation, trade and aid are the backbones of Japan's international role and relations, and Africa's gradual emergence as a rich source of natural resources came into the limelight. Africa's increasing weight in world politics, symbolized with the sizeable number of votes that African countries have in the United Nations, made them also important for Japan's effort to gain a permanent seat in the United Nations Security Council. A key expression for Japan's interest in developing its relations with Africa is the Tokyo International Conference on African Development (TICAD) held every five year since 1993. At the most recent TICAD conference in Yokohama 2008, Japan pledged continued increased economic aid to African countries. In the 1990s Japan had a golden opportunity to develop

relations with African countries but the severe economic pressures with which the country was burdened made its endeavors half-hearted. With the rush for African countries as a source for resources and markets led by countries like China and India, Japan finds itself risking to be left behind. This paper traces Japan's efforts to cultivate relations with Africa using TICAD as the key foreign policy instrument.

**5) Marikki Stocchetti (University of Helsinki, Finland): The Development and Trade Interface in the EU-Africa Relations: Ideas, Interest and Institutional Factors in the EU Policy Coherence for Development Approach**

This paper is concerned with the prevailing ideas, interests and institutional factors influencing the development and trade policy interface in the EU-Africa relations. The nexus between these two policies has been defined as crucial in terms of the Policy Coherence for Development (PCD) approach which the EU has adopted. According to the PCD approach in this context, trade policy should not, at the barest minimum, hinder the achievement of the EU development policy goals of poverty reduction, sustainable development or the gradual integration of the developing countries into the world economy as set out in the Treaty. On the contrary, the EU trade policy should aim to support the achievement of these goals by servicing various developmental needs, in this case, of the African partner countries. However, given that the interrelationship between the development and trade policy is a highly contested issue area, this paper takes a closer look at EU proposed model for the 'ideal' interrelationship between these policies. The paper analyses the dominant ideas related to the development and trade nexus as well as interests which define the limits to the PCD approach. Lastly, it will look at the key institutional factors which explain the official EU consensus on the assumed policy coherence between its trade and development policies towards Sub-Saharan Africa.