

# EU-African Economic Partnership Agreements, Neoliberalism, and Eco-Social Resistance

OUR OBJECTIVE IS TO ADVANCE SOCIO-ECONOMIC AND ENVIRONMENTAL JUSTICE BY DEVELOPING CRITICAL KNOWLEDGE ABOUT, FOR AND IN DIALOGUE WITH CIVIL SOCIETY THROUGH TEACHING, RESEARCH AND PUBLISHING.

South Africa's 'Social Movements United' march from Alexandra Township to the World Summit on Sustainable Development in Sandton, 31 August 2002.

CENTRE FOR  
CIVIL SOCIETY

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School of Development Studies and  
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presentation to the Codesria  
and Forum for Social Studies  
meeting on African Economic  
and Political Integration and  
Alternatives to the EU-ACP  
Economic Partnership  
Agreements, 9 June 2008,  
Addis Ababa

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(cartoons by Zapiro)

## Codesria mandate for this meeting:

**“Our collective responses to the EPAs **must** take several forms that would include a firm rebuttal of the EPAs based on solid scientific facts, as well as sound *counter proposals* for more socially inclusive and democratic development models within the continent, and more equitable and **just** relationships between Europe and Africa that would favour the economic and social development of Africa.”**

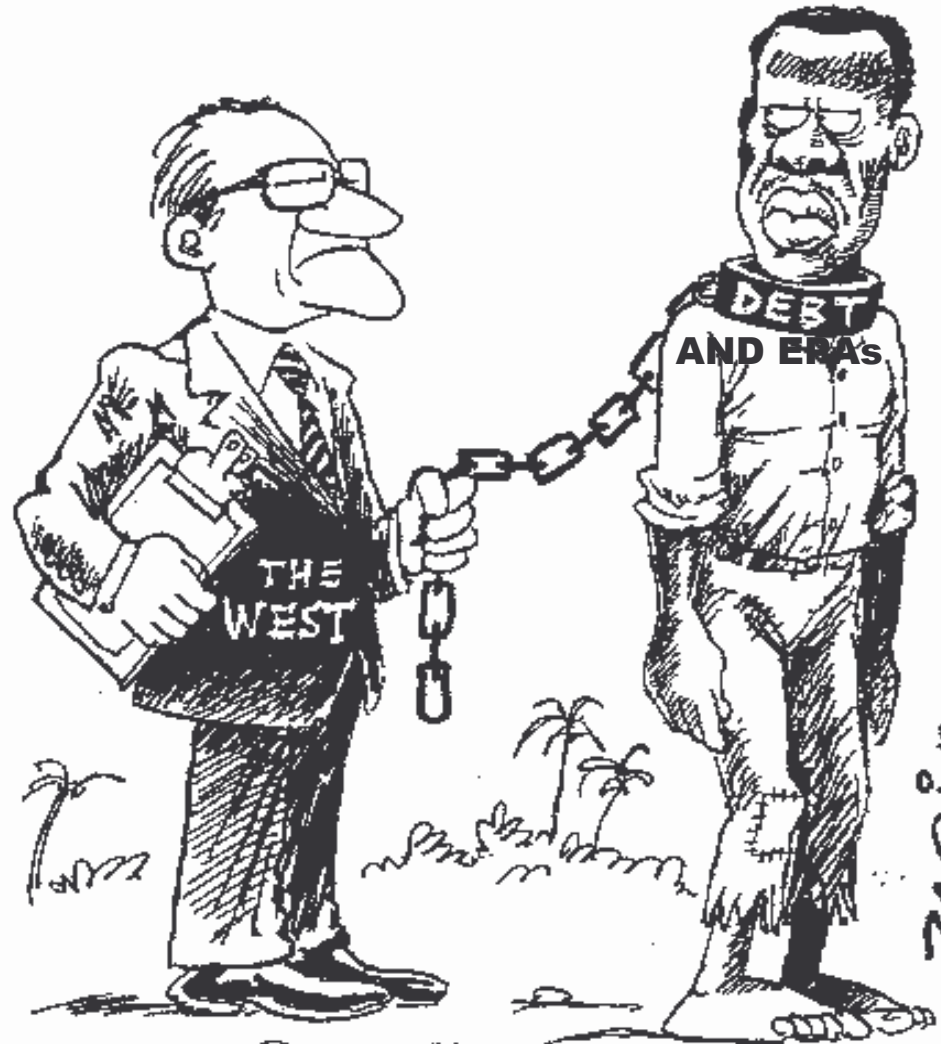
## Objectives of this presentation:

- \* **firm rebuttal of EPAs based on solid scientific facts**
  - *factor into trade costs some new calculations of “genuine savings” and the climate crisis, especially in relation to non-renewable resources*
- \* **sound counter proposals for more socially inclusive and democratic development models**
  - *until Bolivarian-type trade-related power relations emerge, learn from activists: decommodification strategies, and deglobalisation of capital*
- \* **just relationships between Europe and Africa**
  - *reparations and ecological debt repayment*

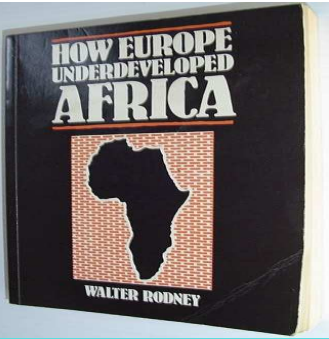
# AFRICA THEN



# AFRICA NOW



ZAPERO



# Walter Rodney



- It is typical of underdeveloped economies that **they do not (or are not allowed to) concentrate on those sectors of the economy which in turn will generate growth and raise production to a new level altogether, and there are very few ties between one sector and another so that (say) agriculture and industry could react beneficially on each other...** Furthermore, as in the preceding era of pre-colonial trade, European manufacturers built up useful sidelines of goods which would have been **sub-standard in their own markets...**

# **EPA adverse impacts: critique thus far**

- **Regional disintegration** (bilateral negotiations and subregional blocs), **divide & rule tactics**, **internecine competition**
- Unfair trading relations as **Europe floods domestic markets** due to scale economies
- Internal economic **sectoral disarticulations** and trade-related **deindustrialisation**
- Increasing **social polarisation** (including gender), and rise of parasitical classes
- **Export-oriented biases** in profit streams:
  - owners of plantations, mines and oil fields
  - commercial circuits of capital
  - financial institutions

## Peter Mandelson on the EPA agenda, Oct '07

- “Our objective remains to conclude comprehensive, full economic partnership agreements with all interested ACP countries and regions. **These agreements have a WTO-compatible goods agreement at their core, but also cover other issues.**”
- Singapore Issues (WTO summit, 1996): **investment protection, competition policy, government procurement and trade facilitation** (these were removed from WTO in 2003 but reemerged through bilaterals)

Former Botswana president Festus Mogae admitted in 2004, ‘We are somewhat apprehensive towards EPAs despite the EU assurances. We fear that **our economies will not be able to withstand the pressures associated with liberalization.**’

2004 meeting of parliamentarians from East Africa expressed concern ‘that the pace of the negotiations has caught our countries **without adequate considerations of the options open to us**, or understanding of their implications, and that **we are becoming hostage to the target dates** that have been hastily set without the participation of our respective parliaments.’



ZAPIRO

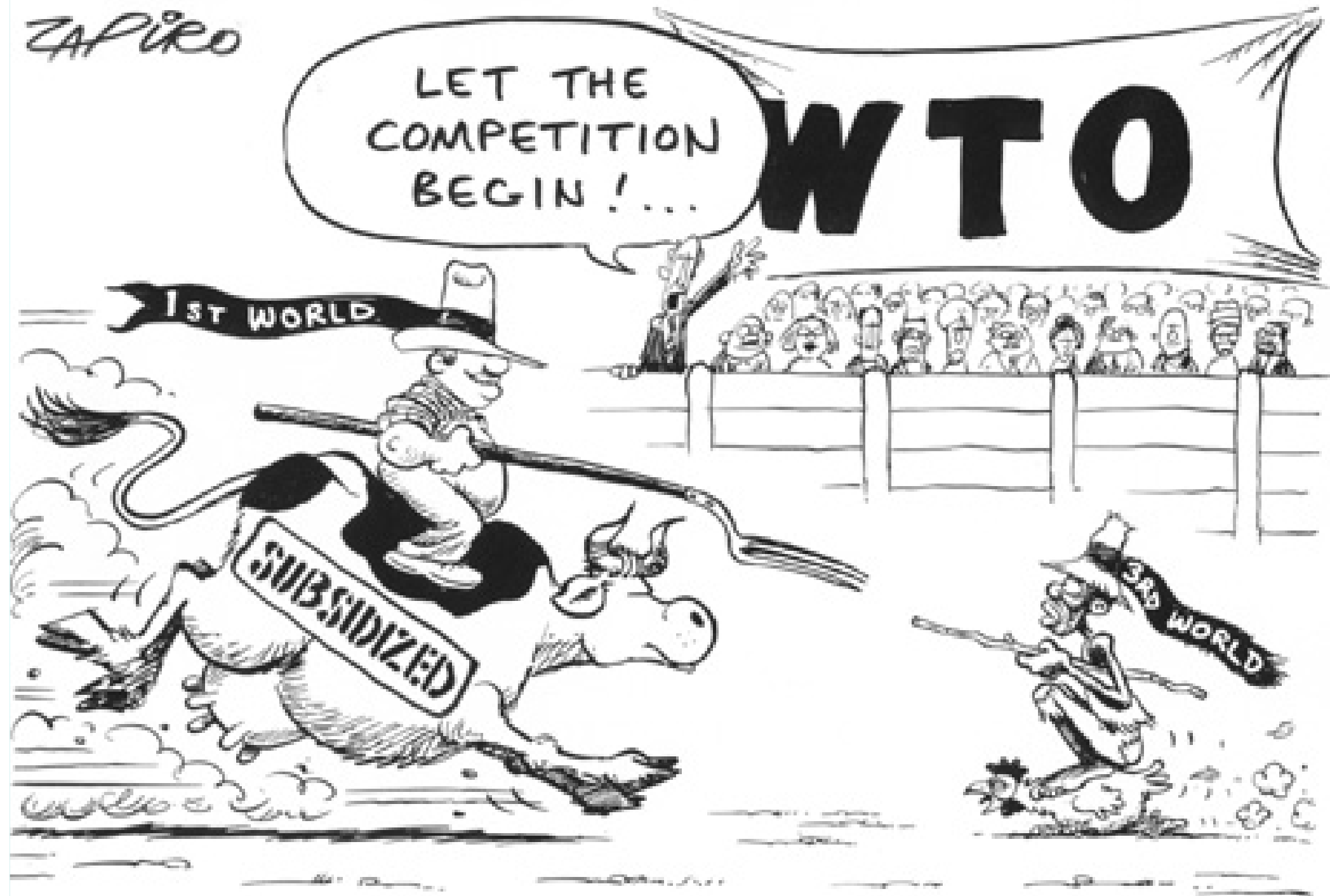
LET THE  
COMPETITION  
BEGIN!...

WTO

1ST WORLD

SUBSIDIZED

3RD WORLD



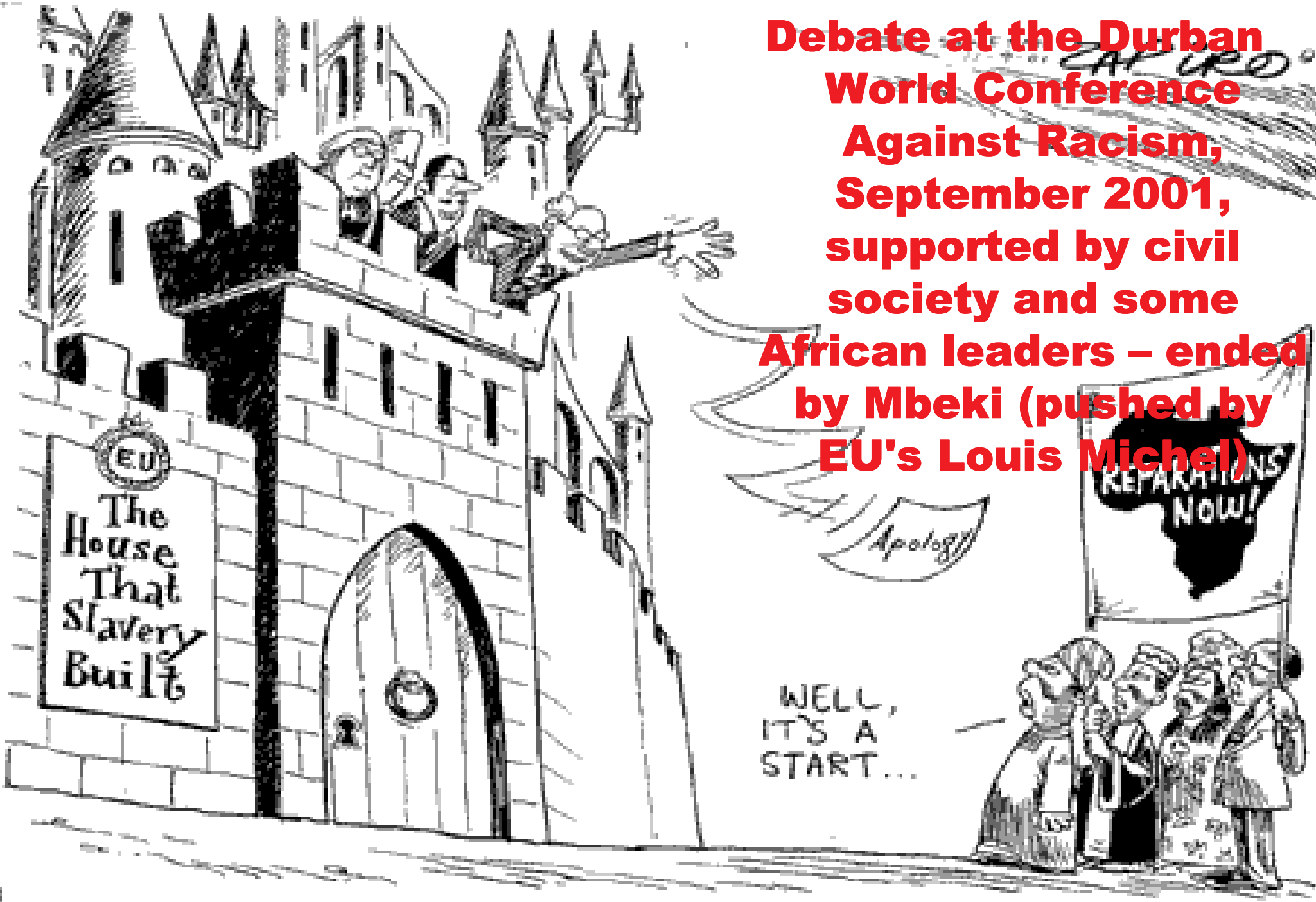
## **The Platform of Central African Non State Actors** critique EPAs

with groups from Cameroon, Congo, Equatorial Guinea, Sao Tome and Principe, Gabon, Central Africa Republic, the Democratic Republic of Congo and Chad

Yaounde, 16 November 2007

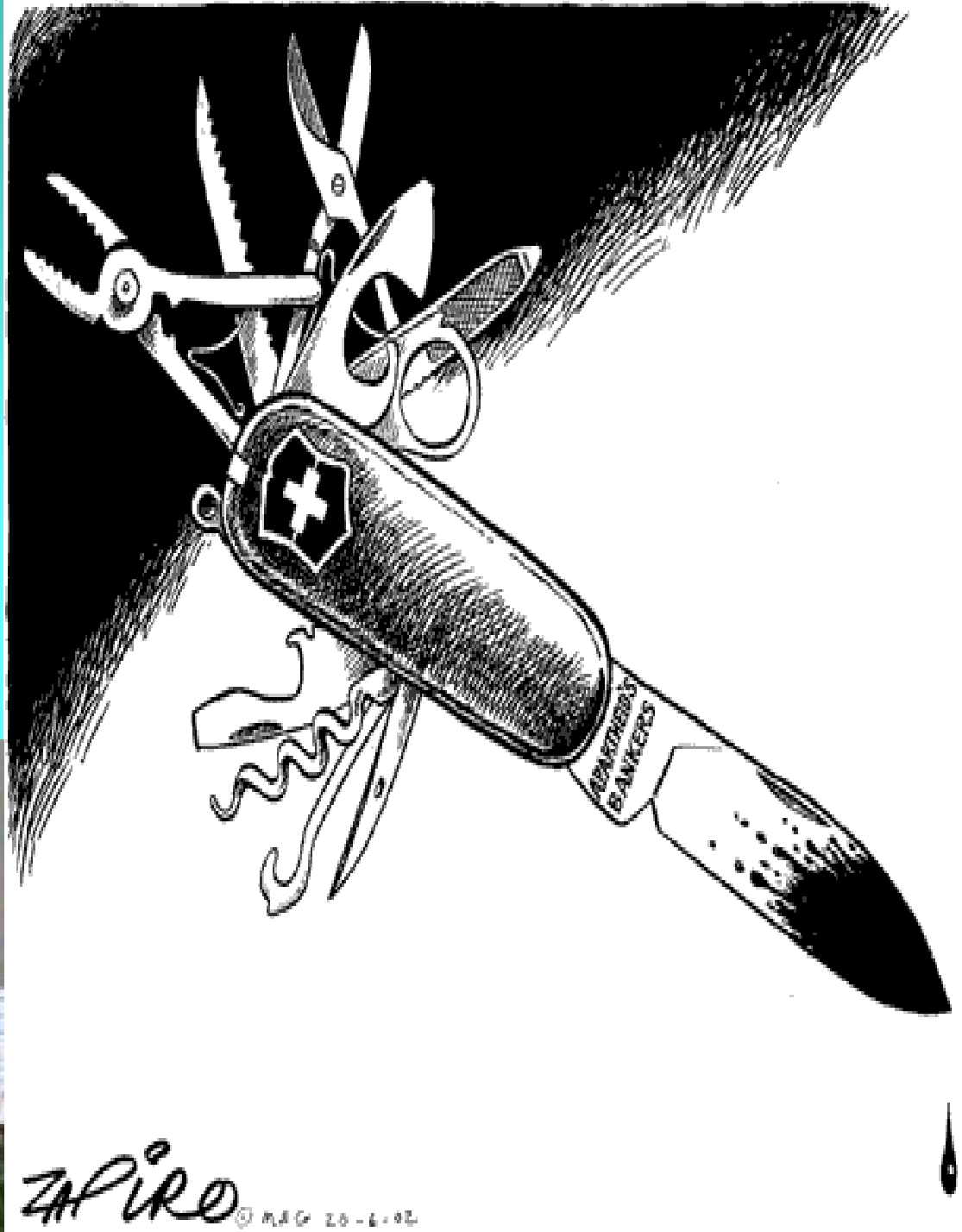
10. Observing with regret that trade is the only preoccupation of the European Union in EPAs, contrary to the initial objectives – that of promoting **regional integration, sustainable development and poverty reduction** in Central Africa;
11. **Decry every attempted sell-off of the economies** and fragile integration process of countries in the region through the minimum or partial signing of an agreement by certain states;
12. **Decry every form of pressure** carried out by the European Commission on Central African countries;
13. Call on policy-makers at the highest level of Central African countries to **MAINTAIN** a constant link between liberalisation and measures of **compensation** and support within the EPAs framework...

**Debate at the Durban  
World Conference  
Against Racism,  
September 2001,  
supported by civil  
society and some  
African leaders – ended  
by Mbeki (pushed by  
EU's Louis Michel)**

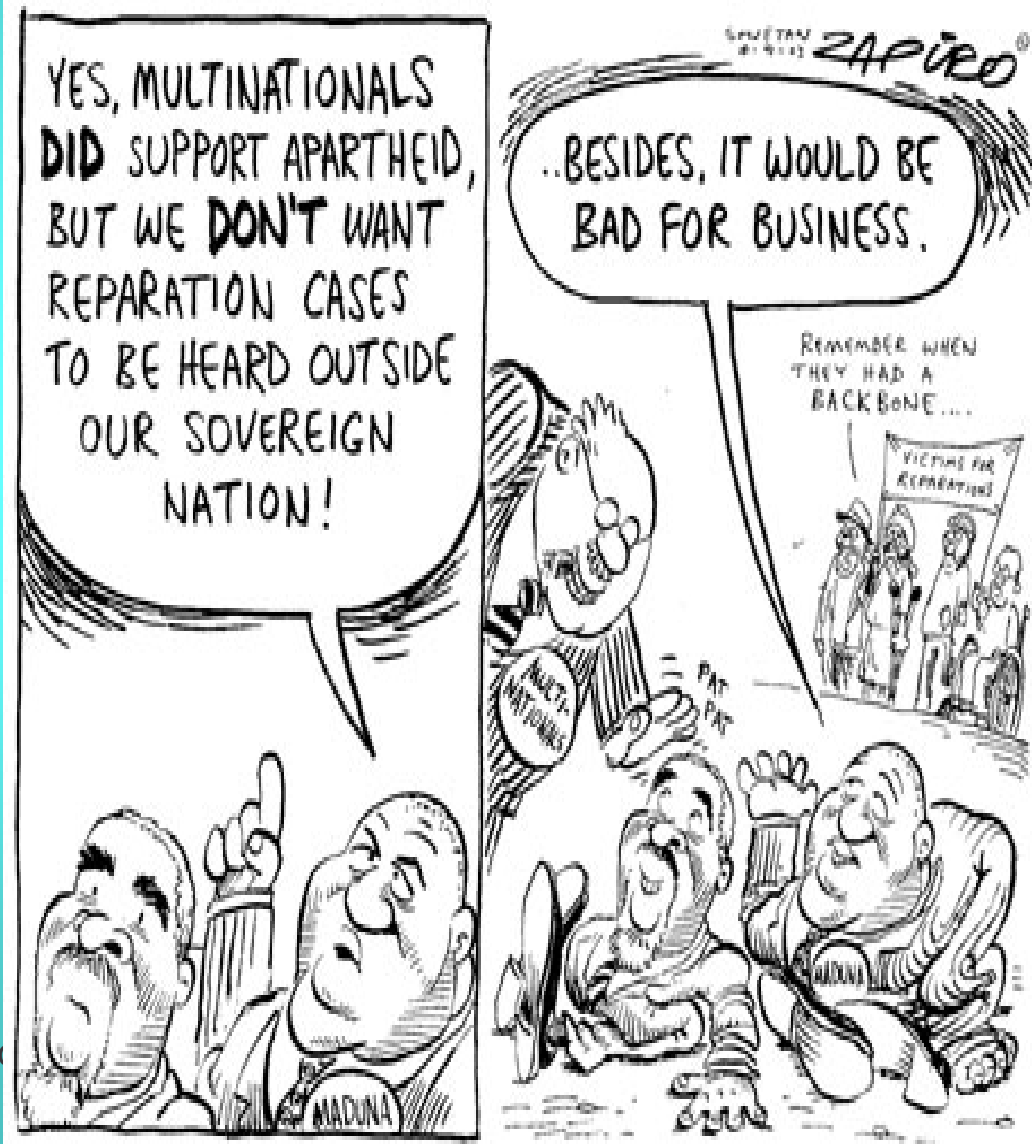
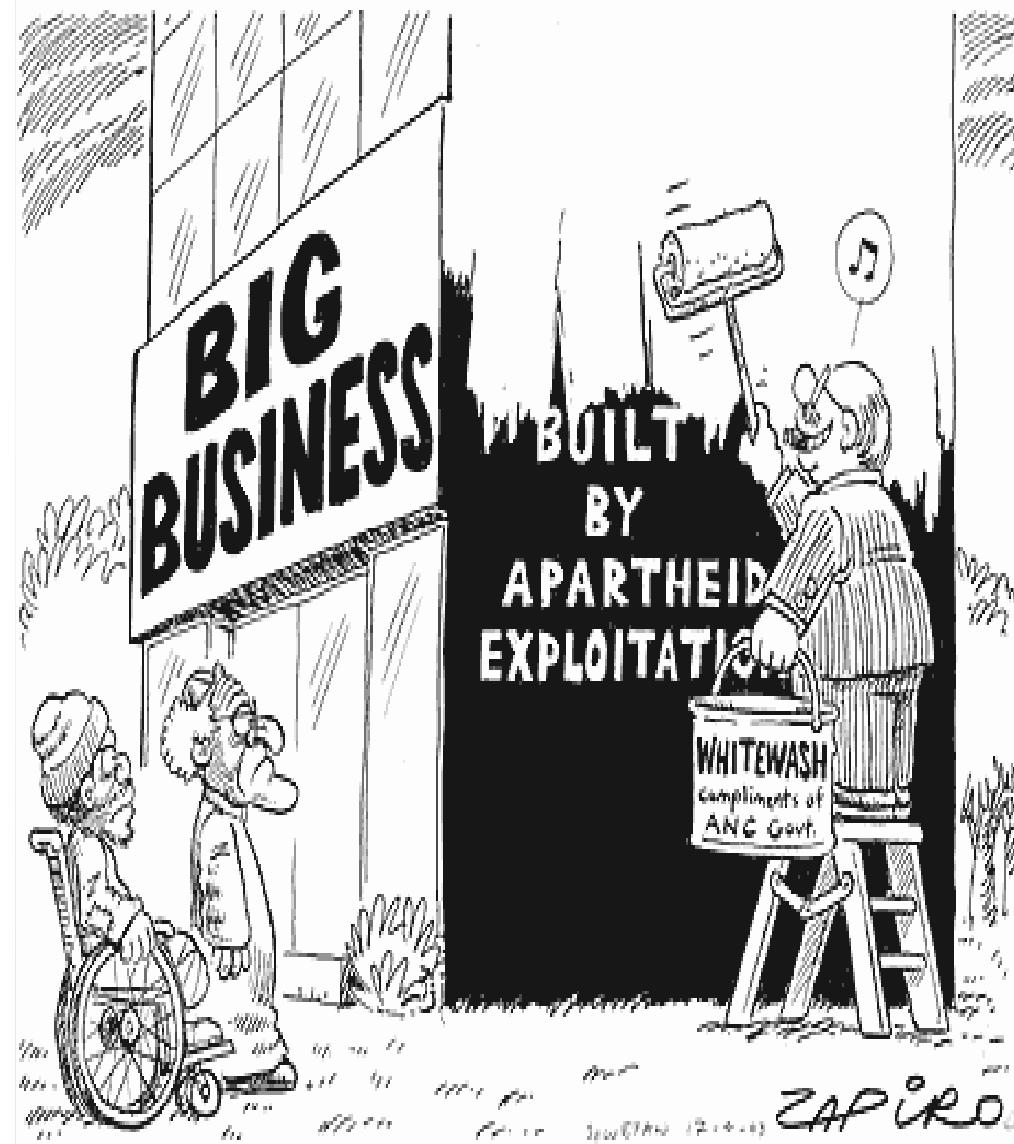


# Reparations?

**Yes!** Jubilee and Kulumani victims' reps case in the US Supreme Court: Alien Tort Claims Act (same as Holocaust victims' multi-billion \$ out-of-court settlement)



# Reparations? Pretoria: 'No.'



# THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT

## Codesria and Third World Network-Africa

### Declaration on Africa's development challenges, 26/4/02

The **most fundamental flaws of Nepad**, which reproduce the central elements of the World Bank's *Can Africa Claim the 21st Century?* and the ECA's *Compact for African Recovery*, include:

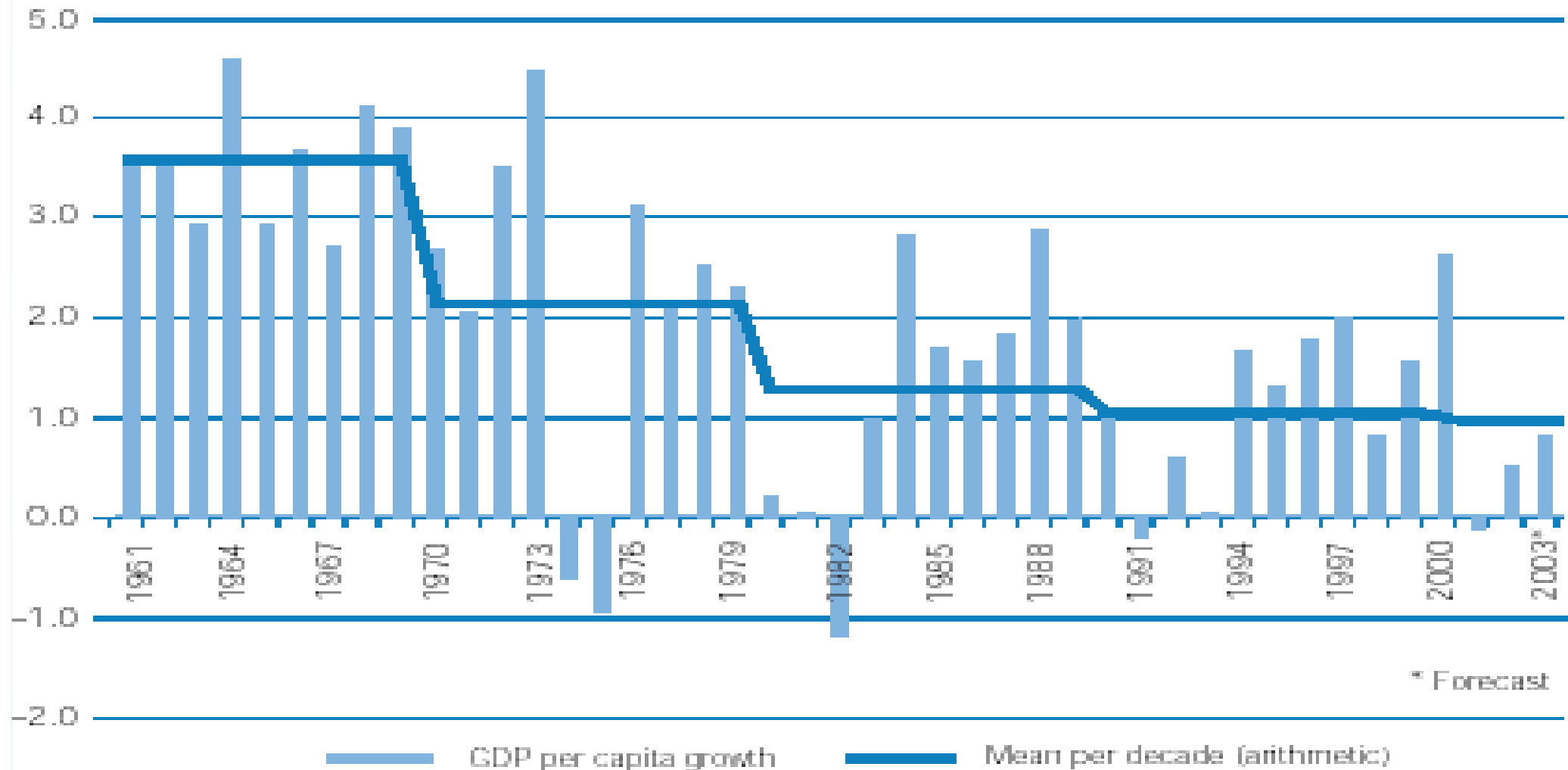
- (a) **the neo-liberal economic policy framework at the heart of the plan**, which repeats the structural adjustment policy packages of the preceding two decades and overlooks the disastrous effects of those policies;
- (b) the fact that in spite of its proclaimed recognition of the central role of the African people to the plan, the **African people have not played any part in the conception, design and formulation of Nepad**;
- (c) notwithstanding its stated concerns for social and gender equity, it adopts the **social and economic measures that have contributed to the marginalisation of women**;

# **Codesria and Third World Network-Africa Declaration on Africa's development challenges, 26/4/02**

- (d) that in spite of claims of African origins, its **main targets are foreign donors**, particularly in the G8;
- (e) its vision of **democracy** is defined by the needs of creating a **functional market**;
- (f) it under-emphasises the **external conditions fundamental to Africa's developmental crisis**, and thereby does not promote any meaningful measure to manage and restrict the effects of this environment on Africa development efforts. On the contrary, the engagement that it seeks with institutions and processes like the World Bank, the IMF, the WTO, the United States Africa Growth and Opportunity Act, the Cotonou Agreement, will **further lock Africa's economies disadvantageously into this environment**

# Neoliberalism emanates from slowdown in world GDP growth

World GDP per capita growth, 1961-2003 (annual change in per cent)



\* Forecast

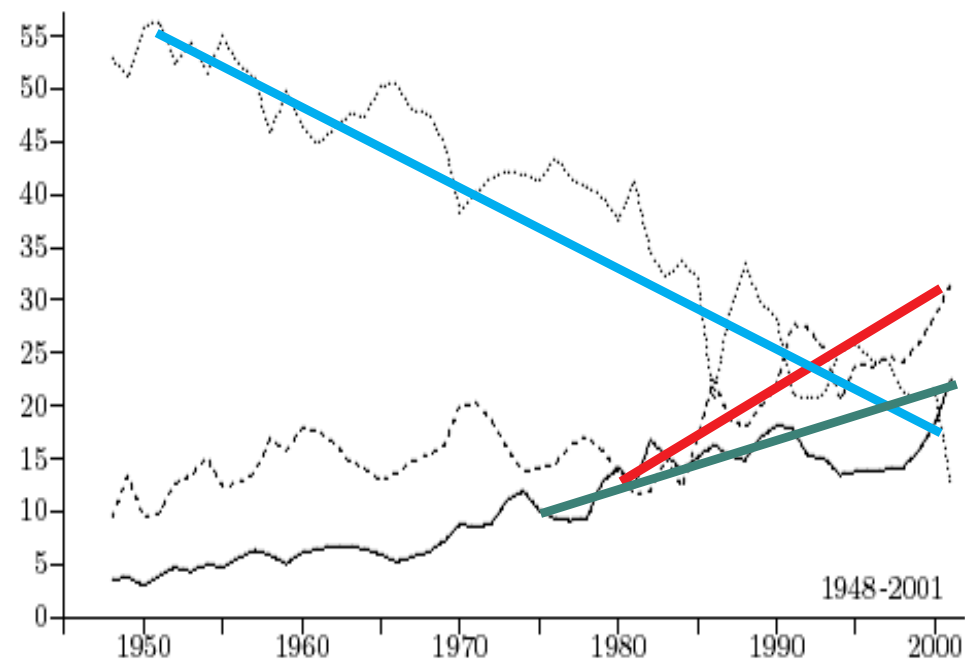
Sources: World Bank, *World Development Indicators 2003* (online version) and World Bank, *Global Economic Prospects 2004*.



# Root 'overaccumulation' process: Source of US profits changed during globalisation/finance era

- US corporate profits derived **much less from manufacturing products**;
- much greater sources of profits **came from abroad**;
- profits also came more from returns on **financial assets**.

Source: Gerard Dumenil and Dominique Levy



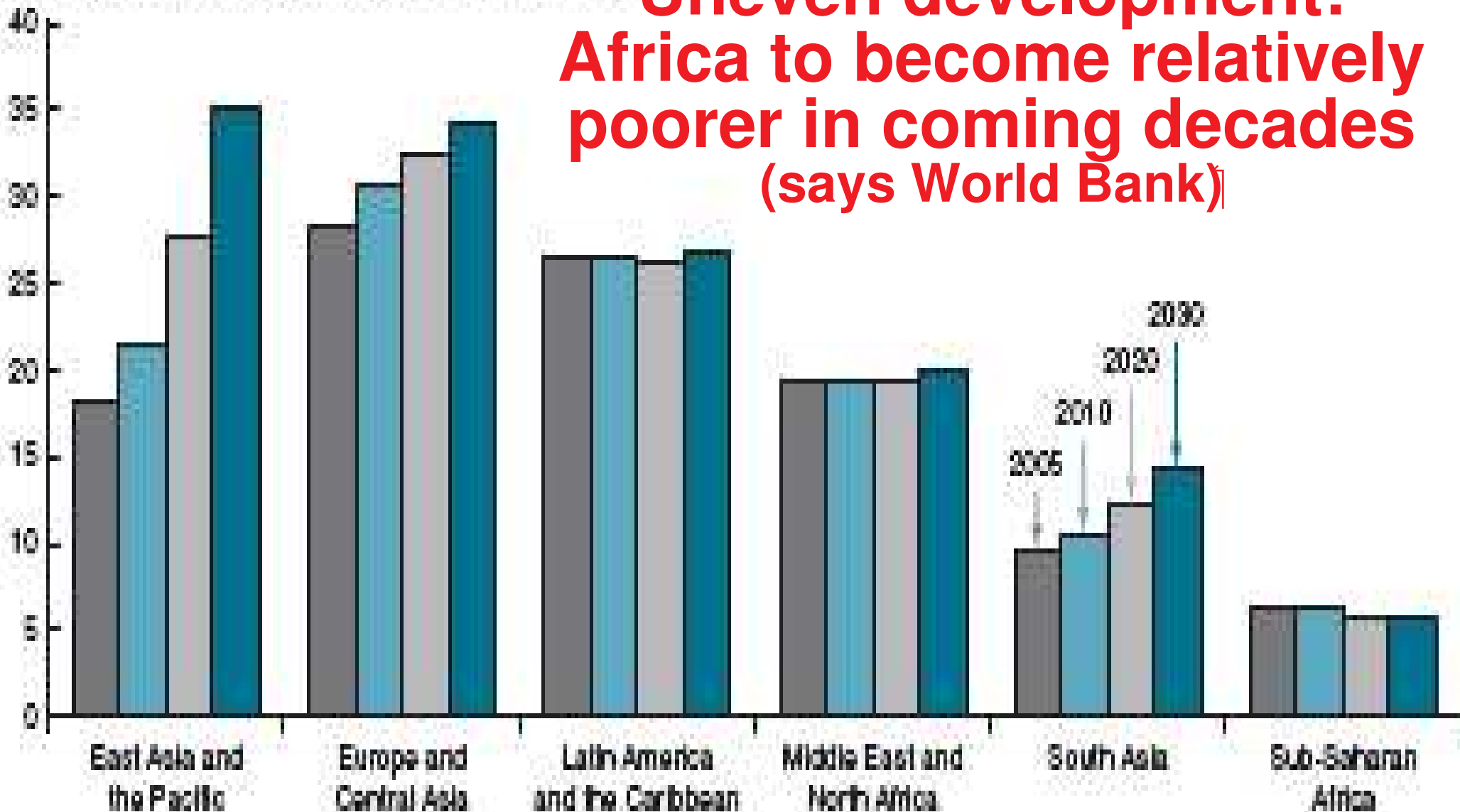
Rest of the world: (—); Financial sector: (.....); Manufacturing: (.....)

Profits are measured before profit taxes. The *rest of the world* corresponds to the excess of profits made on US investments abroad over the profits made by the rest of the world on foreign direct investment in the US. (These profits may remain in the country where the investment is made.) Trade, Construction, Public Utilities, Transportation and Communications, and services are not represented.

Source: NIPA (BEA).

Per capita incomes as percent of high-income countries

# Uneven development: Africa to become relatively poorer in coming decades (says World Bank)



Source: World Bank simulations using the Linkage model.

Note: Ratio of PPP-adjusted per capita income relative to high-income average. PPP is fixed at base year (2001) level.

## Total capital flight from selected African countries, 1970-2004

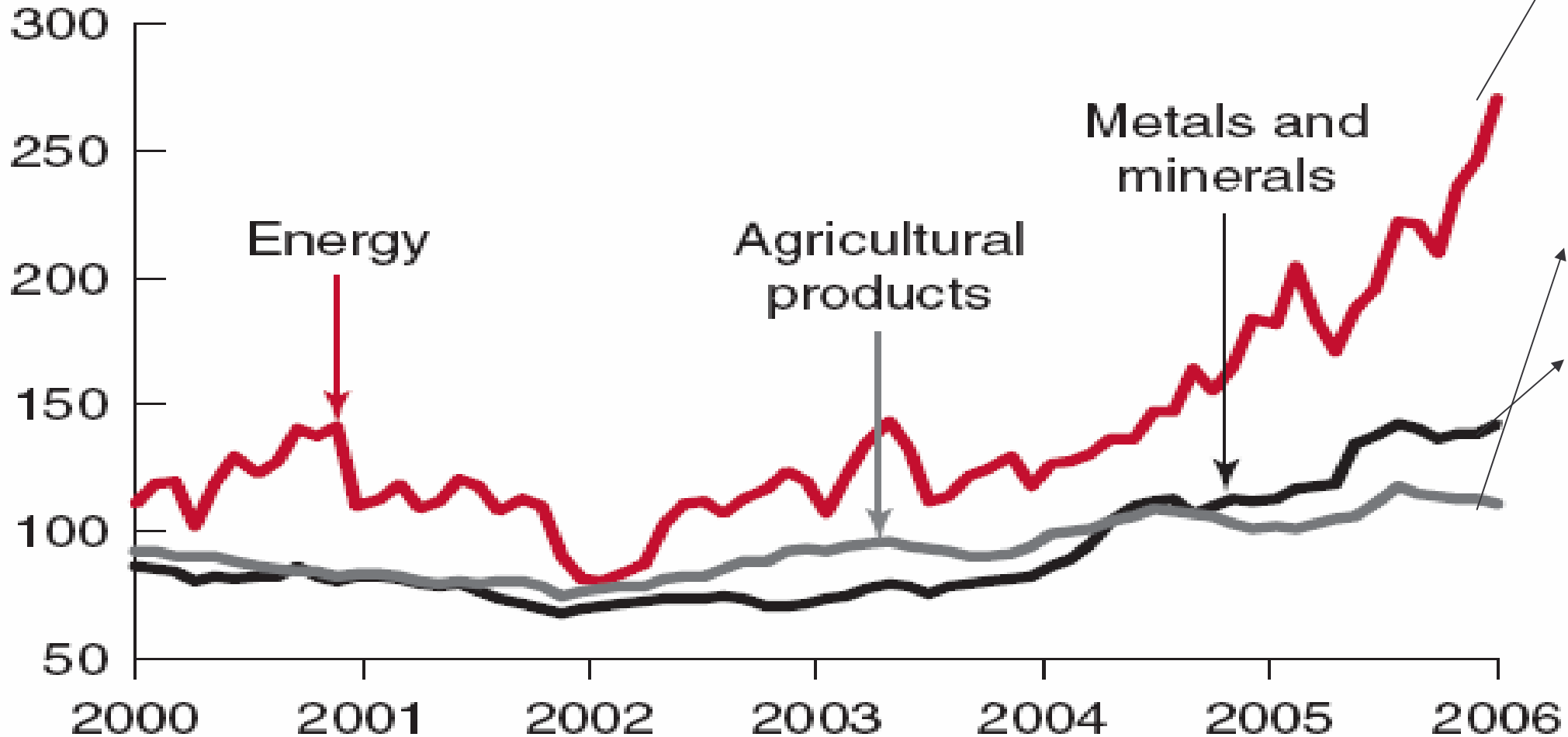
(million 2004 US \$ and as % of external debt)

Source: Leonce Ndikumana and James Boyce, PERI April 2008

Country	Cumulative capital flight (\$ million)	Capital flight stock with imputed interest earnings	Capital flight stock as % of external debt
Angola	42179	50951	535.2
Burundi	2074	2567	185.3
Cameroon	18379	27288	287.4
Chad	1338	2346	137.9
Congo, Dem. Rep.	19572	36738	310.3
Cote d'Ivoire	34349	54001	460.0
Ethiopia	17031	22526	342.6
Kenya	2665	6369	93.3
Nigeria	165697	240781	670.9
South Africa	18266	17492	176.0
Uganda	4982	6854	142.1
Zimbabwe	16162	24556	511.9

# Recent commodity price increases

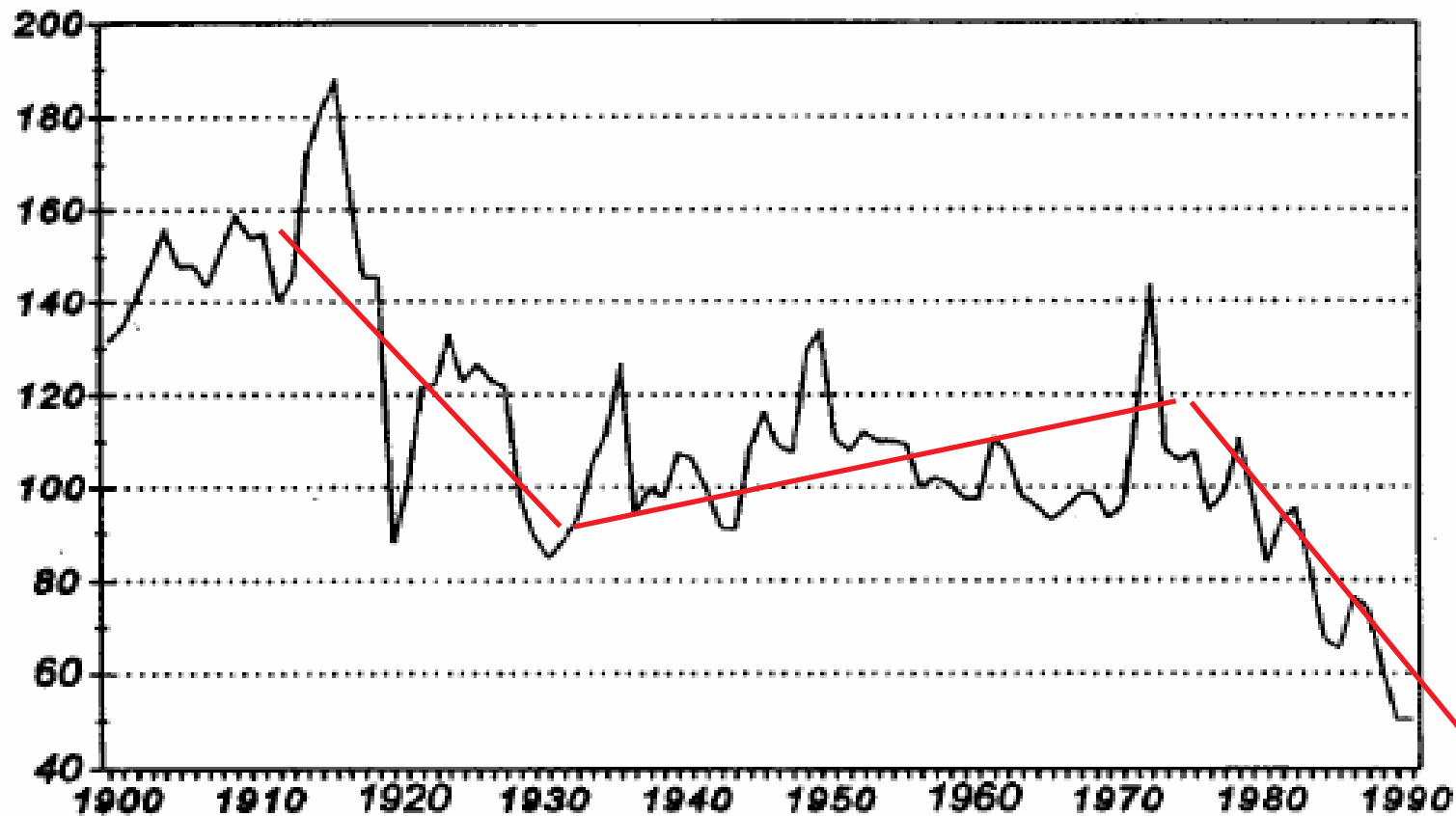
Index, 1990 = 100



Source: World Bank.

# But longer-term commodity export value trends are negative

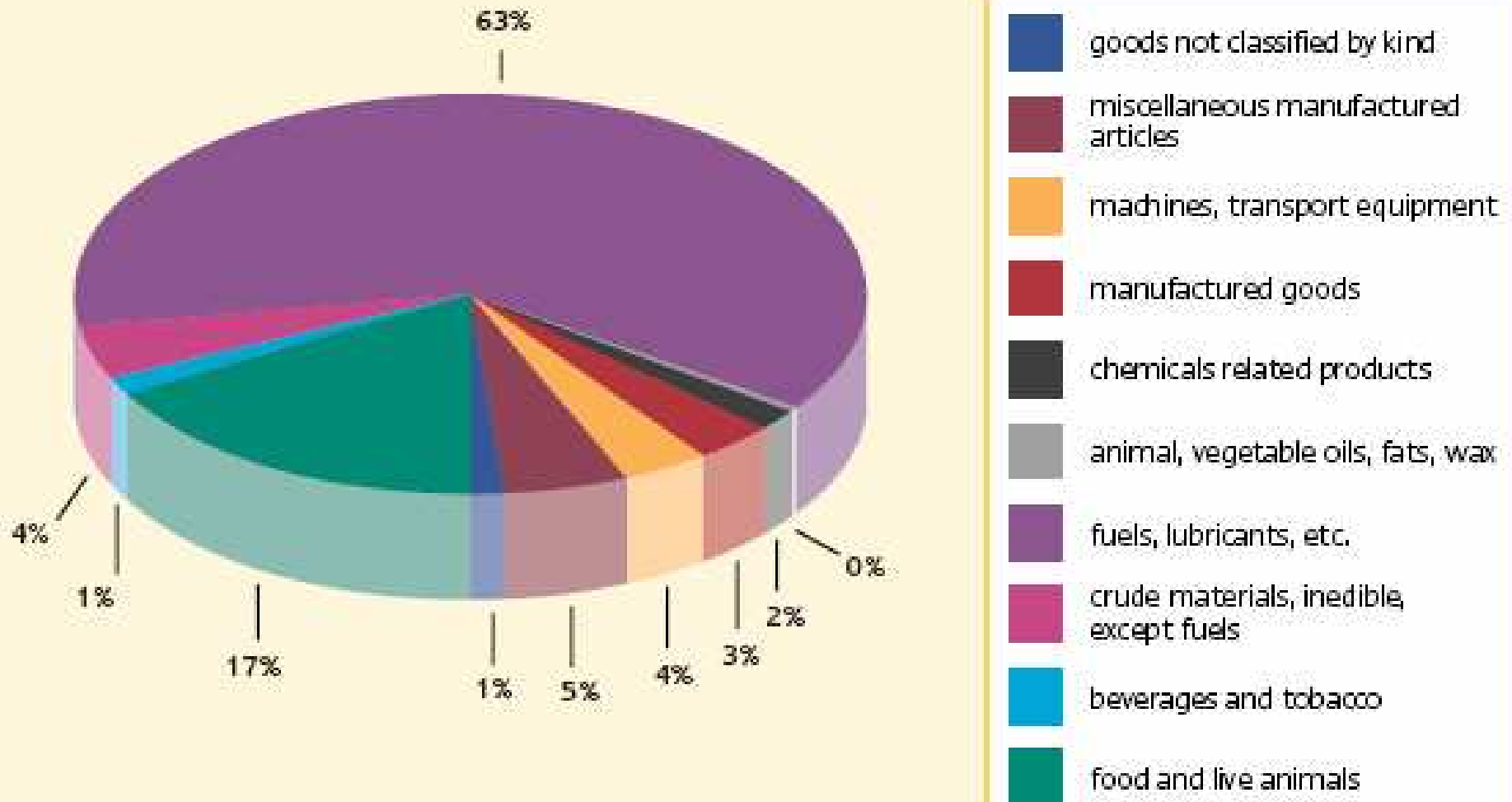
Aggregate Commodity Price Index, 1900-1990  
1970=100



Source: : Javier León and Raimundo Soto, "Structural Breaks and Long-Run Trends Commodity Prices," *Journal of International Development*, 9, 1997, 347-66, p. 350.

# Africa's exports (excluding SA)

Source: Africa Commission



# Export dependence

Source: Africa Commission

Country or region	% Share of primary commodities in:	
	exports (2000)	GDP (2000)
Equatorial Guinea	91.8	89.0
Angola	92.6	81.6
Congo	97.5	79.1
Gabon	86.6	62.4
Guinea-Bissau	99.7	50.9
Nigeria	98.1	50.1
<b>Africa (average)</b>	<b>78.6</b>	<b>21.2</b>
All developing countries	30.6	9.6
Developed countries	15.8	2.6
<b>World</b>	<b>21.4</b>	<b>4.3</b>

# World Bank estimates of tangible wealth: **subsoil, timber, not-timber forest resources, protected areas, cropland, pastureland, produced capital, urban land, intangible wealth - the cases of Rwanda, Senegal, Seychelles, Singapore and South Africa**

(per capita US\$ measure – *Where is the Wealth of Nations?*, WB, 2006)

Country Name	Population	Subsoil assets US\$ per capita	Timber resources US\$ per capita	NTFR US\$ per capita	PA US\$ per capita	Cropland US\$ per capita	Pasture-land US\$ per capita	Natural capital US\$ per capita	Produced capital + urban land US\$ per capita	Intangible capital US\$ per capita	Total wealth US\$ per capita
Rwanda	7,709,000	2	81	9	27	1,849	98	2,086	549	3,055	5,670
Senegal	9,530,000	4	238	147	78	608	196	1,272	975	7,920	10,167
Seychelles	81,131	0	0	84	0	0	0	84	28,836	96,653	125,572
Singapore	4,018,000	0	0	0	0	0	0	0	79,011	173,595	252,607
South Africa	44,000,000	1,118	310	46	51	1,238	637	3,400	7,270	48,959	59,629

(continued)



**World Bank  
method for  
adjusting  
savings to  
account for a  
country's  
tangible wealth  
and resource  
depletion:  
The case of  
Ghana, 2000  
(per capita US\$ measure)**

Tangible wealth		Adjusted net saving	
Subsoil assets	85	Gross National Saving	40
Timber resources	290	Education expenditure	7
		Consumption fixed	
NTFR	78	capital	19
Protected areas	7	Energy depletion	0
Cropland	855	Mineral depletion	4
Pastureland	43	Net forest depletion	8
Produced capital	888		
<hr/>			
Total tangible		Adjusted net saving	18
wealth	2022		
Population growth	1.7%	Δ Wealth per capita	-18

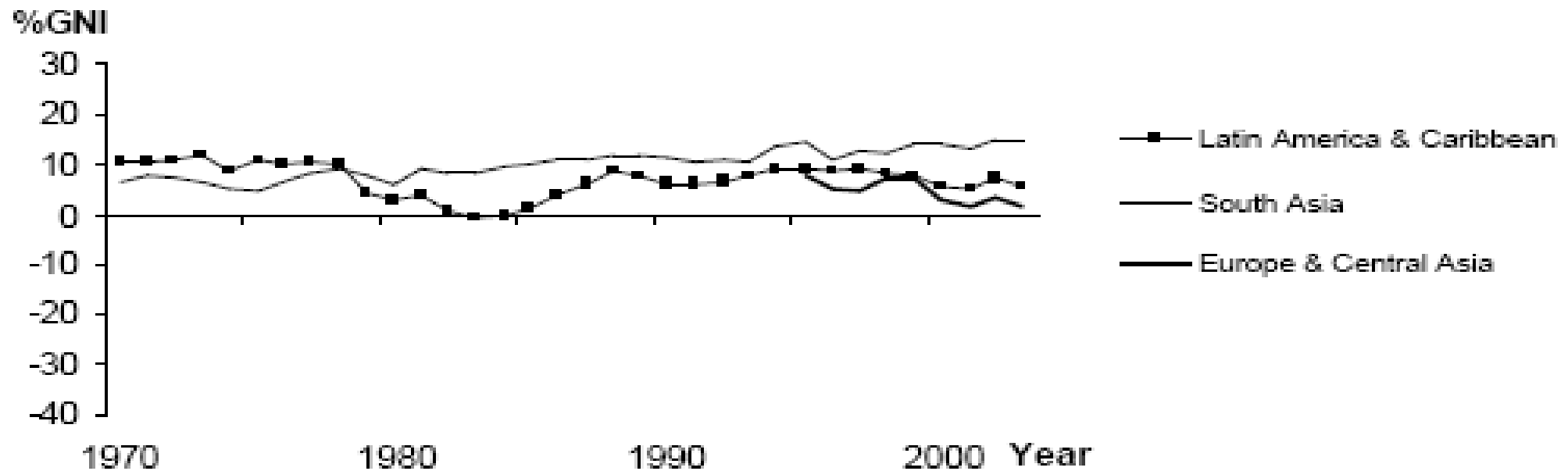
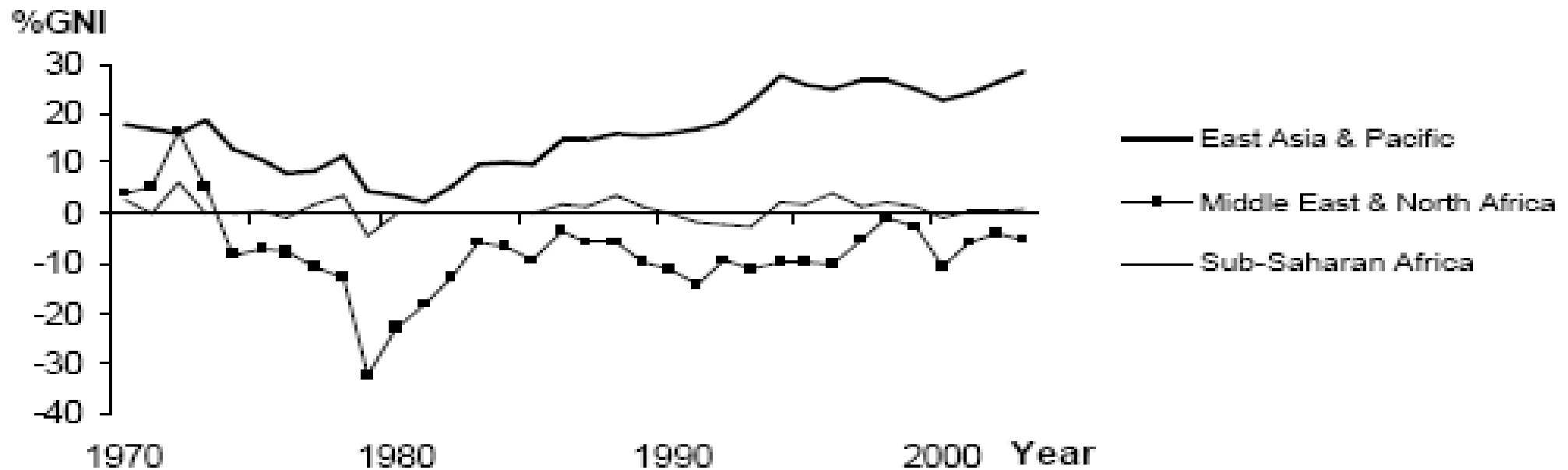
Note: Data for 2000. NTFR: nontimber forest resources.

	GNI per capita	Population growth rate (%)	Adjusted net saving per capita	Change in wealth per capita
Benin	360	2.6	14	-42
Botswana	2925	1.7	1021	814
Burkina Faso	230	2.5	15	-36
Burundi	97	1.9	-10	-37
Cameroon	548	2.2	-8	-152
Cape Verde	1195	2.7	43	-81
Chad	174	3.1	-8	-74
Comoros	367	2.5	-17	-73
Congo, Rep. of	660	3.2	-227	-727
Côte d'Ivoire	625	2.3	-5	-100
Ethiopia	101	2.4	-4	-27
Gabon	3370	2.3	-1183	-2241
Gambia, The	305	3.4	-5	-45
Ghana	255	1.7	16	-18
Kenya	343	2.3	40	-11
Madagascar	245	3.1	9	-56
Malawi	162	2.1	-2	-29
Mali	221	2.4	20	-47
Mauritania	382	2.9	-30	-147
Mauritius	3897	1.1	645	514
Mozambique	195	2.2	15	-20
Namibia	1820	3.2	392	140
Niger	166	3.3	-10	-83
Nigeria	297	2.4	-97	-210
Rwanda	233	2.9	14	-60
Senegal	449	2.6	31	-27
Seychelles	7089	0.9	1182	904
South Africa	2837	2.5	246	-2
Swaziland	1375	2.5	129	8
Togo	285	4.0	-20	-88
Zambia	312	2.0	-13	-63
Zimbabwe	550	2.0	53	-4

Note: All dollars at nominal exchange rates.

**Where *is*  
Africa's  
wealth?  
World Bank  
recording of  
African  
countries'  
adjusted  
national  
wealth and  
'savings gaps',  
2000**

# World Bank estimates of genuine savings



**Jubilee South: ecological debt is**  
**'the debt accumulated by**  
**Northern, industrial countries**  
**toward Third World countries on**  
**account of resource plundering,**  
**environmental damages, and the**  
**free occupation of environmental**  
**space to deposit wastes, such as**  
**greenhouse gases, from the**  
**industrial countries.'**

# Types of ecological debt

(Joan Martinez-Alier):

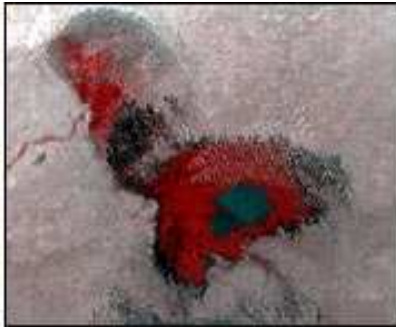
- unpaid costs of reproduction or maintenance or sustainable management of the **renewable resources that have been exported**;
- actualised costs of the **future lack of availability of destroyed natural resources**;
- compensation for, or the costs of reparation (unpaid) of the local **damages produced by exports** (for example, the sulphur dioxide of copper smelters, the mine tailings, the harms to health from flower exports, the pollution of water by mining), or the actualised value of irreversible damage;
- (unpaid) amount corresponding to the commercial use of information and knowledge on **genetic resources**, when they have been appropriated gratis ('biopiracy');
- (unpaid) reparation costs or compensation for the impacts caused by **imports of solid or liquid toxic waste**; and
- **lack of payment for environmental services or for disproportionate use of 'Environmental Space', e.g. (unpaid) costs of free disposal of gas residues (carbon dioxide, CFCs, etc) assuming equal rights to sinks and reservoirs (\$75 billion/year).**



1973



1987



1997

**Lake Chad dries –  
1973-2001**



2001

1970



**Kilimanjaro  
melts – 1970-**

2000



**2000**

# Climate and African food

**“It is projected that there could be a possible reduction in yields in agriculture of: 50% by 2020 in some African countries... In Africa, crop net revenues could fall by as much as 90% by 2100, with small-scale farmers being the most affected.”**

- Testimony to the US House of Reps. Select Committee on Energy Independence and Global Warming, by R.K. Pachauri, Chairman, United Nations Intergovernmental Panel on Climate Change, August 2007

# **“Globalisation of people, deglobalisation of capital”**

**I sympathise with those who would minimise, rather than with those who would maximise, economic entanglement among nations. Ideas, knowledge, science, hospitality, travel--these are the things which should of their nature be international. **But let goods be homespun whenever it is reasonably and conveniently possible** and, above all, let finance be primarily national.**

**John Maynard Keynes (1933),  
'National Self-Sufficiency,' *Yale Review*, 22, 4, p.769.**



# Alternative from the base:

## *decommodification and deglobalisation*

- South African activists are at cutting edge of several ongoing struggles to turn basic needs into *human rights*:
  - **free antiretroviral medicines** to fight AIDS, produced locally, generically (not internationally branded);
  - **free water** (50 litres/person/day), public supply, no UK/French corps;
  - **free electricity** (at least 1 kiloWatt hour/person/day), no AES (US corp);
  - **free basic education**, no GATS sell-off of educational services;
  - **thorough-going land reform**, versus golf estates for foreign rich;
  - **mass housing construction and prohibition on services disconnections and evictions**;
  - **a Basic Income Grant and the right to a job!**
- All such services should be **universal**, and financed partly by *penalizing luxury consumption*.
- Free trade agreements interfere with most of these struggles

# Another World and Africa is Possible!

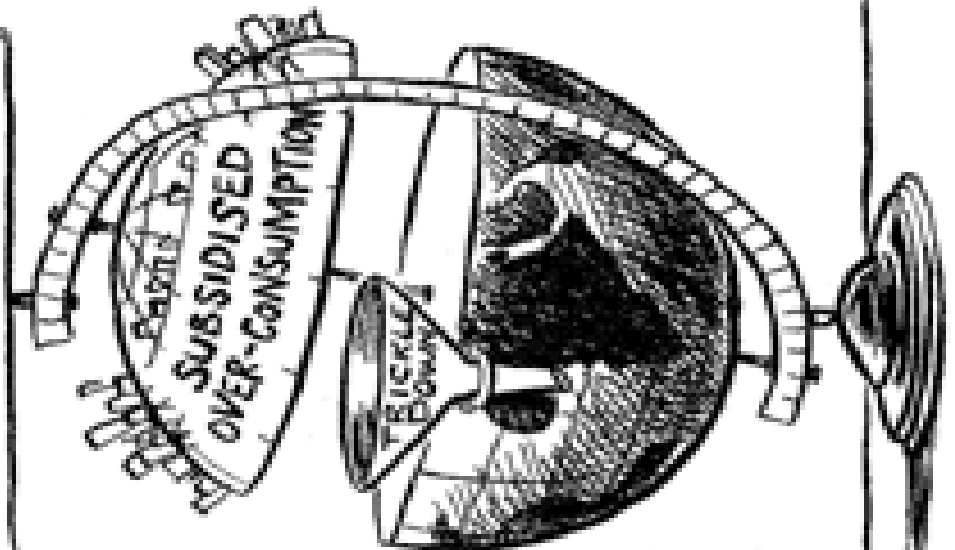
## Civil society struggles on trade, development

- **Anti-debt** (Jubilee) and **anti-EPA** activist coalitions;
- **Treatment advocates** breaking the hold of pharmaceutical corporations on monopoly antiretroviral patents (3 mn benefit);
- Ghanaian, Tanzanian and South African activists opposing **water privatization, kicking Biwater and Suez out, and winning recent Johannesburg ban on pre-paid water meters;**
- **blood-diamonds victims** from Sierra Leone, Angola etc generating a partially-successful deal at Kimberley, and many other campaigns against resource extraction (minerals, water, petroleum);
- **Chadian and Cameroonian activists** pressuring the World Bank to discontinue funding repression and eco-degradation, and **Nigerian Delta** women and other militant activists “keeping oil in the soil”, linking through Oil Watch to other Gulf of Guinea communities.

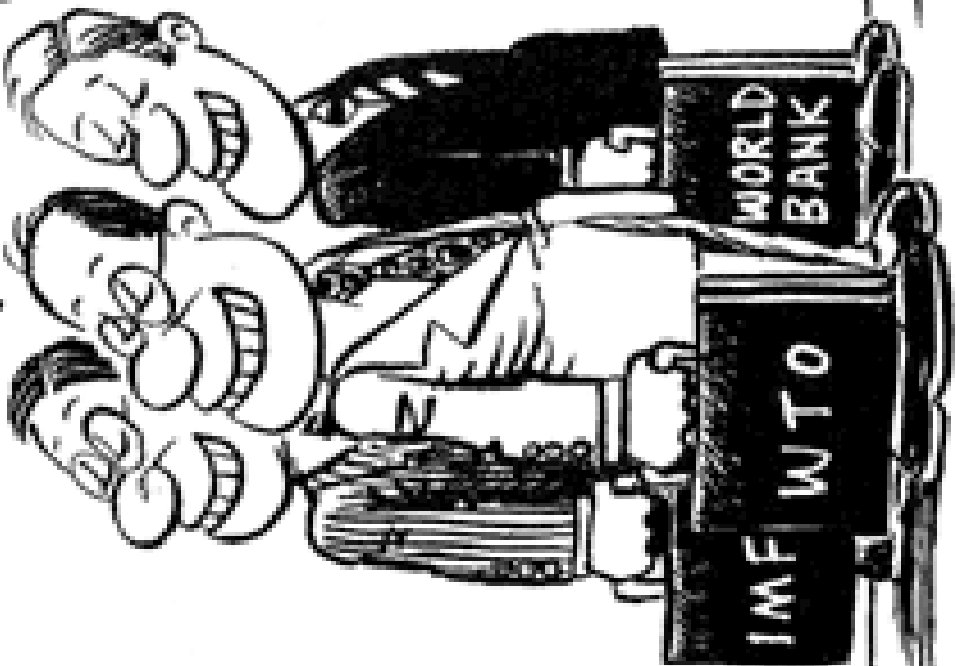


**Keep the Oil in the Soil!**  
**Shell departs the Delta!, June**

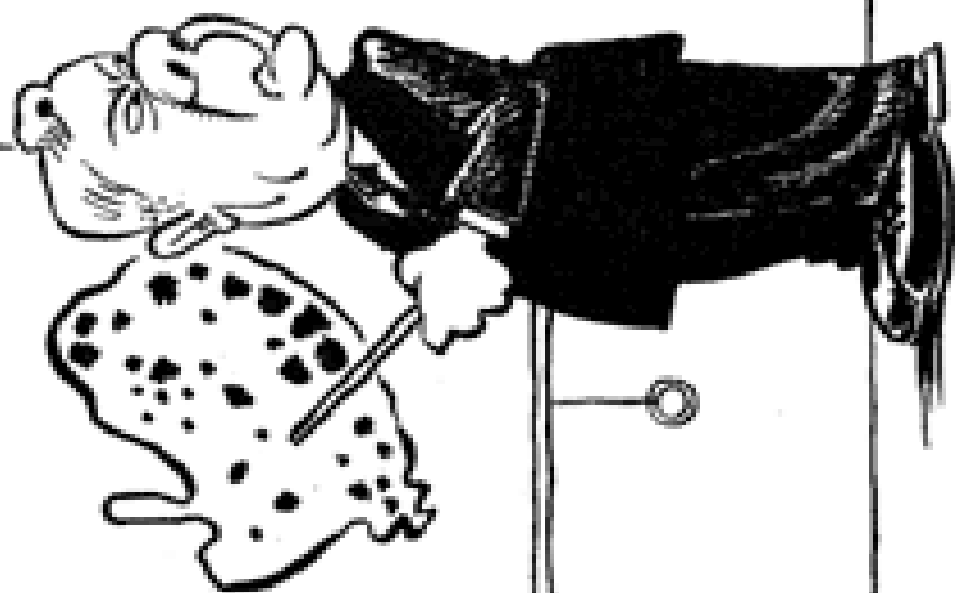
GLOBAL  
APARTHEID



AMATEUR!



APARTHEID



*Radio*