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Explaining and Comparing

Improving United States and European Union -Africa Economic Relations: Policy Memo

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Overview & Purpose:

As evidenced by the disparities seen in the world, development does not occur uniformly around the world. Global superpowers like the United States and the European Union collectively dominate other parts of the world simply because of their ability to develop at a faster rate. With the rise of globalization and the increasing connectivity of the world economy, the world has reached a time where it is imperative that those nations and unions holding power to commit to elevating their fellow nations through supportive policy ties. The United States and the European Union, as leading global nations, have an important role in developing the economies of other countries; by taking various policy measures, the US and EU can create stronger economic ties to Africa and create a advantageous relationship for all the regions involved.

The Obama Administration seeks to increase the visibility for U.S. foreign policy as a focus for the country as a whole. President Barack Obama, from the beginning of his presidency, has expressed commitment to issues of foreign policy and foreign policy’s role in American security. In his National Security Strategy, Obama outlines a series of commitments including strengthening alliances and focusing on regional issues. One
area, while not specifically articulated in the plan, which is of great importance to the United States, is the relationship with the continent of Africa. The United States should focus on relations with Africa for a number of reasons, including the potential for a strong alliance, the need for political and economic reform, and the duty the United States has to help other countries in need.

Europe and Africa are connected by strong trade links, making the EU the biggest export market for African products (approximately 85 percent of Africa’s exports of cotton, fruit and vegetables are imported by the EU). Europe and Africa are also bound by substantial aid flows. In 2003 the EU’s development aid to Africa totaled €15 billion, compared to €5 billion in 1985. With this, the EU is by far the biggest donor: its official development assistance (ODA) accounts for 60 percent of the total ODA going to Africa.

Africa remains high on the EU's foreign policy agenda, with dialogue increasingly going beyond the confines of traditional development issues, agencies and officials. However, Africa is still too frequently thought of and addressed as a "development issue". There is a need to enhance the mobilization of political engagement and financial resources from stakeholders outside the development community\(^1\).

As globalization continues to be a guiding force that shapes economies, politics, and other social issues, it is clear that new partnerships will be emerging worldwide, and

\(^1\) "EU Relations with the African, Caribbean and Pacific countries." *East 4 South*. East 4 South. Web. 15 Oct 2012.
Africa is key to the United States’ as well as European Union’s future. It is strategic for the United States and to European Union to promote the long-term sustainable development and establishment of stable governments to bring forth African nations as a source of partnerships and as participants in the global market. Furthermore, conflicts in areas such as Sudan and Ivory Coast and the DRC further show that there is a need for the establishment of stable, democratic forms of government. According to Africa Program Director, Howard Wolpe, poverty alleviation and development in the region “depends on democratization and economic reform within Africa, on increased trade and development assistance, and on a more constructive partnership between Africa and the international community.”

By offering economic and governance assistance the United States and European Union can work toward a positive relationship with Africa, which will be an advantage in terms of security, trade, and development. Lastly, one can imply a sense of moral obligation to help Africa. As two global superpowers, the U.S. and the EU have a duty to help other countries. Furthermore, as developed countries with historically dominant relationship with Africa via colonization and slavery, the US and EU have an obligation to help Africa.

As the past and present indicate, African nations have long suffered from a history of instability, as the root of the western hemisphere’s Imperialist claims and supply for the slave trade as well as the many ethnic conflicts and corrupt forms of government

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plaguing the continent in current times. Therefore, in order to help the African nations overcome a history of oppressive forces, the United States and the European Union can and should act to improve the status of Africa economically, socially, and politically. By making these goals the primary focus of U.S. and EU foreign policy related to Africa, the United States and the European Union can simultaneously ensure the maintenance of their own global security while allowing Africa to achieve economic and political development.

**Policy Actions:**

In order to achieve further development of the United States/ EU–Africa relationship, the United States and EU should act with a mix of diplomatic, economic, and social actions. According to the Bureau of African Affairs in the United States Department of State, it is in America’s interest to “prioritize the consolidation of democratic gains and the achievement of sustainable broad-base economic growth.” The Bureau further illustrates the goals of the U.S.-Africa relationship by delineating a set of policy priorities: to help build strong and stable democracies, to support economic growth and development, to strengthen public health, to help prevent, mitigate and resolve armed conflicts, and to address transnational challenges.

In November of 2010, leaders from Africa and the European Union convened at the 3rd Africa EU Summit and made the Tripoli Declaration, which delineated a strategic

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relationship between the two countries. As said in the declaration, “the partnership between Africa and the [EU] is one of the most enduring global relationships and is of strategic significance to both sides.” Due to the recent financial and economic crises and the “accelerated process of globalization,” the partnership between Africa and the EU committed itself to more active, responsive relationship that would “guide the transformations the world needs and tackle the effects of climate change, conflict prevention, good governance, achieve a sustainable energy market, develop infrastructure, provide food security, achieve the Millennium Development Goals, combat HIV/AIDS, address the realities and challenges of migration and promote gender equality.” While this strategy lays out multiple facets of the relationship between the EU and Africa, there are still improvements that must be made in order to better the relationship between the two. By taking the following steps, The United States and the European Union can ensure that it is working towards their goals of strengthened relations with Africa.

1. **President Barack Obama should make an official visit to Africa, which should include a trip to Nigeria; the United States must follow the example set by the European Union for expanded, regular communication with Africa through these visits.**

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From a diplomatic perspective, it should be noted that in order for the United States to prove that it has a vested interest and commitment to Africa, both economically and through the promotion of peace and development, action is required to further iterate that partnership. President Clinton made the last official visit by a United States president to an African nation in 2000. By making an official trip to Africa, President Barack Obama would be symbolically strengthening America’s relationship to the continent by opening up an avenue for greater communication. An official visit puts the United States in good standing with Africans and establishes a presence as a global leader in the commitment of human and economic resources to African development.

While he should visit a number of countries, President Obama should specifically reach out to Nigeria due to the number of agreements that the United States has already implemented with the country. According to Assistant Secretary Johnnie Carson of the Bureau of African Affairs, “Nigeria is one of the two most important countries in sub-Saharan Africa, and what happens in Nigeria has consequences for Africa, the United States, and the global community.” These agreements with Nigeria cover a variety of issues, including improvement of access to education, a challenge to achieve democracy, military reform assistance, and a joint effort to fight AIDS and infectious diseases. This trip can be utilized to create more partnerships in areas that have not been focused on yet, including environmental protection of the vast areas of unexploited resources that exist within the country. In fact, recently in August 2012, President Obama claimed that

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Nigeria is the next great economic success and the United States needs to strengthen ties to Nigeria through the diaspora communities in the states. Obama must follow this declaration with an official visit to show vested interest and commitment to strengthening the relationship between the two countries.

Though Nigeria should remain as the focus of President Obama’s visit, the trip can also include other countries in the region. As Callisto Madavo notes in *Africa: The Development Challenges of the 21st Century* that “determined African leaders took the lead in charting the continent’s revival. They established the African Union and elaborated an economic vision under the New Partnership for African Development (NEPAD), emphasizing sound economic policies, good governance and accountability.” President Obama’s official visit can be expanded other countries that support NEPAD, including South Africa and Senegal. By showing support for countries actively engaged in creating stable states, the United States would be opening avenues for partnerships similar to those with Nigeria.

In terms of open communication between regions through official visits, the United States can learn from the EU’s strategy. The European Union has convened with Africa multiple times through the EU-Africa Summit; this physical meeting of the heads

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of these regions highlights a successful strategy to show commitment to the relationship between the two. In 2000, the first EU-Africa Summit took place in Cairo addressing political and economic issues. The summit resulted in the Declaration of Cairo and a joint EU-Africa Cairo plan of action, both addressing the issues of development, trade, debt, political issues, peace building and conflict prevention.

The second EU-Africa summit, held in 2007 in Lisbon, emphasized the need to develop a partnership of equals, based on the effective engagement of our societies, in order to achieve significant results in our fundamental commitments, namely: the attainment of the MDGs; the establishment of a robust peace and security architecture in Africa; the strengthening of investment, growth and prosperity through regional integration and closer economic ties; the promotion of good governance and human rights; and the creation of opportunities for shaping global governance in an open and multilateral framework. The Lisbon Summit also laid down its intentions in a “Lisbon Declaration” of the EU-Africa Summit and in an ambitious long-term Africa-EU Strategic Partnership: Joint Africa-EU Strategy and Action Plan (JAES) that confirms their willingness to deepen their political relationship and to address global challenges. As part of the 3rd EU-Africa Summit in 2010, the Tripoli Declaration re-emphasized the

8 http://www.east4south.eu/index.php/eu_and_development/3._eu_relations_with_the_african_caribbean_and_pacific_countries
commitments of the 2nd Summit and expanded the discussion of how to better integrate African civil society.\textsuperscript{9}

Furthermore, while the United States’ economic interests regarding Africa are a key discussion in various meetings with African officials, President Obama’s visit can also be an opportunity to show the United States’ commitment to the people of Africa and learn from the example set forth by the EU. Looking back to the United States’ diplomatic approach towards the Muslim community, President Obama’s speech at Cairo University in 2009 iterated a dedication to establishing a peaceful relationship between the international Muslim community and America. In a similar manner, the United States can utilize an official visit to show the same type of pledge towards the African people and showcase America’s commitment to promoting development in Africa. For instance, in Cairo, President Obama called for a resolution to end the mistrust between the Middle East and America; similarly, a speech in Africa can act to end any feelings of mistrust stemming from a history of Imperialist efforts and the destructive force of Western policies such as structural adjustment programs. This speech would be a chance to let the African people know that the United States recognizes its own volatile past with the continent that included slavery, and will maintain a promise to provide the support needed to help create stability in the African nations today. In the same way Obama recognizes that “Islam is part of America,” he can also reiterate that Africa is also a part

of America’s past, present and future and that “problems must be dealt with through partnership and progress should be shared.”

It is in the United States’ key interest to vocalize its dedication to Africa through a presidential speech in order to garner the support of the African people. They are critical in the implementation of the various agreements and policies made between America and African countries. President Obama should give this speech in Kenya. Because it is a hub of economic growth the central and eastern Africa and the homeland of the president’s ancestors, Kenya is an ideal location for this type of foreign diplomacy. Having the support of the people is beneficial to the success of future relationships between the United States and Africa; the United States can follow the example of the European Union by having official communications related to Africa on record in order to show a true commitment to working with the region.

2. The United States Congress should take steps to expand the African Growth and Opportunity Act (AGOA), and learn from the economic policies set in place by the EU to further develop the African economy.

In 2000, the United States Congress passed legislation called the African Growth and Opportunity Act, which was originally established in order to open up the textile

market to include African nations as valuable competitors. The implementation of AGOA already represents $12 billion in exports and almost $60 billion in imports from Africa. If the textile and apparel industries alone can create such an increase in revenue, it is advisable for the United States and Africa to expand this legislation to include other industries.

One industry that Congress should consider expanding AGOA into is coffee industry in Africa, which has the potential to be highly profitable. Currently, the industry is undermined by the nature of small farms, which often are prone to exploitation and an inability to access the global market. As the documentary *Black Gold* indicates, multinational coffee companies have turned the coffee industry into an $80 billion industry. However, while coffee has become a highly valuable trading commodity, small farmers in Ethiopia, considered to be the birthplace of coffee, struggle to earn a fair profit for their crop. The prices are set by companies practicing unfair trade and are so low that farmers are on the brink of bankruptcy at the corrupt hand multinational corporations. By making special provisions to create a trade line between the US and Africa in terms of coffee, the United States would be working towards the goal of lifting Africa into the global market and making its countries viable competitors. It helps individual farmers by establishing fair prices and creating an environment where these small African farmers do not have to face larger firms that are more competitive. If the United States expands AGOA to include the coffee industry, it not only gains a special relationship regarding a highly valuable industry, but also promotes the country as a benevolent superpower.
Creating special circumstances for the African coffee industry illustrates the United State’s commitment to Africa and further highlights the idea that, despite being the global superpower, America remains dedicated to helping the developing world. Furthermore, Africa’s potential as a source of resources and supplies is better utilized once it gains access to the market.

The European Union (EU) has committed to substantially expand its support of the rural development sector in South Sudan, building on the EU’s existing programs supporting rural development and food security. To help fulfill the priority needs outlined by South Sudan, the EU will sponsor an event on agriculture and food security in Juba during the first half of 2012, working in coordination with the U.S. The European Union's Everything but Arms (EBA) Initiative and the United States' African Growth and Opportunity Act (AGOA) and have been established to provide eligible sub-Saharan African (SSA) countries and the Least Developed Countries (LDC) quota free Duty free access to US and EU markets.

In 2000, the European Union established the Economic Partnership Agreements (EPAs) after realizing that previous policies in relations to Africa excluded a focus on trade. The report “The EU and Africa: the policy context for development” by the European Centre for Development Policy Management (ECDPM) explains that EPAs “have implications for ongoing regional integration initiatives [that] could represent a

good opportunity to put in place dynamic and credible regional markets.\textsuperscript{12} While these agreements, established to make sure policies were conforming with “the binding rules of the WTO,” seemed positive in theory, they have been highly criticized in reality. Negotiations for the EPAs frequently came to a standstill, with “parties working to address both outstanding and contentious issues” regarding tariffs, export taxes, infant industries, and the circulation of goods. The difficulty of the EPAs revolved around the “challenges arising from the complexity of regional configurations, as they do not necessarily coincide with the already existing trade groupings, notably those in a customs union [and can] lead to conflicting obligations for some members” of the negotiations. Furthermore, the EPAs were highly criticized for being policies that “sign countries to pursue national objectives” while showing “flexibility at the international trade level,” thereby defying certain multilateral trade standards set forth collectively by the World Trade Organization. Concerns about the EPAs were “perceived as threatening agricultural and industrial development and food security and as risking exacerbating poverty\textsuperscript{13} Based on the criticisms of the EPAs, the United States can learn from example; in its pursuit of economic policy relations with Africa, the United States can avoid creating the same tensions that the European Union underwent and succeed in its efforts to establish sound economic and trade policies.


3. The United States and the European Union should increase support of the multilateral efforts to promote female empowerment within Africa in a manner inclusive to the African people.

The Millennium Development Goals (MDGs) set forth by the United Nations are a benchmark for achieving global development and equality. “The eight MDGs—which range from halving extreme poverty to…providing universal primary care form a blueprint agreed upon by the world’s leaders…to meet the needs of the world’s poorest.” As outlined by the United Nation’s Millennium Development Goals (MDGs), one of the priorities of world development is to achieve gender equality. The third goal listed in the MDGs is to “promote gender equality and empower women.” The tenets of this goal include putting more girls in the education system, employing more women in the non-agricultural sector, and increasing the female presence in government. The JAES highlights accelerating progress towards the MDGs as a key development issue. The JAES outlines that in order to reach the MDGs, “both Africa and the EU have to boost their investments, better focus their policies, and deliver on the promises made.”

In order to achieve MDG 3 and advocate for women, the United States and the European Union should support a multilateral approach to this goal by creating partnerships with non-governmental organizations (NGOs) and international agencies to

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promote women and express a commitment to gender equality. Organizations such as Imbita, a microfinance-based organization that provides micro-loans to African women and international campaigns such as the United Nations Foundation’s Girl Up program both support the idea of elevating women out of poverty, giving them educational opportunities, and ultimately granting them access to a wage-earning economy in order to provide for their families. These goals for women are vital for Africa because they help to break the cycle of poverty, which helps development of the region, and therefore creates economic and social stability, an end goal that benefits the US, the EU, and the global community. Currently, the JAES highlights gender quality, but the European Union can increase its efforts to work towards the issue. Within the JAES, the EU and Africa will “address the entire range of women’s rights and strengthen their efforts to eliminate illiteracy and to ensure equal access of girls to education, to fight the reministration of poverty, to promote women in decision-making positions and peace processes, and fight gender-based violence.” While the strategy can be commended for highlighting the current issues that need to be addressed, the JAES does not detail how to tackle such large goals.  

Both the United States and the European Union should work with Africa to create a special taskforce of experts in development, public health, and human rights and gender studies to assist in efforts to elevate women in society. In order the goal of female empowerment to be met, there must be a complex, layered system that is holding both regions accountable for assisting with meaningful change, via support of

international organizations, NGOs, national programs, and others that are working to eliminate inequality. Once women in the Africa region are able to access the adequate educational, health, and political rights to become equal, their place in the African economy will elevate, leading to an overall positive effect in Africa as well as the United States and the European Union.

In interactions with African nations, it is recommended that the United States and the European Union should maintain a role of assistance rather than imposition. Callisto Madavo notes an important lesson regarding African recovery was learned. According to Madavo, “the international community should not impose policies on African countries. It must, however, continue to play an important supporting role because Africa’s resources are too limited for the continent to pull itself up by its own bootstraps. A real partnership between Africa and the international community is needed if it is to make progress towards meeting the MDGs by the 2015 deadline.” The United States should heed this advice and act accordingly. The establishment of relationships with African nations should be conducted under this pretense in order to uphold the concept of African solutions to African problems.

By offering support and aid to programs that focus on the people, namely women, of Africa, the United States and the European Union would be showing an investment in a solution directly born out of Africa rather than imposing a Western ideal on the region. As history indicates, Western-rooted ideas can cause damage to the continent, which was

17 (Madavo 5).
seen in “the controversial structural adjustment programs that cut spending to achieve macroeconomic stability.” The World Bank and IMF-led structural adjustment programs of the 1980s promoted a policy consistent with “free-market” concepts without much input from the countries in which they were implemented. Money that should have gone to social programs instead was needed to pay off loans to the international actors, which essentially placed the burden of all domestic responsibilities, including food, clean water, access to education and healthcare upon the woman, leading to the cyclical nature of poverty that African families were trapped in. Rachel Hart, in her article, “Changing Relations Between Europe and Africa” noted that “dissatisfaction in donor countries at the poor track-record for development aid was matched by equal frustration in recipient countries [and] this frustration was compounded by bitterness and resentment left over by draconian policies imposed on Africans by international monetary institutions.

Therefore, it is a better strategy for foreign actors, including the US and EU, is to offer assistance in tackling the roots of African poverty and underdevelopment. “At the core of the [JAES] strategy is the understanding that relations between the two continents must be premised on equal participation and representation.” Supporting programs that empower women directly correlate with that concept, as they focus on helping Africans help themselves. The history of development in Africa is ridden with stories of failure


that can be traced back to the inability to uphold Western solutions to African problems; a shift of focus on to the African people allows for economic success, poverty alleviation, and social stability to come directly out of helping the African women thrive.

A Way Forward

The United States as well as the European Union should conduct reviews of current foreign aid policies regarding Africa in order to evaluate and ensure their efficiency and success.

Before embarking on the policy suggestions delineated in the previous section, it is advisable that the United States Congress and State Department first completes an evaluation of policy and aid related to Africa. This tactical action is essential because it provides a foundation of the U.S.’s current role in Africa from which decisions can be made regarding the future.

This review should include an analysis of current diplomatic efforts in Africa, specifically an evaluation of the work being done in the various United States embassies around the African continent. According to the U.S. Senate Committee on Foreign Relations testimony of Thomas Pickering, former ambassador to Nigeria, traditional core diplomacy “includes anticipating, preventing and responding to conflicts” and funding is
essential for “proactive and preventive shaping capabilities, pre-crisis conflict mediation and resolution, and for the development of joint planning and joint-response strategies.”

Pickering maintains that funding and proper diplomatic training for embassies is vital, as they are the ground response in any situation regarding the United States in a foreign country.

Moreover, the review should include an analysis of the United States’ foreign aid to the African region to evaluate the efficiency and effectiveness with which the funding is being utilized. Before embarking on any future efforts to provide aid, the United States must first assess its current efforts to make sure that the aid is being used successfully and to see if improvements are needed.

For instance, a 2007 evaluation of the President’s Emergency Plan for AIDS Relief (PEPFAR), one of the United States’ largest aid projects in Africa, revealed that the policy needed to be re-evaluation to make sure adequate funding was being directed towards proper family-planning care as a method of HIV/AIDS prevention. As described in Dr. Wafaa El-Sadr and Dr. David Hoos’ article, “The President’s Emergency Plan for AIDS Relief- Is the Emergency Over” in the New England Journal of Medicine, “since its inception, PEPFAR has faced criticism.” “Its most vocal critics have focused on some of its prevention strategies, which they view as driven by ideology rather than science, [including] overemphasis on abstinence as a key approach to risk reduction, the prohibition on support for commercial sex workers, and the opposition to needle and

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syringe-exchange for drug users.\textsuperscript{21} In order to overcome these remarks critiquing the program, PEPFAR began to make reforms. One important method PEPFAR utilized to overcome the imposing, stifling ways of its previous methods was to become more open to collaboration with specific countries regarding the strategy best suitable for their country regarding the treatment and prevention of AIDS.

This process of improving US-Africa policy should emulate the current process in place between the European Union and Africa. Since the inauguration of the JAES, there has been a consistent component of improving upon failures in the strategy. As indicated by the improvements to the policies made between the first, second, and third EU-Africa Summits, consistent reviews are key to creating effective policy solutions. In the initial phase of the joint partnership between Africa and the EU, there were concerns about the “donor-recipient” style relationship between the two regions. “There was increasing recognition that the development policies and programs had, at least to a certain extent, failed to deliver meaningful and sustainable development.” With this in mind, each re-launch of the JAES has addressed concerns of the previous strategy and focused on improvement and carefully addressing the needs of the regions. For instance, while the earlier JAES action plan focused on a broad range of “eight thematic partnerships” that ranged from peace and security to migration, the most recent JAES took into

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consideration the financial crises of the time and refocused the summit to economic
growth, investment, and job creation.\textsuperscript{22}

As the evolution of PEPFAR and the JAES indicate, a system of careful
evaluation of US foreign aid or of EU strategic policy are vital prior to taking future steps
regarding Africa. An analysis of current efforts would help the United States evaluate
where its policy is succeeding and failing and how exactly in must act to ensure that a
successful relationship between the United States and Africa is maintained in the future;
the European Union leads by example in this area by being consistent in its efforts to edit
their policies and revise strategy according to careful evaluation.

\textbf{Concluding Points}

The problems that the African continent faces in terms of economics and society
are vast. As history has indicated, the countries are plagued by unsuccessful efforts to
modernize and develop. The United States as well as European Union have a unique
opportunity to both help the African region achieve development and create an
advantageous relationship with the region by enacting policy that creates economic and
social ties with the continent. Furthermore, creating this relationship with Africa
establishes the United States and the European Union as prime allies and helps defer the
possibility of relations with other emerging regions such as China. While this relationship
with Africa will take many years to evolve and will involve many layers of ties, covering
a variety of categories ranging from trade agreements to public health initiatives, the

overall effect is beneficial for the United States as well as European Union and work
towards the goal of global security.

As Walter Meade discusses in his work *Special Providence: American Foreign
Policy and How it Changed the World*, “the reality today is that [the United States’]
national security and prosperity depend on the health of the world system-and the health
of that system depends on the wisdom, strength, and foresight of American foreign
policy.” The same can be applied to the European Union; both countries, as large global
powers, serve as anchors for the development of other global regions. In relation to
Africa, the strategy for improving economic relations between this region and the US/EU
is critical to ensure strong, equitable development that is mutually beneficial.

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