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# 'African interests differ fundamentally from those of the EU'

Instead of glossing over differences with aid, the EU needs to fundamentally reform its cooperation with Africa. An interview with Robert Kappel

*Read this interview in German.*

**What are the consequences of the Covid-19 pandemic for African countries?**

The economic crisis in Europe, the emerging economies, China and the United States is suppressing growth in the world economy. Poorer countries are often dependent on exporting raw materials. As demand has fallen, Africa's export earnings have declined significantly. Many countries have become mired in debt crises, tax revenues are down, foreign investments are receding and migrants' remittances are tailing off. The upshot of all these developments is widespread job losses and millions of people falling back into poverty. All the gains of the past few years could be wiped out.

**The EU would like to improve its relations with Africa. To that end, it launched a new Africa strategy in March. A major summit with the African Union is planned for October. What exactly does the EU offer Africa?**

For the EU's political leadership 2020 represents a "decisive year" in European-African relations. The EU's outline for a new Africa strategy was published in March 2020. It mentions peace and security, a green growth model, improving the business environment and the investment climate, promoting education, research and innovation, ideas on creating decent jobs and value creation through sustainable investment, as well as fighting climate change. But as yet this strategy is merely a bundle of ideas.

The EU needs to reform its cooperation with Africa from the ground up to reduce the latter's historical dependency and power imbalances.

That would also be in Europe's interest. If this proves possible, Europe's involvement would clearly differ from US and Chinese geostrategic ventures. However, it would also mean addressing issues that are long overdue, such as agricultural trade reform. European farmers and food giants are highly subsidised at all levels. Subsidised cheap food exports destroy the livelihoods of African farmers.

**What about the involvement of other actors – such as China – in Africa? Does the EU compete with them?**

In contrast to Europe, China has agreed "10 cooperation plans" with Africa on: industrialisation, agricultural modernisation, infrastructural development, financial cooperation, green development, support for trade and investment, fighting poverty, public health, cultural and people-to-people exchanges and peace and security.

China, like India, has skilfully established itself as a global networker. African-Chinese cooperation has deepened significantly, thereby widening the scope for African countries to liberate themselves from excessive post-colonial dependence on Europe. It would be ill-advised, however, to pin too much hope on China. In particular, the high infrastructural investments and the structure of investments, such as in foreign trade, make it clear that this cooperation model with Africa is nothing new. Between 2000 and 2017 China lent €130bn for infrastructural expansion. Today, 20 per cent of African debts are to China. The one-sided focus on raw material exports, raw material investments and the fairly meagre links with local industry are hampering Africa's transformation.

China also needs a rethink. The strategy of expanding infrastructure and exploiting raw materials, generating jobless growth, has proven to be a dead-end. This approach has only increased existing asymmetries. The Chinese model has reached its limits. It is not a real cooperation model, but a model of dependent development that is exacerbating the continent's predicament. Like China, Europe should bid farewell to this geostrategic model and, through its involvement in trade, investment and technological cooperation, contribute to Africa's endogenous development, leading to prosperity, falling poverty and more jobs.

**Where is economic cooperation between Europe and Africa going wrong?**

Europe is Africa's main strategic partner. Since around 2000, however, the form of cooperation has changed. There are various reasons for this. For example, China became one of the EU's principal

trade and investment rivals. Furthermore, for the past 15 years or so many African countries have enjoyed relatively high economic growth. Thirdly, migration to Europe has increased. And finally, African initiatives such as the African Continental Free Trade Area adopted in 2019 show that African states are increasingly acting strategically and exploring their options when it comes to cooperation.

Today, European-African relations face severe challenges. The EU's political leaders need to recognise that business as usual is no longer enough. African interests differ fundamentally from those of the EU. Attempts to gloss over them with aid efforts along the lines of "Africa has problems, we have the solutions" are less realistic than ever. Instead, Europe should turn its attention to agricultural policy, investment, the environment, technological cooperation and education.

**You mentioned investments. This topic has been repeatedly stressed at EU level, but also by the German government. How important are direct investments from Europe, often cited as a panacea, for creating growth and jobs in Africa?**

EU investments have grown even further in recent years, widening the gap with China and the United States. The decisive changes must occur within Africa, however. After all, foreign direct investments contribute little to reducing poverty and unemployment. For example, over the past decade, all external investments in Africa combined have generated only 100,000 new jobs a year, on average. Contrast this with the 20 million jobs a year Africa needs. These have to be created largely by local firms and farmers. European measures are of course very helpful, likewise employment-intensive investments. But that also means that FDI has to be linked to local enterprises in industrial clusters and special economic zones.

By contrast, the existing exploitation of cheap labour in Africa's many special economic zones must end. Tax breaks and other incentives can be used to encourage investors to subcontract with African firms, thereby enabling technology transfer and training initiatives. Projects involving research institutes and universities could stimulate knowledge transfer and entrepreneurial development.

**What is the role of trade policy in establishing fair relations?**

The EU has contributed to today's asymmetric relations with its trade and cooperation policy. That also goes for the debt crisis, which is now ramping up again. Overdue reform of EU trade relations with Africa requires suspension of the so-called Economic Partnership

Agreements. The market opening demanded by the European Commission threatens to further marginalise African firms and small farmers through imports. The lowering of tariffs on EU imports to Africa provided for in the EPAs is forecast to bias regional trade flows in favour of European producers. Local or more efficient suppliers would lose out.

Given the establishment of the African Continental Free Trade Area (AfCFTA), it makes sense to make it the starting point for negotiations with Europe. The AfCFTA provides a basis for agreement on the main trade and investment issues. It was signed by 54 of the 55 members of the African Union and aims to enable free access to goods and services across the continent. The planned measures are to support the development of local production and the procurement of more intermediate and final products between African countries, by deepening intracontinental trade and regional value chains. Although the EU has eased access to European markets within the framework of the "Everything But Arms" initiative, there are still many restrictions. It should be easier for African producers to export to the EU. The EU needs to further liberalise tariffs on imports from Africa and give all African countries tariff-free access to EU markets.

**How can Germany inject more dynamism within the framework of its current EU presidency?**

It is incumbent on Germany during its Council presidency to breathe new life into cooperation with Africa. It would be a shame if, because of the pandemic, there was no public debate on continuing the Cotonou Agreement and no consultation on European proposals for an EU-Africa summit in October. The German government has still not set out its agenda. This is curious, given the Minister for Economic Cooperation and Development's remarks that a "treaty of the century" would have to be concluded at the summit. As things stand, no "strategic partnership" with Africa exists.



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