PATERNALITY OR PARTNERSHIP? EU-ACP ECONOMIC PARTNERSHIP AGREEMENT AND IMPLICATIONS FOR NIGERIA'S NON-OIL SECTOR DEVELOPMENT

Samuel O Oloruntoba
Visiting Scholar, Program of African Studies, Northwestern University
and doctoral candidate at the Department of Political Science, University of Lagos, Nigeria

PAS Working Papers

Number 21

ISSN Print 1949-0283

ISSN Online 1949-0291

Edited by

Brian Hanson
Director Program Research & Operations,
Roberta Buffett Center for International and Comparative Studies and Political Science Department, Northwestern University

Program of African Studies
Northwestern University
620 Library Place
Evanston, Illinois 60208-4110

INTRODUCTION

Contemporary pattern of relationship between European Union and Africa-Caribbean and Pacific countries reflects more than two centuries of unequal exchange. Unequal exchange between the North and the South denotes the falling terms of trade for underdeveloped countries, while correspondingly increasing the terms of trade for the developed countries. It has to do with the manner of incorporation of the poor countries into the world capitalist, especially through trade, where the poor countries specialize in export of raw materials, while the developed countries concentrate in the exports of manufactured products. (Baran, 1968, Amin, 1976). This relationship has consistently perpetuated the development of underdevelopment. It is a relationship that first started on the basis of commercial interactions between early European explorers and indigenous fishermen most especially in the coastal areas of the Delta. (Bathily, 1994). This fact contrasts with the ideas of scholars like (Hurt, 2010, 2003, Risen 2007, Farber and Orbie, 2009) who trace the relationship between these two economic blocs to the Treaty of Rome and colonialism. For example Reisen argues that “contemporary relations between the EU and the developing world continue to be shaped by three interrelated historical circumstances: European colonialisms, the cold war, and the creation and various waves of enlargement of the EU” (Reisen, 2007: 59). Stephen Hurts also shared this view when he asserts that the EU’s relationship with Africa can be traced back to the Treaty of Rome. (Hurts, 2010).

The fact that the relationship between the EU and ACP countries dates back to pre-slave trade era is reinforced by various accounts that provide details of how the contacts with Europe by the ACP countries, particularly Africa, originated from the near equal relationship with the European during the trans-Saharan trade. This relationship only became subordinated and unequal during the Trans-Atlantic Slave Trade, where the item of trade was shifted from natural produce to the producers, themselves (Bathley, 1994). As I argue in the next section, it is the singular experience of slave trade that altered the social and economic structures of many of the third world countries, which further paved the way for full political conquest under colonialism. However, it is pertinent to stress that without prejudice to the unique experiences of the ACP countries, their relationship with European Union, the previous and current economic agreement cannot be meaningfully discussed without situating it within the broad context of the North-South political economic relations.

According to William Brown, 'development cooperation in any form of nomenclature, as an inter-state relationship is a product of the post-war era, which was brought into being by the process of decolonization'. This relationship is rooted in the distinctive nature of southern states and the particularities of their position within the international system. As Brown further opines,' the post war political and economic reconstruction of the international system was fundamentally liberal and multilateral. It was liberal in terms of the character of the leading states (as constitutionally limited, capitalist polities) and in respect of the principles of economic relations established and pursued in the post-war era and enshrined in the main international economic organizations' (Brown 2000: 369)

The multilateral nature of the international economic order after the Second World War necessitated the creation of international organizations to manage economic, monetary and trading relations among nations. These rule-based organizations include the United Nations and Bretton Woods Institutions like the International Monetary Fund, the World Bank and later, the General Agreement on Tariff and Trade, under which rules of global trade were negotiated. (Spero and Hart, 2010). Despite the challenges posed by the cold war and the nationalistic postures of some European nations to retain their original base of power and control over former colonies and a short-lived prominence, which the South attained due essentially to the rise of oil prices – (a fall- out of the Arab-Israeli war), in the 1970s , the liberal multilateral order that the North established has subsisted till date. The clamor for the New International Economic Order of the 1970s only succeeded in securing some palliatives for the South. The rise in commodity prices and the attendant inflow of revenue, on which their negotiation power was based, did not last long as the crisis of capitalism in the North affected demand for these products, thereby leading to a fall in the commodity prices.

The result of this was a weakening position of the South, which was equally affected by the crisis. As a way out of the crisis, third world countries were left with no option than to borrow money from the international lending organizations like the IMF, the Paris and London clubs, among others. The inability of these countries to repay the debts exposed them to manipulations and control by the North through the agency of the Bretton Woods Institutions that made it compulsory for the states in the South to liberalize their economies. (Khor, 2003). Even though there are lots of dimensions of North-South economic relations such as monetary and fiscal policy, governance, aid flows, etc, the most important, which is also the focus of this study was the issue of trade and commodity relations.

The General Agreement on Tariff and Trade (GATT) which came into effect in 1948 operated on the basis of reciprocity until 1964, when the developing countries were recognized as such and were allowed to export to the North on the basis of non-reciprocity. The experiences of the third world countries under the GATT and the World Trade Organization that succeeded it in 1995 have been that of unequal exchange. While the third world countries have substantially lowered their tariffs, on manufactured products, the advanced countries like the United States of

America, the European Union, Japan and Canada continue to subsidize agriculture, raise tariffs on commodities and make it uncompetitive for exports from the third world countries (Chang, 2003, Oyejide, 2001).

The Doha Development Round, which was launched in 2001 to negotiate various issues of concern both to the North and South such as agriculture, services and intellectual property rights has remained inconclusive because the development concern of the third world has been compromised while the North insists on having agreements that will grant them further market access to the countries of the South. This stalemate has given rise to the proliferation of various preferential trade agreements ***a la*** free trade areas where world economic powers have resorted to regional and bilateral trade agreements with the South. This paper argues that preferential trade agreements may further compound the economic problems of the South because of their vulnerable positions in the global capitalist system. This argument is premised on the inadequate capacity for capital mobilization to finance infrastructure and build institutions of many countries in the South, which make them vulnerable to the dictates of the North, who on account of the massive resources at their disposal operate on the basis of carrot and stick. The emerging pattern is that agreements signed at these bilateral or regional levels tend to further worsen the poverty situations of the third world countries because the terms of those agreements are neither developmental nor fair. Even when aids and official assistance have been promised to assist the countries to fix costs of adjustment, they have been either insufficient or out rightly, not forthcoming. When they are available, it has been proved that aid is not a substitute for trade as an instrument of development (Moyo, 2008).

It is in the context of this historically determined international economic order and the pattern of unequal exchange between the North and the South that this study situates the EU-

ACP Economic Partnership Agreements and the implications for the development Nigeria's non-oil sector development. The study seeks to question the current pattern of relationship between EU and ACP Countries and the past pattern. What are the likely impacts of the EU-ACP Economic Partnership Agreements on the Nigeria's non-oil sector? The analysis will help to either establish or disprove the notion that relationship between the EU and ACP countries is based on paternalism or partnership. Paternalism is here defined as 'a policy or practice of treating or governing people in a fatherly manner, especially by providing for their needs, without giving them rights and responsibilities'. It also means 'a system or practice of managing or governing individuals, businesses, nations, etc. in a manner of a father dealing benevolently and often intrusively to the children' (Dictionary.com). Partnership on the hand means collaboration by parties with equal ability to pursue a stated objective. This study evaluates the trade relationship between the EU and ACP countries in under four interrelated periods. Following Samir Amin (1990) and Andre Gunder Frank (1978) four distinct phases of economic history between two economic blocs can be distinguished. They are: the first period being the pre-capitalist period from (pre-history to 1500); the second period being the mercantilist period (from 1500 to 1800); characterized by the slave trade; the third being (from 1800 to 1950s) defined by European colonization and attempt to establish European dependent economies; and the present post-colonial economies (beginning around 1960), (Rugumamu, 2005).

The study employs historical and structuralist approaches as theoretical frameworks of analysis. This method is based on history of the interaction between the North and the South, especially in relation to the relations of power and class in securing economic advantage. Before tackling the above questions, let us first examine the literature on the international economic relations between the North and the South in general and the EU-ACP relations in particular.

REVIEW OF LITERATURE AND THEORETICAL CONTEXT OF THE ECONOMIC PARTNERSHIP AGREEMENTS

Economic relations between the developed and under-developed countries have been a subject of varying theoretical postures between those who viewed the relationship as beneficial and reinforcing and those who conceive such relationships as essentially asymmetric and predatory. While the former reflects the position of liberal economists, the latter reflects those of realists, Marxists, and structuralists. Implicit in both arguments, though, is the consensus that politics is at the root of economic relations between developed and undeveloped nations (Gilpin, 2000).

In the post-world war 11, liberalism, especially as embodied in classical and neo-classical economics has been the dominant theory of the prevailing international economic system (Spero and Hart 2010). Following David Ricardo's laws of comparative advantage, liberalism and its other variants of neo liberal ideologies argued and continue to argue that free trade and complete openness or liberalization of domestic economies hold the key to economic development (Meier 1984;Bhagwati 1985;). On their own part, Sachs and Warners in their celebrated studies of openness and growth, presented empirical evidence (if distorted) of a positive correlation between economic growth and openness. From the perspectives of these authors, over the past fifty years, countries that have done well, economically, are those like the newly industrializing countries of South East Asia that have pursued export led industrialization. In view of such evidence, they argue that countries that remain at the fringes of globalization like those found in the sub-Saharan Africa should follow the example of these globalizers (Sachs and Warners, 1995).

The liberal theory of economic growth also contends that the major hindrances to economic development in the third world countries are caused by domestic economic policies, which create or accentuate market imperfections, reduce the productivity of land, labor and capital, and intensify social and political rigidities. Added to these problems are the traditional nature of the societies in the third world, lack of savings and investments, lack of the right attitude to work and in particular, the fact of the imperative of having to pass through stages of economic growth. This is the argument of the modernization theory (W.W Rostow 1962). The neo-liberal theory of economic growth is also anchored on the idea that specializations in areas where factors of production are relatively abundant promotes more efficient resource allocation and enable economic actors to apply their technological and managerial skills more effectively. It also encourages higher levels of capital formation through the domestic financial system and increased inflow of foreign direct investment (Spero, 2010; Rostow, 1990). This theory recommends the adoption of policies that increase domestic level of competition, through the privatization of state enterprises, deregulation of regulated markets, liberalization of trade and exchange rate and other domestic reforms under what is known as Washington Consensus (Williamson, 1990).

The fall of the Berlin Wall, the end of the cold war, and the opening up of the economies of former socialist states of Eastern Europe, the export drive of China and India accelerated the globalization of the neo liberal ideals all over the world. The proponents of this theory remain convinced that free trade will further increase worldwide prosperity, irrespective of the -historical and peculiar conditions of the particular countries. The doctrine also sees market exchange as an ethic in itself, which is capable of acting as a guide for all human actions. The campaign for the establishment and sustainability of this global neo-liberal order draws support from the intellectual, business and political elites as well as international institutions of the North such as the US Treasury, IMF, the World Bank and scholars whose researches are essentially geared towards the sustenance of this order. This also includes the right wing media organizations like the Washington Post, The Economist and a host of others (Harvey, 2007).

The central assumption of neo-liberalism is to privilege the market above the state in the necessary functions of fostering economic development. The free trade theory also sees trade as an important stimulator of economic growth as it helps to enlarge a country's consumption capacity, increases world output and provides access to scarce resources and worldwide markets for products without which poor countries would be unable to grow. It goes further to state that trade tends to promote greater international and domestic equality by equalizing factor prices, raising real incomes of trading countries and making use of each nation's and the world's resources endowment (e.g. –by raising relative wages in labor abundant countries and lowering them in labor scarce countries) (Todaro and Smith, 2008).

In sum, the argument of free trade is that in a world of free trade international prices and costs of production determine how much a country should trade in order to maximize its national welfare. Proponents of free trade argue that countries should follow the dictates of the principle of comparative advantage and not to interfere with the free working of market. In all cases, self-reliance based on partial or complete isolation is asserted to be economically inferior to a world of unlimited free trade (Bhagwati, 1977).

It has also been argued that this theory formed the basis for the establishment of international arrangement for managing world trade such as the General Agreement on Tariff and Trade, the World Trade Organization, and other bilateral trade agreements like NAFTA, EU-

ACP Economic Partnership Agreement, etc (Spero and Hart, 2010). The neoliberal theory has not been able to address the widening gap between the North and the South as its prescription of mutual benefit from international trade has remained inappropriate to address the development problems of the South. This is manifested in growing inequality and trade imbalances between the North and the South. Consequently, this theory is not applicable for this study.

Contrary to this theory however, are the Marxist and neo-Marxist and structural theories like Dependency, World System, and underdevelopment. These theories, especially Marxism were rooted in historical dialectics of materialism which is anchored on the notion that every society either domestic or international is made up of two classes of the oppressed and the oppressor and that the position of each class is a function of its placement in the social relations of production. Theses theorists argue that third world countries are poor not because they are illiberal (as the neo-liberal theory claims), but because of their history as subordinate elements in the world capitalist system. They contend that the international market is under the control of capitalists, whose economic base is in the developed capitalist Europe, North America and Japan (Amin, 1976; Baran 1968, Frank 1969).

These authors argued that the free flow of trade so much desired by liberals only succeed in making the capitalist classes of both the developed and under developed countries to extract the economic wealth of the under developed countries for their benefit. Trade relations between North and South is conducted on the basis of unequal exchange, in which control of the international market by the monopolies headquartered in the developed capitalist countries leads to declining prices for the raw materials produced developing countries and rising prices for the industrial products produced by advanced countries (Amin, 1976). These theories argue further that the current system of international trade encourages the South to concentrate on backward form of production (commodity) that prevent development. They contend that trade and investment in its current form removes capital from the South and necessitates a form of dependence in which countries in the South will be borrowing from the Northern financial institutions both public and private (Cardoso and Falleto 1979; Arghiri, 1972).

The works of the structuralists is grounded in a theoretical framework of analysis which states that capitalism is a mode of production that has become trans-societal and which in modern times spans practically all the nations of the world (Hoogvelt, 2001). They also see the states as constitutive units that have structural relationship predetermined by the world capitalist economy. As Immanuel Wallerstien and Samir Amin contend, it is the 'deep logic of the capitalist mode of production itself that yields the nodal positions within the global structure that nations occupy. This found expression in Wallertein's analysis of core-periphery and semi-periphery relationships (Amin, 1980, Wallerstein, 1979)

According to Colin Rey, 'to an embarrassing degree, not only did modernization theory failed to see that African backwardness was shaped by colonization, but it also failed to see how far the post independent pattern of trade and investment, the pattern of aid given to local elites or the transfer of western tastes reinforced the backward inegalitarian structures of the ex-colonial economies' (Rey, 1996). From the Marxist perspective, the solution to the inequality between the North and the South is for the South to delink from the system. However, the structuralists like Immanuel Wallerstein believe that the system can be restructured for even development. The Structuralist approach also recommended the combination of import substitution with regional integration with the goal of diversifying production away from agriculture and raw materials and toward manufacturing and services.

However, an evaluation of the Marxian and neo-Marxian strands of the theory has revealed some short falls, most especially in the light of the changing configurations of power between the Global North and the Global South. As Ankie Hoogvelt argued, historical materialism has failed in three respects; ‘first, in the lack of awareness of its own historical boundedness; second, in the pre-Gramscian conception of a unidirectional connection between economic structure on the one hand, and institutions and ideas on the other; and third, in the altogether too abstract and deterministic presentation of an unfolding history in which the progressive transformation of modes of production through the dialectic is a forgone teleological conclusion’(Hoogvelt, 2001: 11).The failure of Soviet type communist social-economic arrangement and the gradual integration of the Eastern European countries into the global capitalist system, especially after the end of the cold war between the East and the West, bear this argument out.

Also, the South as an economic category is no more as it was when the Marxists and the Structuralists propounded their theories. Some of the countries of the South like China, India, Brazil and South Africa are increasingly assuming more position of prominence in the international political economic relations as their economies have grown significantly over the past thirty years. As the stalemated Doha Development Round has clearly shown, trade relations between the North and the South can no longer be subjected to the whims and caprices of just one country or a group of countries. The changing balance of economic power is equally reinforced by the declining influence of the United States of America, which has served as a form of hegemon since the end of the Second World War. This decline is now being counterbalanced by the CIBS countries, especially, China. Over the past three decades, there are several changes in the theoretical framework of analysis of the relations between the North and the South. Few of these theories attempt to synchronize the differences in the neo-liberal and radical theories. One of these is the Critical Social Theory advanced by Robert Cox. This author, as Hoogvelt submits, 'managed to synthesize and transcend the neo-realist and neo-Marxist approaches, reintegrate the separate sub-fields of international economic relations and strategic studies, and overcome the structure/agency dichotomy' (Hoogvelt, 2001:10).

Robert Cox challenged existing theories of international relations on the grounds that they are too obsessed with relations between states; for failing to develop conceptual apparatuses that may account for the many trans-societal linkages that are growing up; and for not being critically aware of their own roots. His theory examines the world order and historical change-that is the transformative change in the organization of world affairs (Cox, 1981, 1992, Hoogvelt, 2001). Following Antonio Gramsci's notion of hegemony, he 'developed the notion of hegemony as a 'fit' between power, ideas and institutions to explain the stability of capitalist class relations national social order'. He employed historical structure as a concept, which he defined as a 'particular configuration between ideas, institutions and material forces. The core of this theory is the possibility of change anchored on an alternative future against the present circumstances. Hence this differs from the posture of both Marxist and neo-liberal theories that are essentially deterministic (Cox, 1981, Hoogvelt, 2001).

The relevance of this theoretical background to the analysis of the EU-ACP Economic Partnership Agreements and its implications for non-oil sector development in Nigeria is to be able to situate the current European Union's drive for the full liberalization of economies of the African, Caribbean, and Pacific region within the context of neo-liberalism. As William Brown contends, the current EU-ACP development cooperation, much like the historical pattern of relationship has been restructured to reflect liberal and multilateral norms of international relations (Brown, 2000). In other words, both the multilateral framework of negotiation under the

World Trade Organization (which is now stalled due to entrenched interests and uncompromising position of the North on the issue of market access to agricultural products); and the preferential trade agreement, such as the EU-ACP Economic Partnership Agreement are cast in the mold of neo-liberalism and its penchant for the promotion of free trade.

HISTORY OF EU-ACP ECONOMIC AGREEMENT

As stated in the preceding part of this paper, the General Agreement on Tariffs and Trade was one of the Bretton Wood institutions put in place after the Second World War to manage trade relations between the North and the South. However, the third world countries felt the arrangement was not in their interests because the Kennedy Round of Negotiations of 1964-1967, which was the first Round, in which they participated actively, did not favor them. For instance, restrictions against manufactures from third world countries such as textile products and clothing remained higher than the acceptable standard; agricultural protectionism, including that on tropical products remained intact; and quantitative restrictions and non-tariff barriers remain prevalent (UNCTAD, 1968).

In reaction to this, the third world countries protested and in 1968, agreements were reached on the principle of establishing a preferential scheme, which was based on non-reciprocity. It was within the context of this agreement, which was enshrined in Article XX1V of the General Agreement on Tariff and Trade that the EU-ACP relationship found expression. This article allows the third world countries to export their commodities to the European Union market-duty free. A more comprehensive framework of this relationship took effect in 1975, with the launching of the Lome Convention. Although a casual look at the various provisions of the Lome Convention may suggest that the EU is actually interested in the development of the ACP region. Joan Spero and Jeffrey Hart have argued that the non-reciprocal basis of the relationship and the creation of System for the Stabilization of Export Earnings (STABEX), among other incentives were a direct response to the relative economic importance of the third world countries at that time (Spero and Hart, 2010).

Article XX1V of the GATT allows for free trade areas (or Customs Unions) between trading partners, with reciprocal tariff concessions beyond Most Favored Nation (MFN) level provided that ‘substantially all’ trade is liberalized within a ‘reasonable’ length of time. This forms the basis of the EU regional integration efforts. Also, the Generalized System of Preferences established under the GATT Enabling Clause of the 1970s, allows for a more favorable and non-reciprocal treatment of developing country exports. However, this came to an end in 2000 after the signing of the Cotonou Partnership Agreement between the EU and the ACP countries. According to the duo of Stocum-Bradley and Nikki Bradley, the objectives of the ACP-EU Partnership as stipulated in the Cotonou Partnership Agreement (Part 1, Title 1, Chapter 1, Article 1) are:

> To promote and expedite the economic, cultural and social development of the ACP states, with a view to contributing to peace and security, and to promoting a stable and democratic political environment. The Partnership shall be centered on the objective of eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy.

The Cotonou Partnership Agreement paved the way for the substitution of the non-reciprocal trade preferences for reciprocal free trade arrangements in combination with a broad agenda of regulatory policies and supporting measures-that is the Economic Partnership Agreements (Farber and Orbie, 2009). In 2005, the EU-ACP Cotonou Partnership Agreement also ‘recognized the failures of the Lome Convention to reduce poverty in the ACP countries and therefore set new goals for poverty reduction and increased aids, within the context of the

Millennium Development Goals (Spero and Hart, 2010). However, these goals still remained largely unmet. The proposed Economic Partnership Agreement, which covers both trade and non-trade issues was expected to have taken effect by January 2008. However, at the end of the negotiation in December 2007, only one out of the six ACP regions involved has signed a full EPA, namely, the Caribbean countries of the CARIFORUM ; including the Dominican Republic, Guyana, Haiti and Surinam. Interim EPAs have been negotiated with a number of other ACP countries (e.g. Cameroun, Ghana, Cote d'Ivoire, Zimbabwe, Botswana, Fiji, Papua New Guinea) and sub-regions (e.g. the East African Community, ESA). Other countries have reverted to preferential market under the Generalized System of Preferences (GSP) (e.g. Congo Brazzaville, Nigeria, Gabon) and its Everything But Arms (EBA), variant for the Least Developed Countries (LDCs), (e.g. Sudan, Angola, DR Congo, Liberia, Senegal) (Farber and Orbie, 2009).

Even though Article 36 (1) of the EU-ACP Cotonou Agreement expressed the compatibility of the EPA with the WTO trading agreements, contentious issues under the stalemated Doha Development Rounds such as Investment, Competition, Government Procurement and Trade Facilitation (the Singapore Issues) have been incorporated into the EPA negotiation. This was forcefully stated by the European Union thus:

> Excluding all commitments on trade-related rules (e.g. Services, Investment, Government procurement, trade facilitation, intellectual property rights and competition) would be very difficult to reconcile with Cotonou. Moreover, rules are the essence of the development dimension of EPAs. On these areas, it is clear that the EC does not look for access for its companies. Its objective is to promote regional harmonization as well as regional preferences so that operators would be faced with predictable transparent and enforceable rules. A step-by step-approach with Review Clauses in order to define an acceptable package of EPA rules would be an acceptable compromise (EU 2006b:5).

The current posture of the EU with regard to its trade relationship with the South has some historical, political and ideological connotations. According to Stephen Hurt, the signing of the Cotonou Agreement means politics is now at the center (of the relationship) with its emphasis on political dialogue and effective management of aid. (Hurts, 2003). Also the Lome Convention and the succeeding agreements had in it neoliberal idea which posits that free trade necessarily brings about economic development. As Stephen Gill contends, in the modern political economy, the hegemony of neo-liberal ideas has resulted from the relentless thrust of capital on a global scale, which has been accompanied by a neo-liberal laizzez-faire discourse which accords the pursuit of profit, something akin to the status of the quest for the Holy Grail (Gill, 1995 cf Hurts, 2003).

The contents of the EU-ACP EPA also reflect some of the main components of the post-Washington Consensus in international development such as regulation and aid for trade (Stiglitz, 2005, Farber and Orbie, 2009). The EU is also attempting to export its own model of integration at a regional level to developing world. Confronted with the so-called failure of the Lome regime, which provided non-reciprocal market access, European policy-makers believe that the ACP countries would benefit from regulatory integration along the lines of the EU model.

PATERNALISM OR PARTNERSHIP? EU-ACP ECONOMIC PARTNERSHIP AGREEMENTS: A CRITICAL ANALYSIS.

As stated in the preceding part of this paper, the relationship between the North and South has been characterized by unequal exchange. On a general note, the combination of fundamentally weak economies, negative societal legacies of colonial rule, political instability and an often tenuous grip on power by many regimes in the South has meant that these states had a pressing need for increasing access to international resources in order to maintain their rule. Also, after the politics of the cold war in which the countries of the South received some assistance as compensation for their loyalty to the contending powers in the East- West bloc is over, the needs of the South still remains, which include the need to extend their access to material support from the North in the form of aid and from the international economy in the form of changes to the rules and forms of regulation governing the world economy (Brown, 2000).

From all indications, European Union has been concerned with using its influence on the ACP countries to its economic advantage. In this connection, the EU act like a 'mercantilist actor in international trade. It is a trade power, which attempts to break open foreign markets (in competitive industrial goods and services), although its main market, especially agriculture, is relatively closed. This mercantilist aspect of the EU's relations with the ACP countries is especially expressed in the fact that it has been the government that has been negotiating the various agreements on behalf of the business and companies in their home countries. This explains why it is difficult if not impossible to implement most of the commitments made during negotiations to help the industrial competitiveness of the companies in the ACP countries.

Dani Nabudere took this argument further when he notes that 'the industrial cooperation provisions (in the Lome Convention) are closely linked to the financial and technical provisions. This is so because, the amount of "aid" and "technical assistance" that can be extended by the EU are made possible through exploitation of labor in the EEC and in the ACP States, and through the monopoly control of technology. It is therefore unrealistic in real practices to expect monopolies to grant meaningful aid and technical assistance to the ACP States, when the same states who would use that aid and assistance, interfere with the exploitation of that labor in their states. Moreover, the use of such technical assistance would enable these States under given conditions to develop their own industry and in the process their own technology, thus depriving the monopolies of their sole property, which enables them to exercise the present world economic control" (Nabudere, 1975, 34).

This calls into question the whole issue of technical assistance, grants and aids which the EU has been using in the various processes of negotiation as a tool to persuade the ACP countries to open their economies to manufactured products from their member countries. Given this circumstance, that is, the interest of the monopoly capitalist organizations to maintain the same pattern of relationship based on unequal exchange, the issue of partnership between EU, which represents these interests and the ACP needs further investigation and scrutiny. In the context of this analysis, Sally Mathews' observation in respect of Africa's relations with the West is apposite. She submits that "there has been considerable variation in the relations between Africa and the West over the last few centuries. Different eras have seen different relations, and different countries and institutions of the West have varied in the nature of their relations with Africa, with relations between the two regions more often than not, being characterized by exploitation of Africa by the West. While it may be unfair to assume, on the basis of past experiences, that the West is necessarily a bad partner for Africa's development, it certainly cannot be assumed that all western countries and institutions are helpful well-intentioned partners eager to further Africa's development" (Mathews, 2004: 504). As appendix one shows, the trade balance between EU and ACP countries from 1999-2008 has been in negative. While it was -475 in 1999, it stood at -8, 838 in 2008. This shows that overall, ACP countries have been importing more from the EU than they export to the EU and exports to EU has been essentially based on raw materials, which deprive the ACP countries of benefits associated with manufacturing such as job creation, national brands and more stable source of revenue generation.

In evaluating the trade relationship between the EU and ACP countries, four interrelated periods of their engagements are examined. Following Samir Amin (1990) Andre Gunder Frank (1978) four distinct phases of economic history between two economic blocs can be distinguished. They are: the first period being the pre-capitalist period from (pre-history to 1500); the second period being the mercantilist period (from 1500 to 1800); characterized by the slave trade; the third being (from 1800 to 1950s) defined by European colonization and attempt to establish European dependent economies; and the present post-colonial economies (beginning around 1960), (Rugumamu, 2005).

In the pre-history period, Africans related on an equal term with the Europeans as they engaged in buying and selling of ivory, palm oil and other products among one another. While slavery accelerated any inherent crisis of disintegration in African economies and destroyed traditional technologies by the forced exports of their practitioners, it vastly retarded primitive capital accumulation by destroying existing forms of capital and inhibiting additional accumulation over centuries of human exploitation. This drastic annihilation of productive forces operated everywhere in Africa to stultify technological development and intensify the contradictions of the initial underdevelopment of the people and the region. (Onimode, 1988). In contrast to the debilitating effect of slave trade to the underdevelopment of the countries of the South that experienced it, slave looting provided an important part of the primitive capital accumulation of North America and Europe for launching their agricultural and industrial revolutions from the 18th century as it supplies these continents with the material precondition of accumulation and concentration of money capital for the transition from feudal and petty-commodity producing social formations to industrial capitalism (Onimode, 1988).

Wallerstein reinforces this view. By his own account, the slave trade served as the cutting edge of the peripheralization of Africa in the period 1750-1900, but it was also incompatible with it because the production of slaves is less profitable than cash-crop production, forcing slaves to be continuously drawn from outside the world economy. He also contends that Great Britain sacrificed logical consistency to the complex and contradictory economic needs of powerful internal forces to prolong slave trade, even when it was not right to continue to do so. (Wallerstein, 1974). The major historical factor of this period was the integration of the region and entry of the African continent into the modern world system. (Wallerstien, 1988).

The steady growth of merchant capital, in the specific form of Atlantic slave trade, significantly modified the social formations of the region. According to Abdoulaye Bathiley, the epoch of the slave trade opened by the assault of merchant capital on the social formations of the region and the role of the latter in the transformation of the state in Africa had a number of fundamental features. These include the fact that the Atlantic slave trade was conducted by merchant capitalists benefiting from the military support of the European powers; the Atlantic system shifted the trade items from natural produce to the producers themselves as slaves became the main commodity; the development of the Atlantic slave trade and the expansion of the colonial conquest set the scene for the loss of autonomy for African social formations, which led to their ultimate subjugation. (Bathily, 1994:52). This loss of autonomy became even more manifested during the colonial rule as the foreign powers took effective control of both social, economic and political institutions and deployed these to the best advantage of their home countries.

Walter Rodney in his classic book, How Europe Underdeveloped Africa also lend credence to these views and argued that beyond the internal disarticulations that slave trade caused in Africa, it has some external dimensions. For instance, he contends that it was 'European capitalism, which set slavery and the Atlantic slave trade in motion'. This was done to provide laborers for sugar plantations in Brazil, Portugal and Spain, among other places. (Rodney, 1981). In other words, slave trade effectively laid the basis for the current position of underdevelopment and unequal exchange between EU and Africa. During the period of this trade, able bodied men who should have developed the continent were forcefully evacuated, with millions dying along the way. The local economies also suffered because there was massive reduction in population. Even though no actual figure can be stated for the numbers of Africans exported into Europe, they are not less than ten million people within the four centuries of slave trade from 1445 to 1870. Easy gains from sales of fellow human beings also diverted attention from agriculture, craft and local technologies which would have led to capitalist development in the continent (Rodney, 1981)

COLONIAL AND POST COLONIAL PERIODS AND THE PATTERN OF RELATIONS BETWEEN THE EU AND ACP COUNTRIES

As a product of capitalist development, colonialism ensured 'the colonies were fashioned in such a way that they would permanently service the accumulation needs of the fully capitalist economies' of the North-in our own case, that of the European Union (`Biel, 2000). This was evidently manifested in the nature of the political economy that was established which ensured that attention was shifted to the production of export based cash crop. Provision of infrastructure such as railway networks was also provided only to link the ports to the hinterland where the products can be brought to the ports for exports (Ake, 1981). Samir Amin has argued that 'the fundamental non-linearity of historical experiences between the industrialized and the underdeveloped countries is rooted in the colonial role of imperialism and its contemporary equivalent, ne-colonialism. It was an integral part of the logic of the colonial system to keep the colonies under primary production, technologically backward and underdeveloped' (Amin, 1988). The combination of narrow specialization in primary production, concentrated trading partners, all reflect the non-viable integration of the third world countries into the world economy. This is with respect to such basic indices as the share of external trade in the economy of the ACP countries, the commodity composition of exports, low-intra-regional trade, unequal exchange and trade fluctuations.

The Cotonou Agreement and the Economic Partnership Agreement appears to be a continuation of the neo-liberalization of the EU-ACP relationship as it builds essentially on trends that have developed over the history of the various Lome Conventions. This agrees with Stephen Hurts view that the language of the Cotonou Agreement cleverly blends ideas of consent and coercion (central to the Gramscian perspective). Here consent is achieved through notions of 'dialogue', 'partnership' and of ACP states 'owning' their development strategies. While coercion is present in the EU's presentation of Economic Partnership Agreement (EPAs) as the only viable alternative and also through the implementation of the frequent reviews of aid provisions that have conditionalities, attached (Hurt 2003).

To underscore the coercive power of the EU, and in line with the neo-liberal bend of its foreign policy, the Cotonou Agreement and the EPA that follow it included a clause covering human rights, good governance, rule of law, which the ACP states opposed during the negotiations of the previous Lome Conventions. Although it is desirable for ACP countries to incorporate these issues in the management of their domestic affairs, the fact of their sovereignty should have precluded the EU from making these issues as part of their conditionalities for granting aids to offset the costs of adjustments that may emanate from the agreements.

Severine Rugumamu essentially underscores the continuation of the relationship of unequal exchange between the EU and ACP countries, thus. ‘despite the preferential access to the EU market that was offered under various Lome Conventions, ACP exports to Europe have deteriorated during the past two-and-a half decades of trade and aid cooperation … the ACP ‘s share of total EU imports fell from 6.7 per cent in 1976 to 3 percent in 1998. This reflected the declining share of the ACP in world trade, which was cut in half from 3 to 1.5 per cent during the same period’ (Rugumamu, 2005: 114). The fall in real commodity prices, the diversification of EU’s sources of raw materials and the development of substitute products are responsible for this decline and they have far-reaching implications for the ACP economies.

The one-sided nature of power and prerogatives to say one thing and do exactly the opposite or apply the rules to one’s advantage in a relationship, supposedly based on partnership, has been further interrogated by Nikky Bradley and Andrew Bradley. They contend that power asymmetries infiltrate all aspect of the EU-ACP Partnership, including provisions designed to govern the relationship (Bradley and Bradley, 2010). For instance, the EU talks about provision for ‘consultation procedures’ as enshrined in Article 9, which specifies that respect for human rights, democratic principles and the rule of law constitute ‘essential elements of the partnership and that good governance is its fundamental element. Article 96, Paragraph 27 of the Agreement ‘foresees that in cases of violation of one of the essential elements, one party can invite the other party to hold consultations…consultations under Article 96 aim at examining the situations with a view to finding a solution acceptable to both parties. If no solution is found, or in emergency cases, or one party refuses the consultations, appropriate measures can be taken (EU, 2006).

This threatening provision is at variance with the principle of mutual respect in any formal negotiation. Also, even though the provision is phrased to allow either party to invoke it, only the EU has ever done so. This reflects the division of power within the relationship. Besides, all 14 cases to date in which consultations were undertaken in accordance with Article 96 were subsequent to alleged violations by ACP States. The fact is that the EU has violated many rules such as violation of human rights of ACP immigrants in EU member states, the shipping of toxic waste on EU registered ships, the abuse of the rights of workers on the ships working on the high seas, fraud and corruption in EU member states and the failure to disburse promised aids to offset the cost of adjustments in ACP countries (Bradley and Bradley, 2010). However, the ACP countries lack the capacity to as it were, to impose the so called appropriate measures as defined in Article 96 on the EU. Also, the balance of power trickles down to any other manifestations, including the extent to which joint fact finding missions are deployed to political hot spots by the ACP –EU Joint Parliamentary Assembly. In this relation of unequal partnership, the EU is at liberty to use development aid, trade preferences and other carrots to push its agenda and interests and sometimes, the threat of these as sticks to compel the ACP countries to follow their prescriptions on matters of economic and political importance.

Also in justifying a new arrangement under the EPA with the ACP countries, the EU argued that not only did it affirm the value of EU-ACP relations in a multipolar world but that the relationship would help to enable the kind of world development that is more compatible with European political and social values (CEC-DG VIII. 1997a: vi cf Brown 2000). This is a form of the repeat of the old idea of conceiving imperialism and colonialism as a ‘civilizing mission’.

Another basis for the inequality in the relationship between the EU and the ACP countries is the sheer differences in the level of development of the two economic regions. According to Oxfam International, the EPA negotiations are being conducted between the 25 EU countries which have a combined GDP of $13, 300bn and six groups of African, Caribbean and Pacific countries. Among these ACP countries are 39 of the world's Least Developed Countries (LDCs). The smallest group, the Pacific Islands has a combined GDP of only $9bn, which is 1400 times smaller than the EU's. The largest of this group, which West Africa, is more than 80 times smaller than the EU in terms of GDP. Total GDP for the ACP in 2005 is a mere $425bn which is just 3.2% of the EU's GDP. The ratio of the ACP GDP to that of the European Union is a mere 3.1.In these scenarios, the obvious inequalities effectively place the EU at a point of advantage over the ACP countries on matters being negotiated. This is especially so because these figures reveal the relative economic strength of the parties to the negotiation, which also determines their bargaining powers (Oxfam, 2006).

Table 1. Oxfam. Unequal Partners in Trade

EPA	GDP 2005 (billion US$)	Per cent of EU GDPi	Ratio to EU GDP
EU	13,300		
SADC	66	0.50	200
ESA ii	75	0.56	178
West Africa	162	1.22	82
Central Africa	40	0.30	330
Caribbean	72	0.54	185
Pacific iii	9	0.07	1.414
Total EPA	425	3.20	31

Source: World Bank (2005)

http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf

Notes: i. Data given to two decimal places

ii. Eastern and Southern Africa

iii. Data unavailable for Cook Islands, Nauru, Niue and Tuvalu

Other than the above, other scholars have argued that the problem with the Economic Partnership Agreement 'is both with the substance of the issues being negotiated and the manner in which it is being done.' Whereas the EU negotiates as one entity, this is not the case with African countries, many of which are so small and overtly dependent on external aids for sustenance. These countries are more or less hostage to pressure from Europe in the form of threats, sanctions as well as 'aids' sweeteners-to agree to something that may not be in their long term interest (Tandon, 2010). One other effect of this EPA negotiation on Africa is that ruptured African sub-regional integration efforts. Once, implemented, the EPA has a tendency to further de-industrialize African countries and worsen the crisis of unemployment through food exportation to African countries (South Centre, 2010).

There are clauses in the EPA which can best be described as toxic because of their potential dangers to the economies of the ACP countries. One, the Standstill Clause under the EPA (Art 13) disallows the possibility of increment in tariff for 25 years after signing the agreement. This is ahistorical because European countries have employed tariffs at different periods to protect their local industries. This clause also has a tendency to stifle the growth of infant industries in the ACP countries (Chang, 2002).

Article 15 of the EPA also disallows new export taxes. However, as Yash Tandon argues, this is a self-serving provision which will only ensure the free flow of raw materials from the ACP countries to the EU. But the sake of the future industrialization of Africa, and for the protection of the strategic resources, export taxes are necessary. Article 15 of the EPA which demands that ACP countries extend any favor granted to countries in the South like China, India, Brazil etc. to the EU can only succeed in undermining the desire of the ACP countries to forge development alliances with the countries of the South. The introduction of the 'Singapore Issues' which is covered by the Rendezvous Clause (Article 37 of the EPA) is contrary to the position of other developing countries on these issues under the Doha Development Round. Bringing these issues through the backdoor by the EU will not be in the interest of ACP countries (Tandon, 2010).

IMPLICATIONS OF THE EU-ACP ECONOMIC PARTNERSHIP AGREEMENT ON THE NON-OIL SECTOR IN NIGERIA.

Based on an unusual consensus among various domestic forces involving politicians, businessmen, civil society organizations, and academics, the Federal Government of Nigeria was advised not to sign the Economic Partnership Agreement in December 2007, when the deadline unilaterally set by the EU to conclude the negotiation elapsed. While some reasons can be adduced for this, the most prominent one seems to be the soaring oil prices with over $40bn in external reserves-the highest up till that time in the history of the country. Another reason is the democratic government in place which provided for consultation in making foreign economic policy decisions. This contrasts with the military regime of General Sanni Abacha which ensured that Nigeria joined the World Trade Organization at its inception in 1995. The effect of that ill-timed accession was the closure of over 70% of manufacturing industries which found it difficult to compete with cheap products from the Asian countries.

Since the negotiations of the Economic Partnership Agreement was launched in 2002, various studies have been carried out with a view to establishing the likely impacts of the Agreements either on the economic sub-region or the individual countries involved in the negotiation. Two of such are briefly examined below. The trio of Lionel Fontage, Cristina Mitaritoma and David Laborde of the Paris-France based CEPII published an impact study of the EU-ACP Economic Partnership Agreements in the six ACP regions. This study which was published in 2008 based on the use of dynamic partial equilibrium model at the Hs6 level found out the following:

- On average, ACP countries are forecast to lose 70% of tariff revenues on EU's imports. The study also added that the most affected region is ECOWAS.
- The final impact on the economy depends on the importance of tariffs in government revenue and potential compensatory effects
- Any moderation in the long term and visible effect will mainly depend on the capacity of each ACP country to reorganize its fiscal base shifting to other forms of taxation. (Fontage, Mitaritonna and Laborde, 2008).

Although the study concluded that on the basis of tariff revenue from other sources, the impact of EPA on these countries will be slight, there were many problems with the study. First, by the admission of the authors, the study was based on a partial equilibrium model, which only considered the demand side without looking at the supply side constraints that are faced by the ACP countries. Also, the assumption that if EPA is signed, the revenue losses will be limited as a result of income in tariff revenue on import from other regions of the world is tedious. This is because those other regions or trading partners such as United States of America and the Asian countries, which are increasingly developing getting more market share with the ACP countries will also ultimately press for lower tariff for their products. This will further worsen the fiscal position of the ACP countries.

In Nigeria, tariff is a very important source of government revenue, being the second major source of income after oil and more than 50% of this is derived from imports from the

European Union. Therefore, the assumption of the study that the final impact of the EPA on the economy depends on the importance of tariffs in the government revenue base misses the point.

Additionally, basing the moderation of the costs of adjustment on the ability of the participating countries to reorganize their fiscal base and shifting to other forms of taxation will only compound the economic position of the ACP countries. For instance, as Oxfam and others have argued, lowering tariff will further remove the competitiveness of local industries, lead to loss of employment, and reduce capacity utilization for manufacturing companies with serious social consequences. In this scenario, the latitude for tax collection would have been severely affected as the tax base would have been constrained.

In a similar World Bank study entitled " Assessing the Economic Impacts of an Economic Partnership Agreement on Nigeria" by Andriamananjara et al, using the World Bank's Tariff Reform Impact Simulation Tool, the authors found out that the impact of an Economic Partnership Agreement on total imports into Nigeria will be slight. This is in part because the EPA will likely allow the most protected sectors to be excluded from liberalization, and also because where substantial tariffs are involved, much of the increase in imports from the European Union will occur at the expense of other suppliers of imports. (Andriamananjara et al, 2009). Again, this submission did not take cognizance of the fact that those other trading partners from whom trade diversion is expected are stronger than Nigeria and may also likely insist on lower tariffs in exchange for development assistance and market access to their own markets.

The study also recommended that Nigeria should remove the import ban on some products and that such removal would undermine a major reason for cross border smuggling and pave the way for a return to normal regional trade flows. However, these import bans are necessary to protect infant industries at least in the short term. As Haan Joon Chang argues, this is consistent with the strategies adopted by developed countries in their early stages of economic development. Consequently, if EPA can only benefit Nigeria when the import bans are removed, then it is not in the long term interest of Nigeria to sign the agreement, as the only option for the country will be to remain an exporter of primary commodities to the European markets, while the country continue to import manufactured products, even where such can be manufactured locally. (Chang, 2003, 2004). This position is even in tandem with the EU's own Sustainability Impact Assessment (SIA), which submits that 'while liberalization might encourage consumers (in ACP countries) to buy products at affordable prices, it might also accelerate the collapse of the modern West African manufacturing sector (EU, cf Oxfam, 2006).

The two studies above, though similar in their findings failed to incorporate the challenges to ACP countries of the issue of reciprocal market access between the European Union and the ACP States, given the existing gap in their levels of development. Besides, the ACP states also face tremendous supply side constraints which hinder their capacity to perform optimally and compete in the international market. In their study of Business Environment in Nigeria, Mary Agboli and Christian Ukaegbu found out that firms in Nigeria face several constraints, which hinder competitiveness. These include, 'inadequate infrastructure, access to credit, utility prices, official corruption and bureaucratic burden'. (Agboli and Ukaegbu, 2006:13)

Olumuyiwa Alaba puts this in further perspective when he noted that 'development of infrastructure is crucial to trade facilitation, trade development and creating an enabling environment for development in general'. He went further to note that with particular regard to transport infrastructure, 'physical links in Africa still fall short of requirement for meaningful integration, as African transport networks remain fragmented, with existing links being in dismal conditions. This translates into high transport costs and a high cost of trading in and beyond Africa'(Alaba, 2009).These constraints to business are reflection of the failure of political leadership in Nigeria to mobilize the abundant human and material resources in the country for development. These leaders lack vision, capacity for rigorous thinking, imagination and are essentially predatory and self-seeking. Over the past fifty years, successful leaders in Nigeria have concentrated their energy toward primitive accumulation of wealth at the expense of the masses. Politics have been used not to serve the people but to amass wealth and build spheres of influence around a tiny fraction of the population. The ruling elites in Nigeria have consistently embarked on 'backward development' in that they have failed in their function to develop institutions that can foster development. The public service is run on the basis of nepotism rather than merit, patronage rather than service. Policies are formulated not for the benefit of the majority but for the selfish interest of the few who has access to the political elites. Iyayi, 2010, Ihonvbere, 1989, Ake, 1996). For instance, after spending billions of naira to revamp both the oil sector and electricity sectors, Nigeria still import fuels and the Power Holding Company of Nigeria Plc-a monopoly public utility in charge of electricity generation and distribution has been performing at less than 30% of its capacity over the past three decades. An average household has at least four generators and a typical company generates energy at least 80% of its own energy (Ukaegbu, 2009)

Two main areas of the Nigerian economy where the Economic Partnership Agreements will likely have more impacts are Services and Fisheries sub-sectors. The choice of these two sectors is the potential that they hold as alternative source of revenue and employment generation for Nigeria. This is even more compelling against the backdrop of the increasing need for the diversification of the economy from oil, which currently accounts for over 90% of foreign exchange earnings.

SERVICES.

The Cotonou Agreement reaffirms the commitment made under the General Agreement on Trade in Services (GATS) and confirms that ACP countries must receive special and differential treatment. As Oxfam argues, this directly contradicts the principles of GATS negotiated at the WTO, that services liberalization s to be agreed on a case by case opt-in-basis (or positive list), rather than on a blanket basis. (Oxfam, 2006). Following the neo-liberal economic doctrine's belief in international trade, it has been argued that openness to trade in services is associated with greater efficiency and faster economic growth (Hoekman and Mattoo, 2008). Scholars of this theoretical bent also argues that liberalization of services trade has positive impacts on trade in goods and allows developing countries to better exploit their comparative advantages in labor intensive manufactures (Brenton, et al, 2010).

Services areas in which international trade agreements are being negotiated under the EU-ACP Economic Partnership Agreements include, financial, telecommunications, business services, retail distribution, maritime transport and professional services. Against the backdrop of infrastructural constraints and deficiencies, capacity constraints in designing, negotiating and implementing liberalization of trade in services, developing countries have often expressed concerns that negotiated global liberalization of services trade and negotiations over an EPA will be largely one sided, with service providers in developed countries having an edge over their counter-parts in developing countries. (Brenton, et al 2010).

These authors also acknowledged rightly that in view of the supply side constraints of ACP countries, the EPA is unlikely to offer much in terms of improved market access for

African countries to the EU markets. They also argued that the current GATS-style negotiation of reciprocal commitments between the EU and African countries has given insufficient attention and resources to improving regulatory policies and strengthening regulatory institutions. The EU does not adequately also take into consideration the issue of 'Mode 4' of the WTO GATS, which relates to the movement of natural persons. If anything, the issue continues to molest most African illegal immigrants into the various countries, without regard to their fundamental human rights.

EPA AND THE FISHERIES SECTOR

Fish is an important source of income and protein for many people, especially in developing countries. More than ten million people in Africa depend on the fisheries sector directly, for example, in processing activities such as drying, salting, smoking, freezing or in tertiary activities such as trade and catering (FAO, 2006 cf Carbone, 2009). Through increasing export activities, the fisheries sector contributes to foreign exchange earnings not only through the sale of access rights to foreign fleets, but also through trade exports. Between 2000 and 2003, the difference between fish imports ($1.2bn) and fish exports ($3bn) in Africa, resulted in a favorable trade balance of $1.8bn per year. (FAO, 2006) Fisheries also provide government with taxes while also generating multiplier effects through various activities such as boat building, jobs for fuel suppliers, market for wood sellers, and other temporary jobs, which provide income for the poor. From the social point of view, the fisheries sector provides economic viability for the coastal communities as their means of livelihood depend on it. The sector also contributes to gender equality by providing jobs for women in the post-harvest period.

As (Carbone, 2009) argued, given this scenario, governments of fishing countries face hard choices. This is because on the one hand, policies which encourage selling access rights and export promotion may not always compensate for other economic and social losses. There is also the problem of wanting to maximize the economic value of the fishery resources and creating access for the greatest number of poor people. The relationship that exists between the EU and ACP countries on Fisheries is in three areas: access to ACP waters through bilateral fisheries agreements, which is regulated by the EU's Common Fisheries Policy; trade of fish and fisheries resources which is dealt with by the EU's external trade policy; aid to the fisheries sector in ACP states, which is part of the development cooperation chapter of the Cotonou Agreement.

In view of the fact that Nigeria did not sign the Economic Partnership Agreement, the EU does not have any Fishery Partnership Agreement with the country. Rather, the relationship between Nigeria and the EU in the fishery sector is currently governed by the Generalized System of Preference (GSP) under the Cotonou Partnership Agreement. One of the major problems of this is the need to comply with the Rule of Origin (ROO). The main components of this restrictive rule are registration and flag of origin and ownership and crewing arrangements on board fishing vessels. The implication of this is that ACP countries are forced to buy tuna-processed operators from the EU's high-priced suppliers rather than from non-EU vessels licensed to fish in their waters. The result has been that the preferential trade regime ended up subsidizing EU vessels, which is to the disadvantage of the Nigeria and other ACP States. (Carbone, 2009).

One other area where the rule of origin can have adverse effect on the fishery sub-sector is the 'insufficient processing' clause. 'While the regulations pertaining to processing that must take place locally to confer origin provides a kind of positive benchmark, EU Rule of origin also contain a list of processes that on their own or in combination with each other, are taken to be insufficient to confer local origin. The current list of 'insufficient' operations contained in EU trade agreements, particularly the interim EPAs, is fairly lengthy and includes operations to ensure the preservation of goods, simple cleaning operations like removal of dusts, washing, painting, affixing of labels, changes of packaging and repackaging, simple mixing of products, simple assembly of parts, slaughter of animals, peeling and shelling of fruits and so on' (Nauman, 2010).

The EU rule of origin also has provisions for cumulation, which refers to the provisions that facilitate two or more parties to a preferential trade agreement jointly meeting the local processing requirements prescribed by the relevant Rule of Origin. It reduces the individual burden of manufacturers, especially in countries with complementary factors of competitiveness. Cumulation also allows production sharing between host and preference receiving country. This was the case between the EU and ACP under the Cotonou Agreement. 'The current situation for the majority of ACP countries, represents a Cotonou minus situation with regard to cumulation. This is because countries like Nigeria, that have not signed the EPA have reverted to GSP market access with no or limited cumulation. This has potential drawbacks for both those who sign and those who do not. (Nauman, 2010). The domestic constraints that Nigeria faces as mentioned in the earlier section will further limit the capacity of the operators in the fishing industry to increase their capacity utilization. The absence of cumulation for Nigeria means the country will not be eligible to assistance from the EU on issues like boosting the capacity of the regulatory agency like the Standard Organization of Nigeria or NAFDAC.

The issue of Sanitary and Phytosanitary measures (SPS) is another area where the EU has placed considerable difficulties in the way of ACP states in the attempt to benefit from export of fisheries resources. The EU put these restrictions on account of the health of the citizens that consume the products. However, as (Bartels et al 2007 cf Campling 2008) argue, 'the implementation of and monitoring costs of increasingly strict SPS measures for fish and fish product exports are very high, especially for poverty-stricken (ACP) states and the small and medium enterprises based there" In this regard, the EU requires freezer and factory vessels to be registered and approved by the local competent authority in the ACP states, which is under the control of the EU Director General of SANCO. This will be very difficult and will further constrain the capacity of the ACP states.

Despite the potential and the prospects for greater bargaining power that the fisheries resources should give African countries vis-a vis- an EU that rely on fisheries imports to meet the needs of its fishery sector, the EU is still in stronger negotiating position, which ultimately question the notion of partnership in the relationship .

CONCLUSION.

This study has examined historical and contemporary patterns of trade and economic relationship between the European Union and the African-Caribbean and Pacific Countries. It traces this relationship to the first contact that this region had with the Europeans through trans-Atlantic trade, the era of slave trade, colonialism and post-colonial period. It has been established that the relationship has been based on unequal exchange where the ACP regions are consistently structured to be exporters of raw materials and importers of manufactured products from Europe.

The post war international economic order, most especially from the late 1970s has been constructed on the basis of neo-liberal ideology, which emphasizes the role of free trade and markets in the furtherance of economic development. The various forms of international arrangements for the regulation of trade relations which were based on this ideology have further engendered the development of underdevelopment as rules made are most times not in the trade interests of the ACP countries. From GATT and to the WTO, the third world countries have been hard pressed to lower tariffs for finished products from the advanced capitalist economies. And because of the stronger bargaining positions of this group of countries as well as the need for assistance from them by the developing countries, they always have their ways. The study also found out that the stalemate in the multilateral level of trade negotiation has led to mushrooming of preferential trade areas, most especially between the advanced countries and the third world countries. An example of this is the EU-ACP Economic Partnership Agreement.

On account of the previous pattern of relationship between the EU-and the ACP countries, the terms of the current EPA negotiations, the peculiar position of the ACP countries and the likelihood that the agreements may not be in the long term development interests of these countries, the study concludes that even though the EU tagged the ensuing trade relationship with the ACP as partnership, in the real sense, it is more of paternalism. This is especially so, as the EU dictates the terms and the pace of the negotiation, own the incentives (in the form of aid and technical assistance) and either dispenses or withdraws it at will, depending on the 'behavior' of the ACP countries. Such paternalistic disposition has been demonstrated by the EU throughout the period of the negotiations of the Economic Partnership Agreement with the ACP countries from 2002 to the expiration of the deadline set by the EU in December 2007. A combination of carrots and sticks were used to get a few weak countries in the CARIFORUM region in the Caribbean and some West African countries like Ghana and Cote de Voire to sign Interim Partnership Agreement IEPA. Some other countries like Nigeria, Gabon, Congo

Brazzaville were asked to revert to the previous system of Generalized System of Preferences, and Everything But Arms Initiative.

It has been noted that the process of negotiating the various agreements are tedious, costly and cumbersome with many of the ACP countries lacking capacity to withstand the well-trained representatives of the developed countries. This divergence in negotiation capabilities of the parties to this agreement, like the previous ones before it, will affect the outcome as the stronger party will have more favorable outcomes. This study has also established the fact that there is a high cost of adjustment for Nigeria and other ACP countries. This requires more aids and development assistance on the part of the European Union. However, the fear is that such aids may be used as tool to secure more concessions by the EU from the ACP states. This may not be in the interest of these countries.

If Nigeria and other ACP countries must sign the Economic Partnership Agreements, it is pertinent for the negotiators from these countries to insist on the reform of the rule of origin and SPS conditinalities of the EU. In doing this, they may want to insist that more finance should be made available to strengthen the regulatory capacities of the agencies responsible for enforcing the standards on fisheries and other products.

At the domestic level, it is imperative for governments of the ACP countries to pay more attention to issues of governance, rule of law, accountability, infrastructures renewal, reform of the public service and most importantly the diversification of the economies. Efforts should also be made to move from exports to raw materials to those of processed goods. In view of the increasing influence of the Asian countries in Africa, particularly China, it is essential to diversify market and trade partners away from Europe, at least to some reasonable extent. The opportunities and possibilities that new trade partners provide, will help the ACP countries to have more bargaining powers during further negotiations.

Lastly, the ACP countries should strengthen their ties with the emerging engine of Global South such as China, India, Brazil and South Africa, not just for improved trade relations but in building a stronger alliance for better negotiation at the multilateral trade level. Efforts should also be stepped up to ensure the conclusion of the Doha Development Round. But in doing this, ACP countries must ensure that issues of development and market access are fully negotiated and agreed. They should ensure that they explore all the exemptions in the WTO which take cognizance of their levels of development and provide them with latitude to take some policies which will further the growth of their economies.

.

REFERENCES.

Adenikinju A and Alaba O (2005) EU-ACP Economic Partnership Agreement: Implications for Trade and Development in West Africa. Paper Prepared for Presentation at the Silver Jubilee of WIDER, United Nations University. Helsinki, Finland

Agboli, M and Ukaegbu, C (2006) "Business Environment and Entrepreneurial Activity in Nigeria: Implications for Industrial Development". Journal of Modern African Studies. 44 (1) 1-30

Ake, C (1994) Democratization of Disempowerment in Africa. Lagos. Malthouse Press

Ake. C (1981) The Political Economy of Africa. Harlow, Essex. Longman

Alaba, O (2009) "ACP Development, Integration and the Capacities of Transport Infrastructure: The Missing Link. in Faber, G and Orbie J. (eds.) Beyond Market Access for Economic Development: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

Amin, S (1980) Class and Nation, Historically and in the Current Crisis. New York. Monthly Review Press

Amin, S (1976) Un-Equal Development, An Essay on the Social Formations of Peripheral Capitalism. England, Harvester Press .

Andiamananyara S, Bretton P, Uexkull J. Walkenhorst, P (2009). Assessing the Economic Impacts of an Economic Partnership Agreement on Nigeria. Policy Research Paper 4920. World Bank.

Baran, P (1968) Political Economy of Growth. New York. Monthly Review Press.

Bartels, L (2007) The WTO Legality of the EU's GSP+ Program. www.worldtradelaw.net

Bartels, L, de la Fayette, L, Davies, H and Campling L, (2007) Policy Coherence for Development and the Effects of EU Fisheries Policies on Development in West Africa. Submitted to the European Parliament, Brussels, Belgium

Bathely A (1994) "The West Africa in Historical Perspectives in E. Osaghae (ed.) Between State and Civil Society in Africa: Perspectives on Development. Dakar, Senegal CODESRIA.

Bhagwati, J (ed) (1977) The New International Economic Order, Cambridge MA: MIT Press

Bhagwati, J and Krueger, A(eds) (1974) Foreign Trade Regimes and Economic Development: A Special Conference Series on Foreign Trade Regimes and Economic Development, New York: Columbia University Press for NI

Biel, R (2000) The New Imperialism: Crisis and Contradictions in North/South Relations. London and New York. Zed Books

Bradley, N and Bradley W, (2010) "Is the EU's Governance 'Good'? An Assessment of EU's Governance in Its Partnership with ACP States". Third World Quarterly. 31: 1 Pp 31-49.

Brenton P, N. Dihel, L. Hinkle and Strychacz, N (2010) Africa's Trade in Services and the Opportunities and Risks of Economic Partnership Agreements. Africa Trade Policy Notes N6. World Bank. September.

Brenton P, Hoppe M, Newfarmer R. (2009) "Export Competitiveness and Regional Integration in Africa" Faber G and Orbie J in G. Faber and Orbie J. (eds.) Beyond Market Access for Economic Dvelopment: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

Brown, W (2000) "Restructuring North-South Relations. ACP-EU Development Cooperation in a Liberal International Order" Review of African Political Economy, 27 (85), pp 373-375

Cardoso, F and Faletto, E (1979) Dependency and Development in Latin America, transl. Marjory Mattingly Urquidi. Berkeley and Los Angeles. University of California Press

Chang H. and Grabel I (2004) Reclaiming Development : An Alternative Economic Policy Manual. London and New

Chang H-J (2003). "Trade and Industrial Policy Issues" in Chang H-J (ed.) Rethinking Development. London. Wimbledon Publishing Company

Carbone, M (2009) "Beyond Purely Commercial Interests: The EU's Fisheries Policy and Sustainable Development in Africa" in Faber, G and Orbie J. (eds.) Beyond Market Access for Economic Dvelopment: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

Campling L. (2008) Fisheries Aspects of ACP-EU Interim Economic Partnership Agreements: Trade and Sustainable Development Implications. ICTSD Series on Fisheries, Trade and Sustainable Development. Issue Paper No 6. ICTSD. Geneva, Switzerland.

Douglass, I (2009) Free Trade under Fire. New Jersey. Princeton University Press

Emmauel A. (1972) Unequal Exchange: A Study of the Imperialism of Trade. New York. Monthly Review Press.

European Parliament, (2006) The European Consensus on Development. Brussels.

Fontagne, L, Mitaritona, C, Laborde, D (2008) An Impact Study of the EU-ACP Economic Partnership Agreements (EPAs) in the Six ACP Regions. Paris, France. CEPII-CIREM

Faber G and Orbie J (2009) "New Dynamics in EU-ACP Relations: The Genesis of EPAs" in Faber, G and Orbie J. (eds.) Beyond Market Access for Economic Development: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

Faber G and Orbie J (2009) " EPAs Between the EU and Africa: Beyond Free Trade"? in Faber, G and Orbie J. (eds.) Beyond Market Access for Economic Development: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

Faber G and Orbie J (2009) "The EU's Insistence on Reciprocal Trade with ACP Group: Economic Interests in the Driving Seat? in G. Faber and Orbie J. (eds.) Beyond Market Access for Economic Dvelopment: EU-Africa Relations in Transition. London and New York. Routedge . Taylor and Francis Group.

FAO (2006). Geneva, FAO.

FAO (2007) Geneva, FAO.

Gill, S (1995) "Theorizing the Interregnum: the Double Movement and Global Politics in the 1990s" in Hettne et al (ed) International Political Economy: Understanding Global Disorder. London: Zed Books

Gilpin R. (2000) The Challenge of Global Capitalism in the 21st Century. Princeton. N.J. Princeton University Press.

Gunder A (1969) Capitalism and Underdevelopment in Latin America. New York. Monthly Review Press.

Harvey, D (2007) A Brief History of Neo Liberalism. London. Oxford University Press.

Hoekman B and Mattoo A (2008) Services Trade and Growth. Policy Research Working Paper 4461. The World Bank.

Hoogvelt. A (2001) Globalization and the Post-Colonial World. The New Political Economy of Development. Second Edition. Baltimore. John Hopkins University Press

Hurts, S. (2010) "Understanding EU Development Policy: history, global context and self-interest?, Third World Quarterly, 31: 1, 159-168

Hurts, S (2003) "Cooperation and Coercion? The European Union and ACP States and the End of the Lome Convention" Third World Quarterly. Vol 24. No.1. pp 161-176.

Khor, M. (2003) "Globalization, Global Governance and the Dilemmas of Development" in " in Chang H-J (ed.) Rethinking Development. London. Wimbledon Publishing Company

Ihonvbere, J (ed.) (1989) The Political Economy of Crisis and Underdevelopment in Africa: Selected Works of Claude Ake. Lagos. JAD Publishers

Iyayi, F (2010) Nigeria: "The Ruling Class, Challenges of Development and Electoral Reforms" The Punch Newspapers, October, 28, 2010

Krueger A (1990) 'Free Trade is the Best Policy' in Robert, L and C. Schitze (eds.) An American Trade Strategy Options for the 1990s Washington DC Brooklyn Institute.

Mathew S. (2004) "Investigating NEPAD's Development Assumptions" Review of African Political Economy. Vol 31. No 101. Pp 497-511

Meier, G (ed.) (1984) Pioneers in Development Economics. New York. Oxford University Press.

Moyo D (2008) Dead Aid: Why Aid is not working and how there is another way for Africa. London and New York. Allen Lane.

Nabudere , D (1975) The Lome Convention and the Consolidation of Neo-Colonialism. Dares Salam. F.U.E African Studies

Naumann E (2010) Rule of Origin in EU-ACP Economic Partnership Agreements. International Centre for Trade and Sustainable Development (ICTSD), Geneva, Switzerland

Onimode, B (1988) A Political Economy of the African Crisis: London. Zed Books.

Oxfam (2006) Unequal Partners: How EU-ACP Economic Partnership Agreements (EPAs) Could Harm the Development Prospects of Many of the World's Poorest Countries. Oxfam Briefing Note. UK.

Oyejide A. (2001) Nigeria Trade Policy in the Context of Regionalism and Multilateral Trade Agreements. Research Report. Ibadan. Development Policy Centre.

Reisen, M (2007) " The Enlarged European Union and the Developing World: What Future?, in Mold, A, (ed.) EU Development Policy in a Changing World: Challenges for the 21st Century. Amsterdam: Amsterdam University Press.

Rey, C (1996) Rise and Fall of Development Theory. London. James Currey Limited

Rostow, W. W (1960) 'The Stages of Economic Growth. A Non-Communist Manifesto, Cambridge. Cambridge University Press.

Sachs, J and Warner, A (1995) Economic Reforms and the Process of Global Integration. Brookings Economic Activity. No.1

South Centre, (2010). Analytical Note. May.

Spero, J and Hart, J (2010) Australia and United States: Wadsworth Cengage Learning.

Stiglitz J. (Post Washington Consensus) in A. Atkinson et al (eds.) WIDER Perspectives on Global Development. New York. Palgrave Macmillan

Tandon, Y (2010) "EPA: New Trade Deals, Old Agendas" Pambazuka, issue 502. Available at http://www.pambazuka.org/en/category/features/68109. accessed October, 28, 2010

Todaro, M and Smith S (2008) Economic Development. London, Pearson Addison Wesley
UNCTAD (1968) The Kennedy Round, Estimated Effects on Tariff Barriers: Report by the Secretary General of UNCTAD, Parts 1 and 11 New York. United Nations

Ukaegbu, C (2007) "Leadership Fatalism and Underdevelopment in Nigeria: Imaginative Policy making for Human Development".Philosophia, Vol., 10, No 2.

Wallerstein I (1986) Africa and the Modern World. Trenton, New Jersey. Africa World Press.

Wallerstein I (1979) The Capitalist World Economy. Cambridge. Cambridge University Press.

Wallerstein I (1974)Modern World System. New York. New York Academic Press.

Williamson, J.(1990) "What Washington Means by Policy Reform", in Williamson, J(ed.) Latin American Adjustment: How Much Has Happened? Institute for International Economics 1990