

Full Length Research Paper

Aid-for-trade (AfT) and global justice: The European Union (EU) in Africa

Megan Govender¹ and Pundy Pillay^{2*}

¹Development Bank of Southern Africa, South Africa.

²School of Governance, University of the Witwatersrand, South Africa.

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There is no doubt that Aid-for-Trade (AfT) has enhanced trade between Africa and the EU. However, although Africa has benefited, the gains to the EU appear to be much higher. Moreover, the benefits of AfT until now have also accrued disproportionately to more developed African countries. This paper critically assesses the effects of EU-AfT provision to bolster trade-related support in Africa. Second, it examines whether AfT assists African countries to realise their development imperatives (such as, economic growth, poverty eradication, and human development). Finally, it assesses if AfT contributes to 'global justice' in Africa. Specifically, EU's AfT policy for global justice in Africa is examined within the framework of Eriksen's (2016) three concepts of political justice, namely justice as non-domination, as impartiality, or as mutual recognition. This study concludes that the AfT policy has contributed to 'justice as mutual recognition' because all African states have been positively affected to a greater or lesser extent, in spite of more developed countries benefiting somewhat disproportionately. A number of policy suggestions are presented to enable poorer African countries to fully reap the benefits of trade with the EU, thus ensuring greater political justice.

Key words: Trade facilitation, Infrastructure development, Productive capacity, non-tariff barriers, Industrialisation, Development.

INTRODUCTION

There is no consensus in the literature on whether aid stimulates economic growth and promotes equitable development. Traditional trade theory suggests that welfare gains could be harnessed, inter alia, from country openness through specialization, investment in innovation, and productivity improvement. Yet empirical analysis does not fully support these theoretical proclamations because not all developing countries are able to equally utilise the opportunities emanating from access to markets in the developed world (Le Goff and

Singh, 2013, p. 4). The aim of this paper is two-fold. First, it is to determine whether, and to what extent, one aspect of Overseas Development Assistance (ODA), namely Aid-for-Trade (AfT), from the European Union (EU), has contributed to enhanced trade with Africa and specifically, to growth and development. Secondly, and corresponding with the primary aim, the paper explores if AfT and increasing trade with Africa has contributed to the enhancement of global political justice. Trade may be a catalyst for economic growth and productivity, but the

Corresponding author. E-mail: pundy.pillay@wits.ac.za.

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benefits of international trade are not necessarily inclusive (such as, reduction in inequality in the recipient country). Research has revealed that whilst inequalities between countries have decreased, inequality on average, within countries, has been exacerbated through the steady rise in income of the top level of distribution with little or no change at the bottom (United Nations Conference on Trade and Development [UNCTAD], 2019a). Under-represented groups may not necessarily actively participate in formulating trade policy and negotiating positions (Ahmed and Verghese, 2021). Hence, trade, and particularly AfT, has to be examined through a political-economic lens to interrogate the societal repercussions of such policy choices. Consequently, this paper also explores the implications of the EU's AfT policy for political justice in Africa. The analysis is conducted within a global political justice framework as espoused by Eriksen (2016), where justice is deemed to consist of three pillars, namely non-domination, impartiality, or mutual recognition (Eriksen, 2016). Non-domination within this paradigm pertains to freedom without any arbitrary interference. In this context, a prerequisite for aid policy would be to treat states equally. Impartiality focuses solely on the individual human beings. Its relevance to aid policy is whether individuals are able to influence the laws and policies that flow from aid. Justice as mutual recognition recognises that the claimants of justice can be individuals, groups, and states and where all groups that are affected by the policy should be given a voice. There is a concern here that solutions to the problems of justice may not be the same for everyone in all contexts.

LITERATURE REVIEW

Many arguments have been advanced for the ineffectiveness of aid. One is that aid is often expended on lavish projects with minimal or no benefit to the poor. Often, a significant proportion of the funds are embezzled by corrupt bureaucrats. Aid also absolves governments from taking full responsibility for the provision of health, education, and other basic services. Moyo (2010), for instance, has suggested that aid to Africa has not fulfilled the intended purpose of equitable development. Rather, she asserts that foreign aid encourages corruption and creates unending reliance on aid among the African ruling class, often reducing the management capacity of the state to deliver basic services.

Nonetheless, aid is still being provided despite such development failures. The proponents of foreign aid claim that it does work and can positively impact on millions of lives. They contend that aid can contribute to human development and poverty reduction if it is implemented and managed properly by both the donor and the recipient country. When aid is put to proper use in certain circumstances, it can become part of the solution (Collier,

2007, p. 123). Many countries have used aid to promote economic growth and development and are now donors themselves. South Korea and Japan are outstanding examples in this regard (Marx and Soares, 2013); (Furuoka, Oishi, and Kato, 2010, p. 1). In Africa, aid has been crucial in the recent, rapid economic development of Rwanda (Sachs, 2009). It would appear that the 'right' type of aid if managed well, together with appropriate policies, can stimulate economic development, and reduce poverty. Aid can meaningfully contribute to economic growth when it is accompanied by fiscal responsibility and complemented with appropriate policies such as free trade by recipient countries (Burnside and Dollar, 2000, p. 847). Western nations have endorsed aid to bolster trade capacity as a pathway to sustainable economic development in developing countries.

Accordingly, the Aid for Trade (AfT) Initiative was launched to accelerate projects and programmes that were aligned with the trade related development priorities in the recipient country's national development strategy (European Commission [EC], 2015, p. 11). The relevant projects and programmes within the auspices of AfT assist recipients to formulate and implement trade policies and practices, as well as support developing beneficiaries' wider economic capacity to trade, such as, invest in infrastructure and productive sectors (EC, 2017, p. 5). The EU is currently the single biggest AfT donor and Africa the largest recipient of EU AfT (EC, 2018, p. 8). EU funding is compatible with its AfT strategy to assist developing nations, especially African countries, to build capacity in several dimensions to boost trade. The EU AfT provision to Africa is meant to enhance the symbiotic relationship where both partners equitably reap the benefits from increased African trade. But the equitable benefits can be undermined by other trade measures (such as, EU subsidies) and non-trade matters (such as, respect for human rights), fostered by the asymmetrical power imbalance between the powerful EU and the needy, and sometimes desperate African countries for entry into the EU market. Furthermore, the benefits of trade are not equitably shared by all groups in society. The impact of trade on different groups within a society (race, gender or ethnicity) does not receive much attention, as these issues often are believed to be best addressed by domestic policies (Ahmed and Verghese, 2021).

It is generally accepted that trade promotes growth and sustainable development and ultimately poverty reduction through several channels. Firstly, employees in export industries (and downstream industries) benefit from employment and wages. Secondly, consumers have a wider variety of choices which should translate into more competition and lower prices. This is particularly important for poorer households which spend a disproportionately larger amount on tradeable goods and services. Thirdly, additional tax gained for the fiscus can be utilised for

social services (health, education, water and sanitation) and social protection [social transfers] (German Federal Ministry for Economic Cooperation and Development, 2017, p. 6). However, the impact of trade liberalization on economic development and poverty reduction has been ambiguous (Le Goff and Singh, 2013, p. 2). Research on the impact of trade openness on a panel of 30 African countries between 1981 and 2010 found that trade openness reduced poverty in countries only where the financial sectors were well developed, education levels were high, and governance was strong (Le Goff and Singh, 2013, p. 2). However, a study by the United Nations Economic Commission for Africa (UNECA) found that trade liberalization in Eastern Africa resulted in an increase in both imports and exports through both inter-regional and intra-regional trade (UNECA, 2013, p. 32). Developed countries have recognised the need to assist African countries to strengthen capacity within these dimensions to bolster trade with their counterparts; that is, to provide aid to improve their trade capabilities which could lead to economic development and poverty reduction in developing countries.

RESULTS

Aid for trade (AfT)

There is no distinctive or uniform definition of AfT that is utilised by all role-players within the trade sector. AfT have multiple purposes with the main rationale being rooted in the belief that trade improves economic growth and that aid as well as market access can stimulate trade. There is broad agreement that AfT is characterized by trade policy and regulations, trade development, and infrastructure (Elliot, 2007, p. 3). Accordingly, the Organisation for Economic Co-operation and Development (OECD) defines AfT as all concessional development assistance related to productive capacity building, economic infrastructure, trade policy and regulations, and trade-related adjustment (World Bank, 2009, p. 7). There are numerous quantitative limitations to employing such a definition. First, it will be arduous to differentiate between aids for non-tradeable and trade sectors for economic infrastructure. For instance, an investment in a road will benefit firms that operate locally as well those that operate globally. Second, budget support of AfT initiatives is not easily delimited from general budget support provided to countries. Third, financing provided to the private sector by multinational organisations are not considered. For example, the World Bank's International Finance Corporation (IFC) invested in the private sector in low-income countries which was nearly equivalent to the entire World Bank Group (WBG) financial support in OECD defined aid-for-trade (World Bank, 2009, p. 5).

Notwithstanding the limitations of the OECD definition

and the absence of an exclusive description, AfT can be interpreted as all-encompassing concept of development support provided to countries to improve their capacity to trade. The resultant increase in trade should foster an increase economic growth which should translate into enhanced economic development and poverty reduction. These attributes find expression in the EU's interpretation of AfT. That is, it views AfT as a generic concept describing development assistance provided in support of partner countries' efforts to develop the capacity to expand their trade, to foster economic growth and to more effectively use trade in poverty reduction (EC, 2017, p. 5). Thus, AfT can be construed as aid directly disbursed to assist partner countries develop and implement trade policies ('Trade Related Assistance' [TRA]) as well to support developing countries' broader economic capability to trade, such as, invest in infrastructure and productive sectors ['wider AfT'] (EC, 2017, p. 5). It primarily consists of financial assistance in the form of ODA grants, ODA loans and equity that is exclusively aimed at assisting developing countries augment their capacity to trade (EC, 2017a, p. 64). However, since it is part of ODA and dispensed through the existing channels, donors can reclassify regular aid projects as AfT projects which can inflate the actual resources disbursed for AfT (Hallaert, 2013, p. 7).

However, AfT can be distinguished from other development assistance as it specifically targets productive (tradeable) sectors within an economy to enhance economic growth in the short- to medium-term. In contrast, standard aid aims to immediately resolve humanitarian crises or endeavours to improve people's long-term lives through better education and health outcomes; and less to growth (Elliot, 2007, p. 2). AfT is therefore not a new development fund nor a new aid category per se, but rather a different way to consolidate the different elements of aid into a solitary framework. Furthermore, it is still dispensed via the current country-based allocation mechanisms from donors and multilateral agencies (Alonso, 2016, p. 1).

EU- AfT strategy

The EU's AfT Strategy was crafted in 2007 in response to the WTO's AfT Initiative to assist developing countries integrate into the international trading system and reap the rewards of trade liberalisation. The EU's AfT Strategy-2007 was framed within a broader development agenda to assist developing countries achieve (at that time) its Millennium Development Goals (MDGs). This was expected to be done through supporting demand trade policy reforms and removing supply side constraints pertaining to production, infrastructure, and trade related adjustment (Council of European Union, 2007, p. 2). Overall, the interventions supported by the EU's AfT Strategy include the development of domestic markets

Table 1. Aid for trade by donor, 2010 - 2019.

Variable	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	€' million									
EU and MS	11173	13591	18135	16637	17196	16052	17571	17955	16027	17934
Japan	6868	5331	5 925	8 636	8 504	11713	10406	11623	11387	8649
World Bank (IDA)	4753	6133	6 967	5 391	7 156	7048	5731	9410	9966	5738
Asian Development Bank	1311	1238	1179	2233	1479	1543	1576	1477	2518	2770
United States	4609	3743	3074	3759	2 836	3245	2770	2250	2239	2402
Korea	703	708	733	638	923	803	915	1021	1297	1253
African Development Bank	1454	758	1930	1165	1193	1650	727	963	881	1106
United Kingdom	823	645	763	786	817	1399	749	1050	579	1050
IFAD	511	650	510	431	542	847	491	855	586	773
OPEC Fund for International Development	377	218	448	399	302	470	555	451	362	666
Norway	371	490	393	555	457	301	311	444	455	582
Other multilateral	2379	2092	2 730	3 102	2 814	3412	2651	2995	2102	2 688
Other countries	2262	1714	1760	3623	2226	2984	2769	2456	2165	1764
Total	37594	37313	44548	47357	46445	51466	47222	52949	50564	47374

Source (EC, 2021, p. 106).

and regional integration, assisting African countries improve their productive capacity especially with regard to increasing value-added goods, and collaborating with international partners to promote 'fair' trade; as well as promoting market access for African goods and services to international markets especially the EU (EC, 2007). The European Council declared that a primary aim of the EU's AfT Strategy was to complement and support other EU trade policies to benefit developing countries. Currently, the EU promotes trade with Africa primarily through the Economic Partnership Agreements (EPAs), namely, trade agreements that emerged from the Cotonou Agreement of 2000, and followed the various Lomé Conventions that had for several decades governed the nature of trade.

Analysis of AfT

Africa and Asia are the largest recipients of AfT which collectively consume more than 75% of global AfT (EC, 2021, p. 115). The EU and its Member States (MS) is collectively the largest provider of AfT. In 2019 alone, EU commitments amounted to a record €17.93 billion per year as shown in Table 1. It can be observed from Table 1 that EU AfT has increased at an average annual rate of 5% between 2010 and 2019. Japan, the second largest donor only grew at an average annual rate of 3% during the period under review. Its AfT is primarily directed at low-income countries in Asia with specific focus in promoting regional development (Mizuho Information and Research Institute, 2012, p. 3). Furthermore, the EU commitment towards AfT has grown from an average of

30% of the total AfT dispensed globally in 2010, to 38% in 2019; in compared to Japan's 18% during this period. A major beneficiary of EU disbursement for the AfT has been the African, Caribbean and Pacific (ACP) group of states which was established in 1975. The Cotonou Partnership Agreement (CPA) is the overall agreement for trade, aid and political cooperation between the 79-member ACP group and the 28-member EU (Montoute, 2018, p. 3). The disbursement of AfT to ACP countries by EU is shown in the Figure 1. Figure 1 also shows that AfT increased from nearly €2 billion (18% of AfT disbursement) in 2010 to €4.2 billion (23%) of AfT disbursements in 2019 at an average growth rate of 8% to bolster trade-related support of the ACP. The largest recipient of EU AfT has been Africa which received 43% of all EU AfT (EC, 2021, p. 7)

Rationale for AfT in Africa

There are two key issues underscoring AfT support in Africa, namely, supporting infrastructure development (SID) and bolstering productive capacity (BPC). Most of the SID funding has been dispensed for trade related infrastructure due to Africa's large infrastructure deficit. It accounts for 55% of total AfT disbursement (not just EU), followed by improving productive capacity building (42%) and trade policy and regulations (3%) (Tralac, 2018). Funding was equally distributed between transport and storage (26%) and energy (27%) at a sectoral level (Tralac, 2018). Several African countries export mainly primary products which hamper incorporation into regional and international regional value chains with

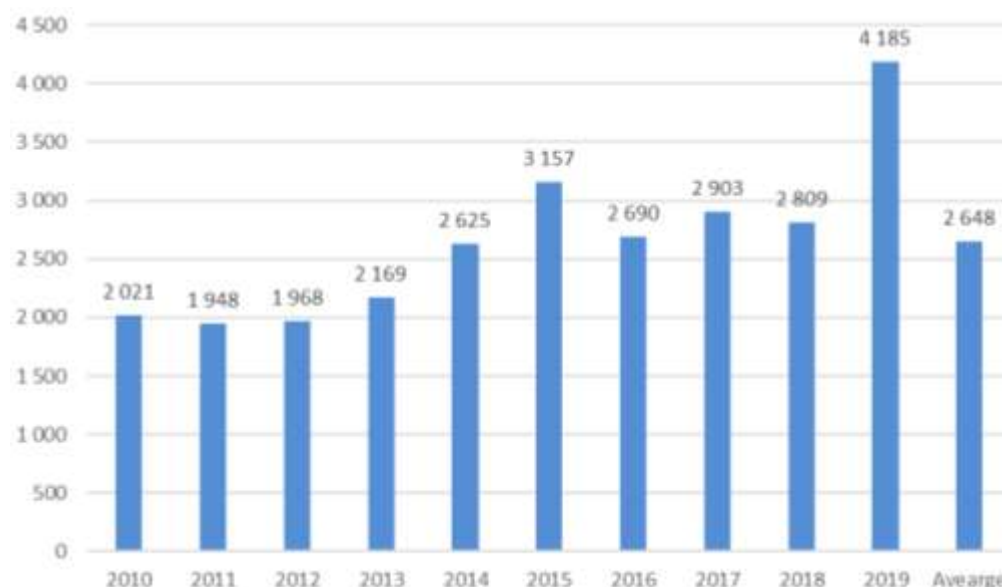


Figure 1. AfT to ACP by EU and Member States (€ billion).
Source: (EC, 2021, p. 129).

regard to BPC, (Dieye, 2017:14). The EU MS disbursed, on average, more than 52% of AfT on BPC in 2019 (EC, 2021, p. 118).

Impact of AfT

Several studies have attempted to estimate the influence of AfT on trade, particularly to improve exports. A study employing a computable general equilibrium (CGE) model, for example, found that AfT policies expand trade and reduce income inequalities in recipient countries (Berritella and Zhang, 2013). Research into the economic benefits emanating from EU aid as a whole concluded that EU trade policy had significantly increased exports from developing countries and contributed to their economic diversification. This double impact was particularly felt by least developed countries (LDCs) (Tralac, 2017). Other studies suggest that AfT is more effective when it is highly targeted enabling donors to better allocate resources and design AfT interventions (Alonso, 2016). A study on the impact of AfT flows on trade performance found that trade facilitation reduces import costs and time, and that aid for infrastructure has a significant impact on exports whilst aid for capacity building had little impact (Cali and Te Velde, 2011). Lemi (2017) has shown that AfT enhances trade performance in recipient countries where a 1% increase in assistance for trade facilitation could generate an increase in trade of up to \$415 million. Hence, it can be inferred from the research cited above that AfT for the most part has had some impact on trade. However, studies of the impact of AfT in African countries are limited. A study on AfT

provision by OECD countries to Africa found that the flow of aid to all sectors and to economic infrastructure increased both Africa's imports and exports to the OECD (Lemi, 2017). Karingi and Vincent (2010) found that AfT assisted in addressing capacity constraints, lowering trade costs, promoting export diversification, and improving Africa's competitiveness in the global economy.

Therefore, there is some agreement that AfT has been beneficial for Africa. As Dieye (2017) points out, there is a need, however, to go beyond the financial flows to analyse, on the one hand, the quality, and the targeting of aid for trade and, on the other, to examine the approaches that govern its distribution between the various sectors to which it is directed. Alonso (2016:14) suggests that five conclusions can be inferred from the available research. Firstly, AfT-related infrastructure seems to be effective in improving recipient country exports. Secondly, AfT policy and regulations studies find positive effects regarding recipient country exports. Thirdly, AfT generally appears to have a larger impact on sub-Saharan African countries (and lower income countries, specifically) than on developing countries. Fourthly, there is minimal evidence of the effect of AfT on productive capacity and export diversification; and finally, AfT benefits both donor and recipient exports, although the effects on the recipients are greater than on the donors.

Effect of AfT on trade between the EU and Africa

It is not easy to attribute nor apportion the contribution of

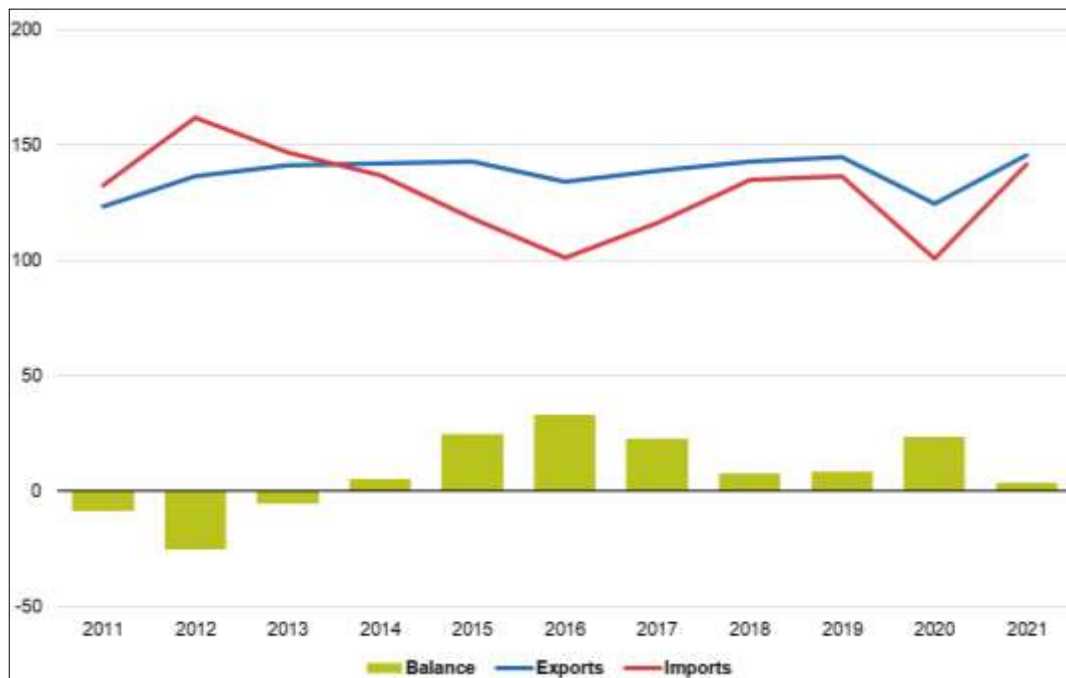


Figure 2. EU trade in goods exports, import and balance between African - 2011-2021 (€ billion)
Source: (Eurostat, 2022).

AfT to the improvement (or lack thereof) of trade between EU and Africa. Nonetheless, one can draw inferences from correlations between trade outcomes and AfT support as AfT was given to improve trade between the two partners. An interrogation of the imports and exports between 2011 and 2019 reveals that there was a trade deficit where imports from Africa exceeded exports to Africa with a resultant trade deficit between 2011 and 2013 as illustrated in Figure 2. From Figure 2, it is evident that the deficit declined from 2012 due to a steady decline in imports from Africa and a concomitant expansion of exports from EU to Africa. However, it is notable that the trade surplus peaked at €33 billion in 2016 and has reduced to € 4 billion in 2021 due to the rise in African imports (Eurostat, 2022). A primary objective of the AfT was to assist African economies scale up production and progressively graduate from providing raw material to exporting manufacturing goods to the EU. There has been some progress between 2011 and 2021 as shown in Figure 3.

Whilst primary products continue to dominate imports from Africa into the EU, its share has declined from 75.9% in 2011 to 64.6% in 2021 largely due to the decline in energy goods. During this period the share of manufactured goods has expanded from 22.6 to 33.9% due to increases in exports of machinery and vehicles from 7 to 13.2%. Conversely, manufactured goods dominate exports from the EU to Africa as shown in From Figure 4, it is evident that in 2011, 72% of goods exported to Africa were manufactured goods which

subsequently declined to 67.7% in 2021. This was primarily due to the decreasing share of machinery and vehicles which declined from 38.2% in 2011 to 32.5% in 2021 (Eurostat, 2022). It is notable that not all regions of the continent were benefiting equally from trade with the EU during this period. EU exports were mainly directed to Northern Africa, increasing from €58.6 billion in 2011 to €76.1 billion in 2021 (Figure 5). A delineation of EU imports reveals that Northern Africa exports relatively more goods to the EU than other African regions since 2011 as shown in Figure 6. Whilst there has been a decline in Northern and Middle Africa, there has been growth in imports from the other regions. Nonetheless, in 2021, imports from Northern Africa comprised nearly half of all imports from Africa (Eurostat, 2022). It is to be expected that, at least initially, upper middle income African countries, such as Egypt, Kenya, Morocco, and South Africa, would benefit more from AfT given their better infrastructure and more skilled human resources. However, over time, AfT must benefit African LDCs if the objective of global political justice is to be realised.

Effect of AfT on regional integration

There are special trade agreements where African firms are granted preferential access to the EU market.

However, the EPAs such as the Caribbean and the Pacific ACP trade agreement are preferential agreements which are negotiated at a regional level (Cissé, 2017).

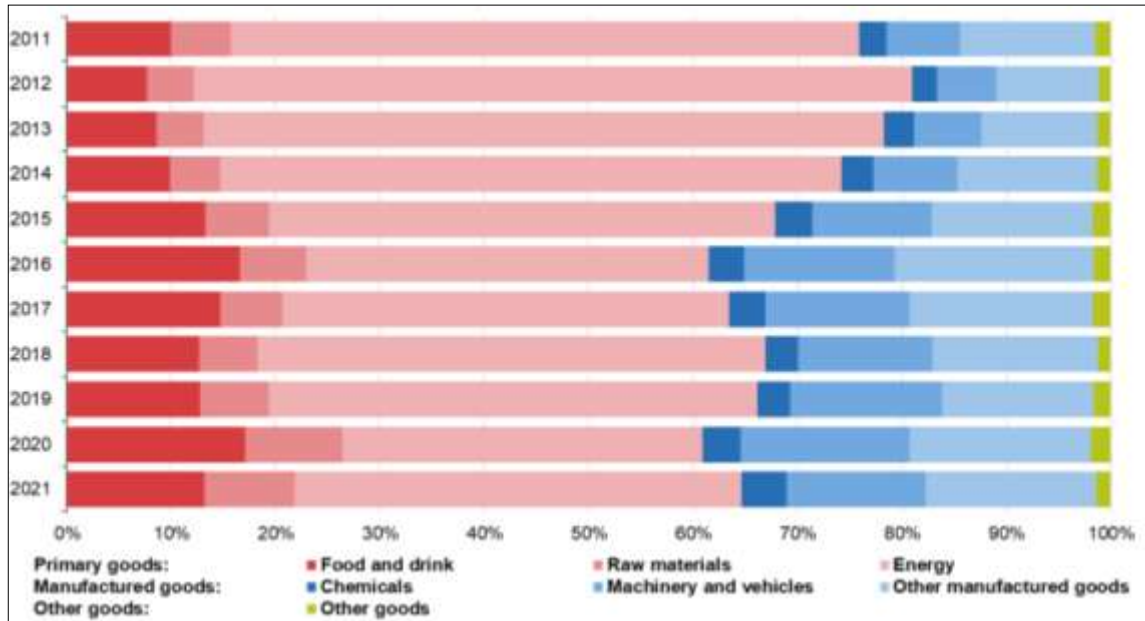


Figure 3. EU Imports of Goods from Africa, by main product group.
Source: (Eurostat, 2022).

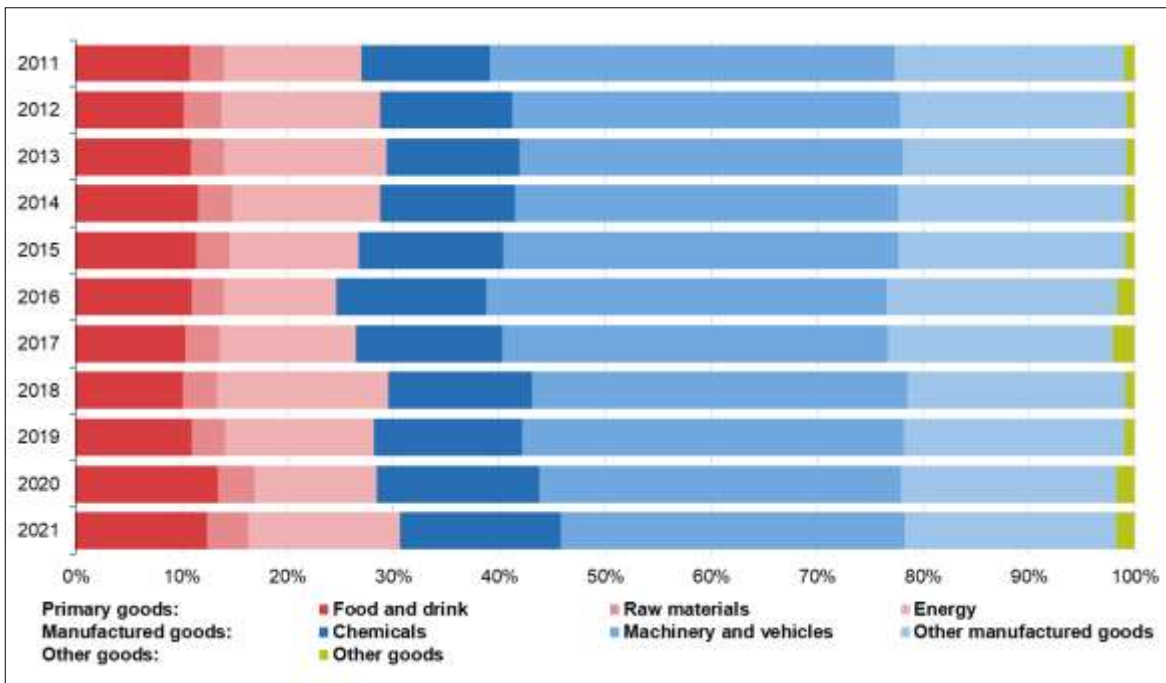


Figure 4. EU-28 exports of goods to Africa by main product groups, 2017.
Source: (Eurostat, 2022).

There is no single EPA but bilateral ones with the various regional groupings. These types of trade agreements do not allow for the development of regional value chains and dampen growth and employment (Chadwick, 2018).

African intra-trade is relatively weak and unexploited in comparison to other continents. In 2015, African trade was a mere 15.3%, compared to 46.8% in America, 61.3% in Asia and 66.2% in Europe (Sommer et al.,

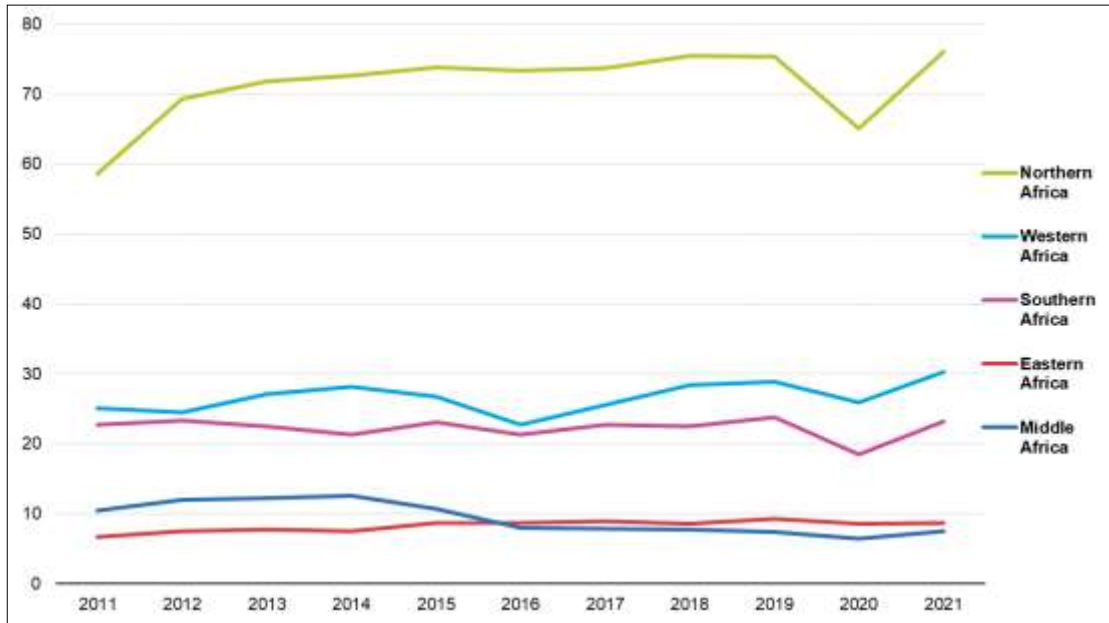


Figure 5. EU-28 Exports to African Region, 2011 – 2021.
Source: (Eurostat, 2022).

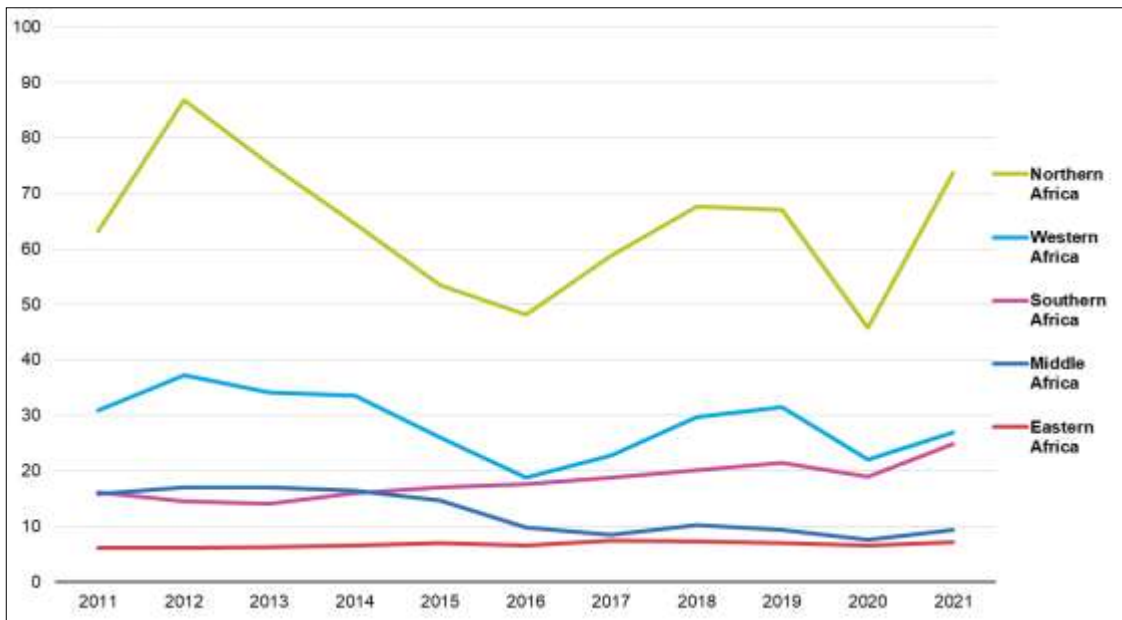


Figure 6. EU-28 Imports of goods from Africa regions.
Source: (Eurostat, 2022).

2017). Regional integration has become a development imperative for nearly all countries of the continent. Presently, Africa is divided into eight regional economic communities (RECs), such as the East African Community, SADC, and ECOWAS. However, all African countries, except Eritrea, are championing an African

Continental Free Trade Area (AfCFTA), now a fundamental priority of the Africa Union’s ‘Agenda 2063’ project. AfT funding is also disbursed to deepen regional economic integration and promote intra-African trade. For instance, the 2007 EU-AfT strategy endorsed the regional integration initiatives by the respective RECs (Council of

the European Union, 2007). For example, in 2016, the EU, through the AfT, provided funding for the Regional Integration Support Mechanism (RISM) Programme in eSwatini (Swaziland). The intervention concentrated on empowering women entrepreneurs and eliminating cross-border barriers that women confront when they trade with their South African and Mozambican counterparts (EC, 2018). The EU also supports the notion of the AfCFTA which would entail among others, harmonising standards and facilitating customs controls across the continent. The EPAs champion African and regional integration, and AfT, through the EPAs, has been disbursed to strengthen regional integration. Consequently, the European Commission has earmarked funding for technical assistance to realise the AfCFTA (Chadwick, 2018).

Effect of AfT on trade facilitation

The inability of several African countries (especially the LDCs) to participate in global trade is due to the relatively high trade costs that they confront. African countries therefore need to reduce their trade costs and diversify their exports. Cadot and De Melo (2014) show that trade facilitation is a more important determinant of export performance than policy-imposed barriers at the border. Trade facilitation pertains to all measures that can be implemented to facilitate the flow of trade. It is an overarching concept that includes non-tariff measures, such as product testing and impediments to labour mobility. Trade facilitation, which is part of the AfT Initiative, supports African countries in their endeavours to mitigate trade costs. Hence, it has been a significant focus of AfT funding in recent years. The EU and member states collectively disbursed €191 million in 2019 for trade facilitation (EC, 2021, p. 120). Sub-Saharan Africa received the largest single share of trade facilitation assistance on average, between 2010 and 2015 (EC, 2017a). Most of the projects funded for trade facilitation focused on customs issues.

AfT to strengthen capacity to comply with non-tariff barriers (NTB)

NTBs are policy measures, excluding ordinary customs tariffs, which can impact on international trade in goods and subsequently affect the quantity and/or prices of goods traded or both (UNCTAD, 2019b). These include sanitary and phytosanitary (SPS) measures which were recognised with the establishment of the WTO in 1995. These concern the application of food safety and animal and plant health regulations. There are also technical barriers to trade which pertain to the regulations and standards conformity, such as, labelling requirements. The contingent trade-protective measures are instituted to mitigate the negative impact of imports on an importing

country, such as, anti-dumping duty (UNCTAD, 2019c). African governments often assert that one of the main challenges in accessing EU markets is compliance with the strict quality requirements. They often complain that the NTBs are a pretext to exclude their products and protect EU markets from African competition. They believe that the removal of traditional protection measures (such as, tariffs and quotas) is being supplanted by hidden protectionism through technical regulations and SPSs. While complaints by the EU regarding SPS standards in Africa are true, in some cases they are often a pretext to protect domestic producers. These barriers are also applicable to other trading partners of the EU but African governments feel that in their case the barriers are more restrictive and thus often prohibitively expensive. The AfT could contribute to enhancing African capabilities to improve compliance with these NTBs as it is unlikely that they will be removed in the near future.

AfT to enhance equity in trade agreements

The relationship between trading parties is based on fundamental principles prescribed by the WTO. The EU trade relationship with Africa (and Caribbean and Pacific countries) was initially dictated by the Lomé regime (1975 -2000) whereby ACP countries had preferential access to EU markets. The WTO, established in 1995, was based on the principle of reciprocity and non-discrimination in trade. The non-reciprocity benefit for ACP countries in terms of the Lomé Convention (1975 – 2000) was deemed inconsistent with WTO prescripts and was used as a fundamental principle for further ACP-EU trade negotiations, especially the Cotonou Partnership Agreement (CPA) [2000 – 2020] (Montoute, 2017:7). In Montoute's (2017:7) view, "the abandonment of the Lomé framework and the subsequent embracing of the free-market philosophy of the WTO fortified the move towards neoliberalism in the development agenda on the notion that economic liberalisation engenders development".

Impact of EU subsidies on African producers

The opening of the African agricultural market through the EPAs negatively impacted on agricultural development in Africa. Despite the millions in aid and debt relief directed towards African countries, the subsidisation of EU producers, especially farmers, through the Common Agricultural Policy (CAP) has had a detrimental effect on the productive capacity of African farmers. Between 2014 and 2020, the CAP allocation amounted to €408.31 billion (European Parliament, 2016:3). According to Hugh (2016), heavily subsidised EU farmers produce large quantities that the EU cannot consume. This distorts African markets by undercutting

prices of locally produced food, rendering African farmers uncompetitive. A major concern raised regarding the trade deals, especially the EPAs, was that they would lead to 'flooding' of African markets with 'cheap' EU exports and undermining the policy space to undertake industrialisation (Fasan, 2019). Süß (DW, 2018) contends that many African countries have decreased their tariffs on foreign goods — in some cases by up to 90% resulting in the opening of the 'floodgates' to low-cost European products which are often subsidised by the European Union.

The EPAs provide the EU with access to 83% of the African markets. While the EU provides for tariff elimination, African firms are unable to compete with their European counterparts (Palitza, 2017). There is minimal or no tariffs on raw or primary goods, but there is the imposition of higher tariffs on value added products (such as processed foods). Hence, African countries are restricted in terms of export diversification. The enforced concentration on a selected few commodities and sectors have rendered some African economies vulnerable "to the vagaries of global commodity prices and shocks which can financially devastate African economies" (African Development Bank, 2017:10). Similarly African countries, which are rich in mineral resources, are being prevented from ascending the mineral processing and manufacturing value-chain due to tariffs on processed and manufactured goods. Accordingly, Dieye (2017:14) asserts that "African countries are losing resources due to the lack of value add by primarily focussing on producing and exporting unprocessed raw material". Moreover, the EPA weakens industrialisation by promoting the production of agricultural goods amplifying the asymmetrical relationships between the EU and Africa and within Africa itself. The gains to African countries mainly accrue to better off African countries within specific sectors such as sugar, meat, and dairy rather than manufacturing industry (The Economist, 2017).

Cisse (2017) contends that these agreements are not a significant contributor to job creation and contrary to economic development objectives. Furthermore, the EU argues that while African policymakers often voice concerns that the EU will flood African markets with 'cheap EU exports', China is also flooding Africa with 'cheap exports' without reciprocal access to its markets. Unlike China, the EPA allows lawful access to EU markets (Fasan, 2019).

AfT blunted by non-trade issues

The trade agreements stipulate policy conditionalities that extend beyond economic and trade issues which many African countries find difficult to comply with. These include the rule of law, democracy, and respect of human rights which the EU deems necessary for human

development. The EPAs also have some of the most stringent requirements pertaining to sustainable development in EU agreements, particularly relating to human rights, democratic principles, the rule of law, and good governance (EC, 2018). A major disagreement emerged in recent EPA negotiations pertaining to the recognition of lesbian, gay, bisexual, transgender and intersex (LGBTI) rights. According to Akokpari (2017:69), only South Africa, among 50 states recognises LGBTI rights while some countries such as Gambia, Nigeria, Uganda, Zimbabwe, and predominantly Muslim and North African countries have stringent decrees regarding same sex relationships. Moreover, as Montoute (2017) avers, non-economic issues such as the arms trade, organised crime, climate change, and child labour are creeping into the trade agreements to the detriment of African countries. A key criticism of trade agreement negotiations (such as those relating to the EPAs) is that the structure and content of the EPAs are primarily underpinned by an EU agenda. It is often argued that the AfT is beyond trade concessions per se and is influenced by political considerations. Regardless of an equitable intention of negotiation, the unequal distribution of economic power places African countries in a disadvantaged position in any trade negotiations with the EU. This situation is exacerbated by the aid that many African countries are reliant on from the EU. According to Süß (DW, 2018), it would be difficult to achieve free trade between two continents that are so unequal. Moreover, there is a perception amongst some African policymakers that AfT is not being disbursed solely for economic development, but with political intent, specifically to counter the rise of emerging economic powers such as China and India (Akokpari, 2017).

DISCUSSION

AfT assessment within a global justice paradigm

Eriksen's (2016) conceives global political justice in terms of 'non-domination', 'impartiality', and 'mutual recognition'. Hence, it is critical in this analysis to determine which of these concepts are most closely aligned with the EU's AfT policy in Africa.

Non-domination

The AfT policy does suggest an attempt on the part of the EU to engage with all African states on an equal basis from a 'non-domination' perspective. However, there is a persisting view of 'domination' from the African perspective, as reflected in the post-2000 trade policy, which appears to be favouring the EU, such as, the relatively large subsidisation of EU farmers. 'Domination' could also be associated with the unequal power between

the negotiating parties. The EU can be perceived to be 'dictating' the terms of the agreements. The EU also has greater technical expertise and negotiating skills compared to Africans. 'Non-domination' would therefore appear to be inappropriate in this context because African nations do not see themselves as being treated equally by the EU. Thus there is, first, a significant power difference between the EU and Africa. Second, there is an important difference in the way the EU treats different African countries. Akokpari (2017), for instance, has made a telling distinction between the EU's 'aid darlings' (such as, Rwanda) and its 'aid orphans' (such as, Burundi).

Impartiality

Impartiality as global justice with its focus on individuals appears to be only partially congruent with AfT because the EU is dealing primarily with states rather than individuals. Individuals do not have the power to influence the nature of AfT policy nor its implementation. However, there have been examples of just treatment of individuals relating to AfT, such as with gender and LGBTQ issues. These EU interventions are aligned with the notion of 'justice as impartiality'.

Mutual recognition

It would seem that, of Eriksen's (2016) three conceptions, the EU with its AfT policy in Africa is mainly contributing to 'justice as mutual recognition'. The conception of 'justice as mutual recognition' between the EU and all African states could be fully realised if the AfT policy were reviewed in accordance with evolving African economic and social conditions. For example, it is still unclear if AfT objectives has been realised; or if AfT is still the appropriate instrument to adequately address the increasingly diverse interests of African states; or whether the AfT can be used as a lever for African development in respect of the UNDP's 2030 Agenda for Sustainable Development and the progress being made towards formalising the AfCFTA. Hence, justice as mutual recognition is attainable in the AfT relationship between Africa and EU. But the key policy question is how and whether the EU can ensure that AfT improves Africa's trade capacity to bolster sustainable economic development.

Policy considerations

Some policy actions arising from the research should be considered for the mutual benefit of both the EU and Africa. Support to African countries should not be focussing solely on granting market access, but rather developing productive capacity in specific sectors. For

example, the food-processing sector is the main thrust of industrialisation, job creation and food security in numerous African countries (Dieye, 2017). The AfT should be directed to improving and developing intra-African trade. African countries, particularly those with small domestic markets (that is, most of them) can benefit from regional integration through exposure to new markets and working collaboratively with regional value chains. More resources need to be directed to regional projects as some obstacles can more readily be resolved within a regional framework. For example, transport corridors affect a group of countries, and more attention should be directed to these challenges (Alonso, 2016). Donors should also capacitate and empower government officials with regard to trade standards and regulations as well as support local ownership and projects that are aligned with national interests. Furthermore, there is a need to strengthen partner countries to negotiate trade agreements and partnerships. There is a need for appropriately designed infrastructure which is integrated into existing systems. AfT should also be disbursed for servicing and maintenance of infrastructure through the development of staff and local suppliers (Redden, 2017).

In accordance with the EU's evolving AfT policy, Timmis and Mitchell (2019:21-22) make a persuasive case for the EU to have a key role in stimulating export-led industrialisation and growth in Africa. First, they point out that the "size of the European market and its relative proximity to Africa mean that it should remain an important source of demand for African countries' value-added trade, particularly if it continues to make progress on liberalising tariff and non-tariff barriers". Second, given the EU's substantial investment in AfT, the "EU and its member states should also be the key financiers of the AfCTA and other initiatives to boost intra-African trade". Finally, they argue that "as the most advanced integration project in the world, the EU should provide a model for Africa as it pursues closer economic union, particularly by demonstrating how market liberalisation can be made compatible with distributional objectives". UNECA and the African Union have identified three priorities for AfT support in Africa (Timmis and Mitchell, 2019). These are: improve the targeting of AfT, particularly by increasing funding to regional programmes with specific integration objectives and to Africa's poorest countries; ensure coherence and ownership by aligning AfT programmes with African policy frameworks, such as AfCTA; and increase the effectiveness and impact of AfT through improved monitoring and reporting (UNECA et al., 2017).

Consequently, Timmis and Mitchell (2019:22) have identified several AfT shortcomings which the EU needs to address. First, the proportion allocated to low-income countries has remained constant at 43 to 47% even though the EU AfT disbursements in Africa have increased over the past decade. Second, the flows are unevenly distributed across countries, with Morocco, Kenya, Ethiopia, Egypt, Tanzania, and Tunisia (most of

whom are middle-income countries) receiving nearly half of all AfT. Thirdly, only 10% or less of EU AfT is allocated to regional programmes. Fourth, spending of AfT funds is too decentralised and fragmented, such as, AfT 'was channelled through 3 000 financing decisions' in 2015. Finally, there is little or no assessment of effectiveness, impact, or lessons learned. Timmis and Mitchell (2019:23-24) propose recommendations if the EU wants to enhance trade relations in Africa especially in the context of the rising influence of the BRIC countries, especially China, in Africa. These, inter alia, include working towards ending tariffs on imports from Africa; improving the effectiveness and impact of EU Aid for Trade in Africa by piloting 'payment by results'; and reducing EU agricultural subsidies to level the playing field with African producers. The measures outlined above which have been proposed by a number of researchers in order to ensure greater equity, efficiency, and effectiveness in the implementation of AfT policy can go a long way to attaining more fully the objective of 'justice as mutual recognition'.

Conclusion

'Aid for Trade' is dispensed by the EU to bolster the trade capacity of African countries. It is founded on the premise that trade, particularly access to markets will stimulate economic growth and foster sustainable economic development in Africa. AfT has subsequently been an integral component of ODA and dispensed through the various bilateral and multilateral trade agreements that the EU has with developing countries, including African nations. Most of the EU AfT which is disbursed to Africa goes to infrastructure development and stimulating absorptive capacity where it is needed the most. However, the infrastructure needs in many African states are far greater than aid can possibly address. The impact of AfT cannot be definitively determined, inter alia, because of challenges relating to measurement methodologies. However, it would appear that overall, it has improved trade. While economic modelling exercises find that both sides gain from trade, European exporters currently appear to be the largest beneficiaries. The main obstacles to fair and equitable trade with the EU continue to prevail regardless of the interventions promoted through AfT. The structural barriers that prevent the access of African firms to the EU and global markets endure; and AfT assistance has not been able to significantly reduce the distorted trade patterns. Consequently, AfT will have minimal impact unless these issues are confronted and resolved.

A key challenge for several African countries has been the non-tariff barriers which are relatively stringent and often seen by many African adherents of free trade as hidden protectionism. Similarly, the non-trade and social issues (such as the rule of law) are expanding with trade agreements. Compliance with an increasing number of

regulations is imposing costs which negatively impact on production; and is once again, being interpreted as disguised protection of EU industries. The EU trade agreements (especially the EPAs) appear to undermine, rather than promote, regional integration. This is underscored by the crafting of several EPAs with regions that do not coincide with the Regional Economic Communities. Overall, it would appear that the major obstacle to trade and the key reason for the tepid performance of AfT has been the unequal power relationship between Africa and the EU. The uneven economic and political strength between Africa and the European Union places Africa at a distinct disadvantage in any trade negotiations. This is compounded by the exceptionally heavy dependence on donor aid by many poor African countries. Ultimately, the EU can dominate the agenda and impose a 'neoliberal' trade regiment which would be detrimental to the development objectives of many African countries in the medium- and long-terms.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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