

Dynamics of Nigeria-Eu Trade Cooperation: The Cotonou Years

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Abstract

There is an overwhelming fear among the ECOWAS countries about the effects of unrestricted access into their markets for EU products. The fear is no doubt a genuine one and it could be a threat to West African integration. The point needs to be made that trade liberalization components of the EPA are not the same as those of ECOWAS in terms of goals, orientation and focus. For example, while trade liberalization is an important aspect of both, its aim differs under the two. Under the EPA trade, liberalization is expected to move ECOWAS towards a WTO-compatible trade regime in its relationship with the EU. This has implications for the objectives of the ECOWAS trade liberalization programme especially the rules of origin which form the basis of the free movements of community originating products. The establishment of a CET, which is a key integration instrument, is antithetical to WTO-compatible trade regime with emphasis on reciprocity. This paper is essentially an opinion paper and therefore, examined the CET using thematic analysis of extant literature and observed that the CPA never fared well with the ECOWAS States. It therefore strongly suggests that, a total renegotiation of the CET is the only way out to enable the partnership take into cognizance, some other parts of the economy.

INTRODUCTION

The end of the Cold War brought some changes in the practice of international relations generally. However, these are not fundamental enough to override a neo-realist global order that is equally driven by neo-liberalism. Consequently, inter-state relations have largely remained in a state of never-ending conflicts with states selfishly seeking to maximize their power relative to the other states. Neo-realism assumes that only states with hegemonic power to dictate the policies of all other states around them can overcome the anarchical power struggle and maintain world peace and an open world economy. Inter-state relations since the end of the Cold War have significantly validated the position of the neo-realist school on the importance of power. The neo-realist have conceptualized hegemony in terms of military and economic power preponderance of one nation-state in relation to the rest of the world (or macro-region), allowing the hegemonic power to enforce a stable global (or regional) international order. It is important to note that since the end of the Cold War new powers have emerged, or are emerging based on indices other than military power such as advanced economy and effective control of international institutions. The importance of economic indices of power and the compelling role of 'economic power' in the post-Cold War international relations cannot be overemphasized. Nigeria and other ACP countries entered into a new phase in their relationship with the EU in this context.

The nature of international society has not lent credence to the new idealism as effective political framework for managing post- Cold War global order. Few examples are useful here to illustrate the dominant trend in post-hegemonic international system. Global trade regimes have become increasingly supportive of preference erosion in order to promote universal trade liberalization. The Cotonou Partnership Agreement between the EU and the ACPs that replaces the Lomé Convention introduces a World Trade Organization (WTO) - compatible trade regime with emphasis on reciprocity in trade between EU and ACP countries. Under the Cotonou Agreement preferential market, access commitments are to be made on the basis of reciprocity, which is in contrast to what obtained under the Lome Conventions. The terms and conditions of the reciprocal references are still being negotiated in the context of the so-called Economic Partnership Agreement (EPAs) between the EU and different country groupings within the ACP. Also, the on-going global crusade for the promotion of 'democracy and good governance' is supported largely by the Western countries that have increasingly brought in 'reciprocity requirements' into aid politics. For the South, especially those countries hunting for aids, trade concessions and other forms of development assistance, they now have to satisfy some political requirements, which are designed by the donors from the West, and in most cases require the beneficiaries of aids to imbibe liberal democratic principles. Generally, donors have not been clear on the matter of conditionality; there is strong tendency in aid-receiving countries to regard see donor's conditionality for development assistance as a form of 'reciprocity requirement'.

At the expiration of the Lome Convention in 2000, it was clear that the logics and strategies of Lome as North-South platform were obsolete, and out of touch with the realities of post-Cold World era. On the side of Nigeria, the result of the operation of Lome was mixed. The general verdict is that Nigeria's membership of the ACP has brought minimal gain despite the fact that Nigeria is the major power in the group (Onwuka & Sanu, 1979). The importance of Nigeria to Europe is not contested in even in the post-Cold era. Nigeria's market of more than 150 million people is a point of attraction to Europe. Nigeria is the sixth largest producer of petroleum in the world and a significant supplier of the product to Europe. Similarly, Europe was aware of immense gas

potential of Nigeria. As demonstrated in the previous chapters, Nigeria's export to the EU countries Europe constitute about one-third of the total export of ACP group countries. Similarly, the same trend characterized Nigeria's import from Europe. At the political sphere, there were significant changes at the various levels of inter-state relations that were capable of influencing the nature and contents of North-South cooperation. For instance, at the expiration of the Lome Nigeria had transitioned from military to civil rule and had regained considerable respect as a regional power.

At the global levels, there were significant developments and events like the wave of democratizations, globalization of world economy and the spread of neoliberal ideals, expansion of the EU, emergence of regional trading blocs, the introduction of new international trade regimes, and the rise of new global economic powers notably China and India.

Wave of Democratization and New 'Conditionalities'

The end of the Cold War has elevated liberal democracy to an omnibus level. Today there is a new global crusade, which is woven around such liberal concepts as 'civil liberty' 'freedom' and 'civil rights'. As expected, the North has emerged as the undisputed vanguard of this new crusade, which has tremendous implications for North-South relations. The consequences for the countries from the South, especially those that depend on external assistance and trade concessions is 'aid fatigue' in the face of tough 'conditionalities', which in most cases require aid seekers to compulsorily adhere to liberal democratic principles in the least. The EU since the late 1980s has become prominently associated with the promotion of human rights liberal democratic values, and this has in many respects affected the orientation of its relationship with its partners in the South. Take for example; the political dimension of development cooperation has gained much prominence in its partnership relationships. The EU-ACP relationship under the Lome Conventions is a typical example.

The Lome regime had set out originally as a contractual cooperation agreement between two 'equal' partners, in recognition of sovereignty and mutual independence. In this regard, the provisions of Lome I guarantee the rights of parties to determine political, social, cultural and economic policy options without interference. Thus in the early days of the Lome Convention, the principle of non-interference was mutually respected. Even when in the 1970s the European Community would like the ACP governments to pay more attention to the living condition of their people, it could not go far on the matter. The Lome Convention regime was then a free-for-all arrangement that even countries with very intimidating human rights records were able to take undue advantage of the 'liberal' provisions of the Lome Convention. Take for instance, in the late 1970s, the European Community became more concerned with the misuse of its aids in some ACP countries and proposed that EC aid be suspended for such erring countries. This move however resulted in much embarrassment for the EC simply because there was as at then no provisions on sanctions in the First Lome Convention (Lome I).

The experience of the first decade of the Lome Convention had its lessons for the European partners. However, since the mid-1980s the EU-ACP cooperation had come to incorporate substantial consideration for political issues. Beginning with the negotiations for the Second Lome Convention (Lome II), the EU has made progressive improvements in its desire to incorporate a political dimension into its development cooperation with the ACP. Apart from the experience of the European Community under Lome I, increased disposition towards liberal democratic values had its impacts. There was a joint declaration of the European Parliament, the European Commission and the Council of Ministers, issued in April 1977. This was followed up in April 1978 by the 'Declaration on Democracy' by the European Council. These evidently prepared the stage for the proposal by the EC to incorporate a clause on human right in the Second Lome Convention.

Not much success was made with Lome II in this regard, as the ACP countries proved quite smart. They vehemently protested what they described as 'interference' in their domestic affairs. Besides, the ambivalent policy of the EU on apartheid South Africa was a source for easy blackmail, and which the ACP exploited to its advantage. However, during the negotiations for the Third Lome Convention (Lome III), the EU insisted on incorporating the human rights protection clause. There were developments within individual European Community members that called for such 'radical' move. For instance, the famous 'La Baule' speech by President Mitterand in 1983 was not only significant for its implications for France's relations with the developing world. It was a possibility that it had also influenced other European countries with respect to the place of liberal democratic values in their relationship with the developing countries. Thus, when the negotiation meetings for Lome III began, the EU insisted on the issues of human rights and democracy as a condition for commencing the discussions on the EDF contributions. At the end of the day, Lome III contains provisions on the human rights protection as well as the 'policy dialogues', which gives some amount of control to the EU in the use of its aids in the ACP countries.

The outcome of the Fourth Lome Convention (Lome IV) negotiation was a gain for the EU. There were obstacles especially during the negotiation for the financial packages. However, eventually Lome IV was signed in 1989. It was different from its predecessors in being given a ten-year duration (1990-2000), although the

financial protocol was for five years. The IV Lome Convention provides for a 'mid-term review', which was planned to coincide with the negotiations for the second financial protocol. During the negotiations for the second financial protocol, attempts were made on the part of the Community to include in the agreements provisions that would promote the ideals of democracy, good governance and human rights, which were seen as essential ingredients for genuine and sustainable development. The ACP, among other things, expressed concern over EU having more advantage and control over its partners. This provoked questions on 'conditionalities' from the ACP on whether the Lome system was still a relationship of partnership or just another donor-driven aid programme. However, for Europe that insisted on seeing much value for its money, the decision to link the allocation of funds more closely to performance could not be compromised, and the evaluation of performance would be according to European standards! The ACP group read political undertone to some of the new moves by the EU to ensure aid efficiency. Some members of the ACP group argued against the human right "suspension clause" in Article 366 of the Convention, which states that if any of the essential human rights specified in Article 5 are violated, development aids can be suspended partially or completely. However, this can only happen after a joint ACP-EU consultation and decision process. Similarly, greater responsibility was given to the EU in the preparation and appraisal of projects. However, the EU and the recipients would collaborate on the draft project proposals. This rider notwithstanding, the EU has shown its resolve to have more control over its resources that go the ACP countries under the Lome regime.

The improvement made by the EU in the 1990s with respect to the political dimension of development cooperation was possible in part due to the significant progress made in the process of European integration. Take for instance, not until the *Maastricht Treaty*, that there was no open expression of "common foreign policy" by the EU even though members had in the past cooperated on some major international problems. It would therefore appear that it was the *Maastricht Treaty* that moved the EU towards the pursuit of a common position on political subjects such as armed conflicts, human rights and governance. In addition, the Treaty provides for a common security. The Common Foreign and Security Policy (CFSP) which came into force on 1st November 1993 was again a remarkable advancement of regional integration process in the EU in general, but particularly in the area of its external relations. The CFSP, among other things, is expected to help foster common positions among EU member states in respect of developments in countries with which the EU has partnership relationship.

The Amsterdam Treaty helped the EU to make important progress on human right issues. Firstly, the Treaty established that any current or future Member State must guarantee the principles of liberty, democracy and respect for human rights and fundamental freedoms. Secondly, it introduced new provisions designed to strengthen the European Union's basis for action in this area, including the CFSP. Under Article 2 of the Treaty on European Union (TEU), for instance, the objectives of the Union include "to strengthen the protection of the rights and interests of the nationals of its members States" and "to maintain and develop the Union as an area of freedom, security and justice". In addition, Article 6(1) of the TEU says, "the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedom, and the rule of law, principles which are common to the member States". Going by these provisions, the EU is claiming to be deeply committed to the universality, indivisibility and interdependence of human rights both within its borders and even in the outside world.

It is plausible to argue that the expansion of the EU's mandate to include political subject matters was predicated, in part, on the need for EU to address the realities of post-Cold War international relations, which include increased tendency towards globalization. The new ideology of 'globalization', to which EU was recruited to, unlike the proposition of its founding fathers, is a fusion of social, political and economic processes. Europe definitely would need some adjustments to participate significantly in the globalized post-Cold War international relations! By 1993, the EU was already a large 'single European market' with a network of trade relationships spread all over the world. The expanded and increased relevance of the EU in global economy needed to be balanced with proportionate 'political' and leadership role in the world. In the contemporary international relations, the latter finds easy expression in concerns about global security, peacekeeping, human rights protection, and support for democracy and good governance.

Since the end of the Cold War, the world has witnessed the transition of political regimes from different forms of autocracy to various new types of political regimes. The prospect of a unilateral world order under the United States following the demise of the Soviet Union and the collapse of communism created favourable environment for the spread of liberal democracy. It also provided the West with opportunity to further project neo-liberalism as the 'end of history' to the entire world. The efforts to export western social, political and economic values recorded significant success in some respects. Today there is an increasing build-up towards a global consensus on the values of liberal democracy. Consequently, the West is now being projected as the undisputed vanguard of the global "democracy crusade". This was the global setting in the 1990s when several African authoritarian governments embarked on political reform programmes that ushered in the era of transition to democracy on the continent.

Multiple faces of globalization make it difficult to pin it down to one meaning. According to Mazrui

(2001), globalization “consists of processes that lead toward global interdependence and the increasing rapidity of exchange across vast distances. The word ‘globalization’ is itself quite new, but the actual processes toward global interdependence and exchange started centuries ago. Four forces have been major engines of globalization across time: religion, technology, economy, and empire. These have not necessarily acted separately, but often have reinforced each other”. While the phenomenon of globalization is not new, its current wave entails increased mobility of finance capital, new kinds of migration that in turn have created unprecedented tensions at several levels. Also, in its present phase, and due to the benefits of advanced communication technologies, “major engines of globalization” have penetrated national frontiers, created transnational identities that challenge national solidarity. These processes no doubt have implications for regional integration hence the importance in examining the link between globalization and regional integration in West Africa.

Increased Regionalization and Expansion of EU

Increased regionalization is a dominant feature of contemporary globalization. The dominance of regionalist tendencies and the pervasiveness of ‘regional bloc scenario’ in the policy responses of many states to the realities of globalized world economy is indeed noticeable. It is necessary therefore to take due cognizance of the discourse on the relationship between globalization and regional integration. Conceptualizing the relationship between globalization and regionalization is guided by three assumptions. First is that historically regional integration has always been influenced by the process of globalization. Secondly, that the globalization-induced regional integration is beyond the regulatory and control frameworks of the territorial state. Thirdly, that the growth of transnational social networks has implications for the relationship between globalization and regional integration.

The present neo-liberal global order is based essentially on the dominance of market forces with emphasis on trade liberalization. There is the second sense in which the discourse on regional integration and globalization is of importance especially when one considers the many direct and indirect threats that neo-liberal globalization may pose to the countries in the global South, notably the effects of neo-liberal global trade system which is under the guidance and control of the World Trade Organization (WTO), and other related hegemonic initiatives like the Economic Partnership Agreements which is floated by the European Union (EU), and United States’ African Growth and Opportunity Act (AGOA). There are concerns also about the implications of the new scramble for Africa by China and other emerging economies that no doubt represents essential aspect of the globalization of production processes. The implications of these processes for the ACP state are far-reaching.

To some comparing ‘globalization’ and ‘regional integration’ suggests a deep contradiction. In this regard the ‘global’ is seen to be against the ‘regional’ and globalization is perceived as a negation of regional integration. The relationship between regional integration and globalization is definitely not a zero-sum relationship. However, there are challenges of regional integration that are associated with neo-liberal globalization that has increasingly made the relationship a highly disturbed one. On the other hand, some see the relationship as a ‘symbiosis’, suggesting a mutually benefiting interaction between the regional integration and globalization especially when the latter is conceived of as a social process. There is an extreme of this tendency that presents regional integration as one of the possible logical outcomes of globalization. Guided by this wisdom, integration units are encouraged to embrace the ideals of globalization as part of the regional integration agenda. The rationale is that it is possible to achieve regional integration through globalization, which in turn would contribute to further regional integration and so the circle continues! Analysis of the relationship between globalization and regional integration necessarily draws attention to the catalogue of issues in North-South cooperation. For instance, it is important to want to assess the implications of the current globalization processes on regional integration in the global South as exemplified in the EPAs. Other pertinent question to ask is to what extent is the new wave of globalization is affecting the processes and outcomes of regional integration in the West African sub region where Nigeria is a key actor.

Within the context of contemporary globalization, the EU has expanded from its original six members to twelve and now has twenty-eight members including new members from Eastern Europe. This expansion no doubt is having its effects on the ACP relations with Europe in terms of the resources of the Union that is available for deployment as development assistance to non-EU countries since it is most likely that attention will first be given to poorer countries within the EU membership. This partly explains the reduction in the size of the financial and technical assistance from European Development Fund (EDF) to the ACP countries. The United States has in the past decade spearheaded the evolution of new free trade areas, first by the creation of the North American Free Trade Area (NAFTA) which is composed of United States, Mexico and Canada and which will soon include Chile in 2000. It was to be a precursor of the proposed Latin American Free Trade Area (FTAA). President Bush and other Head of States of Latin America and the Caribbean, with the exception of Cuba, recently signed an agreement to bring this about in 2020. In Asia, there is the Asian Pacific Economic

Forum with the avowed aim of bringing about a community of free trade in that part of the world. President Clinton launched the U.S-Africa free trade initiative before leaving office. The aim is to establish a form of free trade area between the United States and Africa. Africa's products will be allowed to enter U.S. market free of duty provided African country are able and willing to reciprocate. In other words, under this initiative, the principle of reciprocity will be enforced. There is no doubt that the emergence of these trading blocs will undermine the African, Caribbean and Pacific group since all its members will now belong to one or the other of the emerging free trade blocks. In fact, some of them might even begin to wonder whether the existence of the ACP group is relevant.

Globalization and the new trade regimes

Trade liberalization is a key issue in the globalization discourse which is provoking serious debate. Beyond the restricted notion of globalization as strictly an economic phenomenon, a multifaceted concept of globalization such that incorporate narcotics network, social-political; protests movements; ethnic and religious conflicts, in addition to economic fluctuations, trade agreements and other forms of economic activity both within and across national boundaries, is needed to understand in details the impact of the current wave of globalization. A pertinent question is to what extent is globalization implicated in the new international trade regimes.

Globalization is increasingly made complex with the global trade regime that seeks for the liberalization of global trading system. Remarkably, efforts towards increased integration of European economies have continued to reinforce the principle of neo-liberalism for the organization of global trade relations. In addition, initiatives in North-South trade cooperation, exemplified in the African Growth and Opportunity Act (AGOA), and the EPAs, negotiated between the EU and its ACP partners all bear allegiance to the ideals of unrestricted free trade with emphasis on the principle of reciprocity. That these developments are happening against the background of a global economic system which has become increasingly characterized by depressed world commodity market, discriminatory protection, and debt crisis is a reason for serious concerns among countries in the South that have come to perceive the global system as generally unfriendly.

Meanwhile, it is important at this junction to further explore on the principle of reciprocity especially its application in trade relationship. The reciprocity principle involves cooperation between sovereign nation-states, where rights demanded by one must be allotted to others. In other words, benefits or penalties that are granted by one state to another should be returned in kind. The reciprocity principle allows the cooperating nation-states to remain independently sovereign while engaging in a limited form of cooperation. The principle and practice of reciprocity is observable in trade agreements, reduction of tariffs, relaxation of travel restrictions and visa requirements, and agreements on extradition. There are times when political leaders make claims or give impressions to show that their foreign policy actions are based exclusively on altruism. However, "they are taken to task when such claims are made as it is contented that non-expectation of reciprocity only indicates planlessness, lack of foresight or non-challance towards national interests" (Ogunsanwo, 2010:44). Two distinct forms of reciprocity - diffuse and specific - are observable in international relations. Diffuse reciprocity involves abiding by common standards of behaviour and specific reciprocity in international relations entails compliance with specific regulations or demands. The latter is likely to incite conflict rather than cooperation. Several theorists have drawn a distinction between "specific" forms of reciprocity and "diffuse reciprocity" (Keohane: 1986). Example of specific reciprocity consists of international trade negotiations, and diffuse reciprocity is exemplified by a wider institutionalization of generally accepted standards of behaviour. After a long period of compliance, these general standards exert their own normative pressure on state action. Although an aged practice in diplomacy, reciprocity in international politics is not a right as international law. It is important to note that the Geneva Convention of 1961 emphasizes the use of reciprocity in inter-state relations. However, "reciprocity is not obligatory, as it belongs in the realm of courtesy", and that it "thrives in an atmosphere of amity or friendship, devoid of any sense of legal obligation" (Agwu: 2010).

As the gospel of total liberalization of the international trading system progresses, nation states and inter-governmental organizations are increasingly under pressure to adapt to new changes. The predominance of neo-liberalism is affecting power relations at various levels – national, regional and global. For example, the adoption and implementation of economic liberalization policies and programmes in many countries has not only deregulated the economy, it had also eroded the power of the nation-state to regulate and enact policy to international bodies such as the World Trade organization (WTO). The activities of the latter as apostles of markets have continued to create tensions particularly for countries in the South whose governance institutions and structures are largely underdeveloped and incapable of managing the social conflicts that resulted from the adoption of market-friendly policies.

The World Trade Organization succeeded the General Agreement on Tariffs and Trade (GATT) in 1995. It has a mandate to further liberalize trade through breaking down tariff barriers and others barriers between peoples and nations within the framework of a multilateral trading system made possible through agreements, negotiated and signed by a large majority of the trading nations, and ratified in their parliaments. Within the

context of globalization, consideration for market has expectedly become dominant in the politics of global trade regime. The WTO has contributed immensely to this with its strong allegiance to the neo-liberalism in the organization of global trade.

Although neo-liberalists have argued that markets are the most efficient means of coordinating economic activity usually, see markets as standing outside of politics (Von Hayek: 1991). However, markets are never devoid of their political and ideological constitutions. Evidence abound that markets are politically constituted. This in turn suggests that asymmetries of power will always tilt market institutions to the advantage of the most powerful at the expense of the weak. Thus, a win-win-scenario is a mere fallacy within the context of the new global trade regime that is essentially market-driven. The activities of the WTO since the dawn of globalization have demonstrated the protected of the interests and preferences of the international powers against demands and pressures from South for better deal in global trade relations.

However, some have argued that countries in the South have benefited substantially from globalization of trade both in terms of economic growth, reduction of poverty, and alleviation of economic disparities (Bhagwati:2004; Wolf:2004; Wade:2004; Rodrik:2001). The argument is that countries in the South experienced numerical expansion of their membership of the WTO and this has made impact on international trade negotiations with more strength for the South in the negotiating process. While it is possible to argue, for instance, that there are aspects of the operations of the WTO such as the dispute settlement process that may protect the interests of the South. However, there are several other limitations on the capacity of the countries in the South. For example, agreements on trade related intellectual property rights (TRIPS), trade in services (GATS) and trade related investment measures (TRIMS) impose constraints on domestic economic policy in countries in the South.

The experience of the 1950s especially the instances of successful resistance of the South against unfavourable changes still lingers in the memories of some countries in the South. Such include the experience with Tokyo Round when the developing countries succeeded in designating “tropic products” as a special priority sector, and when countries in the South obliged the developed countries to alter multilateral trade negotiations codes to provide them with all the rights to the subsidies and anti-dumping codes without obligations to abide by those agreements. Arguably, these experiences influenced future negotiations in some respects including raising the question of consensual support and the inclusion of some priorities of the South on the agenda for new rounds. These developments no doubt were remarkable in some respects. However, they were mere reforms and never resulted in the restructuring the power relations in the global trade system. Thus, the claims in some circles that the WTO is more favorably disposed to the interests of countries in the South cannot be substantiated on the ground of mere palliatives measures such as the inclusion of issues of interest to the South on the agenda.

The WTO is already in its third decade. How far it has been able to ensure ‘level playing ground’ for nations to compete on equal footing in global trade is a crucial question. For example, the Doha Development round of multilateral trade negotiation, which began in 2001, has not made any substantial progress. The negotiations during the Doha Round seemed to have demonstrated sensitivity to the demands of the South. The demonstrations at the third conference in Seattle in 1999 no doubt had its influence on negotiation process. It was partly because of the protests and agitations by some civil society groups that Doha Round was declared a developmental round with special concern for the South among other things. However, it terms of concrete steps towards restructuring global trade, which did not happened.

The fifth ministerial conference was held in Cancun in 2003 amidst threats of protests. At the Cancun conference a group of African and Caribbean countries refused to accept negotiations on the Singapore issues (investment, competition policy, transparency in government procurement, and trade facilitation). In addition, the sixth ministerial conference, which was held in Hong Kong in December 2005, was a deadlock especially with regards to the liberalization of trade in agriculture. It is unfortunate that since the Hong Kong meeting, not much has been achieved in terms of moving the Doha Round negotiations forward. A meeting of the Trade Negotiations Committee, which comprises the entire WTO membership, did not record any success, as members could not agree on formulas for reducing tariffs and subsidies, various flexibilities, and other disciplines, especially on the liberalization of trade in agriculture. The point is that none of the WTO measures or arrangements is on the right course toward achieving the objective of “a truly level playing field” for all nations in the global trade system (Subedi: 2006). In consequence, the power asymmetries in the global trading system remain unchanged.

The case of West Africa sub-region exemplifies trend of unequal benefits. West Africa has not been able to benefit significantly from the global trade liberalization trend. Its share of in world trade remains insignificant. For example, The EU is West Africa’s main trade partner. EU-West Africa trade flows accounted for just 1.25% of EU exports and 1.03% of EU imports in 2004 (ECDPM: 2006). The argument has been that there the many obstacles impeding intra-regional trade affect extra-regional trade in West Africa, and which in turn slow down the process of integration and trade development .

The neo-liberal preferences and values that characterized the global trade regime under the WTO have been replicated in different regions of the world especially where the EU and US have hegemonic influence. For example, the EU is promoting a number of strategic foreign policy objectives such as the establishment of a stable Europe with a stronger voice in the world, and securing its international competitiveness while at the same time promoting global commerce through further liberalization of world trade rules. The Cotonou Partnership Agreement (CPA) now guides the relationship between the EU and the African, Pacific and Caribbean (ACP) countries. The agreement will run for twenty-years, with a revision clause every five years and a financial protocol for each five-year period. The CPA provides for the replacement of the non-reciprocal, preferential regime granted by the EU to all ACP countries (except South Africa) under the Lome regime with several new, reciprocal, WTO-compatible trade regime between the EU and ACP countries. The implication of this is that starting from 2008 different ACP countries will receive different treatments from the EU: the 39 ACP least developed countries (LDC's, the poorest countries as defined by the UN) will continue to "keep Lomé." while the 31 non-LDCs (if they do not sign Economic Partnership Agreement (EPA's) with the EU could be transferred into the EU's Generalized System of Preferences (GSP), a non-reciprocal set of preferences that are less generous than Lomé.

The EU would not want the Lome regime arrangements prolong further because they interfere with trade with other tropical producers in Asia and Latin America. The EU wants free trade to be made possible through mutual opening of markets by Europe and its African partners. According to Peter Mandelson, EU Trade Commissioner, in an address to the EU-Africa Business Forum in Brussels in 16 November 2006.

What matters is that after thirty years of preferential market access, Africa still exports just a few basic commodities to the EU. Most of these are sold at lower prices than they were twenty years. And their share of the EU market is steadily declining. The trade preferences have not had the intended effect of helping Africa to diversify its economy into higher value products, and it now attracts less than 2% of world foreign investment.

The argument of the EU is that the EPAs will change the EU-Africa relationship "from one of dependency on EU tariff preferences" to a partnership that can guarantee sustainable development. The EU has consistently presented regional integration as a key principle of the EPAs and thus clamors for larger regional markets that will in turn stimulate economic growth in the ACP and will accelerate the integration of ACP countries in the world economy. The idea is that abolishing restrictions and harmonizing tariffs will help regional integration and create larger markets. The EU therefore opts for regional approach in the form of the proposed Regional Economic Partnership Agreements (REPA's).

The European Commission argues that a customs union offers the best condition to enter into an EPA, followed by effectively implemented FTAs. Moreover, that by negotiating on a regional basis EPAs, the ACP countries will have an opportunity to straighten their regional integration process and create dynamic regional markets conducive to investment and development. However, the ACP countries seem not to be as optimistic about the prospect of a mutually reinforcing relationship between EPAs and regional integration. There is concern in some circles especially among the civil society groups that the EPA negotiating process that is forcing ACP countries to affiliate themselves with one regional body to negotiate agreement with the EU has the tendencies to jeopardize many other autonomous regional integration initiatives. Also, there have been complaints that partnership agreements would wipe out infant indigenous industries.

The EU is the most important West African trading partners. The importance of the EU to the countries of ECOWAS cannot be overemphasized. The countries include the seven UEMOA countries of Benin, Burkina-Faso, Chad, Cote d'Ivoire, Mali, Niger, and Senegal. Other non-UEMOA member countries are Cape-Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, and Sierra. All these countries have the EU as their most important market; much more important than the markets in neighboring countries. The lack of complementarities among West African economies is well pronounced, coupled with the existence of tariff and non-tariff barriers. For example, nearly half of Ghana's exports go to the EU, and its neighbor Benin accounts for less than 3%. More than 70 % of the EU total trade occurs within the community while intra-community trade in ECOWAS remains far less than 15%, which partly explains the reason for low level of regional integration. In 2003, EU accounted for 32% of West Africa's exports and 37% of its imports. Agricultural products accounted for 31% of West African exports to the EU in 2004. The value of Nigerian petrol has significantly masked the importance of this sector (ECDM: 2006).

The ACP countries were called upon to enter into negotiations of free trade agreements (FTA) with the EU to bring the CPA in line with WTO provisions. The expectation especially on the side of the EU was that the EPAs would come into force by 2008 and shall liberalize around 90% of EU-ACP trade within 10-12 years. One of the underlying rationales of the EU's approach is that EPAs would promote ACP countries' economic integration in both counts: in a regional and international way (European Commission, 1996). In the particular case of West Africa, the change from preferential to reciprocal trade relations implies several challenges especially the implication of EPA for regional integration in West Africa. The question that has to be raised is whether the regional approach that drove West African countries to negotiate EPA with EU promotes or

constrains regional integration in West Africa. How a North-South free trade area is theoretically supposed to help promote South-South integration? Indeed, there are concerns among many West African that the EPA agenda is too hasty, broad and intrusive for their countries and could scarcely contribute to their development agenda. The statement of the President of the ECOWAS Commission, Mohammed Ibn Chambas (cited in Schwarz: 2007), aptly summarizes the mood in many West African countries:

We believe that the EPA can be an instrument for development and deepening regional integration in West Africa, but it has to be negotiated, taken into account, the development dimension...Not just focusing on the trade aspect. And to have a balanced and development-oriented EPA, we will need some time to consolidate a full agreement

It has also been argued that the EU's concern for the 'consolidation' of regional groupings in the ACP has not shown any respect for the pace and scope of integration of the regions. For example, rather than help the African Union to bring together the various regional economic blocs like SADC, ECOWAS, or the East African Community together, the EU is 'balkanizing' Africa into four blocs for the purpose of EPA agreements. Also, the 'Everything but Arms' initiative that provides non-reciprocal trade preferences to LDCs is likely to create division and generate tensions between LDCs and non-LDCs in West Africa.

The second EU-Africa Summit was held in Lisbon (8-9 December 2007). The Summit provided African governments with a platform to unite in the negotiation for EPAs. Trade came up as one of the contentious issues in Lisbon and a couple of key concessions. For example, that African tariffs on European goods be phased out gradually over up to a decade rather than been hastily removed. Nigeria and Senegal, both from West Africa, vehemently opposed any deal that will make them offer to the EU any preferential concession they had previously made to other major trading power or block such as China and India.

Generally, for the African ACP the process of negotiation for EPA was quite arduous with no significant progress and results. There are still major divergences on some critical issues. For example, there is still no broad agreement on the meaning of development and the nature of the agreement. Africa countries generally were not happy with the deals offered them. The final months of 2007 witnessed a rush in the negotiating process. Eighteen African countries (including most non-least developed and some least developed (LDCs)) have initialed interims EPAs. In West Africa, Ghana and Cote d' Ivoire have initialed EPAs that are significantly different texts with different liberalization commitments.

The negotiation for EPA between ECOWAS and EU did not record sufficient progress by the December 2007 deadline. Consequently, West Africa was not able to complete a regional EPA by 1 January 2008 - the deadline for the CPA preparatory period. The slow progress in the negotiation process is understandable. According to a report of impact assessment studies by the Price WaterhouseCoopers, the anticipated EPA between EU and ECOWAS-Mauritania is likely to bring about opportunities for processed or semi-processed products such as fabric, chocolate, and that with improved infrastructures; best possibilities exist for fish, fruit and out-of-season vegetables. However, for goods that already enter the EU-duty free, the EPA will have little impact. The report also expects that a CET should lead to more regional integration, with harmonization benefiting all countries except those that re-exports to Nigeria, such as Benin and Togo. The big problem however is that many West African governments depend on revenues from custom duties that will be cut due to the EPA. Guinea- Bissau gets 58% of its revenue from the customs; Benin gets 21%. Another study by Friedrich Ebert Foundation puts the overall custom revenues loss for Africa at UDS2.5 billion in 2008-2017, if governments do not modernize their revenue collection. In order to establish a new WTO compatible trade regime from 1 January 2008, Ghana and Cote d' Ivoire concluded interim agreements with the EU. The interim agreement immediately removes tariffs on nearly all African imports to Europe and will gradually phase out customs on European goods arriving in the region over 15 years. Cote d'Ivoire and Ghana signed interim deals. It would appear that both countries that are world's top cocoa exporters wanted to safeguard favorable terms for their key agricultural exports.

Although ECOWAS gave its blessing for its member states to sign interim trade deals, it however urged them to move forward as a bloc to the signing of a regional EPA. This is also the stand of Nigeria that has publicly spoken against the fast-track liberalization agenda of the EU and asked to be included in the GSP+ scheme instead. Cape Verde is classified as non-LDC from 1 January 2008, but it will be able to export under the EBA regime for a transitional period of at least three years. The LDCs in West Africa - Benin, Burkina Faso, Gambia, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone and Togo can export under the EBA initiative with effect from January 2008. The interim deals signed by Cote d' Ivoire and Ghana only cover trade while the definitive EPAs are expected also to cover services and a host of other areas such as intellectual property and government procurement. Apart the two countries, other ECOWAS states had insisted the European Union's 31 December 2007 deadline for signing was too soon and they pushed back their target for an agreement to mid-2009.

The interim agreement signed by Ghana and Cote d'Ivoire is already raising some concerns. This necessitated a tripartite meeting of the non-LDCs in West Africa (ECOWAS) in Accra consisting Nigeria, Ghana

and Cote d' Ivoire to review the implications of the interim agreements signed by Ghana and Cote d'Ivoire for regional integration. Although ECOWAS has indicated that, a regional EPA will supersede the interim agreements. However, there is concern whether or not future EU – ECOWAS negotiations for EPA will be based on the text of the interim deal of Cote d' Ivoire, or the one of Ghana, or even on some of the previously agreed drafts at the regional level (Stevens et al:2008).

A report released by the Overseas Development Institute (ODI) and European Centre for Development Policy Management (ECDPM) is of the view “that countries in the same economic region might liberalize different baskets of products and so create new barriers to intra-regional trade in order to avoid trade deflection. This concern has been vindicated by the interim EPAs that have been agree” (Stevens et al, 2008: xiii). There was an initial big challenge in West Africa for regional integration where only two countries signed up on interim arrangement. It was not likely that other countries in the sub-region that did not belong to an EPA would reduce none of their tariffs towards the EU. Such would maximize the incompatibility between their trade regimes and those of Ghana and Cote d' Ivoire that signed up for interim arrangements. The Nigerian government had initially expressed concerns over the actions of the two especially her close neighbor – Ghana. The implications of the interim agreements for ECOWAS Trade Liberalization Scheme (ETLS) were of special concern to Nigeria. The Nigerian government had concerns that the interim agreement could become a conduit pipe for channeling goods originating from Europe to its markets under the guise of regional integration, and which might affect the future of up-growing industries.

There is an overwhelming fear among the ECOWAS countries about the effects of unrestricted access into their markets for EU products. The fear is no doubt a genuine one and it could be a threat to West African integration. The point needs to be made that trade liberalization components of the EPA are not the same as those of ECOWAS in terms of goals, orientation and focus. For example, while trade liberalization is an important aspect of both, its aim differs under the two. Under the EPA trade, liberalization is expected to move ECOWAS towards a WTO-compatible trade regime in its relationship with the EU. This has implications for the objectives of the ECOWAS trade liberalization programme especially the rules of origin which form the basis of the free movements of community originating products. The establishment of a CET, which is a key integration instrument, is antithetical to WTO-compatible trade regime with emphasis on reciprocity.

The removal of quantitative restrictions will create a situation whereby ECOWAS originating products have to compete on national markets with imported good from the EU countries. The fear is clearly not that of exposing the infant industries in ECOWAS countries to competition. Of course, all healthy and fair competitions have benefits. It is worrisome that under the EPA community originating products will be competing on national markets with heavy subsidized goods from the EU countries. It is possible to argue that competition will stimulate efficiency and improvement in industrial production. However, it makes sense to start with exposing the industries of ECOWAS countries first to regional competition through effective operation of ECOWAS liberalization scheme and later encourage overall trade liberalization such as the one advocated by the EU and WTO. The liberalization of trade in products that enjoy subsidies in industrialized countries, especially in Europe, will have adverse effects on trade development in West Africa.

The EU is not alone in its demand for trade with Africa. Other Western powers, notably the US, have also joined in the race for African markets. The enactment of the Trade and Development Act of 2000 with Sub-Saharan Africa and the Caribbean Basin was a hallmark in the process. The part of the Act, which defines trade relations between Sub-Saharan Africa and US, is the African Growth and Opportunity Act (AGOA) that became operational in 2001. Under AGOA Africa's products in principle are allowed to enter US market free of duty provided African countries are able and willing to reciprocate. The stated objective of AGOA, which is to “promote stable and sustainable growth and development in sub-Saharan Africa”, has been applauded in some circles especially among US policy makers recording significant support. On July 13, 2004, President Bush signed the AGOA Acceleration Act of 2004. Under this Act, AGOA beneficiary countries will have their non-reciprocal access to the US market extended until 2015. However, the question is whether the instruments of trade preferences and technical assistance are helping to achieve high levels of trade and direct investment in Africa. Enhanced trade preferences under AGOA take the form of increased coverage of products under the General System of Preferences (GSP). Trade preferences are complemented with technical assistance to achieve the objective of AGOA. How has AGOA benefited West Africa particularly the regional integration process?

Official figures show nearly three-fold growth of South Sahara African (SSA) exports to the US since 2001. By the end of 2006, more than half of all exports of SSA countries to the US were admitted under the duty-and-quota-free provisions of AGOA. African exports to the US over 2002 recorded an increase of 54 percent (just over USD 14 billion). The breakdown shows the following: 80 percent (over USD 11 billion) - petroleum exports; 20 percent (less than \$3 billion) - textiles and apparel (US \$1.2 billion) and agriculture (US \$241 million). In addition, major beneficiaries include Nigeria, South Africa, Gabon, Lesotho, and Kenya. The five countries accounted for 93 percent of AGOA utilization in 2002. However, these figures do not say it all. For example, the structure of US-Africa trade shows that Africa's exports to US are dominated by crude oil that

would have occurred without AGOA given the rising prices of oil. Secondly, increasingly fewer SSA countries, understandably petroleum exporters, account for the bulk of SSA export to the US. In the case of West Africa for example, only Nigeria and Gabon – both oil producing countries- made it to the top list of beneficiaries. A significant number of eligible countries have not recorded any exports under AGOA since 2004.

The AGOA and other trade preference schemes such the General System of Preferences (GSP), the CPA, and the European Union's Everything but Arms (EBA) demonstrate the inherent contradictions in the use of 'preferential treatment' to cushion the biting effects of unfavorable international trade regime on the South. In spite of some actual and prospect of benefits from these two preferential schemes, they amount to no more than mere palliative measures introduced to give the countries of the South the 'breathing space' in the process of consolidating their integration into the international division of labor as "fetchers of woods and drawers of water". In the words of Mmuya (2007), speaking on possible impact of preferential schemes on Africa, "essentially 'preferential schemes' are 'market schemes' which presently and probably in the-immediate-post schemes period are likely to generate the same problems that the African countries suffer from today" (p. 12). It is therefore unlikely that 'preferential treatment' for the countries of the South will help ensure a "level-playing" field for them in the competition with the industrialized countries of the North. The response of some countries in the South by way of policies and programmes for the protection of their domestic industries and agriculture has not been well received by the North. The latter, guided by the liberal and neo-liberal logic on international trade and aid, requires the countries in the South to open their economies to market arrangement.

Emergence of New Economic Powers

Countries in the South in the most recent time have experienced increase in economic activities among themselves. For example, there has been a robust South-to-South trade and investment due in particular to the depth of outward direct investment by some countries from Asia notably China and India. Asia is now Africa's third most important destination for imports after the EU and the US. In addition, Africa's imports from Asia have grown, but less rapidly compared to exports. Both China and India have doubled their annual growth rates of Africa's exports and imports between 1990-94 and 1999-2004. However, while Africa's exports to China and India consist mainly of commodities notably petroleum, raw materials, and non-oil minerals, Africa's imports from Asia are mostly manufactured goods. The Organization for Economic Cooperation and Development (OECD) says Africa's annual GDP is expected to record 6.7% in 2008 with the aggressive invasion of the continent by resource-hungry China and India. The economic interests of these new actors in Africa require attention especially in view of their claims of support for South-South co-operation and their declarations of 'war' "hegemonies". China's presence in Africa generally has increased sharply over the past few years. Its interest is driven by resource needs and trade opportunities. China is today Africa's third largest commercial partner after the US and France, and the second largest exporter to Africa after France (Smith, 2006). Trade (exports and imports) between Africa and China increased from \$11 billion in 2000 to \$56 billion in 2006 (*African Business*, March 2008:22). Chinese companies, retailers and simple workers are all over the continent (Alden, 2007). An IMF source says China has become Africa's second largest trading partners. According to China's Ministry of Commerce source, China-Africa trade volumes, from January to November 2007, reached \$65.9 billion, an increase of 31% compared with the 2006 record for the same period. This same source indicates that overall imports and exports are balanced and are expected to exceed \$70 billion for the entire year. (*African Business*, February 2008: 11).

China has become very well established in many African markets owing partly to its promise of aids and investments in infrastructure. A case in point was recently reported by *The Africa Report* (No.10 April 2008:56); *It* was an oilfield deal in Nigeria that was secured with a promise of \$7 billion in investments in other sectors. In addition, China is noted for its indifference to political considerations in business transactions that has attracted criticism from the West. Beijing's engagement in Africa is largely based on the principle of non-interference and the idea that basic socio-economic rights are more important for the poor than abstracts political rights that are derived from the Western ideas of human rights (Taylor:2007). Expectedly China's 'cash with no political lectures' policy has made it more popular among African countries that are mostly jealous attached to their sovereignty. However, the advent of China's dramatic 'invasion', however, requires caution especially to avoid reproducing the traditional pattern of FDI inflow into Africa, which is predominantly resource seeking, reinforcing commodity-dependent exports profiles.

India's economic and trade diplomacy has grown in West Africa beyond its traditional Commonwealth partners (Ghana and Nigeria). India's non-oil trade with West Africa currently stands at more than \$3 billion, accounting to 1.2% of the country's total foreign trade (Vine and Price:2007). India is the third largest export destination for Nigeria, after the US and Spain, the largest investor in Ghana, and the second largest trade partners of Senegal. Half of India's imports of cashew nuts are from Cote d'Ivoire and Guinea-Bissau. In addition, Mali, Benin and Burkina Faso export high-quality cotton to India. Nigeria remains India's largest trading partner (worth \$3 billion in trade – mostly oil), however, there are expectations that Indian investments in

Cote d' Ivoire would grow to 1 billion by 2011. India's interest in African resources is necessarily responsible for its new economic diplomacy in Africa. India's economic involvement in West Africa is most visible in the areas of energy, especially the oil and gas sector to meet its energy needs. India presently imports 20 % of its oil requirements from Nigeria.

The growth of South-South trade has implications for investment in Africa as well. According to UNCTAD's *World Investment Report 2007: Transnational Corporations Extractive Industries and Development*, foreign direct investment (FDI) into Africa doubled between 2004 and 2006 to a record \$39 billion. The report indicates future prospects for FDI into Africa with the expectation of high global commodity prices. It is also of interest that African FDI outflows recorded significant increase from \$2 billion in 2005 to \$8 billion in 2006, with firms from South Africa as main contributors to this increase. (See *African Business*, March 2008:17). This is evidence in West Africa where Standard Bank – one of the biggest financial institutions in South Africa – is consolidating its interests in cross-border mergers and acquisitions in the banking industry of Nigeria and Ghana.

No doubt that the increase in the presence of China and India interests in Africa generally and especially West Africa presents a number of challenges and opportunities. West African countries need to put in place a coordinated strategy, possibly using the ECOWAS platform, on how to engage the new actors constructively, and the new actors in the sub-region. In the words of Cheru (2007) on China's presence in Africa, "While China knows what it wants from Africa, African countries have yet to develop a common framework on how to negotiate with China from a stronger and better-informed platform" (p.11).

Nigeria Domestic Setting

Following the annulment of the election results and the abrupt termination of the transition to civil programme in Nigeria in June 1993, prominent members of the international community expressed concerns about the ensuing political crisis in Nigeria. The European Union (EU) led the way. Precisely on July 13th 1993 it issued a statement on the political developments in Nigeria, announcing the adoption of some measures against Nigeria. The military led by General Sani Abacha seized power in Nigeria in November 1993, and in December 1993, the EU reiterated the measures it had previously adopted. It also announced further measures against Nigeria, and interpreted the execution of Ken Saro-Wiwa and the eight other codefendants as "a clear failure by Nigeria to honour its commitment to human rights, which "stems from a number of international instruments to which Nigeria is a party". It also noted, "The military regime has yet to demonstrate convincingly its intention to return to civilian democratic rule within a credible and rapid time-frame". As developments unfolded in Nigeria they were provoking stronger responses from the EU, which came in the form of additional measures, including the suspension of development cooperation. The execution of the 'Ogoni nine' provoked also further reaction from other members of the international community. The United States, Britain, and other countries recalled their ambassadors (some only for further briefings). The Commonwealth countries suspended Nigeria's membership and set a two-year deadline for the Nigerian government to restore constitutional rule or face expulsion. The Organization of African Unity (OAU) condemned Nigeria for the execution order, as did the United Nations. Between 1993 and 1999, the EU and to some extent other members of the international country imposed limited sanctions against Nigeria to promote human rights and transition to civilian, democratic government. However, these efforts had only limited impact. On 20 November 1995, the EU strongly condemned the action of the military regime, reaffirmed the measures adopted in 1993, and introduce the following as additional measures: visa restrictions on members of the Provisional Ruling Council and the Federal Executive Council and their families and an embargo on arms, munitions and military equipment. To crown it all the EU suspended development cooperation with Nigeria given exception to "project and programmes in support of human rights and democracy as well as those concentrating on poverty alleviation and, in particular, the provision of basic needs for the poorest section of the population. Even the latter was not going to be through governmental agencies, but "through local civilian authorities and non-governmental organizations", within the context of the decentralized cooperation.

On 4th December 1995 the EU issued a statement, in which it requested its members to ensure that members of the Nigerian ruling bodies and members of the Nigerian military and security forces and their families that were in possession of long-term visa were not admitted. In addition, member states of the EU were requested to expel all military attaché in the diplomatic representations of Nigeria in their countries. Also, withdraw their own military personnel attached to their diplomatic representations in Nigeria, and interrupt all contacts in the field of sports through denial of visas to visa to official delegations and national teams. The statement indicated further that the EU would actively pursue the adoption of a resolution on Nigeria at the 50th United Nation General Assembly, and the inclusion of the situation in Nigeria on the agenda of the Commission on Human Rights. And furthermore, that if specific steps were not taken by the Nigerian authorities "toward an early transition to democracy", as well as ensure "full respect of human rights and rule of law", further measures would be considered, including sanctions.

The EU on 3 June 1996, not convinced that Nigeria had fulfilled the conditions stated in its "common

position” of 4 December 1995, extended the application of its adopted measures to 4 December 1996. On 25 November 1996, the “common position” was extended further to 4 June 1997, later to 4 December 1997. There was improvement in Nigeria’s human rights records or serious commitment toward the restoration of civil rule throughout the period for which General Abacha was the president, thus the implementation of the “common position” of the EU on Nigeria lasted throughout his tenure. Again, on 28 November 1997, the EU extended the implementation of its measures on Nigeria to 1 November 1998. It however made allowances for visa to be granted for Nigerian nationals to participate in international conferences that may be holding in the territories of EU member states, particularly such meetings in connections with the Fourth EU-ACP Convention, the 1998 Football World Cup and the 1998 World Basketball Championship.

General Sani Abacha died under a mysterious circumstance on June 7 1998 and General Abdulsalam Abubakar who was the Chief of Defence Staff in the administration of Abacha took over as the new president. General Abubakar sensing the mood of the international community moved very to releasing some political prisoners, and as well putting in place a programme of transition to civil rule. The visits of top foreign government officials, especially from the Western countries, Britain (with the visit by Minister of State Tony Lloyd), the US and the French, had their impacts. In addition, so were the visits of the UN Secretary-General Kofi Anan and the Commonwealth Secretary-General Emeka Anyaoku. “[T]he two most significant visits” by the chief scribes of the “two totems of international credibility and respectability” at the time at which they did, coupled with the administration of General Abubakar’s moves toward the restoration of civil rule in the country, left members of the international community with only very little doubt about Nigeria’s desire to change. The administration went a step further by requesting for the representatives of United Nations, Commonwealth as well as the EU to come and observe the electoral process that would usher in a civilian administration. The EU’s reaction to all these developments is contained in a “Declaration” issued by the EU Presidency. The Declaration welcomes the new transition programme of the Abubakar administration and its commitment to hand over power to a civilian government in May 1999. The EU while noting the administration’s commitment to the respect of human rights emphasized the need for “an inclusive democratic society” as well as the need for “the military government not to interfere in the free formation of new political parties in a free election process”. The EU indicated its preparedness for a constructive political dialogue, and its readiness to render assistance to Nigeria’s democratic process. The ‘reforms’ in Nigeria proceeded too rapidly that any one that had witnessed developments in the Nigeria especially in the immediate previous years under the Abacha administration would not believe things. It was not as if there were fundamental or structural changes. However, for the fact that Nigeria had been for long static and stagnant under successive military regimes, especially the unresponsive dictatorship under Abacha made things looked so big in eyes of many who wanted a change.

Thus the very little ‘concessions’ and ‘compromises’ that the military was ready or forced to make through the Abubakar administration were welcomed at all levels. It was in this regard that the EU on 18th of September issued a statement, in which it welcomed the commitment of the administration of Abubakar to “democratisation process”, as demonstrated in the establishment of key political institutions like electoral commission, the publication of the 1995 draft Constitution, the lifting of restrictions on trade union activity such as the decision to lift ban the Academic Staff Union of Universities (ASUU), and the invitation extended to the UN Special Rapporteur on 16th September 1998 to visit Nigeria. Impressed with these developments, the EU promised to intensify political dialogues, and looked forward to the normalization of relations between the EU and Nigeria “on the understanding that the positive developments in the country will continue”.

The relationship between Nigeria and the EU improved rapidly in 1998. Less than two months after issuing the above statement, precisely on 30 October 1998, in the bid to further strengthen “political dialogue” with the Nigerian authorities, the EU modified the measures adopted in 1995. The quote below is an extract from the “Declaration”:

Taking into account the positive developments observed in Nigeria, the European Union has, in accordance with its declaration of 18 September 1998, reviewed its common positions of 20 November and 4 December 1995 and the sanctions that they introduced. As a result, the Union has decided to lift all sanctions concerning visa restrictions, high-level visits (involving civil and military authorities) and sporting contacts, as well as those concerning the arms embargo, military cooperation and the training of military forces, with the exception of units not intended for preparation for combat...

With all this in placed all seemed set for eventual normalisation of relations between the EU and Nigeria. On May 29, a new civilian government was installed in Nigeria with General Olusegun Obasanjo as President. In June 1999, the EU lifted all remaining sanctions against Nigeria and resolved to focus future co-operation on poverty alleviation, promotion of democracy and good governance, anti-corruption measure, and the integration of Nigeria into global economy.

Cotonou Partnership Agreement

The new realities, mostly associated with the new wave of democratization and the globalizations process, have generated new interests, priorities and approaches in North-South cooperation. For instance, in the case of the EU-Nigeria, it is now accepted that the previous arrangement under the Lome Convention guarantee trade presences is incompatible with rules of WTO. Even if WTO was willing to grant a waiver, it was certain that the Lome as was conceived would have to be totally re-examined. Both the EU and ACP eventually opted for a flexible agreement that would run for twenty years, with a revision clause every five years. This also provided options for individual member states or regions to negotiate bilaterally with Europe within the framework of the Cotonou Agreement. The expectation was is that at the end of the period of agreement 2020, there will a completely free trade agreement almost in full compatibility with WTO rules. Below is the timetable of negotiations that will bring this about.

Table 1. 1: Showing the Timetable for ACP-EU Trade Negotiations (2000-2020) as Foreseen in the Cotonou Partnership Agreement

Date	Negotiations	Trade Regime
Until Sept. 2000 – April 2000	Parties prepare for negotiations. EU request waiver from WTO members allowing it to continue its Lome preferences until 2008	Current non-reciprocal tariff preferences-the all –ACP Lome regime maintained for 70 ACP countries other than South Africa (assuming a WTO agreements is obtained).
Sept. 2002 – Dec. 2007	EU negotiates “Economic Partnership Agreements (free trade agreements) with ACP countries as regional groups or individually.	
2004	EU and ACP review possible arrangements for non-Least Developed Countries (LDCs) who decide that they are not in a position to sign free trade agreement.	
2006	EU and ACP review planned arrangements for all countries “to needed for preparations or negotiations.	
1 st Jan. 2008 – until 2018/2020	Implementation of new Economic Partnership Agreement (EPAs)	All-ACP Lome regime end. ACP signatories to EPA gradually open “substantially” their trade imports to the EU LDC’s whooped out of EPA’s keep non-LDC’s who opted out of EPA’s get a (yet undefined) alternative treatment.
1 st Jan 2018/2020		Free Trade agreement in place between EU and ACP signatories to EPA’s

Source:(European Commission, 2000)

The ACP-EU Partnership was signed in Cotonou, Republic of Benin on 23 June 2000. The negotiations took almost two years during which parties sought out for common ground on such difficult issues like good governance, the transition towards a World Trade Organization (WTO) compatible trade regime, the end of STABEX and SYSMIN as separate instruments, the extension of partnership to decentralized actors and the introduction of performance-based aid allocations. The agreement will run for twenty-years, with a revision clause every five years and a financial protocol for each five-year period. This new cooperation strategy is based on the ownership and partnership principles.

Unlike in the previous agreements, there were no serious disagreements on the financial contribution by the EU. It is also of interest to know that the Euro 15.2 billion set aside, unspent funds from previous Lomé Conventions will be available for a seven-year period (2000-2007). The innovative features in the new agreement include the deepening of the political dimensions of partnership, the explicit attention to corruption, enhanced opportunity for participation by non-state actors, the introduction of a rolling programming system, the creation of an investment facility to support private sector development, the rationalization of instruments, and a new policy framework for economic operation, trade and investment. It is to the good of the ACP that it has been able to accomplish the following: maintenance of the cohesion of the ACP group, influences the time frame for the trade negotiations, and continues protocols on sugar, beef, and veal. Also, the ACP group was able to modify some of the reform proposals that were seen to grant too much discretionary power to the EU especially on such issues like the provisions on good governance and performance-based aid allocation. On the governance issues, even at the various negotiations, while the ACP countries accept the relevance of governance criteria, its

practical application remains a source of worry to them. The ACP countries are opposed to the one-sided, western interpretation the concepts of good government, civil society, and human rights. The post-Lomé IV trade regime at a later stage was expected to replace the non-reciprocal, preferential regime granted by the EU to all ACP countries (except South Africa) under the Lomé regime, with several new, reciprocal, WTO-compatible trade regimes between the EU and ACP countries. The ACP countries have the options of proceeding either as a group or individually. The EU had expressed preference for regional approach in the form of the proposed Regional Economic Partnership Agreements (REPA's). But from the side of the ACP countries, this simply did not offer sufficient advantage. At the end of the day both parties agreed to a flexible time horizons and greater synchronization with the WTO. In contrast to the Lomé regime, from year 2008, different ACP countries would start to receive different treatment from the EU. The 39 ACP least developed countries (LDC's, the poorest countries as defined by the United Nations) will continue to "keep Lomé". And the 31 non-LDCs (if they do not sign Economic Partnership Agreement (EPA's) with the EU could be transferred into the EU's Generalized System of Preferences (GSP), a non-reciprocal set of preferences that are less generous than Lomé.

Nigeria was under EU sanctions mostly during the final phase of the negotiations for the Cotonou Agreement. With the return to civil rule Nigeria was able to update herself with the realities of a new development cooperation agreement. On May 15th, 2001, the European Council of Ministers adopted a specific Common Position on Nigeria which aims to strengthen the mutually beneficial relations between the EU and Nigeria in all areas of common interest. This Common Position specifies that the EU will pursue a consistent and coherent approach towards Nigeria, covering policies within the political, economic, trade and development fields, with a view to supporting and encouraging Nigeria's own processes of: consolidating democracy and respect for human rights; reducing poverty and achieving sustainable institutional reform, social and economic development; enhancing its capacity to contribute to regional integration, peace, security and development and to integrate into the world economy.

The Government of Nigeria and the European Commission furthered their efforts at promoting mutually beneficial relations. They held discussions in Abuja from July 15th to 16th 2002 with a view to determining the general orientations for co-operation for the period 2001-2007. During these discussions, the Country Support Strategy and an Indicative Program of Community Aid in favor of Nigeria were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the Cotonou Agreement. These discussions complete the programming process in Nigeria that basically concentrates on working with Nigerian programs, rather than establishing separate projects. In this regard sense of ownership will be promoted among all the stakeholders in EU's development cooperation with Nigeria. According to the "Nigeria-EC Country Strategy for Nigeria and Indicative Programs for the Period 2001-2007, "Co-operation between the Community and Nigeria shall pursue these objectives, taking into account the fundamental principles laid down in Article 2 of the Agreement – notably the principle of encouraging ownership of the development strategies by the countries and populations concerned."

Also, the EU recognizes that progress in these efforts is primarily the responsibility of the Federal Republic of Nigeria. The EU agrees that: "Strengthened relations between the EU and Nigeria shall be based on equality, dialogue and shared values of respect for human rights, democratic principles, the rule of law and good governance." In effect the Nigerian federal government, state governments and the civil society are considered critical stakeholders in the development process. The EU considers the following as the key areas for future EU support for Nigeria: development of a democratic culture; institutional capacity-building; poverty reduction strategy paper (PRSP); economic growth and development; and strengthening Nigerian capacity to contribute to regional integration, conflict prevention and resolution and crisis management in West Africa.

In the "West Africa – European Community Regional Cooperation Strategy Paper and Regional Indicative Program for the period 2002 – 2007", the Community envisages making available to West Africa for the period 2002 - 2007, an amount of €235 million. The 15 ECOWAS countries and Mauritania are expected to benefit. Under the strategy, the Community will work closely with the two regional organizations with a mandate for the 9th EDF programming period: the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). ECOWAS has a mandate to negotiate the EPAs in collaboration with the WAEMU. The strategy is expected to encourage in the long-term the convergence of the two integration processes. To boost the capacity of regional integration schemes for trade negotiations, 50 percent of the RIP allocation will be assigned to the economic integration and trade support sector. In addition, support will be given for the definition and implementation of regional sectorial policies aimed at complementing national programs. The strategy will also support a facilitating, harmonizing approach at regional level to allow the free movement of goods and people.

CONCLUSION AND RECOMMENDATIONS

The extant literature has apparently indicated that the Cotonou Partnership Agreement never served the interest of the Western African Nations. The emphasis on trade alone again, revealed the fact that even the so called

trade partnerships ended being a replica of borrowing from Peter to pay Paul. It is regrettable that, after thirty years of preferential market access, Africa still exports just a few basic commodities to the EU. Most of these are sold at lower prices than they were twenty years. And their share of the EU market is steadily declining. The trade preferences have not had the intended effect of helping Africa to diversify its economy into higher value products, and it now attracts less than 2% of world foreign investment.

We therefore recommend that, Africa must toe the line of one time President of ECOWAS Commission Mohammed Ibn Chambers whos said that "... We believe that the EPA can be an instrument for development and deepening regional integration in West Africa, but it has to be negotiated, taken into account, the development dimension...Not just focusing on the trade aspect. And to have a balanced and development-oriented EPA, we will need some time to consolidate a full agreement..." Therefore, renegotiation is key to survival of the region in the CPA.

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