Will this time really be different? Twenty years of trying (and failing) to reset Europe-Africa relations

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Abstract

The European Union (EU) is hoping that 2020 will be a pivotal year in its relationship with Africa. As Africa becomes more of a strategic priority for Europe, European leaders are aiming to reset relations. In the words of Ursula von der Leyen, the new President of the European Commission, Europe wants to work “in the spirit of a true partnership of equals”. What are the prospects? This essay reviews two decades of cooperation between Europe and Africa in three key areas: development finance, migration, and trade and investment. The track-record is sobering. It shows how leaders from the two continents have been trying (and failing) to reset their relationship for the past twenty years: time and again pledges have not been met, and leaders have often talked past each other. Cooperation has not been impeded by a shortage of projects and programmes, but by a dysfunctional relationship. Given the geographic proximity of the two continents and regular flows of trade, people, and finance between them, African and European governments need to find more effective ways of working together. Leaders need to openly acknowledge and discuss the deep-seated tensions, divergent interests, and confront the trust deficit that undermines cooperation. The essay ends with suggestions on how to make this happen.

Policy Recommendations

- Leaders from the two continents should put aside grand plans and frameworks in favour of discrete, meaningful initiatives. They should aim for a strategic alliance rather than a ‘partnership of equals’, as this better reflects current realities.
- To send a signal that it is serious about rebalancing the relationship, European leaders could prioritise issues that are important to African governments and require Europe to change, countering the widespread perception that African governments are always asked to bear the brunt of adjustment. Initiatives might include reforming European visa processes to ensure they are fair and efficient, vigorously countering hostility and misinformation in Europe about African migrants, and acting in meaningful ways to prevent European firms and offshore centres from facilitating illicit financial flows.
- Leaders could focus new cooperative ventures on areas where neither Europe nor Africa has an obvious resource advantage, fostering an exchange of ideas and expertise and working together to address common concerns.
Introduction

The European Union (EU) is hoping that 2020 will be a pivotal year in its relationship with Africa. Within days of taking office, Ursula von der Leyen, the new President of the European Commission, visited the African Union (AU) headquarters in Ethiopia - a signal of the growing importance the EU places on its relations with the continent. A record number of EU Commissioners participated in an AU-EU meeting in February, and in early March the European Commission published its vision for a "stronger, more ambitious partnership with Africa" (European Commission, 2020). In the coming months there will be a series of meetings between ministers, senior officials, and businesses from both continents to prepare for the 6th Africa-EU Summit in Germany, where heads of state will gather in October.

As Africa becomes more of a strategic priority for Europe, European leaders are aiming to reset relations and work "in the spirit of a true partnership of equals" (von der Leyen 2019). Recognising that the relationship has often been fraught, Charles Michel, President of the European Council, explained to African leaders in February 2020 that, "This changing Europe is looking at Africa with fresh eyes – with respect, optimism and confidence… For a long time, Europe remained trapped in an outdated view of this continent. Europe is your partner for trade, investment, cooperation and development. But this partnership is no longer enough; it needs to be reinvented" (Michel 2020).

What are the prospects for a fundamental reset of relations? This essay reviews cooperation between the two continents, and finds a sobering track-record. This is not the first time that leaders have sought to improve the relationship – far from it. Leaders have been trying (and failing) to reset relations for the past twenty years. Analysing cooperation over the past two decades shows that, despite frequent declarations to improve relations, cooperation has fallen far short of the mark in practice. Pledges have not been met and leaders have often talked past each other. European leaders have frequently declared an intention to ‘move on’ from the troubled relations of the past, while African leaders have pointed out that historical inequalities and injustices cannot be brushed aside, as they continue to shape the present. This essay examines the trajectory of cooperation in three key areas: development finance, migration, and trade and investment. Cooperation has been undermined when leaders from both continents have failed to acknowledge and address their divergent interests; when joint programmes and projects have failed to effectively share risk, responsibility, accountability, and benefits; and when inequalities in resources have led one party (the EU) to exert more influence in decision-making.

Given the geographic proximity of the two continents and regular flows of trade, people, and finance between them, African and European governments need to find more effective ways of working together. In the coming years, governments will need to confront a range of issues from migration, climate change, the new COVID-19 pandemic, and the weakening of the multilateral world order. For the two continents to really address upcoming challenges, it is vital that our leaders find ways to avoid the pitfalls of the past and develop new ways of working together. I conclude with suggestions on how to make this happen.

Twenty years of talking past each other?

Looking back at Africa-Europe relations it is striking how many times leaders from the two continents have announced an intention to fundamentally reset their relationship. The first ever Africa-EU Summit was held in Cairo in 2000. In the run-up to the summit, President Mbeki, speaking on behalf of African leaders, was diplomatic but forthright about the troubled history between the two continents and he called for a different
approach: “Our two continents have been in constant interaction even earlier than the age of the Roman Caesars. Very often that interaction brought for us bitter fruit.” He called for a “new process of interaction” between the two continents based on shared values and focused on a “common obligation to end poverty and underdevelopment” (Mbeki 2000). The summit declaration, duly committed to “give a new strategic dimension to the global partnership between Africa and Europe, in a spirit of equality, respect, alliance and cooperation” (African and European Heads of State 2000).

Yet little changed. Relations between African and European leaders continued to be fractious, and promises to improve the relationship continued to be made. The second Africa-EU Summit was held in 2007 and leaders agreed, once again, on the need for “overcoming the traditional donor-recipient relationship and building on common values and goals” (African and European Heads of State 2007). Fast forward to 2018 when, his final State of the Union address, President Juncker called for Europeans to “stop seeing this relationship through the sole prism of development aid” and to “build a new partnership with Africa” based on reciprocal commitments (Juncker 2018). In December 2019, President von der Leyen declared an intention to prioritise relations with Africa and work “in the spirit of a true partnership of equals” (von der Leyen 2019).

However much European leaders would like to move on from the past, cooperation continues to be impeded by leaders’ failure to frankly and openly discuss historical injustices and confront divergent interests. Reading through the various documents and declarations, it is striking how historical injustices that African leaders refer to time and again in their public speeches are airbrushed out of joint declarations. The declaration from the first heads of state summit twenty years ago revises history, celebrating historical ties that led to “many areas of cooperation”, ties which, the declaration claimed, had “developed on the basis of shared values” (African and European Heads of State 2000). Similar language is found in the more recent documents too.

Reading the speeches and declarations from African and EU leaders over the past twenty years brings the Groundhog Day movie to mind, where the main character is stuck in time loop and keeps reliving the same day. To better understand the problems that confront relations between the two continents it is helpful to look in more detail at specific areas of cooperation.

Development finance – a series of unmet pledges

Development finance was one of the first areas in which African and European governments attempted to reset relations. In the early 2000s, there were high levels of disaffection among African countries with the established development assistance regime. This led to a series of pledges from European countries to increase aid, reduce conditionalities, enhance coordination and alignment, and reform the aid architecture. There were some notable achievements, including the relief of US$43 billion of external debt under the Heavily Indebted Poor Countries (HIPC) initiative. But twenty years on, few of the other pledges have been met.

It was in 1970 that European and other industrialised countries first committed to allocate 0.7% of GDP to aid. In the early 2000s they renewed this commitment and, at the G8 Summit in Gleneagles, they committed to double aid flows to Africa by 2010. Yet EU countries fell far short of meeting these targets. The EU continues to be a major player in development finance, and its contributions exceed development assistance provided by the rest of the world. However aid commitments as a share of GDP are lower now than they were in the 1960s, and in 2019, only 4 of the 28 EU member states were meeting the 0.7% target (OECD 2019).
To address frustration that development assistance was driven by the interests of donors rather than recipient countries, major pledges to reform aid modalities were made in 2005 and set out in the Paris Declaration on Aid Effectiveness. European countries formally pledged to: align aid with the strategies set by developing countries, focus on results, provide aid through processes that were inclusive and transparent, and ensure mutual accountability between donors and recipient governments (OECD 2005). Again, implementation fell far short. A major review conducted by the OECD showed that as at 2011, only one of the thirteen goals set out in the Paris Declaration had been met (OECD 2012).

Donors and recipient governments came together in Busan in 2011 to create the Global Partnership for Effective Development Co-operation, and reaffirmed the original commitments they had made in the Paris Declaration six years earlier. The renewed commitments were derailed as aid budgets came under pressure in Europe in the wake of the global financial crisis, and European governments looked for short-term results in order to reassure their taxpayers that aid money was a worthwhile expenditure. The European Commission and member states moved away from providing budget support (widely regarded as the best mechanism for aligning aid with strategies of recipient governments), and made increasing demands for political conditionalities (Faust et al. 2012). A major evaluation of aid effectiveness in 2019 showed that the alignment of European development partners with country-led results frameworks was declining (OECD and UNDP 2019).

As aid flows stagnated, European countries looked to deliver development finance through ‘blended financing’, which uses aid to leverage private sector investment. They hoped that blended finance would generate the vast amount of additional financing needed to meet the United Nations Sustainable Development Goals, estimated at $2.5 trillion a year. However, while the use of blended finance initiatives has increased, it has proven harder than anticipated to attract private investment into projects (African Development Bank 2018). The real leverage ratios are also much lower than originally hoped, particularly in low-income countries, raising concerns about the efficacy of using aid funds to stimulate private investment (Attridge and Engen 2019).

While development finance relations between Europe and Africa have not been reset and targets have often been missed, the external financing environment for African governments has changed dramatically. China has become a leading source of external finance for African governments, with the Chinese government, banks and contractors extending US $143 billion in loans to African governments and their state-owned enterprises (SOEs) between 2000 and 2017 (China Africa Research Initiative 2018). While Chinese loans are not without their challenges, the emergence of alternative sources of finance has been welcomed by many African governments. Although aid flows from Europe remain vitally important for many low-income and fragile countries, many African countries are keen to refocus Africa-Europe relations beyond aid and the traditional donor-recipient frameworks they come with.

Migration – a growing source of tension
Migration is an issue that has gained salience over the past ten years and it has emerged as one of the most contentious areas of Africa-Europe relations. Tensions reached a new height during the 2015 Africa-Europe Summit in Valletta, illustrated in remarks by Senegal’s President Macky Sall who noted with frustration that “the real fundamental questions” were being avoided (Neuger and Navarra 2015).

As many reports have shown, African migrants are a relatively small proportion of total migrants arriving into Europe, but they receive a disproportionate amount of attention and reaction in the (increasingly
hostile) debate about migration in host countries, and have become the focus of recent initiatives by European governments to reduce immigration.

Despite what is commonly assumed, the rate of African emigration (that is, the proportion of African emigrants compared to the continent’s population) is one of the lowest in the world. More than 80% of African migration occurs within the African continent. In 2015, there were an estimated 21 million migrants in Africa, of which 18 million were from other African countries. Africa also hosts more than a quarter of the world’s refugees. Although Europe has become preoccupied with restricting irregular migration from Africa, particularly across the Mediterranean, migration through regular routes far exceeds migration through irregular routes (IOM 2017).

In response to growing nationalism in many European countries and an increase in far-right activism, EU governments have launched a series of initiatives to demonstrate their control over migration, focusing on countries of origin and transit. European leaders increasingly justify aid budgets on the basis that they will address the root causes of migration, and tackling migration is included among the goals of the EU's new development framework. Aid funds are being diverted to initiatives that seek to prevent irregular migration, including the EU Trust Fund (EUTF), which emphasises the return and reintegration of migrants, and anti-smuggling and anti-trafficking activities. There have also been moves to make European aid conditional on African governments supporting European initiatives to manage migration (Fine, Dennison, and Gowan 2019).

This shift in focus by the EU has been widely criticised, including by many African leaders. A series of studies show that blunt deterrence and prevention-focused interventions are unlikely to work. Based on global evidence of migration trends, most African countries are just entering the stages of growth and development at which emigration begins to intensify, which throws into question the notion that migration can be prevented or significantly reduced through programmatic and policy responses (UNDP 2019). As Nkosazana Dlamini-Zuma, AU Commission Chairperson, said at the 2015 Europe-Africa Summit, migration in search of safety or a better life is as old as humanity itself, so “there is no part of the world that can be a fortress”. She also noted that African countries had long been recipients of European migrants, even before colonialism. After the Second World War, African countries had welcomed European refugees, asylum seekers, entrepreneurs and adventurers, without pronouncing a "crisis of European migrants in Africa" (Dlamini Zuma 2015).

Initiatives to restrict immigration from Africa risk undermining development objectives. EU projects to stem irregular migration include projects to increase border-checks between African countries, undermining regional integration and the movement of people within West Africa. Burdensome and arbitrary visa requirements and immigration policies thwart collaborations between African and European businesses, and research collaborations between African and European academics. In the UK, African visa applicants are more than twice as likely to be refused a visa than applicants from any other part of the world. In the words of a recent UK Parliamentary report, “no single issue does more potential damage to the image or influence of the UK in Africa than this visa question” (APPG for Africa, APPG for diaspora, development and migration, and APPG for Malawi 2019). Patterns are similar in other EU countries with African applicants receiving a disproportionate level of rejections for Schengen visas. Thirteen of the twenty countries with the highest level of Schengen visa rejections in the world were African, with rejection rates at more than 40% for Algeria, DR Congo, Eritrea, Ghana, Guinea, Nigeria, and Senegal, compared with a worldwide average of 10%. The policy debate often overlooks the important role that migration plays in
development. Remittances from African citizens working in Europe are at least as large as European overseas development aid and foreign direct investment to the continent (European Commission 2017a). African citizens who migrate to Europe through regular channels are more likely to return to the continent, and little attention is paid to the new trend of economic migration from Europe to Africa, most notably by well-educated Europeans with African heritage who — in increasing numbers — set out to develop their professional and business careers in Africa (IOM 2017). The policy debate also overlooks the potential gains for Europe from African migration. Given Africa’s comparatively young population and Europe’s aging population and projected labour shortages in important areas like nursing and healthcare, there is the potential for mutual gains from managed migration flows between the two continents (Ahmed and Gough 2018).

Instead of focusing on short-sighted restrictive measures that are causing serious frictions with African governments, Europe could embrace a wiser set of policies. These would seek to counter the widespread misinformation and prejudice in Europe about African migrants, open up more legal routes to migration, dramatically improve immigration and visa policies to make them more efficient and less arbitrary, and develop initiatives in the medium term that can generate gains for both continents.

Trade, investment and capital flight – avoiding the difficult conversations

The term ‘partnership’ has also featured prominently in Africa-Europe trade relations over the past twenty years. Since the late 1990s, the EU has sought to replace trade relations based on unilateral preferences (whereby European markets are opened to imports from African countries on a preferential basis, with no requirement for African countries to reciprocate) with a series of Economic Partnership Agreements (under which African countries are required to reciprocate, albeit with some flexibilities). The negotiations around these new agreements have been extremely contentious. This is reflected in the drawn-out nature of the negotiations and patchy levels of signature and ratification among African countries (European Commission 2019).

While the European Commission claims that the agreements will promote sustainable development and regional integration in Africa, the UN’s Economic Commission for Africa argues that they will deliver uneven outcomes with gains for some African countries and more generalized gains for the EU, and may adversely affect intra-African trade (European Commission 2018a; UNECA and ATPC 2016). The tensions are as much about poor diplomacy as economics. In the face of rising tensions over the future of trade relations, African leaders called for a thorough discussion on the EPAs during the EU-Africa Summit of 2007, but the summit took place without the issue being discussed (Aggad-Clerx 2014). In the subsequent political fall-out, EPAs were dubbed a ‘well-intentioned diplomatic disaster’.

As African and European governments struggled to agree on a new structure for their trade relations, Africa’s external trade relations diversified markedly. The EU remains the continent’s largest trading partner, accounting for 36% of total African trade in 2017. But trade with China has grown rapidly, and China is now the second most important external trade partner, accounting for 16% of total trade (European Commission 2018b). Intra-regional African trade has also grown, rising from 9% of total trade in 2000 to 17% in 2017, although it remains far below other regions including Asia and the EU (Abrego et al. 2019).

African governments are now focused on bolstering regional trade and integration through a new continent-wide free trade agreement. The United Nations Economic Commission for Africa estimates that continent-wide trade integration has the potential both to boost intra-African trade by
more than 50% by eliminating import duties, and to double this trade if non-tariff barriers are also reduced (UNECA and ATPC 2018). IMF researchers estimate welfare gains of 2 to 4% of GDP, mainly from reduction of non-tariff barriers (Abrego et al. 2019).

Although there are concerns that the new trade agreements with the EU pose challenges for regional integration in Africa, European leaders have shown support for this new venture. The European Commission is providing the African Union with technical assistance to help with research and analysis on continental trade integration. In a surprise move, Jean-Claude Juncker, President of the European Commission announced in 2018 that Europe would look to build from the patchwork of Economic Partnership Agreements towards a “partnership between equals” based around a new continent-to-continent trade deal (Juncker 2018).

While much attention has been paid to trade relations, much less has been paid to addressing high levels of capital flight from the continent. The issue has been raised by African leaders since the early 2000s, but to little avail. At the launch of the first Africa-EU Summit in 2000, President Thabo Mbeki noted that, despite an urgent need for capital to stimulate economic development, several African countries were net exporters of capital due to their high debt servicing obligations and high levels of capital flight (Mbeki 2000).

Despite welcomed debt relief, a series of recent studies show that capital flight remains a major challenge. A study of 30 African countries estimates that they lost US$1.4 trillion to capital flight between 1970 and 2015, an amount that far outweighs outstanding external debt and makes them net creditors to the rest of the world (Ndikumana and Boyce 2018). The High Level Panel on Illicit Financial Flows, chaired by President Mbeki, estimated that African countries still lose US$50 billion a year, an amount that far outweighs aid inflows (High Level Panel 2015).

The High Level Panel estimated that over 60% of illicit financial flows are due to the activities of large commercial companies, including trade mis-invoicing, while criminal activities such as drug trafficking account for about 30%, and corruption makes up the remainder. As Europe remains the largest source of private investment on the continent, it is likely that many European companies are involved. The Panel report shows how capital outflows are routed through international tax havens and secrecy jurisdictions, facilitated by international banks, advisory, and accountancy firms. Recent corruption scandals in South Africa and Angola have resulted in investigations into the facilitating role played by major global banks, accountancy, and advisory firms as well as European offshore financial centres, such as Malta and the British Virgin Islands.

African leaders have called for more action. During the 2015 Africa-EU Summit, President Macky Sall of Senegal called for action to address tax evasion, arguing that African countries wouldn’t need aid if multinationals paid what was due (Macdonald 2015). Just last year, Ghana’s President Nana Akufo-Addo used his speech to the UN General Assembly to call for international cooperation to tackle illicit financial flows, arguing that “the flight of capital is continuing the foreign exploitation of Africa, represented by colonialism and imperialism” (Akufo-Addo 2019).

Unlike migration, which is a strategic priority for Europe and has become central to Africa-EU relations, there is still no concerted Africa-Europe cooperation to address illicit financial flows. Although there are a number of commendable initiatives, they are disparate and fall far short of what is needed. While European regulations to address money-laundering are tighter than those of the US, an evaluation by the European Commission in 2015 showed that the EU internal market was still vulnerable and recommended revising legislation and strengthening the capacities of public and private actors to improve compliance (European Commission 2017b).
Conclusion: towards a strategic alliance rather than a partnership of equals?

There are many challenges ahead where the two continents could benefit from working together more effectively, whether that’s addressing capital flight, migration, climate change, or the new COVID-19 pandemic. The newly launched EU plan for a “comprehensive strategy with Africa” has lots of proposals for initiatives that could be pursued (European Commission 2020). Yet, as the preceding analysis highlights, cooperation has not been impeded by a shortage of proposals but by a dysfunctional relationship. Governments need to find ways to increase trust and work more effectively together. As the past twenty years have shown, simply declaring that relations will be different isn’t enough. Leaders need to openly acknowledge and discuss the deep-seated tensions, divergent interests, and confront the trust deficit that undermines cooperation.

Leaders from the two continents might start by being more realistic about the state of cooperation, putting aside any aspiration to work in a ‘partnership of equals’ and aiming instead for a strategic alliance. A partnership implies a high level of mutual interest and an arrangement where the parties have joint ownership and control, and share gains and losses. This is a far cry from the reality of contemporary Africa-Europe relations which have been characterised by a persistent failure to fulfil pledges and ensure joint ownership and control. A strategic alliance would be a looser relationship that better reflects current realities, in which the parties work together in specific areas, but retain a high level of operational independence.

They could also put aside grand plans and frameworks in favour of discrete, meaningful initiatives that help improve the quality of the relationship. To send a signal that it is serious about rebalancing the dynamics of the relationship, Europe could prioritise issues that are important to African countries and require Europe to change, countering the widespread perception that African governments are always asked to bear the brunt of adjustment in the Africa-Europe relationship. Initiatives might include reforming European visa processes to ensure they are fair and efficient, vigorously countering hostility and misinformation in Europe about African migrants, and acting in meaningful ways to prevent European firms and offshore centres from facilitating illicit financial flows.

Leaders could focus new cooperative ventures on areas where neither Europe nor Africa has an obvious resource advantage, fostering an exchange of ideas and expertise and working together to address a common concern. In the past, relations have broken down when one party perceives itself to have far more to contribute to the relationship than the other, resulting in a heavy-handed approach that generates accusations of paternalism. Governments on both continents are grappling with how to regulate the digital economy. African governments could advise their European counterparts on the regulation of digital payment technologies and platforms, while African governments could learn from European approaches to regulating data flows. Leaders from the two continents also have an interest in strengthening and reforming multilateral institutions in the face of growing tensions between the US and China, and could cooperate on the international stage to make this happen.

Notes

(1) Author’s own calculations based on 2018 Schengen Visa Statistics for Consulates available here.

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