

Why East Africa Should Reject the Economic Partnership Agreement (EPA) with the EU

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It seems to me that the discussion on the EPA that is being pushed by Kenya, especially the flowers lobby, does not understand the changes in the international situation. In 2016, Africans are a long way away from the era when British settler bigwigs in Kenya Michael Blundell and Bruce McKenzie could make decisions about the future of Africa. Then, they built the flowers trade as part of the lift capabilities of the British and European long term plans for Africa. These plans were thwarted by Tanzania and the liberation forces.

In the period 1971-1990, there had been an attempt by the West to isolate Tanzania because Tanzania did not toe the line of the West on the future of Southern Africa. For a short while, especially the days of Nguvu Kazi, Tanzania was alone, yet Nyerere did not blink.



Need for thorough examination of the texts

The present Tanzanian society is in a much better position than it was in 1984. The private sector has come out clearly against this Economic Partnership Agreement.

The Speaker of Parliament has called for debates in Parliament. But Parliament cannot debate unless they have full public disclosure of the EPA texts.

Universities, trade unionists, teachers and students ought to be engaged in this debate in public. The EU is depending on frightening the people that 'aid' would be cut off. But, if the figures were examined clearly, then one can see that the goals of the EPA are detrimental to the future of regional or full continental economic cooperation.

The EPA is a legally binding international instrument. It is of indefinite duration. Once in force a party can only withdraw from its obligations and entitlements by 'denouncing' the Agreement in its entirety (problematic in light of the goals of 2063).

If the agreement is signed, it endows EPA implementation with a degree of supra-nationality which EAC governance itself does not possess.

Lessons from the past

Older citizens of the East Africa will remember that when the East African Community broke up in 1977, it was not only for trade reasons, but also for reasons of security. The Entebbe raid of 1976 and the use of the East African airlines by the Kenyan security was something that former President Julius Nyerere could not accept silently. Importantly, Nyerere understood that the flowers lobby – Bruce McKenzie and Michael Blundell – was doing the deals with the Europeans and Israelis behind the back of President Jomo Kenyatta.

The most recent book by Saul David, *Operation Thunderbolt: Flight 139 and the Raid on Entebbe Airport, the Most Audacious Hostage Rescue Mission in History*, should be required reading for all literate East Africans. The Kenyan journalist John Kamau has detailed the duplicity of Charles Njonjo in keeping the Head of State in the dark about such a major military operation on Kenyan soil. (See [How Entebbe Raid was plotted in Njonjo's home.](#))

In the present period, pan-Africanists and those who are planning for the future integration of Africa are not sure that the current Kenyan leadership fully understands the implications of signing this agreement. Former Tanzanian President Benjamin Mkapa has provided the necessary figures to [point out](#) the fact that, "The EPA with Europe is bad news for the entire region, even Kenya."

There must be a better grasp of the balance of economic forces in Kenya. The section that is pushing the deal has strategic control over the financial base, but such a base can shift within the twinkle of an eye. Kenyans should remember the role of France and the EU in Cote D'Ivoire.

Three months for debate

The good thing for Tanzania is that there are three months for debate. These will be three tumultuous months.

In the first place, the original discussion of the Economic Partnership Agreement (EPA), the collapse of the financial system (2008 crash) and the "printing" of money by the Europeans

and the US government under the policy of quantitative easing makes it imperative that Tanzania moves to develop the infrastructure for local industry based on biomass and solar. The 2008 financial crisis is beckoning again and the head of the IMF Christine Lagarde has [stated](#) that we are moving to a 1914 situation. It is a [warning](#) that we should heed.

There is no excuse for not rallying the people to grasp the threat to the independence of Africa. There are enough financial resources in Tanzania in the financial institutions. This is real money, as compared to the fiat money that will be given as 'aid.' This is the money that they are printing since 2011, because of the financial crisis.

Secondly, the fragility of the economic system in Europe has created political uncertainty. Hence, the British have taken the first step to break from the EU. Why should Tanzania sign the EPA at a moment of such great uncertainty?

The combination of the financial crisis (quantitative easing), the uncertainties in Europe over Brexit and the excess capacities from the One Belt One Road (resources for infrastructure-R4I) provide the kind of breathing room that can only be filled by boldness.

If the government of Tanzania and the Governor of the Central Bank follow closely the global economic and financial situation, they will understand that there is deflation in Europe. The situation is one where there is 'bad money', meaning that money sitting in financial institutions where the money is earning negative interest rate because the international financial situation is so toxic. Literate East Africans should read this [article](#) by the former Minister of Finance for Greece, Yanis Varoufakis.

Tanzanians will have to re-position their economy so that they build strong links with the Democratic Republic of the Congo (DRC) and the economic potential that will come, even before this phase of the crisis is over in the EU and the USA and build up the Mtwara Corridor of Southern Tanzania, Malawi and Mozambique.

Audacity and boldness can only come from a conception of the leadership that will be provided by Tanzania. The Ugandans are so weak and opportunistic that they will break from the flowers and sugar barons once they realize that Tanzania is serious.

Such boldness will come from a proper reading of the international situation and that under no condition should any country be signing up for its future with Europe.

In the short term, the spaces on the question of the EPA should be filled with discussions. Yes, the EU wants governments to sign this agreement without real discussions.

Tanzanians should be discuss why the EU refuses to drop the subsidies that are given to their farmers under the Common Agricultural Policy of the EU.

Tanzanians have been called upon to drop subsidies and to ensure that the market decides prices. Tanzania should demand the same for Europe.

African Union Agenda 2063

The EPA runs counter to the goals of the African Union Agenda of 2063. Even organs representing billionaires such as [Mo Ibrahim](#) grasp the detrimental implications of signing the EPA. According to their calculation:

The EPAs include only sub-Saharan African countries, excluding North African members of AMU. It potentially creates a split between North African and sub-Saharan African countries.

The EPA cements an unequal trading relationship in which sub-Saharan Africa exports raw unprocessed goods and imports EU manufactured goods. A reduction in tariffs will reinforce low value-added activities and reduce manufacturing output.

EPAs will favour trade in the direction of Europe. EPAs have rules of origin that differ from those in the RECs, which are simpler and have lower value-added requirements.

EPAs seek to eliminate export taxes, thus depriving African governments of crucial potential revenue. If East Africans want to see the full implications of signing the Partnership agreement with the EU, then they need only to look at the impact of the West Africa EU/EPA on the future of West African integration. The regional integration process in West Africa is being held back by the active role of France in both (ECOWAS) and the West African Economic and Monetary Union (UEMOA). France is working overnight to ensure that there is no move towards harmonizing trade and monetary relations in West Africa.

Tanzanians will have to ask themselves how will Tanzanian and East African firms be developed to the point where they can compete on equal grounds with EU firms? This agreement is like the Europeans telling the peasants in Sukuma-land that they have to wait for fixed landlines before they can join the information highways.

The EPA is more than just a trade agreement: it commits—or carries the potential of committing—the region to a path of economic retrogression. If this is the path the East African region wishes to follow, then it should do so with full knowledge of the consequences and prepare to deal with them. If not, then it might wish to pause and take stock. But the choice should be a conscious one, and fully informed.

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