

# THE AFRICAN VECTOR OF THE EUROPEAN UNION FOREIGN POLICY: PAST AND PRESENT

© 2018 K. ALESHIN

*The article analyses the evolution of relations between the European Union (EU) and Africa at the turn of the 21st century. The EU remains the most powerful integration union and economic center, seeking to strengthen its influence, especially in geographically close regions. In the 1990s and early 2000s, the EU and Africa formed the framework of the relations, identified the spheres of mutual interest, and gradually advanced their cooperation. At the moment, bilateral relations are experiencing a new stage of development, the priority areas of which are trade, investment and humanitarian cooperation.*

*So far, the African continent remains "dependent" on the EU, strongly contributing to European energy security, serving as a capacious market for European goods and a provider of high revenues on investments. At the same time, Africa is the source of humanitarian problems for the EU that require a permanent political dialogue as well as substantial financial injections, and it seems that social issues will continue to dominate the relationship further. As for the trade and investments, in the coming decades the African economy is expected to grow rapidly, and Africa's "dependence" may be reduced. In addition, the gradual expansion of developing states, in particular China, which are actively conquering the African market, can have a significant impact on the level of economic cooperation between the EU and Africa.*

*The unresolved political problems within the EU also impede the implementation of a coordinated and balanced strategy in Africa. The union is likely to remain an influential player on the African continent if it delegates the authority to develop and conduct foreign policy to a supranational level. The EU's and its members' experience in Africa can be considered as a reference for the authorities of the Eurasian Economic Union (EAEU) and Russia.*

*Keywords: foreign economic policy, trade, investments, integration, European Union, Africa*

**The end of the 20th century - beginning of the 21st century can be characterized as a period of activation of integration processes in the world economy. Regional unions created conditions for accelerated economic growth of their economies, intensified international economic relations, in particular trade, investment, and scientific ties with regions and countries. These processes are still under way [1].**

At the time, the European Union was perhaps the key integration union in the world, which was interested, inter alia, in strengthening its political and economic influence not only throughout Europe, but also in other regions, primarily in Africa [2].

## A LOOK INTO THE PAST

The interdependence and complementarity of the countries of Europe made it possible to develop integration processes in the region and expand the borders of the EU, turning it into an increasingly influential actor in the international arena. European "gravity" was experienced by geographically close regions. One of them was Africa, the states of the continent often belonged to the least developed countries.

In the early 2000s the EU used different approaches to various subregions of Africa. Many economic factors (natural resources, GDP, population growth, etc.) were taken into account. For instance, the states of Tropical Africa received significant economic benefits. Its exports, mainly

consisting of mineral resources, freely entered the EU market. In addition, financial support from the European Union was provided to the considered subregion. At the same time, European business could count on the maximum assistance from the governments of Tropical Africa in implementing the investment projects [3, pp. 111, 113].

It should be mentioned that the African party noted that the agreements with the EU had not lead to a significant intensification of trade, and the economic situation in the African countries continued to be difficult even despite the incoming financial support from the EU. It seems that the African leaders either did not understand or pretended that they did not understand that the European Union was not ready to assume the obligations that were the prerogative of the national governments of Africa. In particular, the Africans expected the EU to create mechanisms to stimulate economic growth, reduce the debt burden (write off part of the debt or restructure it) and implement other initiatives that could promote the development of African national economies.

---

Kirill A. ALESHIN, PhD (Economics), Senior Research Fellow, Institute for African Studies, Russian Academy of Sciences. 30/1, Spiridonovka str., Moscow, Russia, 123001 (kirill.aleshin@inafr.ru)

In the 1990-2000s, European states actively supported the expansion of their business cooperation with African countries, sought opportunities to intensify their relations with local partners, in particular to implement a new investment policy on the African continent [4]. At the same time, the EU put forward a number of conditions: it required the African countries to carry out public administration reforms, actively combat corruption and execute the repatriation of illegally infiltrated citizens of the African countries [5, p. 5]. All this became the object of discontent among Africans. The leadership of African states believed that EU assistance should be provided without any requirements [6, pp. 1-3].

The main countries of interest to the Europeans were the states of Maghreb, which was due to a range of factors: the geographical proximity, an active political dialogue, the need to address pressing problems (in particular migration issues) and the level of trade and economic relations. The Maghreb countries formed almost half of the total trade turnover of the European Union with Africa, and more than half of their exports accounted for the EU. The states of the subregion traditionally exported goods with minimal added value (mainly natural resources) and imported finished products, in particular machinery and equipment [7].

European states actively contributed to the economic development of North Africa. In accordance with the arrangements, the European Union granted each of the Maghreb countries the opportunity to export agricultural and industrial products to the EU market without any duties and quantitative restrictions [3, pp. 115-116; 8, pp. 84-91].

## **CURRENT PRIORITIES OF THE EUROPEAN UNION**

Since the establishment of the EU, the united Europe has made considerable progress: it has widened its borders (the European Union is the 3rd global center of economic power and continues to develop foreign economic and political ties) [9]; a common (single) market has been created, including the Schengen area; the EU implements a common economic policy; the single European currency and European citizenship have been introduced; the Lisbon Treaty, which is an analog of the constitution, has been signed.

Notwithstanding these positive points, Europe has faced some serious challenges, such as the uncontrolled influx of migrants from Africa. One of the politicians stressed, that "it is Europe today that represents a beacon of hope, a haven of stability in

the eyes of women and men... in Africa" [10]. However, it is worth noting that this challenge can be looked at from the other side.

Thus, according to EU and OECD recent statistics, by 2050 the EU member states will face a great challenge - there will be a strong lack of labor force and considerable difficulties in fulfilling pension and social responsibilities. In this context, it is worth noting, that after 1989 Eastern Europe helped to resolve the labor issue, since there was a strong outbound migration from Poland, Czechoslovakia, Yugoslavia to Western Europe. Yet, today the eastern part of Europe demonstrates a decrease in birth rate. Hence, there should be some other countries, ready to provide new labor force [8, pp. 84-91; 11].

To find the solution for the current challenge the EU is trying to strengthen its positions in the North African states. The European authorities are willing to construct the ecosystem of offshore subsidiaries, in particular in North Africa, which will help to create jobs in the subregion and keep the labor force out of Europe, but at the same time allow European multinationals to grow. A similar policy is applied in other subregions and countries of the continent, in particular in Ethiopia and Eritrea [12]. Thus, these states will play a role of affiliated and dependent markets.

Trade and economic relations between the EU and Africa are actively developing. In 2016, trade reached the level of 261,4 billion euros, while in 2006 it amounted to 220,8 billion euros. It is worth noting that the maximum level was recorded in 2012, when mutual trade reached the level of 337,9 billion euros. In the following years, there was a decline in turnover, which can be explained, in particular, by a drop in energy prices, which are one of the key exports from Africa to the EU. Despite this, today the EU accounts for about 1/3 of the entire foreign trade of the continent (35,2%). For comparison: the share of the 2nd trading partner of Africa - China - is 15% of the African foreign trade, the share of India - 7% (3rd place) [13]. Thus, the EU is the key economic partner of Africa and, as a result, retains its political influence on African countries, especially in such countries as South Africa, whose exports to the EU in 2016 amounted to 20% of the total exports, Algeria (14%), Morocco (12%), Nigeria (9%), Tunisia (8%), Egypt (6%), Côte d'Ivoire (4%), Libya (4%) and Angola (3%) [14]. At the same time, investment cooperation is developing. In accordance with the agreements, the European Union in 2014-2020 will invest about 40 billion euros in Africa, particularly in agriculture, infrastructure and energy. In addition, Africa is the EU's major continent for

development assistance. From 2007 to 2013 the EU Member States' Official Development Aid to Africa reached the amount of 141 billion euros [15].

Despite the efforts of the Europeans, the Africans have already largely reoriented to other centers of power, particularly China, which does not explicitly interfere in domestic political processes in Africa. China actively participates in the reconstruction of the national infrastructure in the countries of its interest, directs significant investments and promotes the development of Africa. There was an active growth of trade in China-Africa relations in the last decade. Taking this into account the EU is trying to regain lost ground on the African continent by all available means.

It should be noted that the EU and Chinese investment agreements with African partners are very different. The European Union directs funds to combat poverty, but imposes greater political conditions (respect for democratic rules, human rights and the advancement of good governance practices); China, by contrast, mainly provides loans on concessional terms, largely aimed at building infrastructure and guaranteed by long-term contracts for the exploitation of natural resources. Moreover, Chinese loans are often linked to the use of their goods, attraction of Chinese enterprises and their native workforce into the realization of the investment projects [16].

The EU's actions are less focused on profit-making, although the commercial interests of European TNCs are always certainly taken into account, and are aimed at solving social and economic problems in African countries, as it may be supposed in order to minimize various risks for the EU itself (uncontrolled migration, terrorism, etc.). On the contrary, China is not puzzled by finding the solution for such issues like political stability, migration and economic growth in African. China mainly seeks for the increase of its exports and the security of investments of its national corporations.

In general, it is worth noting that each of the states of the European Union has its own national interests. Thus, Germany has recently developed a new policy for Africa, which entails, as experts outline, a "focused" cooperation with this continent. At the same time, researchers note that, despite the help provided by Germany, the problems of Africa still must be solved by the Africans themselves [17]. Germany has also proposed an initiative for the G20 summit - a so-called «compact with Africa», which involves strengthening relations with the African partners and improving the conditions for private foreign investments in Africa. G20 supported this initiative

by offering African countries a political platform to demonstrate investment opportunities [18].

It can be assumed that Germany had discussed this initiative with some African states on a bilateral basis, and as a result of the negotiations in the 1st half of 2017 the proposal aroused great interest in Ethiopia, Côte d'Ivoire, Ghana, Morocco, Rwanda, Senegal and Tunisia [19]. Later Germany entered into partnership investment agreements with Côte d'Ivoire, Ghana and Tunisia. The rest of the mentioned countries will probably sign similar agreements with Germany in the near future. Germany likely takes into account the potential and prospects for the development of trade and investments ties with the African states, placing the emphasis on the most attractive, prospective and competitive top 20 African markets [20; 21].

Despite the noted interest of a number of African countries in intensifying relations with the EU and its member states, today, as in 2000s, African leaders from time to time complain that they are not on an equal footing with their European counterparts, and the proposed partnership cannot be called mutually beneficial. Partially the explanation for this is the fact that the European Union, like in the 2000s, puts forward a number of conditions (almost identical), in particular: democratic changes; strong civic institutions and economic development with a focus on small and medium-sized enterprises, professional education for young and active labor force, which may further work for the European business. It seems that the Africans are also well aware that these conditions cannot be fulfilled without the active assistance of the EU itself, and additional support from Europe will make Africa more "dependent" [11; 18; 19].

## CONCLUSION

Integration unions like the EU, as at the end of the 20th and the beginning of the 21st century, today are the centers of power seeking, in particular, for external expansion based on common trade interests, political priorities, geographical, cultural or religious affinity.

In general, the processes taking place on the external borders of the EU are interlinked with those that take place within the union. It is difficult to draw a dividing line between the solution of international problems, in particular, the preservation and strengthening of influence and the development of trade, economic and other ties with foreign partners, on the one hand, and the need to strengthen European political institutions and political union, on the other. It is worth noting that

for successful activation of expansion and participation in the globalizing competitive struggle, each EU country sooner or later will need to push its own interests into the background and transfer a significant part of its organizational authority, including the foreign policy, to supranational government.

The last 20 years show that the EU's strategy towards African states has not changed. The EU considers the African states as a source of raw materials (primarily oil and gas), which guarantees energy security to Europe, and as a capacious market for finished products. Europeans are interested in directing their investments in a number of branches of some dynamically developing African economies, since they expect to receive quick dividends. At the same time, Africa is one of the most difficult regions for the European Union and requires constant participation and resolution of emerging difficulties.

Meanwhile, if the end of the 20th and the beginning of the 21st centuries can be characterized as the time for forming the basis for further wide-format interaction between the EU and Africa, today one may observe a process of intensified deepening of cooperation. In the future, changes may occur that will affect the nature of the relationship between partners. In particular, it seems that Africa can become a center of power itself, comparable in its economic potential with the EU. In this case, the

European Union may lose the opportunity to dominate and determine the priorities of bilateral cooperation. This scenario can be explained by extremely encouraging forecasts of the economic development of the African continent in general and of some national economies in particular.

To preserve and even strengthen its influence, the EU and some members of the union are proposing new initiatives whose ultimate goal is not only the declared formation of democratic institutions in the countries of the continent. The EU is also aimed at consolidation of the positions of European TNCs in Africa, the increase in trade and the creation of favorable conditions for European FDIs. It should be noted that the positions of some leading states of the world, in particular China, are strengthening. Their role in the economic and political life of the African continent is becoming more and more weighty, and, thus, the EU has to participate in a serious competitive struggle. However, it can be argued that the EU is inextricably linked to Africa and it is unlikely that cooperation will significantly diminish for any reason in the foreseeable future.

The EU experience in Africa should be studied deeper and some particular instruments of the foreign economic policy may be taken into account by Russian authorities. The best practices of EU's trade, economic and investment relations with Africa provide rich material for use within the framework of the Eurasian Economic Union.

## References

1. The Goals of the Creation of International Economic Integration // Information Technologies in Economics (In Russ.) - <http://www.iteconomic.com/celi-sozdaniya-mezhdunarodnoj-ekonomicheskoy-integracii.aspx> (accessed 21.10.2017)
2. Economic Integration // Online Encyclopedia (In Russ.) - [http://encyclopedia.bigru.ru/enc/liberal\\_arts/ekonomicheskaya\\_integratsiya.html](http://encyclopedia.bigru.ru/enc/liberal_arts/ekonomicheskaya_integratsiya.html) (accessed 21.10.2017)
3. Rubinshtein A.G. 1994. Africa in the World Economy and International Trade at the Turn of the 21st Century. M. (In Russ.)
4. Stoll K.-M. Thesis for the Doctor of Philosophy (Economics). German trade and economic ties with African countries in the late XX-early XXI century. 2003 (In Russ.) - <http://www.dslib.net/economika-mira/torgovo-jekonomicheskie-svjazi-germanii-so-stranami-afriki-v-konce-xx-nachale-xxi.html> (accessed 21.10.2017)
5. EU and ACP Agree on Post-Lome Package // Africa Recovery. UN. 2000. Vol. 14. № 1.
6. Dakar Manifesto 2000 // Alternative Information and Development Centre. 2000.
7. Ushakova N. Thesis for the Doctor of Philosophy (Economics). Trade and Economic Ties Between Italy and the Countries of North Africa in the Late XX - Early XXI Century. 2005 (In Russ.) - <http://geum.ru/ec-aref/torgovo-ekonomicheskije-svyazi-italii-so-stranami-severnoy-afriki-v-kontse-xx-nachale-xxi-veka.php> (accessed 21.10.2017)
8. Morozenskaya E.V. 2002. The Economy of Africa: the Repetition of the Past or the Change of Landmarks. M. (In Russ.)
9. Sokolov S. The EU: the Wind is Blowing Again in the Holey Sails // Russian International Affairs Council. 2017 (In Russ.) - <http://russiancouncil.ru/analytics-and-comments/analytics/evrosoyuz-veter-snova-duet-v-dyryavye-parusa/> (accessed 21.10.2017)
10. Juncker J.-C. State of the Union 2015: Time for Honesty, Unity and Solidarity 2015 // European Commission. 2015 - [http://europa.eu/rapid/press-release\\_SPEECH-15-5614\\_ca.htm](http://europa.eu/rapid/press-release_SPEECH-15-5614_ca.htm) (accessed 21.10.2017)
11. Hsu R. Africa in post-Brexit Europe // Le Monde diplomatique. 2017 - <http://mondediplo.com/outsidein/africa-in-post-brexit-europe> (accessed 21.10.2017)
12. Hirt N. The European Union's Africa Strategy: Closing Borders Instead of Tackling the Causes of Flight // German Institute of Global and Area Studies. 2017 - <https://www.giga-hamburg.de/en/publication/european-union-africa-strategy-closing-borders-causes-of-flight> (accessed 21.10.2017)
13. European Union, Trade in Goods with Africa (All Countries) // European Commission. Directorate-General for Trade. 2017 - <http://trade.ec.europa.eu/doclib/html/147189.htm> (accessed 21.10.2017)

14. Mureverwi B. EU-Africa Trading Relationship - <https://www.tralac.org/resources/our-resources/11938-european-union-africa-trading-relationship.html> (accessed 21.10.2017)
15. The Africa-EU Partnership - <http://www.africa-eu-partnership.org/en/about-us/about-us/key-figures-and-achievements> (accessed 21.10.2017)
16. Manfredi M. Foreign Direct Investments in African Lands: The Chinese and EU Different Approach. 2017 - <http://www.dpceonline.it/index.php/dpceonline/article/view/385/376> (accessed 21.10.2017)
17. Kappel R. Germany's New Africa Policy - In Need of a Departure // German Institute of Global and Area Studies. 2017 - <https://www.giga-hamburg.de/en/publication/germanys-new-africa-policy-in-need-of-a-departure> (accessed 21.10.2017)
18. G20 Compact with Africa // German Federal Ministry of Finance. 2017 - <http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Featured/G20/2017-03-30-g20-compact-with-africa.html#collapse114333> (accessed 21.10.2017)
19. G20 Compact with Africa. G20 Leaders' Declaration. 2017 - <https://www.compactwithafrica.org/content/compactwithafrica/home.html> (accessed 21.10.2017)
20. The Global Competitiveness Report 2017-2018 // World Economic Forum. 2017 - <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf> (accessed 21.10.2017)
21. EY's Attractiveness Program Africa // EY. 2017 - [http://www.ey.com/Publication/vwLUAssets/ey-attractiveness-program-africa-2017-connectivity-redefined/\\$FILE/ey-attractiveness-program-africa-2017-connectivity-redefined.pdf](http://www.ey.com/Publication/vwLUAssets/ey-attractiveness-program-africa-2017-connectivity-redefined/$FILE/ey-attractiveness-program-africa-2017-connectivity-redefined.pdf) (accessed 21.10.2017)
22. Gillet A. Merkel Calls for "Political Union" to Save the Euro. 2012 - <http://www.euractiv.com/section/eu-priorities-2020/news/merkel-calls-for-political-union-to-save-the-euro/> (accessed 21.10.2017)
23. Hollande to Merkel: Political Union Comes After Banking, Social Unions. 2012 - <http://www.euractiv.com/future-eu/hollande-merkel-political-union-news-515500> (accessed 21.10.2017)
24. Barroso J.M. State of the Union 2012 Address // European Commission. 2012 - [http://europa.eu/rapid/press-release\\_SPEECH-12-596\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-12-596_en.htm) (accessed 21.10.2017)
25. Strezhneva M.V. Integration and Involvement as Tools for Global Governance // International Trends. 2012 (In Russ.) - <http://www.intertrends.ru/seventh/002.htm> (accessed 21.10.2017)
26. Issing O. Political Integration Will Save the EU from Crisis // Vestifinance. 2015 (In Russ.) - <http://www.vestifinance.ru/articles/62846> (accessed 21.10.2017)
27. Abramova I.O. 2016. International Migration in Africa // Geography of World Development. M. № 3. Pp. 230-243 (In Russ.)
28. Abramova I.O. 2015. African Trans-Border Migration and Problems of International Security // The Journal of the Institute for African Studies. M. № 2 (33). Pp. 127-136 (In Russ.)
29. Fituni L.L. 2013. Africa in the Contemporary International System of Trade in Good // Problems of Modern Economics. St. Petersburg. Pp. 148-154 (In Russ.)