Myths of Commonwealth Betrayal: UK-Africa Trade Before and After Brexit

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Abstract
This article critically interrogates claims that a British exit from the European Union (Brexit) will create opportunities for the UK to escape the EU’s apparent protectionism and cumbersome internal politics in order to pursue a more liberal and globalist trade agenda based on the Commonwealth. Taking a historical view of UK and EU trade relations with the Commonwealth in Africa, I highlight the way in which the incorporation of the majority of Commonwealth states into the EU’s preferential trading relationships has reconfigured ties between the UK and its former colonies over time. Further, I suggest that the EU’s recent attempts to realise a vision for an ambitious set of free trade agreements in Africa – the Economic Partnership Agreements – was disrupted not by EU protectionism or internal politics but rather by African resistance to the EU’s liberal agenda for reciprocal tariff liberalisation and regulatory harmonisation. The UK therefore faces a complex challenge if it is to disentangle its trade relations with Africa from those of the EU and to forge its own set of ambitious free trade agreements with African partners.

Keywords
Brexit; Commonwealth; Trade; Africa; ACP; Economic Partnership Agreements
Introduction

Leading campaigners for a British exit from the European Union (Brexit) – including Boris Johnson, David Davis, Daniel Hannan, Fraser Nelson and the leave.eu group – made frequent reference to the Commonwealth in their remarks on trade both before and after the June 2016 referendum on UK membership of the EU (Dominiczak, 2013; Davis, 2016; Nelson, 2011; Hannan, 2016; Leave.eu, 2016). Specifically, the 53-member Commonwealth group, comprising primarily former British colonies, was cited as the basis for an ambitious agenda for a series of new British trade agreements following a vote to leave the EU. Frequently, the starting point for these arguments by prominent leave campaigners was the suggestion that by entering the European Economic Community’s (EEC) preferential trading arrangements in 1973, the British “betrayed our relationships with the Commonwealth” (Boris Johnson, quoted in Dominiczak, 2013; see also, Lea, 2011). Moreover, this moment of apparent betrayal has become symbolic in British Eurosceptic discourse of the way in which the UK turned its back on the world – and particularly historic friends and partners – and instead adopted a continentally focused and less ambitious foreign economic policy when it joined the EEC. As Ben Wellings and Helen Baxendale (2015) put it, enthusiasm for the Commonwealth in Eurosceptic thought ‘is significant first and foremost for what it says about a certain [...] conception of Britain and England’s place in the world.’ Furthermore, calls for a return to the Commonwealth have also been part of a broader Eurosceptic critique of the EU as a trade policy actor. Here, David Davis (2016) has suggested that the EU’s need to balance the interests of 27 member states when negotiating trade deals with external partners ‘has had dire consequences for the UK’, in particular in relation to trade links with the Commonwealth. The EU’s
cumbersome internal negotiating structures – as well as “protectionist forces in Europe” (Boris Johnson, quoted in Ross et al., 2016) – are claimed to act as a constraint on the UK’s ability to make trade links in the wider world. In sum, references to the Commonwealth by leading members of the campaign for Brexit fed into a narrative in which, in terms of trade policy, the UK referendum on EU membership amounted to a choice between the EU’s apparent parochialism and protectionism and the UK’s historic globalism and liberalism (see Siles Brügge, 2016).

It is tempting to dismiss calls for a post-Brexit return to the Commonwealth, as the Economist’s Bagehot (2011) does, as ‘the ultimate Eurosceptic fantasy’. Indeed, such allusions to a past era of British imperial power seem to wilfully ignore Britain’s relative global decline over the course of the twentieth century as well as the brutal exploitation that was a central feature of Britain’s imperial history. However, this narrative takes on a new significance in a context in which leading leave campaigners who have made claims about a possible return to the Commonwealth – in particular Boris Johnson and David Davis – are now in prominent cabinet positions responsible for Brexit. Furthermore, as outlined above, the Commonwealth enthusiasm of leave campaigners feeds into a broader set of claims about EU trade policy and the options for Britain after Brexit. My aim in this article is therefore to interrogate the myth of Commonwealth betrayal and associated claims that the post-Brexit UK can build a more liberal and globalist trade policy that takes the Commonwealth as its starting point. I do so by examining the history of and prospects for UK and EU trade relations with Africa – the continent that is home to the largest number of Commonwealth countries (18 out of 53) – before and after Brexit.
I make two key claims. First, I suggest that far from being betrayed by the UK’s EEC accession, the majority of Commonwealth countries – including those in Africa – were instead incorporated into the EEC’s system of preferential trade relations through the creation of the African, Caribbean and Pacific (ACP) group. As a result, the UK’s trade relations with Commonwealth countries in Africa are now intricately intertwined with the EU’s own system of external economic relations. In this sense, there is no straightforward choice between the EU and the Commonwealth. Rather there exists a complex set of EU trade relationships with Commonwealth countries to which the UK is party, and that will provide the context in which the UK forges any new trade partnership with African countries or regions. Second, I argue that more recent developments in EU trade relations with Africa do not bear out claims of EU protectionism. Instead, the EU has pursued an ambitious set of regional free trade agreements in Africa (as well as the Caribbean and Pacific), known as the Economic Partnership Agreements (EPAs). The outcome of the EPA negotiations has in most cases fallen short of the EU’s agenda for comprehensive liberalisation, but this had little to do with the internal workings of the EU or its supposedly protectionist trade policy outlook. Rather, the EU’s ambitious liberalisation agenda met with extensive resistance from African countries which objected to both the proposed content of the EPAs (Heron and Murray-Evans, 2016). I therefore conclude the article by suggesting that forging a new trade relationship with Commonwealth countries in Africa and beyond will be significantly more complex and challenging for the UK than the narrative put forward by prominent leave campaigners suggests given the legacies of EU’s existing privileged trade relationship with the ACP.
and the significant obstacles that the UK is likely to encounter in forging a more liberal trade regime in relation to this region.

**Accommodating the Commonwealth: The UK’s European Turn**

The story of UK accession to the EEC and its implications for the Commonwealth is significantly more complex than the popular myth of Commonwealth betrayal implies. First, contrary to claims of its parochialism and inward-looking continentalism, the EEC sought to forge strong external bonds based on the maritime empires of its member states from the outset. The French government – keen to preserve its imperial economic system after the Second World War – insisted during negotiations for the Treaty of Rome that ‘associate’ status be granted to the colonies, dependent territories and newly independent former colonies of the six founder members of the EEC (Grilli, 1993; Brown, 2002). This system of association unilaterally created a reciprocal preferential trade arrangement between the EEC members and the mostly African associated states and territories, as well as creating the first European Development Fund. While France was clearly the driving force behind this initiative, Peo Hansen and Stefan Jonsson (2011; 2012) suggest that there was also a broader consensus amongst the founders of the European project in favour of an EEC that promoted economic integration significantly beyond the European land mass. In particular, the incorporation of Africa into the European project via existing colonial linkages was envisaged as a way in which Europe could both construct a viable geopolitical power bloc and secure access to vital raw materials (Hansen and Jonsson, 2012, p. 1033). As more European colonies gained their independence in the 1960s, the relationship between the EEC and the former colonies was
maintained and extended through the Yaoundé Conventions of 1963 and 1969 – this time with an explicit regional focus on Africa.²

While Britain was not a founder member of the EEC, like France it had been keen to secure the continuation of its imperial economic system in the post-war period. This system was characterised by preferential trade between the UK and British colonies and Commonwealth countries, purchase arrangements for certain commodities and monetary relations based on the sterling area (Brown, 2002, p. 44; Ravenhill, 2004, p. 119). Britain’s first application to join the EEC in 1961 was in part prompted by a growing awareness of the limited trade opportunities offered by the Commonwealth and Britain’s declining influence in the organisation as its membership widened to include newly independent states in Africa and Asia. However, the Macmillan government treated this first application as ‘an attempt to see whether British conditions, including most importantly British commitments to the Commonwealth, could be met’ (May, 2013, p. 33). As such, Britain took an uncompromising position in relation to its Commonwealth Preference System in these negotiations. The six founder members of the EEC, however, were concerned about competition from Commonwealth producers of temperate agricultural products (May, 2013, p. 34) and ‘proved to be completely averse to the idea of granting meaningful trade preferences to relatively affluent countries’ (Ward, 2001, p. 165) – in particular Britain’s ‘Old Dominions’, Canada, Australia, and New Zealand. By the time General De Gaulle vetoed British membership of the EEC in 1963, it was clear that Britain would not be able to join the EEC with its Commonwealth Preference System intact. When Britain applied to join the EEC for a third time in 1969, the UK government had clearly decided to subordinate the imperative to
preserve the Commonwealth Preference System to its desire to gain membership of the EEC. This time around, the Heath government minimised consultation with the Commonwealth while prioritising special arrangements for New Zealand dairy products and Commonwealth sugar over the preservation of its preference system as a whole (May, 2013, p. 36).

Both popular narratives of Commonwealth betrayal and academic discussions of the consequences of UK accession for the Commonwealth have tended to focus on the implications of the end of the Commonwealth Preference System for the Old Dominions (May, 2013; Ward, 1997; 2001). UK applications for EEC membership had soured relations with these countries (Ward, 2001) and ultimately led to their loss of preferential access to the UK market – although by this point they had largely accepted the inevitability of the UK joining the EEC and had taken steps to diversify their exports (May, 2013, p. 36). This selective reading of the implications of UK accession to the EEC, however, underplays the way in which the majority of Commonwealth countries were not abandoned at the point of UK accession but were instead accommodated within the EEC’s existing system of preferential trade relations with former colonies.

The six EEC members were more sympathetic to the plight of the newly independent Commonwealth developing states than they had been to the Old Dominions (Ward, 2001, p. 166). They faced a dilemma, however, about how these states could be accommodated within the EEC’s existing system of trade preferences. Here, they settled on a formula that followed the EEC’s existing region-based approach to relations with former European colonies. In order to incorporate the Commonwealth countries, then, the association relationship was
expanded to include the Caribbean and Pacific, these regions being deemed to share similar production structures and levels of development with the existing associates (Brown, 2002, p. 45; Ravenhill, 2004, p. 120). This arrangement allowed the EEC to exclude the Old Dominions as well as the larger and more diversified developing countries of the South Asian Commonwealth.³

Although the geographic scope of association for the Commonwealth countries was set by the 1972 Treaty of Accession of Denmark, Ireland and the United Kingdom, the terms of the relationship between the EEC and the newly expanded group of associable countries were still to be negotiated. The oil crises of the early 1970s as well as unprecedented unity amongst Third World governments in calling for a ‘new international economic order’ provided the backdrop to these negotiations. In this context, existing Yaoundé members (19 African states), the associable members of the Commonwealth (21 states in Africa, the Caribbean and the Pacific) and six other African states that wished to join the EEC’s preferential trading arrangements came together to form the African, Caribbean and Pacific (ACP) group, which would negotiate collectively with the EEC. The negotiations culminated in the 1975 Lomé Convention, which granted non-reciprocal trade preferences and a series of lucrative commodity protocols for bananas, beef, rum and sugar to the ACP as well as expanding the European Development Fund. In this way, the Lomé Convention provided terms at least as generous as the old Commonwealth Preference System for the associable Commonwealth countries. Furthermore, the Lomé Convention served to cement and institutionalise the privileged trading relationship between the UK (through the EEC) and this particular section of the Commonwealth at a
time when relations between the UK and the Commonwealth had markedly soured since the 1950s.

When it joined the EEC, then, Britain did not so much betray the Commonwealth as secure the incorporation of the majority of its members into a set of broader European external economic relations at the heart of which was a privileged region-based relationship with a group of former European colonies. The UK’s accession also served to transform EEC relations with the Third World, not least by expanding their regional focus to include the Caribbean and Pacific as well as Africa and more than doubling the number of countries that took a position at the apex of the EEC’s system of trade preferences.

**The Evolution of EU-Africa Relations**

The Lomé Convention was renewed three times between 1975 and 1990. By the early 1990s, however, European policymakers had lost faith in non-reciprocal trade preferences as a tool for development, arguing that Lomé had served to lessen the incentives for necessary ACP trade liberalisation and economic restructuring. A series of legal rulings against the Lomé regime by the General Agreement on Tariffs and Trade (GATT) and World Trade Organisation (WTO) in 1993, 1994 and 1997 served to hasten the arrangement’s demise. The Cotonou Agreement of 2000 set in motion the process by which the Lomé Convention would be replaced with free trade agreements – known as the Economic Partnership Agreements (EPAs) – between the EU and a series of ACP regions. The EU’s ambitious agenda for the EPAs went significantly beyond what was required to bring the ACP relationship into line with multilateral rules, proposing not just reciprocal tariff reductions but the liberalisation of trade in
services and regulatory harmonisation in areas such as investment, competition and public procurement.

The EPA negotiations proved highly controversial and the EU’s ability to realise its vision for comprehensive trade liberalisation and regulatory harmonisation in relation to the ACP turned out to be surprisingly limited and uneven (see Heron and Murray-Evans, 2016). The Caribbean Forum (CARIFORUM) remains the only ACP region to have signed a full comprehensive EPA. In Africa, the results of the negotiations have been much more limited. EPAs have been concluded (although not yet ratified and implemented) in West Africa, Southern Africa and the East African Community – but this came only after the EU had agreed to drop its insistence on the inclusion of immediate commitments on services, investment, competition and public procurement as well as to soften its stance on a range of controversial technical issues. Elsewhere in Africa, regional agreements have not been reached. Instead, ‘interim’ EPAs are being applied by those countries that have been able to come to an agreement with the EU while others trade under the EU’s alternative preference schemes – either Everything but Arms (EBA) or the Generalised System of Preferences (GSP). The patchwork of trade arrangements that has been left by the EPA negotiations in Africa is unsatisfactory for both sides – not least because it has potentially disruptive implications for African regional integration (Heron and Murray-Evans, forthcoming).

The liberalisation achieved by the EPAs in Africa has therefore been modest. Yet suggestions that the EU’s difficulties in trade negotiations are down to internal disagreement or protectionism do not stand up in this case. In terms of their
market access offer to ACP countries, the EPAs were generous – the EU made it clear that all ACP countries that signed an EPA would receive duty free access to the EU market for all products except arms under more favourable rules of origin than other EU preference schemes. Indeed, Gabriel Siles-Brügge (2014a, p. 17) suggests that the EPAs became part of a trade agenda in which the European Commission sought actively to trade away remaining ‘pockets of protection’ in Europe in exchange for reciprocal liberalisation in third countries. The most frequent criticism of the Commission’s approach to the negotiations that came from ACP countries, civil society groups and EU member states (including the UK!) did not relate to protectionism, but rather the Commission’s excessive demands for reciprocal tariff liberalisation and regulatory harmonisation from the ACP. The key obstacle to agreement on comprehensive EPAs in Africa, then, was the fact that African governments on the whole were not persuaded of the merits of comprehensive trade liberalisation and regulatory harmonisation in relation to the EU and were instead keen to preserve the regulatory autonomy that they deemed necessary for the implementation of trade and industrial policies designed to spur development (Heron and Murray-Evans, 2016; Murray-Evans, 2015). The EU’s demand for increasing regulatory convergence and the ACP’s resistance to this agenda mirrors a North-South cleavage that can also be found in multilateral trade negotiations (Gallagher, 2014) and that is likely to also prove a barrier to the realisation of any ambitious liberalisation in Africa pursued by the post-Brexit UK.

UK-Africa Trade After Brexit: Return to the Commonwealth?

The intertwinement of UK external trade relations with its EU membership means that there can be no straightforward return to the Commonwealth as a
blank slate for a new globalist UK trade strategy. Instead, existing trade relations between the EU and Africa will provide the context and create incentives that are likely to shape the post-Brexit trade regime in this region. Upon leaving the EU, the UK will cease to be party to EU trade agreements and third countries will lose any preferential access to the UK market that those agreements currently confer. The default for African countries that currently access the UK market through either an EPA or one of the EU’s other preference schemes (EBA or GSP) is that they will lose this preferential access to the UK market once the UK leaves the EU. They will then access the UK market on the basis of WTO most favoured nation tariffs (i.e. at the same rate as any other WTO member that does not have a preferential arrangement with the UK). Although trade with the UK accounts for only 3.6 percent of total African goods exports (International Trade Centre, 2016) any loss of preferential market access would have a significant impact on particular countries and industries that currently benefit from preferential access (for example, Kenya’s cut flower producers, see Isalanoh 2016). There will therefore be pressure from African governments and British development NGOs to make sure that vulnerable African economies do not lose existing preferential access to the UK market following Brexit. There are three main ways in which the loss of African preferences could be avoided.

First, and perhaps most straightforward, the UK could seek to ‘grandfather’ existing EU trade agreements with African countries in order to maintain the status quo. This would involve offering those countries that have signed an EPA a parallel trade deal with the UK on the same or similar terms and setting up a unilateral arrangement similar to the EU’s Everything but Arms, which provides
unilateral trade preferences for United Nations designated Least Developed Countries (LDCs). There are at least two potential problems with this approach. First, replicating the existing EU model of trade relations with Africa would also replicate its problems – in particular the inconsistencies between the patchwork of EPAs and existing African regional integration projects. Second, African countries and regions may not be willing to sign new agreements with UK on the same terms as the EPAs, given the UK’s smaller market and the uncertainty surrounding its post-Brexit relationship with the EU.

A second option that would avoid the patchwork of arrangements currently in place between the EU and Africa is for the UK to unilaterally offer duty and quota free access to the UK market to all African countries. The key obstacle to this approach is multilateral trade rules, which specify that non-reciprocal preference schemes should not discriminate between developing countries. While the category of developing country has never been adequately defined in WTO law (Heron, 2013, p. 22), the widely divergent levels of development amongst African countries means that a preference scheme that covered the whole continent while excluding developing countries in other regions would be unlikely to be deemed compatible with WTO rules. The UK could seek a WTO waiver similar to that granted for the USA’s African Growth and Opportunity Act (AGOA), but reaching agreement on this would require the investment of significant political and negotiating capital. Alternatively, a report by the Center for Global Development suggests that the UK could set up a preferential trade arrangement that is ‘genuinely non-discriminatory and generalized in application’ – i.e. a scheme that covers a broader set of developing countries than the EU’s Everything but Arms but does not discriminate based on region
(Anderson et al., 2016, p. 10). Such an arrangement, however, might not be supported by the existing ACP group, since it would remove the preference margin that ACP countries currently enjoy vis-à-vis non-ACP developing country competitors. Furthermore, the UK might be unwilling to offer a unilateral preference scheme that benefitted middle income and emerging economies like Brazil and India since this would undermine the UK’s leverage in reaching reciprocal free trade agreements with these potentially important export partners.⁷

Finally, the UK could seek a more ambitious set of free trade agreements with African countries and regions than is currently in place under the relatively limited EPAs. The British Conservative government’s interest in free trade deals with developing countries was hinted at in recent media reports which suggested that ministers would seek to ‘leverage’ the UK’s aid relationships in order to reach post-Brexit free trade deals (Swinford and Riley-Smith, 2016). Likewise, new Secretary of State for International Development Priti Patel has strongly suggested that the UK’s development relationships will be deployed “firmly in our national interest” (quoted in Stone, 2016). Like the EU, the UK’s offensive trade agenda is likely to focus on services and regulatory issues to a greater extent than tariff reductions, since it is here that the most significant gains for UK companies are likely to be made. However, given that the key obstacle to realising a similarly ambitious liberalisation agenda in the EPAs was African opposition, as opposed to intra-EU dynamics or European protectionism, it is difficult to see why the UK on its own would be in a better position to reach such deals with African countries than the much larger EU. Given the UK’s severely limited negotiating capacity,⁸ it would be a bold move to launch complex and
probably highly contested negotiations based on an ambitious trade and regulatory agenda with countries in Africa most of which are ultimately of marginal significance as UK export destinations.

What all of this suggests is that any attempt by the UK to forge a new and ambitious set of trade links with the Commonwealth in Africa is likely to be hugely complex and challenging. The reasons for this, as I have shown in this article, are twofold. First, existing UK trade relations with the Commonwealth in Africa (as well as the Caribbean and Pacific) were decisively shaped by the incorporation of these countries into the EU’s system of preferences in 1973 and by the subsequent evolution of the trade relationship between the EU and the ACP countries from the Lomé Convention to the EPA negotiations. It is this set of existing arrangements – as opposed to the existence of the Commonwealth as a blank state for a new globalist UK trade strategy – that provides the context in which the UK’s post-Brexit trade relationship with Africa will be forged. As outlined above, the EPAs provide a possible (if not unproblematic) template for post-Brexit UK-Africa trade relations as well as creating incentives that shape the desirability of possible alternative UK-Africa trade arrangements. Second, although the preferred option for the current UK government might be to seek to forge a new set of more ambitious trade agreements with African countries or regions, the EU’s experience with the EPAs demonstrates the considerable obstacles to realising such an aim. Indeed, new UK free trade agreements rely to a considerable extent on the willingness of potential partners to engage with the sort of regulatory harmonisation that is likely to be at the heart of the UK’s trade agenda. In Africa, there is considerable resistance to this agenda.
Ultimately, the case of trade with Africa reveals the intertwinement of the UK’s trade relationship with the Commonwealth and its EU membership as well as the very significant challenges that the UK faces in disentangling these relationships and realising the aim of forging a new globalist trade agenda with Commonwealth at its heart. More broadly, this case calls into question attempts by leave campaigners to draw a sharp distinction between the EU’s apparent parochialism and protectionism and the UK’s historic globalism. Instead, it demonstrates both the EU’s active cultivation of external trade arrangements – especially based on former colonial linkages in Africa – and the extent to which its recent approach to these relationships has been shaped by a liberal emphasis on reciprocal trade liberalisation and regulatory harmonisation. Its lack of success in realising this vision has been largely down to external resistance as opposed to internal disagreement or protectionism.
Notes

1 While the link between the Commonwealth and the British Empire is usually left unspoken in British Eurosceptic discourse, it was made explicit in a recent tweet by Conservative MP and assistant whip Heather Wheeler, who highlighted that the states of the former British Empire had outperformed both the post-Brexit EU and the rest of the world at the Rio 2016 Olympics and linked this to the UK’s forthcoming efforts to reach trade agreements with ‘our Commonwealth friends’ (Quinn, 2016).

2 While non-African French and Dutch dependent territories were included in the original group of associates, these territories were not included in the Yaoundé Conventions, which were signed by the EEC and the ‘Associated African and Malagasy States’.

3 As John Ravenhill (2004, p. 43, fn. 4) notes, the coincidence of development and geography was not perfect, with very poor Commonwealth countries such as Bangladesh being designated non-associable on the basis of geography. India, Bangladesh and Sri Lanka later signed separate trade agreements with the EEC on less favourable terms to those offered to the associates (Brown, 2002, p. 45).

4 At the time of writing, the EPAs concluded by West Africa and the East African Community in 2014 have not yet been signed. The EPA between Southern Africa and the EU has been signed but not yet ratified by national governments.

5 South Africa – which the EU considers to be a developed country and which has received a separate market access deal ever since it acceded to the Lomé Convention in 1997 – was excluded from this offer.

6 In 2006, UK trade minister Ian McCartney and development minister Gareth Thomas sent an open letter to the European Commission expressing concern about ‘the current state of the negotiations’ and suggesting that ACP countries
should not be forced to accept new rules on foreign investment or competition law under the EPAs (Beattie 2006). Similarly in 2013, the UK’s coalition government signed a letter alongside trade and development ministers from France, Ireland and the Netherlands in which they urged the Commission to adopt a more accommodating approach to ACP concerns and demands (Roquefeuil 2014).

7 Gabriel Siles Brügge (2014b) describes similar motivations behind recent EU reforms to its GSP.

8 Reports suggest that the UK has only a handful of the 500 to 700 experienced trade negotiators that will be needed for post-Brexit talks with the EU, WTO and other trade partners (González Durántez, 2016; Parker et al., 2016).
References


