

## Jeepers creepers, look at those EPAs

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Well, it looked good on paper. The European Union's plan to **replace** expiring trade deals with the African-Caribbean-Pacific (ACP) group of former colonies envisaged ACPs banding together in regional blocs and signing collective "economic partnership agreements" (EPAs) with Brussels to enhance already privileged access to EU markets.

Instead, ACP suspicion of the EU's motives and the usual cat-herding involved in negotiating with dozens of developing countries have resulted in last-minute scrambles to sign partial regional and bilateral deals, a tangled cat's cradle if not a mangled dog's breakfast.

The talks show neither side in a good light. Too many ACPs remain obsessed with clinging to colonial-era trade access to Europe rather than liberalising among themselves. The EU tried stuffing the deals with familiar excess baggage including rules on foreign investment, and used the threat of a less generous scheme to drag reluctant countries into signing.

In reality, EPAs were no more likely radically to transform economic relationships between the EU and the ACP than was the multilateral Doha round to deliver the huge development gains on which misleading prospectus it was launched.

The ACPs' problem is not, primarily, lack of trade access, as a woeful export performance in spite of decades of trade preferences can attest. It is the lack of something to sell. True, development aid, which the EU sold as an integral part of the EPAs, can play a useful supporting role in building the infrastructure that would help the ACPs produce and trade. But the EU's aid programme, though improving, is too badly delivered to be part of a coherent package.

True also, reforming "rules of origin", the restrictions on using imported inputs that bedevil many trade preference schemes, would further help. But the EU is undertaking a long-overdue review of its rules of origin for all developing countries in any case. It does not need the EPA negotiations to do it.

Arbitrary trade preference schemes based on accidental legacies of imperial history are not a good tool for promoting development. Far better are broader and simpler preference schemes based on genuine need, not geography or historical chance. Better, too, to recognise that the extraordinary export success of developing countries such as China is based not on exploiting trading privileges but on getting their domestic economies and infrastructure right. The EPAs could, no doubt, deliver more than the muddle that has emerged so far. But they can only do so much.

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