



Briefing

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Main Points

BACKGROUND TO THE EPA

The EPA is developed in the framework of the Cotonou Agreement and therefore provides for reciprocal trade agreements, meaning not only that the EU provides duty-free access to its markets for ACP exports, but ACP countries would provide duty-free access to their own markets for EU's exports.

ANALYSIS OF THE EPA

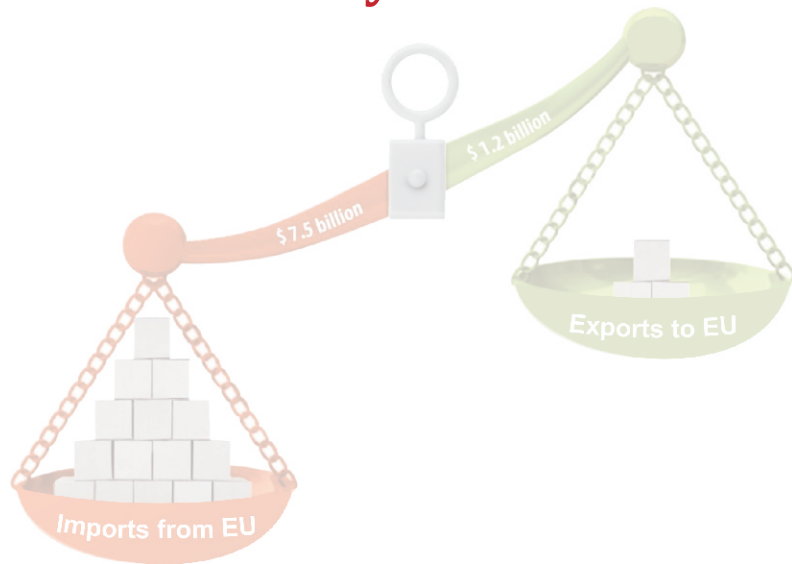
Nigerians need to analyse and understand how the EPA would affect the national economy, considering our specific context and in view of the following pertinent questions:

- Is the Nigerian economy strong or prepared enough to take advantage of the European markets?
- Does Nigeria have a readily available comparative advantage to explore the EU markets?
- What finished goods can African countries and in particular, Nigeria sell to Europe to harness the EU markets?
- Considering the mismatch of the two regions in term of technological advancement and manufacturing experience and prowess, is Nigeria advantageously placed in this Agreement?

IMPLICATIONS OF SIGNING THE EPA

- Threat to Nigeria's Weak Economy
- Trade Imbalance
- Loss of Revenue
- Threat to Local and Infant Industries
- Impact to Nigeria's GDP/GNP
- EPAs and Environmental Sabotage.

NIGERIA AND EU's ECONOMIC PARTNERSHIP AGREEMENT (EPA): Economic Cooperation or Economic Slavery?



Nigeria is yet to sign the Economic Partnership Agreement (EPA), which is inspired by the European Union (EU) with the aim of eliminating trade restrictions between it and ECOWAS member states. Following years of secretive negotiations led by the EU, the EPA text was finalised in 2014 with promised benefits to developing countries like Nigeria including better access to EU markets and integration into a global economy. However, with negative reactions from Nigerian manufacturers, civil society actors and trade experts citing the imbalanced benefit to European producers having unfettered access to the Nigerian market over local industries, the former President, Goodluck Jonathan refused to sign the EPA. During the 49th Ordinary Session of the ECOWAS, in Dakar, Senegal in June 2016, the government of Muhammadu Buhari delayed endorsing the EPA, opting instead to continue consultations with Nigerian citizens. As a contribution to the consultation process, this briefing examines the EPA in the context of the Nigerian economy and offers alternative paths for sustainable economic development.

BACKGROUND TO THE EPA

WHAT IS EPA?

The EPA between the European Union (EU) and the Economic Community of West African States (ECOWAS) is just one of the Economic Partnership Agreements being introduced by the EU to control its trading with regional blocs that are part of the African, Caribbean and Pacific Group of States (ACP). The EPAs are legally binding contracts that are part of the scheme to create a Free Trade Area (FTA) between the EU and the ACP groups, such as ECOWAS.¹ Once signed, EPAs warrant that within a decade, about 80% of the African countries' market is opened to European goods and services.² The key objectives of the EPA between the EU and ECOWAS, as spelt out in Article 1 (1) of the 'Agreement' include:

- (a) to establish an economic and trade partnership to achieve rapid and sustained economic growth that creates employment; to reduce and then eradicate poverty; to raise living standards; to achieve full employment, diversify economies and raise real income and output in a way that is compatible with the needs of the West African region while taking account of the Parties' different levels of economic development;
- (b) to promote regional integration, economic cooperation and good economic governance in the West African region;
- (c) to increase intra-regional trade and encourage the formation of a unified and efficient regional market in West Africa;
- (d) to contribute to the harmonious and progressive integration of the West African region into the world economy, in accordance with its political choices, its priorities and its development strategies;
- (e) to strengthen economic and trade relations between the Parties on a basis of solidarity and

mutual interest in accordance with World Trade Organisation (WTO) obligations, in a way that takes account of the significant difference in competitiveness between the two regions.

Article 2(1) of the Agreement emphasizes the fundamental principle on which the EPA is based which include equality of partners, global participation (states and non-states actors), dialogue and regionalization.

SIMILAR TRADE AGREEMENTS

The Lome Convention was signed in 1975 and sets out the principles and objectives of the EU corporation with ACP countries.³ Under the Lome Convention most of the ACP agricultural and mineral exports enter into the then European Economic Community free of duty without similar obligation on the part of the West African Countries. The Lome Conventions served as the primary legal and institutional framework which governed trade and economic relations between the EU countries and their former colonies grouped together as African, Caribbean and Pacific (ACP) states.⁴ The Lome convention was thrice revised to pave way for a set of new trade agreements conceived to create a free trade area (FTA) between its regional group and the ACP group.

In June 2000 the Cotonou Agreement was introduced to push for progressive removal of trade barriers. The current EPA developed in the frame of the Cotonou Agreement and is designed to replace the non-reciprocal trade preferences which the EU has granted to the ACP since 1975. The EPAs, therefore provide for reciprocal trade agreements, meaning that not only the EU provides duty-free access to its markets for ACP exports, but ACP countries would provide duty-free access to their own markets for EU exports. As an element of the Cotonou Agreement, the EPA is designed to be compatible with the World Trade Organization (WTO) rules by progressively removing trade barrier between ACP and EU and enhance cooperation in all areas relevant to trade.

¹Benjamin Umutele (2013) Economic Partnership Agreement: Death Knell for Nigeria's Economic Growth. <http://www.frontiersnews.com/economic-partnership-agreement-death-knell-for-nigerias-economic-growth/>

²McDonald, Lande and Matanda(2013). Why Economic Partnership Agreements Undermine Africa's Integration. A Wilson centre and Manchester Trade Collaboration.

³Le Monde Diplomatique (2015). The Lomé Convention under threat. <http://mondediplo.com/1998/06/08lome>

⁴NANTS (2009).The ECOWAS-EU, Economic Partnership Agreement Negotiations: A Nigerian Perspective.

ANALYSIS OF THE EPA

EPAs AND NIGERIA: WHAT'S IN IT FOR THE COUNTRY?

Its proponents, the EU has asserted that developing countries such as Nigeria would benefit from the EPA's development priorities, paving way for sustainable development and facilitating the countries' integration into the global economy. By establishing duty free imports through trade liberalization, the EPA it holds, will reduce cost of import from the EU, stimulate the structure of competitive production and thus, improve access to EU markets. These all appear very good on the surface. However, Nigerians need to analyse and understand how the EPA would affect the national economy, considering our specific context.

As earlier stated, the Agreement involves the gradual opening of the country's market access to the EU markets with the EU opening up of its markets in similar gesture. In breakdown, Nigeria would be required to open 60% of its markets in the first five years and another 25% in the following five years. In other words, it would liberalize over 80% of its markets to the EU within the first 10 years of the Agreement coming into force.

As harmless as this may sound, pertinent questions abound;

- * Is the Nigerian economy strong or prepared enough to take advantage of the European markets?
- * Do Nigeria have a readily available comparative advantage to explore the EU markets?
- * What finished goods can African countries and in particular, Nigeria sell to Europe to harness the EU market?
- * Considering the mismatch of the two regions in term of technological advancement and manufacturing experience and prowess, is Nigeria advantageously placed in this Agreement?

In the political context, the EPA negotiation exists within a framework of two distinct political groups of vastly unequal powers. It is a partnership between donors and debtors, between former colonial empire and their former colonies. It pitches a group of the world's most advanced economies against a group of world's least developed, mono-cultural and raw material exporting economies; between technologically advanced countries with dominating strength in comparatively advantaged mass production and the relatively primitive world with comparative strength in exporting of crude products and the consumption of foreign made products. This implied that African countries including Nigeria would bear more burden of the agreement than the intending benefits.

For Nigeria to benefit from the EPA, the assumption is that there would be a fair trade. By the rule of 'fair trade', each trade partner should have equal opportunity and benefits that arise from unbiased consideration of the strength and weaknesses of the parties involved. The EPA does not observe this but is rather characterised by several flaws that have the capacity to undermine the growth of African markets. According to an Oxfam Report "an unfair rule can be a source of increasing poverty and exclusion, while a fair rule should be a source of shared prosperity and development. The EPA is far from being fair."⁵ The report pointed out that the rules of international trade are manipulated in favour of the EU countries. According to the report's analysis, using the Double Standard Index⁶ which measures gap between the free trade principles espoused by EU countries and their actual protectionism policies, free trade principles being promoted by the EU contradicts itself in its own protectionism policies. For example, the EU protectionism tariffs makes it difficult for developing countries to export agricultural products like sugar, dairy products and beef unless they have

⁵Chibuzo N. Nwoke (2008) Nigeria and the Challenge of EPA. www.ictsd.org/bridges-news/trade-negotiations-insights/news/nigeria-and-the-challenge-of-the-epa

⁶This measures EU protectionism based on the average tariffs, the size of its tariffs in agriculture and textiles, its restrictions on imports from the poorest ACP countries.

preferential tariff concessions under a particular regime. EUs sanitary and phytosanitary regulations are also used to deny access into its markets.⁷ In this case, EU protectionism includes those measures it has taken to protect its member states and domestic economies from the effect of unfavourable trade balances. In other words, the EU often manipulates its protectionism policies to favour the EU countries to the detriment of the ACP countries in international trade. The EPA, thus, establishes a skewed relationship in favour of the EU and to the detriment of African economies. That accounts for the reason why it is the EU that drives the negotiation, dictates the rules, enforces them and dole out punishment to partners who breached them⁸

AFRICAN STATES RESIST PRESSURE TO SIGN THE EU-ECOWAS TRADE AGREEMENT

Since 2008, the States of West Africa have resisted pressure from Brussels to sign unto the trade agreement. Civic groups in the countries of the region and have formed powerful social movements and

networks to resist the EPAs.⁹ The West African Civil Society on the Economic Partnership Agreement (EPA), in a declaration issued in Dakar in February 2014 pointed out that the EPA would subject the region to adverse challenges that no leader can ignore.¹⁰ The conscious resistance of civic organizations from the ECOWAS region compelled many heads of state to refrain from ratifying the EU-ECOWAS EPA. However, some countries such as

Ghana and Cote d'Ivoire have caved in to the pressure of the EU. It is perhaps the Nigerian government that has been most consistent in maintaining a clear stand against the EPA, refusing to sign it.

In spite of the clear stand and resistance to the EPAs by the past government of President Goodluck Jonathan, concerns are rising that the Buhari government, which is seeking the support of EU countries for its own programmes, including the fight against terrorism and corruption, might join other ECOWAS heads of state in ratifying the EPA. In January 2016, the Nigerian House of Representatives cautioned the federal government against signing the EPA. The members of the national assembly argued that the EPA would weaken Nigeria's economy. They have joined other Nigerian stakeholders,

It would be counterproductive to open the doors to imports without first of all develop the industrial sector to compete globally...

including real sector operators that are sceptical of the recent push by the EU to expand the frontiers of its economic relations with Nigeria through the implementation of the EPA.¹¹ In February 2016, President Muhammadu Buhari visited the European Parliament in Strasbourg where among other things he discussed

the EPA.¹² With concerns growing, President Buhari may bow to the powerful European pressure. In March 2016, the Manufacturing Association of Nigeria (MAN), a key operator in the real sector of Nigerian economy, admonished the federal government to withhold its endorsement of the ECOWAS-EU trade agreement arguing that "succumbing to the European Union Pressure for its

⁷Trinity College, Dublin; Policy Coherence (2010). Exploring links between EU agricultural policy and world poverty. <https://www.tcd.ie/iis/policycoherence/eu-agricultural-policy/protection-measures.php>

⁸Chibuzo N. Nwoke (2008) Nigeria and the Challenge of EPA. www.ictsd.org/bridges-news/trade-negotiations-insights/news/nigeria-and-the-challenge-of-the-epa

⁹Groups campaigning against the EPA include the Manufacturers Association of Nigeria (MAN), Third World Network Africa, Platform Organization Civil Society in West Africa on the Cotonou Agreement (POSCAO), the Network of Peasant Organizations and Producers in West Africa (ROPPA), the National Association of Nigerian Traders (NANTS) etc.

¹⁰Declaration of West African Civil Society on the Economic Partnership Agreement (EPA) African Agenda. Vol 17, No1, pg 13.

¹¹Musa Abdullahi Krish et al (2016). Repts caution FG on economic partnership with EU. <http://www.dailytrust.com.ng/news/general/reps-caution-fg-on-economic-partnership-with-eu/131107.html>

¹²Bassey Udo (2016). Buhari to address EU parliament, commission's special session. <http://www.premiumtimesng.com/news/top-news/197543-buhari-address-eu-parliament-commissions-special-session.html>

endorsement would amount to economic slavery and doom for the country's industrialization efforts". It is in consideration of the overwhelming national opposition to the EPA that at the 49th Ordinary Session of the ECOWAS in Dakar, Senegal in June 2016, the Nigerian government stated it would not sign pending consultations with its citizens.¹³

REASONS WHY NIGERIA SHOULD NOT SIGN THE AGREEMENT

There are ample reasons why Nigeria should not sign the EU Economic partnership agreement.

1. THREAT TO NIGERIA'S WEAK ECONOMY

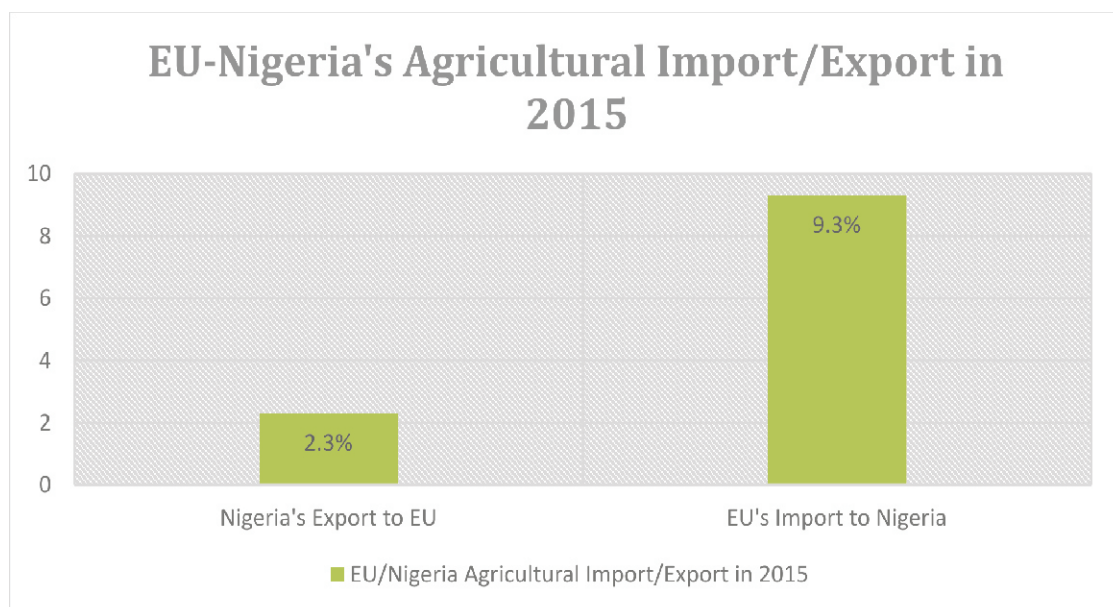
The stark reality of the Nigeria's economy is that its relative feeble nature will not survive the pressure of the more advanced European economies. The weak condition of the Nigerian economy which is characterized by over dependence on crude oil exports forecloses any real and/or potential benefits from an EU/ECOWAS EPA. Since the discovery of petroleum, the agricultural sectors have suffered from years of mismanagement,

inconsistent and poorly conceived government policies. Nigeria is currently no longer a prominent exporter of cocoa, groundnut (peanut), rubber and palm oil as it used to be in the 1970s. Cocoa production mostly from obsolete variety and under aged trees is stagnant at around 180,000 tons annually. Twenty-five years ago, it was over 300,000 tons. An even more dramatic decline is in groundnut and palm oil production and export. Once the biggest poultry producer in Africa, corporate poultry output has since slumped from 40 million birds annually to less than 18 million.¹⁴

Most critically, Nigeria's land administration procedure as made rigid by the Nigerian Land Use Act, does not encourage long-term investment in agriculture with modern production methods and does not also inspire availability of rural credit. The very limited credit facilities available further come with high interest rates that discourage investments.

2. TRADE IMBALANCE

All these clearly show that the Nigerian economy lack wherewithal and capacity to meaningfully benefit from exporting of



¹³Newsdairyonline, June 05, 2016. Nigeria expresses concerns over ECOWAS-EU Trade Deal. <http://newsdairyonline.com/nigeria-expresses-concerns-ecowas-eu-free-trade-deal/>

¹⁴En.wikipedia.org/wiki/economy_of_Nigeria

agricultural products to the EU markets. While the UK and the US are said to be the largest trade partner of Nigerians exports,¹⁵ the volume of agricultural products in the export mix to the EU is appallingly low compared to the EU export to West Africa. Nigeria's agricultural products export to the EU in 2015 was 2.3% while EU agricultural products import to Nigeria in the same year was 9.3%.¹⁶

Nigeria's former Minister of Trade, Olusegun Aganga attested to the above when he said that "Nigeria is not currently exporting much to the Europe and so the benefit (of EPA) will not be significant".¹⁷ The former state official had stated that given Nigeria's condition as an import dependent economy, it would be counter-productive to open the doors to imports without first of all developing the industrial sector to compete globally, especially in those sectors where the country has comparative advantage as provided in the Nigeria Industrial Revolution Plan launched under the past President Goodluck Jonathan administration. That plan aimed at revolutionizing the industrial sector and strengthening the sector to compete globally.

In 2007, it was estimated that the value of Nigeria's export (manufactured products) to the EU accounts for only 5.5% of the total export, when compared with petroleum products which was 41.8%. The total of manufactured products exported in 2007 stood at just 584 million Euros (\$770.70 million), while petroleum products exported valued at 4.457 billion Euros (\$5,881.84 billion).¹⁸ As at the first quarter of 2013, Nigeria's manufactured products exported had witnessed a remarkable increase of 70% from the 2007 exports. In other words, industrial and manufacturing sector generated a total of \$1.136.35 billion on export. The contribution of

the manufacturing sector to the overall non-oil export to the EU stood at 28.4%.¹⁹ However, considering the enormous capacity of the manufacturing sector to drive growth and create value, it would be agreed that the 28.4% contribution by the sector is relatively too small, in particular with the intending open European markets. The introduction of the EPA would erode the relative gains made in Nigerian manufacturing.

3. LOSS OF REVENUE

Based on the provision of Article 10 of the EPA that goods originating from the EU exported to West African countries shall be free of customs duties and the provision of Article 35(1) which also restricts parties to the agreement from subjecting imports from any of the parties to any form of internal taxation or charges except transport charges that are based exclusively on the economic operation of the means of transport, Nigeria will be losing billions of dollars in revenue from customs duties, taxation and other charges annually throughout the implementation period of the EPA.

In 2015, the federal government collected the total sum of ₦3.74 trillion (\$18.9 billion)²⁰ from tax, out of which ₦1.6 trillion (\$9.5 billion) was collected from non-oil sources as against the ₦2.2 trillion (\$11.2 billion) collected in 2014 (out of which import tax amounted to ₦118.45 billion (\$601.26 million).²¹ With Nigeria importing more than 40% of the total EU export to ECOWAS at \$11 billion as at 2011, by liberalizing trade with the EU, Nigeria stands to lose ₦167.09 billion (\$1.1 billion) annually, while in 10 years, Nigeria will be losing about ₦1.6 trillion in tax revenue. Experts have pointed out the extent of revenue loss that the nation will suffer if it adopts the EPA. In cash

¹⁵Economy Watch (2010). Nigeria Trade, Exports and Imports. www.economywatch.com/world_economy/nigeria/export-import.html

¹⁶European Commission (2016) European Union, Trade with Nigeria. http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113427.pdf

¹⁷Aganga O. (2014). Nigeria and the EU-West Africa Economic Agreement. www.thisdaylive.com/articles/nigeria-the-eu-west-africa-economic-agreement/176169

¹⁸http://eurostat.ec.europa.eu/statistic_explain/images/0108/eu-27_exports_and_imports_to-from_ECOWAS_countries_-_main_products_by_country

¹⁹<http://thenationonline.net/business/industrial-drive-govts-n179-5b-non-oil-sector-earnings-says-cbn>

²⁰Using the official exchange rate of N197/\$1 in 2015.

²¹FIRS -Tax Revenue Statistics. <http://www.firs.gov.ng/Tax-Management/Pages/Tax-Revenue-Statistics.aspx>

terms, It has been estimated that in domesticating the EPA, Nigeria will lose over \$1.3trillion (N208 trillion)²² in revenue as a result of finished goods coming from Europe.²³ Another source suggests that at the end of the EPA implementation, Nigeria will be losing around \$1.1 billion annually in import tax revenue which is around 30 per cent of its total revenue. These estimates have been made in consideration of the country's decreasing revenue occasioned by fall in global oil price and oil theft, which would further hinder government's ability to meet its infrastructural development obligations.²⁴



According to the Head, Division of International Economic Relations, Research Department of the Nigerian Institute of International Affairs (NIIA), "the revenue loss would trickle down to an average of \$341 million by year 2020", adding that the impact of tariff revenue loss would be quite significant on the nation's economy because it would constitute about 39 percent of total non-oil revenue. Besides losses in sectoral output as well as increased poverty on general welfare losses, he said that the policy options to address the revenue loss would be costly and create excruciating pains for Nigerians.²⁵ The implication of this is that public expenditure will be reduced, the nation will be running on budget deficit and engaging in reckless borrowing to finance public

expenditures.

Beyond losses in tax revenue, the country stands to misplace its current export tempo which is giving rise to increased GDP as well as the GNP. According to the quarterly report from the office of the National Bureau of Statistics, the total value of Nigeria's external merchandise trade in the fourth quarter of 2012 stood at N7,185.8 billion, showing a slight increase from N6.4 billion or 0.1% over the previous quarter.²⁶ In 2012, Nigeria had an increased trade balance of N16.8 billion as against the N9.5 billion recorded in 2011.²⁷

This was as a result of the conscious effort of the federal government to reduce import and increase export. This increase in export may be lost as a result of unchecked imports from EU and the competitiveness of their products.

4. THREAT TO LOCAL AND INFANT INDUSTRIES

Nigerian manufacturing Sector is currently highly import-dependent, with an average import content of 55 percent. The sector contributes only about 7 percent of the GDP.²⁸ The manufacturing sector presents the country with the best opportunities and potentials for employment creation and export led growth, especially within the ECOWAS region.

²²This was based on the exchange rate as at when the statement was made. However in the current exchange rate Nigeria will lose about N300trillion

²³MAN (2014). Nigeria rejects EPA to avert N208trillion revenue losses. www.vanguardngr.com/2014/08/nigeria-rejects-epa-avert-n208trn-revenue-loss

²⁴Benjamin Umute (2013). Economic Partnership Agreement: Death Knell For Nigeria's Economic Growth. <http://frontiernews.com/index.php/business/6157--economic-partnership-agreement-death-knell-for-nigeria-economic-growth>

²⁵Bilateral.Org, 2008. Nigeria: Country to lose \$478.4million revenue to EPA. <http://www.bilaterals.org/?nigeria-country-to-lose-478-4>

²⁶National Bureau of Statistics www.nigerianstat.gov.ng/pages/download/102

²⁷National Bureau of Statistics www.nigerianstat.gov.ng/pages/download/102

²⁸Villascope No 2, 2014.Highlights of Nigeria's GDP rebasing Exercise Released: 6th April 2014.

It is however currently constrained by policy inconsistencies, lack of economic infrastructure and extremely high cost of business operation.

According to a report, Nigeria's manufacturing sector suffers about 30-35 per cent disadvantage on cost over its competitors in Africa and Asia. Infrastructure deficiencies involve problems in the power sector, telecommunications, transport, and other utilities, resulting in high production cost and uncompetitive export of goods in the world market. The near collapse of the power sector is a major setback in the effectiveness of the manufacturing sector. The lack of competitiveness, characterising the Nigerian manufacturing sector has made the operating organizations as well as other concerned agencies wary of the liberalization scheme of the EPA. The key players in the sector fear that because the Nigerian economy is disadvantaged in international competitions, the EPA's call for broad opening up of the economy will, on balance, only erode the surviving bases of the remaining struggling economic activities in the country²⁹.

“Succumbing to the European Union Pressure for its endorsement would amount to economic slavery and doom for the country's industrialization efforts”

relationship between import and export and its impact on other economic indices are very important elements to be considered in negotiating any trade agreement.

For every export there is the import content. The import content represents the proportion of the export value that will be paid abroad for materials used in producing the exported goods. To minimise the payment for the factors of

production, a nation has the responsibility to determine and formulate policies around promoting the use of local raw materials such as the Nigerian Local Content Policy. However, Article 35 (3) of the Agreement restricted any of the parties from formulation such policy or regulation. The Article provides that:

Neither Party shall establish or maintain any internal regulation relating to the mixture, processing or use of products in specified amounts or proportions that directly or indirectly requires any specified amount or proportion of any product that is the subject of the regulation to be supplied from domestic sources. Furthermore, each Party shall refrain from applying any other form of internal quantitative regulation with the aim of providing protection for its output.

5. IMPACT ON NIGERIA'S GDP/GNP

In as much as international trade has good prospects, unchecked trade or transactions as reflected in the provision of Article 22 (1&2) of the EPA would have deleterious effect on a nation's GDP. Free trades influence the national income accounting through export (E) and Import (M) items. The production of export commodities generates national income. For example, the production of cocoa, palm oil and petroleum – which are some of the main Nigerian exports – give rise to income for factors used in producing them. Therefore, the

This further exposed the Nigerian economy to more vulnerability.

The economic implication of allowing foreign products or activities to dominate Nigerian market is that the GDP will be greater than the GNP.³⁰ Unrestricted importation into the Nigerian economy will not only have implication on the nation's GDP but will also

²⁹IMPACT ASSESSMENT FINAL REPORT (2005). GOVERNMENT OF NIGERIA: Building in support of preparation of Economic Partnership Agreement. 8 ACP TPS Sept; 2005.

³⁰GNP is the total sum of income accruing to factors of production in a given economy for any given year after adjustments have been made for incomes of nationals and non-nationals. This can be expressed as $GNP = GDP + Y_n - Y_{nn}$. While Y_n = Incomes accruing to Nationals; Y_{nn} = incomes accruing to Non-Nationals domestically but transferred abroad.

reduce the GNP. All incomes from European exports to Nigeria will be repatriated without flowing through the Nigerian economy. So, the multiplier effect of import trade activities is zero, while GDP may appear to increase, the real income available to the country is on the negative. The GNP defines the real per capita income, but where this is on the negative, the result is an economic situation where high level of GDP is recorded but real income of its citizens is relatively low.

The long run economic implication of the above is economic stagnation and its eventual recession. In such scenario, no meaningful economic development will be achieved or recorded; all indices of development which are the best tools for measuring economic development would be on the negative.

6. EPAs AND ENVIRONMENTAL SABOTAGE

Nigeria is currently grappling with the challenges of environmental degradation as occasioned by petroleum exploitation activities and industrial toxic wastes in its different regions. The disposal and treatment of waste can produce emissions of several greenhouse gases (GHGs), which contribute to global climate change. The effect of this poses a serious threat to the environment due partly to the level of toxic waste that produces methane (GHG gases) that released during the breakdown of organic matter in landfills.³¹ Notwithstanding, efforts are being made by the Nigerian government to mitigate the impact of the all these on the environment and ultimately on the lives of the citizens. However, with the proposed EPA, the efforts to sanitize the environment will be jeopardised as provision in the EPA restricts the parties from taking any measure that will create trade barrier even when such measure or measures are meant to protect the environment. Article 25(3) of the Agreement provides that:

...each Party shall also ensure that the sanitary and phytosanitary measures taken to preserve human health or safety or the lives or health of animals and to protect plants and the environment shall not have the purpose or effect of creating unnecessary barriers to trade in goods between the two Parties.

This is clearly a conscious effort to promote 'Jettison' or dumping of goods that have the tendency to pollute the environment in West African countries, and particularly with the provision of Article 20 of the Agreement which prevents any of the parties from individually or collectively taking anti-dumping measure or countervailing measures, particularly when investigation revealed the imported goods can cause injury. This is against the spirit of fair trade and has the tendency to create more environmental problems for Nigeria.

³¹Grida.Org. Vital Waste Graphic: Climate Change and Waste - Gas emissions from waste disposal. <http://www.grida.no/publications/vg/waste/page/2871.aspx>

OUR CONCERNS

With the current weak state of the Nigerian economy, and in particular, its mono-product economic tendency, we are quite concerned about the impending danger and the conditions the EPA will bring to the poor masses if signed. We are sceptical about the prospect of social development in the light of the one sided agreement. Our concerns put in perspective, include:

- The EPA will increase unemployment rate: It was estimated that the population of Nigerian youths as at 2013 was 64 million out of which youth unemployment rates stood at 54%, which was about 34.5 million unemployed youths. We are concerned that the EPA will worsen the unemployment situation as many local industries will be in unequal competition with foreign industries, there will be flooding of the Nigerian market with products that will be cheaper than the locally produced goods. As a result, many industries will continue to collapse for lack of capacity to compete favorably. This will lead to massive layoff of working people.
- Also, signing the EPA will affect the prospect of the National Industrial Revolution Plan which aimed at developing the Nigeria industrial sector with the aim of reducing unemployment in Nigeria.
- We are concerned that the EPA is a ploy to further subjugate the African economies by subjecting them to the dictates of the Western capital. Just as debt could be a tool for re-conquest of Africa, the EPA is also another strategy to re-colonise the African nations in modern slavery, packaged by the former

colonial masters in the name of 'Global Economy Integration'. The EPA has shifted its strategy having different rules applicable to different countries such as Everything But Arm (EBA),³² Generalised Scheme of Preferences (GSP+)³³ etc, is a divide and conquers tactics which African leaders must resist if it must enter into the agreement.

- Above all, the EPA As it stands today has the capacity to undermine Africa's integration, as individual countries and regional blocs enter into agreements with the EU with little or no coordination. This leaves countless issues and contradictions between African countries. For instance, 14 member states of South African Development Community (SADC) broke away to negotiate under different blocs, while a few left to sign the interim EPA, iEPA.³⁴

Similarly, the different rules applied within each EPA as well as to the EU trade regimes governing non-signatories (EBAs, GSP+, regular GSP and GSP graduation) create insurmountable obstacles to achieving integration within the regional groupings within the ACP.

³²EBA is an arrangement for least developed countries (LDCs), which grants duty-free quota-free access to all products, except for arms and ammunitions.

³³Generalised Scheme of Preferences" (GSP) allows developing countries to pay less or no duties on their exports to the EU.

³⁴Gumisai Mutume (2008), New EU trade deals divide Africa. <http://www.un.org/en/africarenewal/newrels/new-trade-pact-08.html>

RECOMMENDATIONS

Our analysis of the EPA, situating it within the context of the Nigerian economy raises pertinent issues as to whether Nigeria can really benefit from its potentials both in the short and long run. From the analysis, we have seen that rather than aiding development and promoting Nigeria's development agenda, the EPA in its current form has the capacity to undermine development in Nigeria and Africa at large. The following recommendations are therefore made to help the government look at alternative ways of promoting trade and economic development beyond the EPA.

1. Pursue and implement the National Industrial Revolution Plan of the government to strengthen the Nigeria Industrial sector, while engaging all stakeholders and welcoming inputs from them toward the efficient implementation of the industrial development policy.
2. Ensure diversification of the economy by maintaining a paradigm shift from the mono-product situation to a multi-product situation that will afford us the opportunity to cash in on the proposed open EU markets.
3. Encourage extraction and utilization of local raw materials through the development of local content policy and enforcing it rather than being import dependence.
4. Embarking on Infrastructural Revolution policy aimed at restoring infrastructures to a state of effectiveness with the capacity to support industrialization.
5. Maintaining the culture of development sustainability through objective formulation and implementation of development policies sustainability framework.



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