**House of Representatives of the Netherlands roundtable discussion on the economic, trade, and development aspects of the future EU Africa Partnership Agenda**

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Historically the relationship between Europe and Africa was based on the concept that there should be a division of labour and specialization between these two continents that are sometimes referred to as ‘twins’. While Africa specializes in raw materials and primary products, Europe specializes in value addition and manufacturing. During the colonial era, the above structure worked relatively well and both continents remained important to each other.

According to a former chairman of the Africa Institute (now Netherlands-African Business Council, In 1958 for instance, Dutch exports to Indonesia were 110m Guilders while that to Africa was 715m Guilders. In the same year, Dutch export to Africa was 35m Guilders more than that to the US. It was also significantly higher than Dutch exports to all areas of South Asia, South East Asia, and East Asia which altogether amounted to 589m Guilders. These territories included Indonesia, Singapore, Japan, India, and the Philipines. Even if you add the total Dutch exports to Australia and New Zealand, which was 114m Guilders to its exports to the above Asian territories, it was still lower than Dutch exports to Africa by 12m Guilders.

The problem however with the above is that with the advancement of science and technology, the economic share and returns to producers of raw materials in the global value chain have been continuously shrinking. So also has been the value of raw materials in the global economy and the purchasing power of such raw material-dependent countries.

In the early 1970s, for instance, President Pompidou of France pointed out the negative economic consequences that African countries were experiencing as a consequence of the widening gap between the prices of agricultural products and natural resources which they produced and that of finished goods which they imported. This impacted the ability of such African economies to import. Attempts by several African countries to correct the above structural defects through import substitution and indigenisation policies failed.

On their part, multilateral institutions controlled by the West offered free-market solutions to the African problems. These effectively consolidated Africa’s position as a primary producer in the international economy. The current Economic Partnership Agreements being championed by the EU across Africa are also structured to maintain this status quo.

Although the above policies may have been beneficial to Europe for a long time, I will argue that they also laid the foundation for the shrinking economic influence of Europe in Africa. The interest and focus of emergent natural resource-hungry countries like China on Africa helped to ensure this outcome.

This is unfortunate especially given the fact that some of the natural resources found in Africa like Uranium and cobalt are strategic for the environmental and economic sustainability of Europe. Given its population, Africa can also prove to be a viable future market for the EU as was the case in the past.

I therefore argue that Europe’s twin continent division of labour philosophy was a mistake and that the time has come for Europe to rethink its policy in Africa. This will definitely not be easy especially given the way that China has consolidated its interest in the continent. The incestuous way that China has combined its trade and credit policies in Africa has led to it having an unassailable trade surplus with Africa. This will naturally translate to greater political influence in the future. Despite this, there is still a path for the relationship between Europe and Africa to be strengthened.

This is because subsidiaries of western multinational businesses still dominate the African stock exchanges. Such businesses could be used as spearheads for the promotion of increased African participation in the value chains especially for businesses that originate from African-based natural resources and raw materials.

The natural starting point for revising such policies is in the agricultural sector. Examples of areas that can be targeted include:

1. Cocoa products: About two-thirds of world cocoa is produced in Ghana and the Ivory Coast. Unfortunately, EU policies tend to discourage value addition in the value chain of cocoa products from taking place in Africa. Unless this is reversed and Africans are given more room to operate in the production value chains of cocoa products, the long-term interests of the European businesses in this lucrative industry cannot be guaranteed.
2. Dairy Industry: This is another industry where European interests reign supreme in Africa. In Nigeria, for example, 75 percent of the dairy market is dominated by a subsidiary of FrieslandCampina. Although Nigeria has more than twice the number of cattle heads than the Netherlands, only 3 percent of the milk raw materials are sourced locally. Unless this is reversed and Africans are given more room to operate in the production value chains of its dairy industry, the long-term interests of FrieslandCampina in this lucrative industry cannot be guaranteed.
3. The patenting of Africa’s Agricultural seedlings in the West: this is a crisis that is still in the brew. What perhaps started with patenting of ‘horticulture’ seedlings in East Africa has gradually expanded into the patenting of Africa’s basic staples in the West. Although the Ethiopian government’s contestations with the defunct Dutch company: Health and Performance Food International (HPFI) over the patenting of Teff seedlings and flour products have somewhat been resolved, this arena remains a fertile ground for conflict and crisis. It has for instance been estimated that three-quarters of plant DNA patents are held by private companies, half of them in the hands of 14 international corporations. Designing and patenting seeds have become big business.

Interestingly, the seedling business can also provide a viable path for Europe to rebuild its relationship with Africa. EU aid can for instance be channelled towards the improvement of the seedlings of local African staples with the specific objective of domiciling the patent rights with the host African governments. This will among others help to prevent a food security crisis and promote economic growth in Africa. It will also help to reduce the migration problems for Europe from a continent that is currently witnessing a population explosion. Delay will be an error because it is only a matter of time before the Chinese will recognise the opportunities in the seedlings business. This will have consequences for both Africa and Europe.

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