Bart Staes and Judith Sargentini

Migration: the honest story

On the European Union,
migrants from and development in West Africa

The Greens | European Free Alliance
in the European Parliament

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Colophon

This report was written by Joost Lagendijk in close cooperation with Bart Staes and Judith Sargentini, both Members of the European Parliament. The Members of the European Parliament bear political responsibility for the content of this report.

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Foreword

Why we need an honest debate about migration

The title of this report is 'Migration: the honest story'. We opted for that title because there are dishonest stories about migration too: half-truths and complete lies have become part of the ever more dubious discourse in many European arenas.

"Dishonest" can be interpreted as "factually wrong", but also as "morally wrong" – and both labels equally apply to our current political debate. Towards the end of May 2018, the Belgian League for Human Rights wrote the following: "Our instinct to view migrants as fellow human beings is eroding. We no longer see people; we no longer see children. Instead, we see problems. We see threats, disturbers of our peace, intruders into our society. Human beings are no longer seen as human beings." This is the crux of the matter, whether we are dealing with refugees or with migrants.

Most EU citizens can still muster up some sympathy for refugees, even though political utterances in various European capitals over the past few weeks and months have done little to shore up that solidarity. "Irregular migrants", on the other hand, must be kept at bay with all our might. That seems to be the prevailing argument in European politics today.

In a political debate, word choice matters. Refugees, asylum seekers, immigrants, undocumented migrants, economic fortune seekers: they are all tarred with the same brush. "Criminalising" migrants is not just inhumane and unfair; it is also a risky strategy. Kenneth Roth, the director of Human Rights Watch, recently said that he believes Europe is moving towards abandoning its leading position on human rights, and that this would be a danger to the whole world. The rest of the world expects the European Union – the cradle of human rights and civil liberties – to uphold its defence of democratic rule of law. Research has shown that to many people, a lack of democracy, rule of law and freedom, an inability to guarantee equal rights for men and women and a failure to respect human rights are the main reasons to migrate, often weighing much more heavily in their decisions than any economic factors. For these reasons, we can't help but despair when European countries or the EU enter into migration deals with dictatorial regimes.

As a response to the 'migration crisis' of 2015, the European Union developed a specific strategy to counter migration: at a summit that year in Valetta, the EU decided to tackle the structural causes of migration. In essence, this more or less aligns with the usual European policy of contributing to the economic development of those African countries from which most migrants originate. Of course, this could prove to be the correct strategy for both the EU and Africa in the long term. However, it has rapidly become clear that initiatives to tackle the causes of migration are in fact being undermined by policies that contribute to inequality and poverty. This is exactly why we need an honest debate.

This report deals with migration from West Africa, which is where most of the people trying to reach Europe come from. Young West Africans are embarking on a perilous trip through the Sahara, before risking their lives to cross the Mediterranean. For too many of them, the journey ends there: according to the 'Missing Migrants Project', more than 12,000 people have drowned since 2014.

These people are travelling to Europe to find work, so that they can send money to their families back home. In this report, we emphasise one again that the total amount of so-called remittances – the money sent back home by migrants – exceeds the total amount of official development aid in absolute figures. In some countries, these remittances account for 15 to 20 percent of GDP. The EU is asking its partner countries in West Africa to cooperate on the readmission of migrants rejected by the EU. Understandably, these countries are not overly keen on such arrangements, as they would in effect stem the flow of direct income support for millions of Africans. The EU is currently piling the pressure on its African partners, to little or no avail. An end to remittances is not the only thorn in their side: the EU is taking barely any initiative to open up 'legal migration options', even though it happily includes this as one of its goals in most policy documents. Migration experts broadly agree that sound migration policies and circular migration patterns can create mutual benefits for Europeans and Africans. Most Africans want the option to work temporarily in Europe before returning home, but are staying in Europe because they fear they won't be able to re-enter as the EU shuts its borders.

To compound the problem, more than 50 billion euro flows out of Africa every year due to capital flight and fraud; an amount that far exceeds the sum flowing in to Africa in the form of aid, loans, donations and remittances. According to the African economist Léonce Ndikumana's figures, 39 African countries lost a staggering amount of 1.3 trillion dollar in capital between 1970 and 2010. Recent analysis by the UN body UNCTAD has shown that the flow of private capital towards developing countries (including those in Africa) is in fact negative. According to UNCTAD, we are actually witnessing a net transfer of wealth from developing countries towards wealthy countries. UN experts are sounding the alarm about a new debt spiral that is threatening to engulf many African countries. The last time this happened, the consequences were devastating and long-lasting: current generations of Africans are still suffering as a result. Here too, the EU could use its considerable international leverage to better protect developing countries by prioritising their 'right to development'. However, this solution continues to fall on deaf ears in most European capitals.

Our report explores the trade relationship between the EU and West Africa and concludes that European policies continue to undermine West African development. Powdered milk provides just one example of this effect. Milk production has risen since the EU abandoned its milk quota, causing prices to fall. Milk surpluses are turned into powdered milk, which is exported with the aid of indirect EU subsidies. Powdered milk exports to West Africa have doubled between 2011 and 2016. The local dairy sector is unable to compete with this influx, as milk produced in Africa costs nearly three times as much. In the meantime, the EU is using its trade policies to force African governments to lift their import duties on powdered milk in the coming years. As a consequence, the EU is effectively hindering the development of a local dairy sector – and the resulting employment opportunities. Similar tales can be told about the export of EU tomatoes and chicken or the disaster that is Europe's fishery policy.

We resolutely believe that the European Union will not be able to stop migration by building walls, by lining its borders with barbed wire, by mercilessly pushing back the flow of people or by entering into reception agreements with dictatorial regimes. What is needed to deal with the current flow of migrants is cool-headed analysis: we need to look at the facts and develop effective policies. In other words: a long-term vision.

We hope that this report can contribute to that long-term vision, if only in a minor way. We believe it is essential that the European Union adopts a different approach. An approach that – in the first place – doesn't perpetuate Africa's inequality, poverty and despair. An approach that brings more fairness and coherence to the EU's development, trade, tax, agriculture and fishery policies. An approach that tackles the considerable capital flight that currently devastates Africa.

In this report, we take a closer look at the EU Emergency Trust Fund for Africa, which was set up to tackle the root causes of migration. European policymakers love to claim that more money to tackle the 'structuralroot causes of migration' will lead to less migration. However, research has shown that in the poorest countries, a rise in income initially triggers a temporary rise in migration. It is only when sufficient people are able to make ends meet in their own countries and when democracy and civil liberties take root that the pressure to migrate starts to decrease.

Consequently, policymakers proposing a 'Marshall Plan for Africa' as a quick fix for migration are playing with fire. Once the European public notices a few years down the line that additional investment in development cooperation has not immediately resulted in a reduction in migrants, it is highly likely that voices calling to end aid to Africa will only grow stronger.

Politicians talking about a 'Marshall Plan for Africa' are creating the illusion that considerably more funds are being poured into Africa. Nothing could be further from the truth. Firstly, the OECD has calculated that at least 10 percent of official development aid (ODA) intended to reduce poverty is in fact spend on the reception of refugees. Secondly, the inclusion of development aid in a new 'Joint External Action financing instrument' in the current proposals for the EU's new multi-annual financial framework (MFF 2021-2027) has made the exact amount spent in this area less clear than ever. However, one thing remains certain: Europe will be nowhere near its much-talked-about target of 0.7 percent of GDP.

Thirdly, the large majority of the money made available for the EU Emergency Trust Fund for Africa is development aid. Regardless of that fact, almost a quarter of that money is spent on migration management and stopping migrants who have already started their journeys. This means development aid is actually being used to erect better border checkpoints and train border guards in West Africa.

This does not address the root causes of migration. Instead, it simply lengthens migrant journeys: more and more people are dying on more and more treacherous routes through the Sahara. On top of this, a lack of transparency makes it much more difficult to properly asses the EU's new policies. Internal minutes from the fourth board meeting of the Emergency Trust Fund for Africa have revealed three causes for concern. Firstly, there is a financing shortfall of 1.2 billion euro. Secondly, the member states are only making a meagre contribution, and there is little appetite to contribute more. Thirdly, five of the six proposed criteria for deciding whether or not to finance specific projects relate to 'managing migration'.

It is glaringly obvious that migrants will keep coming to Europe. In fact, the pressure to migrate will only increase due to the combination of Africa's population growth with persistent and structural inequality, hunger, poverty and climate change. As such, it is dishonest to claim that migration pressure itself is the real problem.

The so-called migration crisis is largely a policy crisis, an absence of political will and a lack of solidarity between member states on how to deal with the arrival of refugees and migrants The arrival of more migrants can only be managed by coming together and sharing responsibility.

The EU is in dire need of a policy that attempts to safeguard the mutual interests in relation migration from Africa, in dire need of a serious development and integration policy based on lessons from the recent past, and in dire need of a new, honest debate about migration. What Europe gives with one hand, it should no longer take away with the other.
Regrettably, human rights, the rule of law and the right to asylum are currently under threat in Europe too, as 'collateral damage' in the struggle against migration, even though the right to asylum is enshrined in Article 14 of the Universal Declaration of Human Rights, which is 70 years old this year. The right to seek asylum in a different country and to enjoy protection from prosecution must be upheld – especially in the European Union, which rooted its cooperation in solidarity, human rights and enlightenment values as it emerged from a dark period of war, human rights violations on a huge scale, the Holocaust and large migration movements on its own territory.

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Bart Staes and Judith Sargentini

Introduction

> **"It's time to face the truth. We cannot and will never be able to stop migration (...) We must start to be honest with those citizens who are concerned about how we will manage migration. We may not be able to stop migration. But we can be better, smarter and more proactive at managing this phenomenon. However, we cannot achieve this if we don't accept a change in attitude and a change in our narrative."[1]**

This quote from an opinion piece by European Commissioner Dimitris Avramopoulos serves as evidence that some European policymakers in Brussels are now starting to realise that migration is a phenomenon of all times that cannot be stopped, but that can and must be better managed and regulated. The question at the heart of this report is whether the EU is currently turning that notion into effective action that can withstand the test of criticism.

Migration in all its forms has been a concern of the EU for years: just consider the Dublin Regulation, which stipulates which country is responsible for dealing with asylum applications from refugees entering the EU, or the readmission agreements with other countries to readmit citizens that have no right to remain in the EU. Then, there is the Blue Card, which allows highly skilled migrants from outside the EU to work here, and the Family Reunification Directive, which sets out the circumstances in which third-country nationals are allowed to bring in family members.

In addition, most EU member states have their own policies for attracting the types of migrants their businesses need. For decades, the same member states have also had to deal with refugees from the rest of the world who request asylum in Europe. Usually, the numbers involved are relatively small, and their applications can be processed without causing any major problems. Occasionally however, war or violent conflict near the EU's borders leads to a sudden increase in the number of refugees. This is exactly what happened in the 1990s following the breakup of the former Yugoslavia, and again in 2015, when a million Syrians sought refuge in Europe via Turkey. Many Europeans were left surprised by the mass arrival of Syrian refugees. Initially, a feeling of panic prevailed amongst citizens and politicians – with some in the latter category consciously fuelling those fears. Eventually, a series of agreements between the EU and Turkey was reached in March of 2016. These agreements, and their practical implementation in particular, are the topic of much debate. However, this is not what our report seeks to address.

This text is not about Syria and the EU's refugee and asylum policies. Instead, we'd like to turn the spotlight on another type of migration from another part of the world: economic migrants from West Africa. For a very long time now, hundreds of thousands of mainly young Africans are upping sticks every year to find work – and the prospect of a peaceful and happy life – elsewhere. More than 80 percent of these hopefuls move to a neighbouring country or elsewhere within Africa. However, a small minority wants to work in Europe and travels to

1 Dimitris Avramopoulos, European Commissioner for migration, in Politico, 18-12-2017

our shores without a valid visa or employment contract. Every one of us is familiar with the images of rickety and overloaded rafts trying to reach Italy's coast – usually from Libya. Thousands of migrants have lost their lives during these crossings, and thousands more have arrived in Europe without any prospect of being legally allowed to stay. Some of them end up in temporary and illegal jobs, others find themselves living on the margins of our European society, or are arrested and returned to their country of origin.

It is this form of 'irregular migration' that has led to increasing unrest and discontent in the EU over the past few years. Populist politicians paint a largely negative picture of migrants and migration, falling back on terms such as "fortune seekers", who have no right to come or stay here.

Most of the economic migrants that have reached Europe in the past few years originate from West Africa. As such, it doesn't come as a surprise to learn that recent attempts by the EU to get a better grip on this type of migration have focused on this part of the world.

This is not solely down to the fact that the top five countries of origin for migrants risking the crossing to Europe in 2015 and 2016 consists of Nigeria, Gambia, Senegal, Côte d'Ivoire and Mali, all of which are in West Africa[2]; the EU's decision to prioritise this area is also based on its assessment that the flow of economic migrants from West Africa is unlikely to ease in the coming years. Aside from the large economic disparity between Europe and West Africa, experts believe the large influx of migrants from West Africa is likely to continue as a result of two trends: demographic evolution and climate change.

In the last 25 years, the population of sub-Saharan Africa – which includes West Africa – has grown from 493 million in 1990 to almost one billion in 2015. Over the same period, the share of this population living in cities has grown from 20 to almost 50 percent. Life expectancy and levels of education have risen for large groups of Africans, while child mortality has dropped in many parts of Africa. Current estimates suggest this growth is set to continue for the time being, with the population of sub-Saharan Africa reaching 2.2 billion by 2050; a figure that includes 800 million relatively healthy and relatively well-educated young people with a good level of awareness of the rest of the world. Even if the economies and employment levels of most African countries were to grow at a faster rate than in previous years, a significant proportion of Africa's youth will be left disappointed by the lack of opportunity to get a fulfilling job or lead a prosperous life in their country of birth. One option that remains open to them is to seek their fortune elsewhere; most of them will do so within Africa, but a significant number will try to reach Europe[3].

The second factor that is likely to increase the pressure on Africans to migrate is the expected consequences of climate change for large parts of the continent. Agricultural areas in sub-Saharan African are believed to be amongst the places that will suffer most heavily from the consequences of more frequent periods of extended drought, heatwaves and other extreme weather events (according to some studies, the impact of these phenomena can already be felt in some areas today). In West Africa, northern Nigeria, Niger and Mali are most susceptible to climate change. A recent study, published in the journal Science, and funded by the EU Joint Research Centre (JRC), predicted that – based on current climate trends – the number of migrants from Africa is set to triple by the end of this century[4].

Other researchers are more hesitant to establish a direct link between climate change and

2 Molenaar and El Kamouni-Jansen, p.17

3 African Studies Centre, African Population Dynamics and Carbone, p. 19

4 Guardian, 21-12-2017

migration; they are quicker to point out that there are often multiple factors at play in forced migration. However, particularly in areas heavily dependent on agriculture, climate change can constitute a 'threat multiplier'; yet another reason to depart, on top of other so-called 'push factors' such as desperate poverty and poor governance[5].

In this report, we will take a closer look at a number of crucial elements in Europe's policy towards West Africa and try to answer the following questions:

- What is being done with the billions of euros the EU has made available in the past few years to tackle the root causes of West African migration to Europe?
- Is there any truth in the prevailing political narrative that more development and economic growth in West Africa will lead to less migration from that region?
- What can the EU do to create more legal avenues for West Africans to legally work or study in Europe?
- How can EU policy become more coherent to stop the EU's development and migration policies from being undermined by European trade and agriculture policies, for instance?
- What needs to be done to stop capital flight and tax evasion in Africa?

Of course, we're fully aware that there are no quick and easy solutions to any of these questions. The sustainable development of West Africa is not something that will happen from one day to the next. Instead, it will take patience and long-term commitment – as well as a proper understanding of the facts. People migrate for all kinds of reasons, and none of these underlying causes can be removed overnight. Many Europeans struggle to accept the idea of ongoing migration, especially if there is a sense that this migration is unplanned and unmanageable. It will take time, effort and sound arguments to convince people that a more effective and humane European policy on migration is possible. Within the EU, redressing errors made in the past (such as a fixation on market liberalisation and the dumping of European agricultural produce on African markets) will also take time, as will making sure that its various efforts are better coordinated.

On the other hand, we wholeheartedly agree with Mr Avramopoulos' sentiment that the EU needs to become more innovative and proactive in making migration more manageable and in encouraging sustainable development in Africa, and that a completely new way of thinking is required in some areas. The least our politicians can do is keep unfair and unfounded arguments out of the debate surrounding this issue.

With this report, we hope to contribute to the establishment of a vision as well as creative and unconventional solutions that will benefit both Europeans and Africans in the near future.

5 Van Schaik and Bakker; Sara Vigil, Climate Change and Migration: Insights from the Sahel, in Carbone, p. 51-73

West Africa information page

Map of West Africa

Economy

Between 2001 and 2014, many African countries, including most countries in West Africa, performed well economically, posting average annual growth figures of five to six percent. The main underlying factor in this growth was a significant increase in the export of raw materials and minerals. The agricultural sector – which remains a crucial element in many African economies – also grew substantially. On the other side of the coin, relatively few new jobs were created as a result of this economic expansion – the region mainly witnessed so-called jobless growth. In addition, the distribution of wealth across the population was highly skewed, meaning poverty levels remained high despite the strong growth. Following this decade of considerable economic success, falling demand and a drop in prices for African raw materials has led to stagnation in many of the continent's economies since 2015[6].
This downturn has resulted in marked differences in growth between countries. During the years 2015-2017, growth in Côte d'Ivoire, Senegal and Mali, for example, remained above average, but most West African countries remain stuck around four percent. The largest country in the region, Nigeria, even suffered an economic crisis as a result of falling oil revenue and domestic unrest[7].

Democracy and human rights

The Economist's Democracy Index 2017 does not include a single West African country under its Full Democracies category: a list of 19 countries (out of a total of 167 included in its survey) that received a good or satisfactory rating in areas such as fair elections, the functioning of government, political participation, political culture and civil liberties. The highest-scoring West African countries are Ghana (52) and Senegal (74), which both fall under the Flawed Democracies category; countries with several deficiencies in relation to the areas

6 African Studies Centre Leiden, Infosheet 33

7 Carbone, p. 22-24

listed above. Most West African countries are classed as Hybrid Regimes in The Economist's rankings: Mali (86), Benin (87), Liberia (93), Burkina Faso (103), Sierra Leone (105), Nigeria (109) and The Gambia (113). Hybrid Regimes are defined as countries with serious deficiencies. By way of comparison, this category also includes most Balkan countries, Ukraine (83), Turkey (100) and Morocco (101). Côte d'Ivoire (116), Mauritania (121), Niger (122), Guinea (137), Togo (142) and Guinea-Bissau (157) are listed under the Authoritarian category by the British magazine.

Respect for human rights is another major factor to consider, and the Universal Human Rights Index (UHRI) published by the UN or the annual reports by Human Rights Watch and Amnesty International are perhaps the best guides in this area.

However, it is difficult to get a clear picture of compliance with human rights in West Africa. At the most recent meeting of the UN Human Rights Council (OHCHR) in late February 2018, friends and foes alike agreed that monitoring and enforcing compliance with human rights charters (through the OHCHR's so-called Universal Periodic Review (UPR)) remains a complex task. The Global Alliance of National Human Rights Institutions posited that implementing the UPR poses a real challenge, that states should seize the opportunity to make much greater efforts in this area and that compliance with human rights should be linked to the Sustainable Development Goals (SDGs).

However, strong and independent institutions are needed to turn this into a reality. The only institution of this kind in Africa itself is the African Commission on Human and Peoples' Rights (ACHPR), which is based on the African Charter on Human and Peoples' Rights drawn up by the African Union (AU). Based in The Gambia – which was a dictatorship until recently – the ACHPR is a panel of eleven people that investigates and reports on complaints in relation to human rights breaches. Even though African states are showing more and more willing (nesss ??) to cooperate with the ACHPR, the recommendations and rulings in its annual report are not legally binding. However, once the annual AU meeting of heads of state approves the ACHPR report, its recommendations do become legally binding on individual countries.

ECOWAS

West Africa is the best internally organised region on the continent. One of the region's major pillars is ECOWAS, the Economic Community of West African States, which was founded in 1975. All countries in the region are members of ECOWAS, with the exception of Mauritania, which withdrew from the organisation in 2000 but does retain an association agreement with it. The purpose of ECOWAS is to encourage cooperation and integration in order to achieve growth and stability in the region. Right from its earliest days, ECOWAS has also been committed to the free movement of people between its member states, including the right of residence and employment. In 2000, the organisation even decided to issue a special ECOWAS passport. Despite the organisation's best intentions and initiatives, it remains difficult for West Africans to find work elsewhere in the ECOWAS area due to a lack of infrastructure and national differences in legislation[8].

8 For more information, please refer to the Survey on Migration Policies in West Africa.

The impact of new instruments

Introduction

In the wake of the crisis surrounding the sudden arrival of a million Syrian refugees in Europe over the course of 2015 and in response to the fears raised in certain quarters that irregular migration from Africa was set to increase rapidly in the near future, the EU devised new instruments to stem the flow of migration from Africa. These were agreed at a special EU summit on migration in Valetta (Malta) in November 2015, with 35 African countries also in attendance. At the summit, several new initiatives to better manage migration flows were announced.

In this chapter, we will take a closer look at what impact these new funds and agreements have had in the past two years. Our focus on these new initiatives does not negate the fact that the EU devoted significant resources and effort to the development of Africa and the management of migration from that continent to Europe prior to 2015. For example, most of the money spent by the EU on development cooperation comes from the European Development Fund (EDF). More than 90 percent of the 30 billion euro set aside by the EDF for 2014-2020 will be spent in sub-Saharan Africa. To ensure these funds are spent as efficiently and effectively as possible, a multitude of special instruments have been created in the past with the intention of supporting a certain region of Africa or targeting a specific policy area (such as emergency aid, the promotion of democracy or security). These pre-existing funds and mechanisms will not be considered in this report. Instead, we intend to focus on the new instruments brought into life in 2015 or later: the EU Emergency Trust Fund for Africa, the EU Migration Partnerships and the European External Investment Plan. The main reason behind our choice is the fact that each of these post-2015 initiatives shared a common explicit goal: reducing irregular migration from Africa to Europe by tackling the root causes of that migration.

As such, the central questions in this chapter are as follows: how is the money from these new funds spent, and two years down the line, what impact have these new instruments had on development in (West) Africa and migration from that region?

Africa Trust Fund

The EU Emergency Trust Fund for Africa was launched in November 2015 during a special EU summit on migration in Valetta, the Maltese capital, and will run, in principle, until the end of 2020. The official purpose of the fund is to tackle the root causes of instability and forced, irregular migration, and to contribute to the better management of such migration. The intention of the fund is to create jobs, particularly for women and young people, and to encourage economic development through professional education and help with setting up small businesses. Other focal areas include improving basic amenities at the local level, stemming irregular migration, combating human trafficking and fostering stability and good governance through conflict prevention and tacking human rights breaches and lawlessness. The working capital of the Trust Fund currently stands at nearly 3.4 billion euro, of which the largest share – three billion euro – is not new money; instead, it is drawn from existing funds for development cooperation such as the EU budget and the EDF. The remaining funds are contributed by EU member states and several other partners. The Trust Fund distinguishes between three regions eligible for support: the Sahel and the area around Lake Chad (which includes the West African countries), the Horn of Africa and North Africa.

To enable the Trust Fund to act quickly and flexibly, the European Commission plays a central role in its decision making, alongside representatives from the European External Action Service (EEAS) and the member states. Remarkably, African countries and organisations are only granted observer status without voting rights.

In the meantime, hundreds of projects have been initiated with support from the Trust Fund. Two years down the line, the first external assessments have started to appear, and we will be using these as a basis for our verdict.

Money well spent?

In the early stages of the Trust Fund, the development organisations Oxfam and Concord – who both published a critical assessment – feared that the money diverted from the EDF to the Trust Fund would not be spent on the EU's official development goals, such as fighting poverty, tackling inequality and resolving emergency situations. Instead, Oxfam and Concord were concerned that the money would end up being spent on projects that better suited the much narrower political agenda of the EU member states: curbing irregular migration. However, Oxfam's assessment makes it clear that the allocation of the funds was not as imbalanced as initially feared. Sixty-three percent of the money was spent on regular development cooperation projects, particularly in those countries from which most migrants originate. Twenty-two percent was spent on migration management, mainly in transit countries such as Niger and Mali. The remaining 15 percent was spent on security and combating violent extremism. By October 2017, 117 projects had been contracted with a total value of 1.9 billion euro, with more than half situated in the Sahel/Lake Chad region.

Still, Oxfam and Concord remain concerned –rightly, so, in our opinion – about several aspects of the Trust Fund. The main criticisms are as follows:

A 63 percent expenditure on regular development projects is by no means a bad result, but given the origins of the Trust Fund capital (90 percent development funds), this means a significant proportion is still being spent on projects that have little or nothing to do with the official priorities of the EU's development policy.

The impact on curbing irregular migration often plays a decisive role in the selection of projects. As a consequence, most funds in transit countries such as Niger and Mali are spent on migration management and projects in the vicinity of the most frequently used migration routes. In other words, the needs of the local population (fighting poverty and inequality, economic development) are no longer the decisive factor; instead, the donor's priorities (migration) prevail, as was expected following the Valetta summit.

Due to the centralised and streamlined decision-making process (which is essential in order to act quickly and flexibly), aspects such as transparency, proper assessment and engagement with local authorities and NGOs leave much to be desired. Decades of development policy experience has demonstrated that the impact of projects is only sustainable if local insight and engagement are properly taken care of.

There is little or no investment in the development of regular migration channels, even though this is one of the official aims of the EU's migration policy.

After two years of the Trust Fund, European governments seem to be struggling to resist the temptation to use the Fund for quick fixes to reduce migration pressure from Africa as quickly and visibly as possible. This can be explained by the domestic political situation in several European countries, where politicians are looking to make electoral gains by promising quick solutions. However, such quick fixes are at odds with the fact that resolving the problems that lead to migration to Europe is set to be a long-term effort, requiring long-term investment and close cooperation with our African partners.

Migration Partnerships

In June 2016, the EU launched the Migration Partnership Framework: a system through which the EU could cooperate closely with individual African countries to curb the flow of irregular migration. Out of the five initial partnerships, four involve West African countries: Senegal, Mali, Niger and Nigeria. The fifth country is Ethiopia. The objectives of the partnerships partly match those of the Trust Fund: the alleviation of the root causes of migration, the encouragement of sustainable development and the creation of legal migration channels. Elements specific to the partnerships include the tackling of human trafficking networks and the return of migrants from the countries concerned who have no right to remain in the EU. The announcement of the partnership framework made specific reference to positive and negative stimuli that can be used to encourage – or enforce, if necessary – cooperation on this point. The money for the proposed measures was set to be taken from the Trust Fund.

When we looked at the European Commission's website as part of our interim assessment after one year of the Migration Partnership Framework, we noticed a long list of visits by European ministers and other dignitaries to all four countries involved, presumably in the hope of exacting some kind of cooperation. The message seems to be: "we really value you and we'd love to do business with you". In addition, there is a list of the projects agreed per country (which largely overlap with those of the Trust Fund) and of agreements that are yet to be implemented or for which the necessary finance is yet to be found. The agreements on returning unwanted West Africans from Europe fall under the latter category.

An assessment report published in December 2017 by the Transatlantic Council on Migration and the Migration Policy Institute, EU Migration Partnerships: A Work in Progress, stresses that these types of bilateral agreements on migration between the EU and specific countries are not exactly a new thing. Agreements like these have been around for more than a decade and often fail to deliver because the aims of each of the partners are too far apart. The EU is mainly looking for agreements on curbing irregular migration and the return of migrants without residence permits. Its partner countries, in Africa and elsewhere, are mainly seeking to create more legal avenues for migration and are not particularly keen on readmission agreements. The only successful arrangements regarding visa liberalisation in return for readmission agreements have been made with Eastern European countries.

The main difference with these first-generation migration partnerships is that the member states are more eager to achieve success this time round, meaning they are prepared to make concessions, such as additional financial support, that the EU is currently not in a position to make. On the other hand, countries such as France and Spain, which both have bilateral migration agreements with Senegal and Mali, aren't exactly relishing the prospect of far-reaching involvement by the EU.

In turn, the Malian government is well aware that readmitting large groups of rejected migrants won't play well with its local population. As we'll see in Chapter 3, this is mainly to do with the importance to the Malian economy of so-called remittances; money sent back home by the Malian diaspora. Payments such as these made up almost seven percent of Mali's gross domestic product in 2015.
Another factor to consider, the report concludes, is a lack of balance in the partnerships: too great a focus on the European wish for readmission agreements stands in stark contrast to lofty promises but no concrete plans for the legal migration avenues desired by the African partners.

Investment Plan

The third pillar in the EU's new approach to tackling the root causes of migration is the External Investment Plan (EIP), which was launched in 2017. The purpose of the EIP is to use other European funds with a combined value of four billion euro to encourage loans and investments by international financial institutions and businesses up to a total value of 44 billion euro, and to reduce risk for investors. Unlike the Trust Fund, this EU money is not being spent directly on projects; instead, it is being used to mobilise an amount ten times as large in private capital and investment. According to the European Commission, the target amount of 44 billion euro could even be doubled if the member states also participated in the EIP. These huge investments are to be made over the course of 2017-2020 in two specific regions, via the Africa Investment Platform and the Neighbourhood Investment Platform.

These types of leverage measures have already been the subject of criticism as part of the earlier Juncker investment plan. Question marks are often raised over the added value: the so-called 'additionality'. These types of constructions often result in investments in businesses or sectors the private sector was happy to invest in anyway and reduce the amount of investment in high-risk prospects or less profitable public services. In other words, they direct more public means where the market wants them to go. This isn't necessarily a bad thing, but by working with private investors, compromises are made on transparency, standards of accountability and the participation of partner countries or social partners, all of which are essential in development projects. The main criticism is that the investments encouraged using public means do not necessarily address the greatest structural societal needs. Of course, Africa's investment needs are substantially greater than those elsewhere.

Two other, less prominent elements of the EIP are technical support provided by the EU in attracting private capital and the improvement of the investment climate.
Again, the four billion euro in the EIP is not new money: the majority is repurposed from existing EU resources and funds. For example, a 2.6 billion euro share of the 3.35 billion starting capital comes from existing investment facilities, and a 400 million euro share of the 750 million set aside for guarantees is drawn from the European Development Fund (EDF), which is also the source of 90 percent of the Trust Fund's starting capital.

As the EIP was only launched six months ago, it is difficult to assess at this stage whether this plan will have a genuine impact. Critical voices are pointing out once again, as they did with the Trust Fund, that there is a danger these development funds will be used to ramp up controls on immigration and to better protect the EU's borders. It is also possible that EIP investments will become dependent on the full cooperation of African countries in migration partnerships, including obligatory readmission agreements.

The European Commission has previously sought to encourage private investment in European projects abroad by providing guarantees. These so-called blending practices drew critical remarks from the European Court of Auditors and the European Parliament. Blending is a broad term referring to the combination of loans and donations from European budgets with private investments. The aim of blending is to attract additional investment in development projects on top of the usual development budget. However, there is no real international agreement on the exact definition of this new form of finance, and as such, there are no genuine criteria to ensure these investment vehicles are managed properly. The European Parliament has pointed out that this should not stand in the way of objectives such as poverty reduction, development, transparency and good governance.

Blending is likely to have a negative effect on poverty reduction, particularly in the least developed countries (LDCs), because the return on investment in these countries is much lower or the risks are simply deemed too high by private investors. Consequently, public money intended for poverty reduction is likely to be diverted to projects that are guaranteed to deliver certain returns for the private sector.

As such, there is a risk that development goals (poverty reduction, small-scale employment opportunities) will be outmuscled by commercial incentives. It has quickly become apparent that blending is often used in the realisation of projects in countries that have already witnessed a certain level of development, and that investments in poorer countries (which includes most West African states) are far less popular[9].

A European Commission assessment published at the end of 2016 on European blending projects between 2007 and 2014[10] found that, generally speaking, poverty reduction was not the main concern in the design and execution of these projects. In nearly half of the projects examined, the Commission found no reason to opt for blending instead of financing through the traditional development cooperation means. Encouraging private investment in public services such as education and healthcare – which the European Commission could not rule out – could in fact increase inequality in the countries concerned, through prohibitively high school fees or healthcare contributions, for example.

As such, great care must be taken with this type of investment. The success of future investments can only be guaranteed if the European Commission vigilantly ensures that the core activities of the EIP remain focused on the realisation of the EU's development goals. We believe that the best way to do so is to ensure the billions in private and public investment are utilised mainly for the benefit of small and medium enterprises in developing countries – meaning they should preferably not be spent in Europe – and to fund small-scale projects that stimulate local development. Experience has shown that it is usually the major players who win most funds and contracts. One of the reasons behind this fact is that they simply have more capacity and expertise available to win public tenders, for instance. In addition, it

9 Counter Balance, p. 18-22 and the report by the European Parliament's Committee on Budgetary Control: (4a) In the light of the findings of the European Court of Auditors regarding the use of blending in the external relations of the Union, which highlighted the fact that for nearly half of the projects examined there was insufficient evidence to conclude that the grants were justified, and that for a number of those cases there were indications that the investments would have been made without the Union contribution, it is paramount that blending should only be used where the Commission can clearly demonstrate its added value. (ECA special report No 16/2014 "The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies".)

10 https://ec.europa.eu/europeaid/sites/devco/files/evaluation-blending-volume1_en.pdf

remains to be seen whether the European Commission can genuinely ensure that investment projects contribute to sustainable growth and employment opportunities.[11]

Niger

Niger provides perhaps the best example of the positives and negatives of Europe's renewed focus on Africa. This country is one of the poorest in the world: almost 50 percent of its population lives below the poverty line of $1.90 per day and on the UN's Human Development Index 2015, Niger ranks in 187th place (out of 188). Its oil and uranium reserves serve mainly to enrich foreign companies and the local elite; most Nigeriens never see the benefits. The tension caused by this fact is one of the main reasons the country has spiralled into political instability over the past decade, with violence committed by armed Islamic groups confounding its problems. The number of Nigeriens seeking refuge elsewhere is relatively low, but the country does find itself on the central transit route towards Libya for migrants from other parts of Africa. At the end of 2017, almost 200 million euro was made available by the Trust Fund for projects in Niger, making it the third-biggest recipient of aid from the fund[12]. Niger is also one of five countries in the Sahel where the EU has military operations to combat instability and terrorism (for more details, please refer to the "G5" box).

Out of nine Trust Fund projects in Niger, three are directly aimed at traditional development goals such as creating employment opportunities and improving access to water. Three further projects seek to improve the management of migration flows by the government of Niger and combat human trafficking and organised crime. The remaining three projects provide support with the return of migrants who have returned voluntarily and the identification of alternatives to irregular migration. In addition, Niger is part of a number of regional projects involving multiple countries. The support provided by the latter is mainly aimed at the security aspects of migration, such as border controls and cross-border crime, smuggling and terrorism. France and Spain are closely involved in initiatives aimed at boosting the capacity of the Nigerien police and armed forced. Both countries have also entered into bilateral agreements with Niger that provide aid in relation to education and healthcare, but that remain largely focused on security and migration[13].
Considering the total sum of these projects, it can be concluded that in certain areas, Niger certainly benefits from new financial flows originating in Europe to tackle acute, pressing problems and to develop further. However, the bulk of the European money and effort directed towards Niger exclusively serves the EU's priorities: the better management and curbing, if possible, of migration from this country.

One concrete example of the ambiguous and often counterproductive impact of recent European interventions is the situation around the city of Agadez. Until 2017, this desert city was at the heart of the migration route from West Africa to Libya – and occasionally to Europe. Throughout 2016, significant efforts were made to dismantle Agadez's migration

11 This type of supervision was initially absent from the EU's internal EFSI investment plan, which was approved in 2015. In the negotiations for this plan, the Greens won a concession forcing potential projects to be assessed using a score board. The exact details of this score board had yet to be worked out by the European Commission, before being put to the European Parliament for approval. In 2017, for example, the EP decided that at least 40 percent of the EFSI funds should contribute to the realisation of the objectives of the Paris climate agreement and that the selection process for projects should become stricter and more transparent. For more detail, please see https://www.bartstaes.be/nl-BE/artikel/persbericht/groenen-scherpen-criteria-europees-investeringsplan-aan/26785 and https://www.bartstaes.be/nl-BE/artikel/persbericht/voorstel-europees-investeringsplan-verbeterd-dankzij-europees-parlement/2613.

12 Concord, p. 21

13 Concord p. 22-23

infrastructure: people traffickers were arrested and hundreds of vehicles were confiscated. The result was a drastic reduction in the number of migrants continuing their journey northward from Agadez in 2017; an achievement widely hailed in Europe as a major success of the Trust Fund and the EU's Migration Partnership with Niger.
However, there are two sides to every story: most migrants simply shifted their route and are now progressing via northern Mali and Algeria. For the region around Agadez, the sudden disappearance of all economic activity linked to transit migration has been nothing less than a disaster: unemployment has surged and the local economy has taken a substantial hit. The EU's promises to generate alternative employment opportunities are yet to materialise, and many people in Agadez and its surrounding area live in fear of Islamic extremists moving in to take advantage of the desperate situation in which many Nigeriens suddenly find themselves following the unilateral intervention of the EU in this already fragile region[14].

Senegal

Senegal is an example of a West African country that maintains good relationships with the EU and that benefits from the Trust Fund. Regardless, there is little enthusiasm in Senegal for cooperation with European countries regarding the readmission of Senegalese citizens turned down by the EU – despite this being the latter's absolute priority.
With almost 15 million inhabitants, Senegal is the fourth-biggest economy in West Africa, ranking behind Nigeria, Ghana and Côte d'Ivoire. It may still be classified as a low-income country, but its economy has been performing remarkably well in the past few years. Especially in comparison to several other countries in the region, Senegal is often viewed as a bulwark of democracy in West Africa. That doesn't mean it doesn't have its problems: the independence of the judiciary, abuses of power by security forces and corruption remain genuine concerns.
Senegal has a long history of emigration: around five percent of its citizens live abroad. Consequently, remittances – money sent back home by migrants – is a major source of income for the country. Senegal is one of five countries with which the EU has entered into a Migration Partnership, hoping this would make it easier to return rejected Senegalese citizens. However, despite all manner of promises and arrangements made under the partnership, it has had little effect so far. Cooperation with the EU regarding migration – let alone regarding the readmission of migrants – is a highly sensitive issue in Senegal. For example, a planned visit by the European Parliament Committee on Development at the start of 2017 was postponed by the Senegalese authorities, who were expecting a negative shift in public opinion.
Senegal is one of the biggest receivers of European aid in the region (1.3 billion euro in the period between 2014-2017). Most of that money was spent on the agricultural development, food safety, access to water and sanitary facilities and good governance. With a sum of 162 million euro, Senegal is also among the biggest recipients of aid from the Trust Fund. Out of the nine projects backed by the fund, nearly half relate to the creation of jobs in the regions most migrants originate from. Around a quarter of the Trust Fund money is spent on readmission projects and curbing irregular migration[15].

14 For more information, please see Molenaar et al, Tinti and Collett and Ahad.

15 For more information on the Trust Fund projects in Senegal, please see Bernardini.

Regional migration

Aside from their practical implementation, there are two problems with the Trust Fund and the migration agreements that reoccur in all critical assessments and that, consequently, we'd like to address separately: the presumed link between development and migration and the impact of anti-migration measures on migration within West Africa. We'll take a comprehensive look at the first point in the next chapter, and we'll explore the issue of regional migration within the ECOWAS area in more detail below.

Out of all West Africans who cross the borders of their countries of birth in search of work and a better life, around 80 percent remain within West Africa. Another, much smaller proportion seek their fortune further down the road in North Africa. Finally, an even smaller percentage decides to attempt the crossing to Europe. However, there are some exceptions to this rule: around 45 percent of Senegalese migrants travel to Europe and most Nigerian migrants try to build new lives in the US or UK[16].

The fact that so many West Africans often find temporary employment elsewhere in the region shouldn't come as a surprise, considering the history of West Africa and the freedom of movement that exists between the ECOWAS countries. Large groups of agricultural and seasonal workers have travelled throughout the Sahel and Sahara in search of work long before the current migration issues hit European headlines. A much smaller group of people is fleeing violence, repression or failed harvests in the countries of their birth. Towards the dawn of the colonial era, the borders of the newly emerging states were often drawn right through the middle of the traditional territories of tribes, clans and ethnic groups. Consequently, to many West Africans, national borders are nothing more than artificial barriers that can be crossed if necessary, or simply if it suits them. The current ECOWAS arrangements also mean the process of crossing borders is fairly straightforward in most cases. As a result, all West African states house large groups of migrants that were born in neighbouring countries[17]. As many of these migrants return back home after a few years, this phenomenon is often referred to as 'circular migration': a process that has a largely positive impact, if only to relieve temporary tension in certain regions and offer people the opportunity to get their lives back on track elsewhere.

Pressure from the EU on West African states to stem or stop migration altogether presents a severe threat to these well-established and often circular migration patterns. More and more frequently, border police forces trained by the EU or individual European countries are failing to distinguish between the majority of migrants who want to remain within the region and the minority who intend to continue their journey to North Africa or Europe. By stopping both groups of migrants at the border, a traditional and successful relief mechanism for social problems is being eroded. This often has a negative impact on stability and cohesion in the countries affected, meaning it is counterproductive to what the EU claims it wants to achieve by encouraging sustainable growth and development.

Instead of tightening up border controls at the request of the EU, a more obvious approach would be to relax controls at internal borders within the ECOWAS region and to make a distinction between those migrants who want to travel to Europe and those who want to remain in Africa at the external borders of the ECOWAS area.

The EU could even go one step further by making regional migration within West Africa much easier. This could be achieved by improving the options for free movement and the right of

16 Irregular Migration, p. 27 and 33

17 For a complete overview, please see: ICMPD/IOM, p. 20-31

establishment – not only on paper, but also in practice – in close consensus with ECOWAS[18]. The European Commission initiated this process in 2015, and we would highly recommend that it continues down this route in the coming years[19].

Mixed migration flows

One major problem in controlling and managing migration flows in transit countries such as Niger is the fact that the same routes are often used by several different types of migrants. We have already discussed the large numbers of so-called circular migrants in West Africa, who want to stay within the region and have no intention to travel to Europe. However, the flows of people travelling along these routes also include refugees (mainly from Central and East Africa) who want to apply for asylum in Europe, as well as stranded victims of human trafficking. In addition, some migrants' motives might change during their journey: they may end up in such dire circumstances that they become eligible for international protection, for instance[20].

Only a relatively minor share of refugees seeking to apply for asylum in Europe come from West Africa. In the past, several West African countries regularly witnessed violent conflict and civil war that sparked large refugee movements. By and large, these people sought refuge in neighbouring countries. The region has been relatively peaceful in recent years, with the exception of violence in Mali and Boko Haram's terrorist insurgency in northern Nigeria. As a result, around 160,000 refugees currently reside in Niger: 100,000 of these originate from Nigeria and 50,000 from Mali. Mauritania also hosts around 50,000 Malian refugees, while Senegal has around 15,000 Mauritanian refugees within its borders[21].

18 Molenaar/El Kamoumi-Jansen, p. 18-19; Concord, p. 26

19 European Commission, p. 16

20 Carbone, p. 91 and Irregular Migration, p. 21-22

21 Irregular Migration, p. 26, 31-32, 34

Missions and the G5

The EU is also involved in West Africa in a different way: through various civilian and military peacekeeping missions. Originally, these missions were never specifically aimed at managing and curbing migration flows, but over the years, these aspects have become an increasingly major focal point in almost all of them. The civilian EUCAP Sahel Niger mission, for example, was set up in 2012 to help the Nigerien authorities tackle organised crime and terrorism. However, from 2016 onward, the focus of this mission – which mainly operates across the north of the country – has increasingly shifted towards controlling and curbing irregular migration. The civilian EUCAP Sahel Mali has gone through the same evolution since it was founded in 2015. Since 2013, the military EUTM Mali mission has been providing training to the Malian army, without getting directly involved in any migration issues. The same applies to the UN's large MINUSMA mission, which has seen the deployment of 10,000 military personnel since 2013 in an attempt to restore stability, mainly in northern Mali. Better border controls form part of the remit of this mission – a fact not without significance, given that Mali is gaining importance as a transit country for irregular migrants[22].

Finally, there is the G5 Sahel, founded in 2014 by Chad, Niger, Mali, Burkina Faso and Mauritania and supported by the EU right from the start. In July 2017, the G5 was expanded with a 5,000-strong military force, mainly made up of African soldiers[23]. The G5's objectives are fairly broad and include cooperation on development, good governance, security and counter-terrorism, with a special focus on border regions. In the last two years, the EU has been pressing the G5 to shift its focus towards migration. For example, the Trust Fund has started supporting several projects under the banner of the G5, all of which relate to curbing irregular migration[24]. Understandably, European and African development organisations fear that migration policy is set to become too militarised as a result of these actions.

22 For an overview of all missions, please see Van der Lijn.

23 For more details, please see Venturi.

24 Van der Lijn, p. 19

Does more development mean less migration?

Introduction

A single claim – albeit in various forms – reoccurs in all plans and statements by the EU and individual European countries on migration and development. It goes as follows: we must tackle the root causes of migration (unemployment, poverty, the lack of future prospects, instability) in Africa. If we succeed, this will automatically reduce the pressure to leave, which in turn will reduce irregular migration to Europe.

At first sight, this seems to be a sound piece of reasoning: more development equals less migration. As such, this plausible-sounding argument is used by large numbers of politicians and policymakers across Europe to convince an often sceptical population that the benefits of investing billions in Africa will be keenly felt in Europe too. But is there any truth to this claim?

In this chapter, we will take a detailed look at the growing pile of studies and reports that clearly demonstrate things aren't quite as straightforward in reality. In fact, an increase in income in poor countries often leads to a (temporary) increase in the number of migrants. Why is this?

And if this does turn out to be true, what will happen when it becomes apparent in future that billions of aid poured into Africa has only led to more economic migrants?

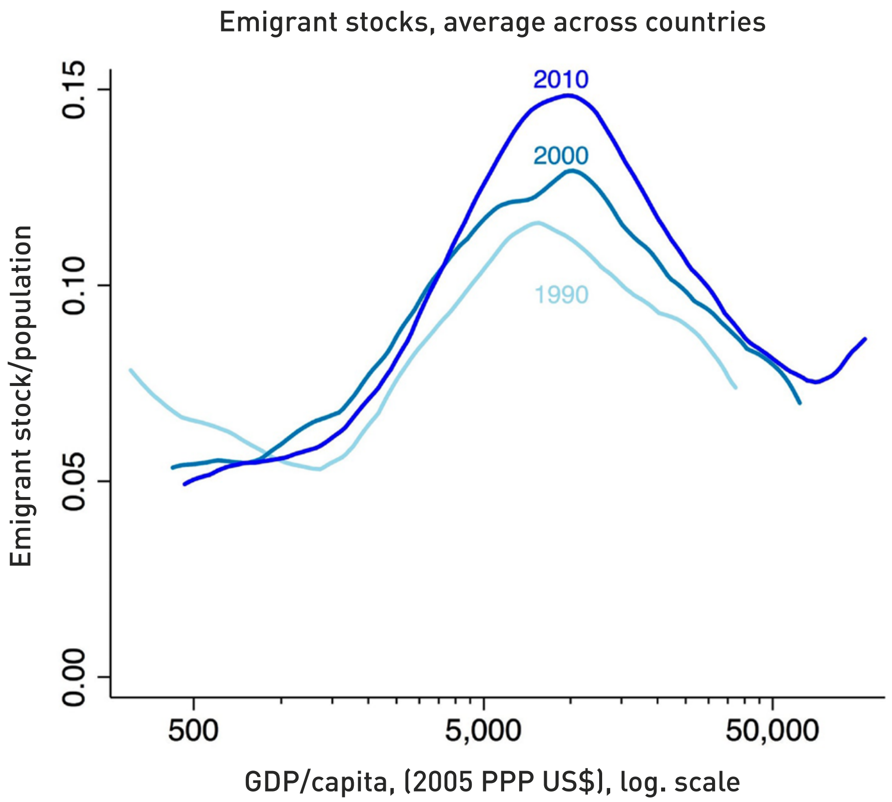
More migration

The conclusions of the vast majority of studies performed by academics and other researchers on the link between development and migration can be neatly summarised in the following quote:

> "While it is often believed that poverty, demographic pressure, conflicts and environmental degradation are the main drivers of African migration and that 'development' of the countries would stop emigration, empirical evidence suggests the opposite. Most Africans do not move from the poorest countries to the wealthiest countries. Emigration is generally lower from sub-Saharan Africa, which is a poorer region, and higher when a certain level of 'development' has been reached, which is the case with North-African countries. Migration from poorer countries or regions is primarily directed towards other African countries, while more 'developed' regions like North Africa have a higher level of extra-continental migration. This result suggests that populations of the least developed countries are less able to move, and tend to migrate over shorter distances when they do. Conversely, people living in richer countries have access to better infrastructure and transportation, which facilitates migration and enables movements of populations over greater distances. Actually, the countries with a

high level of extra-continental migration correspond to the relatively more 'developed' countries that are located on the coast, that have a higher level of urbanization, a higher GDP per capita, and that are more advanced in the demographic transition (they have a lower level of both mortality and fertility)"[25].

Michael A. Clemens of the Washington-based Center for Global Development is one of the academics who has performed the most research on the link between development and migration. In a recently published review of academic literature on this topic, co-authored with Hannah M. Postel, Clemens takes stock of the arguments often used by proponents of a strong causal link between more development and less migration.
According to Clemens, the central piece of evidence against this claim is the fact that migration from poor countries with growing economies actually increases right until their gross domestic product (GDP) per capita has risen to somewhere between $8,000 and $10,000. Before this point is reached, emigration goes up for reasons we will explore in more detail below. Only after this tipping point is reached does migration decrease.



From Clemens 2016 article

If development aid and investments were to contribute to additional economic growth of two percent per year, it would be several decades yet until poor countries in West Africa to reach the GDP level at which emigration decreases. As such, investment is a long-term strategy. According to Clemens, poor families often view the emigration of one of their family members as an investment in the future of the entire family, or as an insurance policy that renders the family less susceptible to future adversity in their own country. Once these families have a little more to spend as a result of economic growth or improved employment opportunities,

25 Carbone, Out of Africa, p. 38-40

this money is often used to fund the emigration of a younger member of the family. Migration is an expensive business (transport, accommodation, people smugglers), especially if Europe or another country outside of Africa are the end goal. This explains the fact that more people migrate from countries with a GDP per capita between $5,000 and $10,000 than from poorer countries with a GDP around or below $2,000. Out of 71 countries that saw their BNP per capita increase to $10,000 or more between 1960 and 2013, 67 percent saw a rise in emigration – an effect that did not occur in countries that remained poor.

However, it is not just the availability of more money that encourages migration: other consequences of more development and economic growth include better contacts with international networks, higher levels of education and more information on what's happening elsewhere in the world, due to the wider availability of communication technology and mobile internet, for instance. Taken together, these effects generate greater ambition amongst young people to build better lives elsewhere. This effect is only strengthened by the existence in Europe or elsewhere of a substantial diaspora: a community of fellow nationals who have already migrated, which attracts further potential migrants as a result.

Another effect of economic development and rising incomes in poor countries is a drop in child mortality. This is usually followed by a similar drop in the number of children per couple – but not until some time in the future. Consequently, there is a short-term increase in the number of young people during this period of demographic transition, and it is those young people who are most attracted by the improved emigration opportunities.

The mechanisms of rising emigration as a consequence of economic growth extensively described by Clemens are confirmed by other researchers with a specific focus on Africa. Flahaux and De Haas, for example, wrote the following about migration patterns in Africa: "Development processes typically expand people's access to material resources, social networks, education, media and knowledge. At the same time, improvements in infrastructure and transportation, which usually accompany development, make travel less costly and risky, enabling migration over increasing distances. (...) The crux is that when 'development' occurs in poor and marginal countries and areas, aspirations and capabilities to migrate tend to increase simultaneously, explaining the paradoxical phenomenon of development-driven emigration booms."[26]

Other factors

Some academics believe that Michael Clemens and others sharing the same opinions place too much emphasis on the economic factors driving migration. According to these researchers, other factors potentially play a more important role. The factors highlighted in their research include a lack of civil liberties, corruption, human rights breaches, poor governance and fragile states. Development aid could contribute to the resolution of these types of circumstances: according to this train of thought, projects aimed at strengthening democracy and the rule of law – if successfully implemented – may have a positive impact on the willingness of potential migrants to stay home. The studies performed by this group of researchers have led them to believe that migration is lower from countries with better governance. With this in mind, the EU must focus on projects that focus equally on

26 Flahaux and De Haas, p. 4

stimulating economic growth, strengthening democracy and the rule of law, fighting corruption and building reliable state institutions[27].

Unrealistic expectations

Several researchers[28] have cautioned against politicians and policymakers setting unrealistic expectations regarding the migration-curbing impact of billions worth of investment by the EU – and rightly so, in our opinion. If support from wary Europeans for development aid can only be obtained or maintained by making promises that cannot be met for the time being, it is only a matter of time before that support evaporates in the face of disappointing results. This is just one example of how a political narrative based on incorrect assumptions leads to growing mistrust and waning willingness to show solidarity and see the bigger picture.

The fact that development cooperation does not immediately result in less migration is not an argument to simply drop EU support for the sustainable development of African countries in several areas (economy, democracy, governance): this support is an important goal in itself. However, it does serve as a reminder that we must be candid and careful when making promises. It is in the interests of both Europeans and Africans that African countries develop into prosperous and democratic states, and it is pure fantasy to think that the necessary far-reaching changes to reach this point will happen from one day to the next. Even if the EU made optimum use of all available resources, reforms and readjustments to economies as well as other areas will still take time. Until the process is complete, the prospect of a better life outside of the country they were born will continue to act as a strong draw to many Africans. Most of them will seek their fortune in other parts of Africa, but there will always be a group that wants to travel further afield – at the exact same time things are improving economically in their countries of origin.

27 For a detailed theoretical underpinning, please see SWP and Gamso/Yuldashev.

28 Knoll/De Weijer, p. 30; Raineri/Rossi, p. 15; Collett/Ahad, p. 38

Legal avenues

Introduction

"Develop legal avenues for migrants to enter Europe!" – this is the one maxim that reoccurs in all studies, policy memos and reports. Whether it is NGOs, think tanks, African countries or civil servants at the European Commission: they all acknowledge that curbing irregular migration will not work if we do not simultaneously open up legal avenues for migrants – from Africa or from elsewhere – seeking a better life[29].
Despite the fact experts are repeating this statement over and over again, little practical progress has been made on this point. Politicians and policymakers in Europe are in tacit agreement that this is not the right time to start a conversation – in Brussels or in their home countries – about the option of allowing at least a proportion of non-European economic migrants to enter the EU in a regulated manner. Opponents of legal migration avenues also often point to unemployment figures amongst migrants who arrived previously: why should we allow even more Africans and Asians to enter if there are no jobs for those already here?
In this chapter, we will explain why a much greater effort will be required in the coming years to find creative ways to link the need to expand the European labour force to the large number of African youths seeking employment elsewhere. We're not doing so because we believe legal migration routes are the cure for all of our ills – but we must accept they are part of the solution both migration experts and politicians will need to find. Simply ignoring that fact and pushing the issue further down the road will get us nowhere.

Can Europe lead by example?

Contrary to the common assumption, the fault line between the pros and cons of legal migration channels does not lie between non-governmental organisations and academic experts on the one side and European politicians and policymakers on the other side. Looking at the conversation on this topic over the past few years, it quickly becomes clear that the European Commission and European Parliament have repeatedly expressed their support for the conclusions of migration experts. Instead, it is the EU member states who are refusing to budge on this point.

In May 2015, the European Commission published a memo entitled A European Agenda on Migration; a document intended to serve as a basis for the formulation of a new European asylum and migration policy. The first part of the Commission's proposal addressed the acute problem of large groups of Syrian refugees, for which a solution urgently needed to be found at that point. In the second part of the document, the Commission made it plainly clear that without a well-thought-out migration policy, the continued existence of the current European welfare state and sustainable economic growth could not be guaranteed. Together with its member states, the EU will need to make every effort to design a system enabling qualified migrants from outside Europe to come to our shores. After all, we will need these migrants to

29 For a detailed explanation, please see Newland; Clemens, 2018; Angenendt; Ambrosi; Scazzieri; Lücke; Toaldo; Newland/Riester.

fill the vacancies that will inevitably arise in a future Europe with declining birth rates and an ageing population. One of the proposals in the document relates to the creation of effective consultation channels with organisations such as West Africa's ECOWAS, for the purpose of encouraging migrant labour within the ECOWAS area and between ECOWAS and the EU.
At the end of the memo, the Commission suggests that the discussion surrounding this topic should focus on three concrete objectives in the coming years: a common European asylum system, shared EU control of its external borders and a new model for legal migration. The exact wording of that final point is interesting enough to warrant being included in full below:

> "The EU Treaties reserve the final decision on the admission of economic migrants for Member States. However, the EU needs to look at how to marry this limitation with the collective needs of the EU economy. In particular, the Commission will look at the possibility of developing, with the Member States, an 'expression of interest system'. This would use verifiable criteria to automatically make an initial selection of potential migrants, with employers invited to identify priority applicants from the pool of candidates, and migration taking place after the migrant is offered a job. This would allow for the creation of an 'EU-wide pool' of qualified migrants, accessible to both employers and Member States authorities – but with the actual selection and the admission procedure remaining national, based on Member States' actual labour market needs."[30]

Two elements that keep reoccurring in the debate on legal migration avenues jump out: how do we bring supply and demand together as effectively and as closely as possible, and how do we align the competencies and interests of the member states with those of the EU in the best way possible?

In 2016, the European Commission published a supplementary memo that took an even clearer stand on the subject. A few examples: :"The EU must become better at harvesting the benefits of migration. If Europe does not take sufficient action to attract skills and talent from beyond its borders, we will suffer the consequences in the long term.
The EU must start actively recruiting outside of Europe in order to cope with demographic challenges and future shortages on the labour market.
The need for migrant labour will arise no matter what – even if the EU member states take all manner of other measures (retraining the unemployed, raising the pension age, increasing labour market participation) to address shortages in the care sector and elsewhere.
The return of irregular migrants who have no right of residence in the EU to their countries of origin will only succeed if the EU is prepared to seriously consider how best to facilitate legal migration. Readmission agreements and legal migration avenues are two sides of the same coin[31]."

As far as the debate within the EU is concerned, the Commission's clearly defined vision – which has the support of the European Parliament on most points – remains at odds with the reluctant stance taken by the member states in the European Council even after the publication of these two memos.

30 European Commission, A European Agenda on Migration, p. 17-18

31 European Commission, Towards a Reform of the Common European Asylum System and Enhancing Legal Avenues to Europe, p. 16-20

Blue Card

In full knowledge of the fact that its own authority in this area remains limited and the member states are continuing to apply the brakes, the Commission took the initiative in 2015 to critically assess all existing instruments at EU level in relation to legal migration. The purpose of its so-called fitness check was to clarify whether these measures could be deployed more effectively. The measures in question include seven European directives that make it compulsory for member states to take uniform and joint action on points such as family reunion, residence permits, seasonal labour and the admission of students and researchers. The results of this reassessment are due to be published in the first half of this year, but for one of the seven directives, the Commission has already suggested an update back in 2016: the Blue Card.

The Blue Card scheme has existed since 2009 and decides which conditions highly educated migrants must meet to obtain the right to reside in the EU. The eventual decision to extend these work permits always remains reserved for the member state in question. The Blue Card scheme cannot exactly be hailed as a success, except in Germany, where more than 85 percent of Blue Card holders – 13,000 of a total of 15,000 – reside. There are several reasons for the scheme's limited success: individual member states each have their own rules and perceive the Blue Card scheme as a burden, the procedure is complicated and the income threshold too high, the right to family reunion and freedom of movement throughout the EU is limited. As such, the Blue Card system has never proven sufficiently attractive to highly skilled migrants.

The new proposal by the Commission seeks to address these issues. On the ever-sensitive point of the division of competencies between the EU and the member states, the Commission didn't exactly mince its words: only by applying the same rules throughout the whole of the EU can Europe become an attractive place for potential migrants and compete with other countries (the US, Canada) who are seeking to attract the same highly skilled knowledge workers.

The negotiations on the new Blue Card directive that have taken place since between the EP and the member states have made it clear that a substantial divide remains between the Commission and the EP on the one hand and the member states on the other. The talks have reached an impasse because the member states are unwilling to give up their own admission systems and have no appetite whatsoever for any expansion of this form of legal migration. This stalemate does not bode well for the adjustments due to be made to the remaining six directives currently under the Commission's magnifying glass. It also clearly reveals that the problem in Brussels is not a lack of knowledge, creativity or sense of urgency. Instead, the problem is a lack of political courage amongst the member states to take measures that would be met with disapproval and misunderstanding in our current political climate – a fact that will only change when national politicians too come round to the view that migration to Europe from Africa and elsewhere cannot be stopped, but can be better managed.

Creative suggestions

In the past few years, several migration experts have put forward suggestions on what a European system of legal migration could look like, both for highly educated migrants (such as those eligible for the Blue Card) and for the low-skilled migrants our labour market needs. These suggestions are based on the experiences and practices of other countries that receive significant numbers of economic migrants. The proposals make it clear that it would be perfectly possible to set up a system, bit by bit, that is effective and manageable and that benefits all parties involved: European nations, African migrants and their countries of origin.

Every one of the suggestions detailed below shares a common goal: they all contribute to filling the real vacancies that exist in European countries through the effective recruitment of trained migrants from outside the EU.

In 2015, the Migration Policy Centre, part of the European University Institute in Florence, presented a highly detailed plan full of concrete proposals to bring supply and demand closer together. As part of this plan, EU delegations to select countries would provide information on vacancies listed by European countries. In addition, the EU and regional organisations such as ECOWAS would set up a joint information system about the European labour market, including the necessary language and training requirements. Recruitment agencies certified by the EU would select candidates in African countries, who could then get to work almost immediately through a fast-track procedure (such as the one currently used by Canada, for example)[32].

The so-called Global Skill Partnerships plan, developed at the American Center for Global Development by the same Michael Clemens we encountered in the previous chapter, includes even more concrete proposals. In this plan, Clemens often uses the example of German hospitals who need nursing staff, but who can't find the right candidates in Germany or the rest of the EU. According to Clemens, these hospitals should take the initiative to set up a training programme in a third country – let's take Tunisia as an example – in close consultation with the government of that country, and with candidates declaring right at the start of the programme whether they would be willing to go work in Germany or whether they prefer to stay at home. Those who have indicated they want to work in Germany would then also receive language lessons and a traineeship in a German hospital.
As the cost of training a nurse is lower in Tunisia, a scheme of this kind would allow German hospitals to save a significant amount of money. Once the nurses arrive in Germany, they will be fully prepared and qualified – and they would be guaranteed a job. The duration of their contract would depend on the needs and wishes of the hospital. Tunisia would stand to benefit from the scheme too: a proportion of the graduates would stay at home, raising the quality of nursing in their own country. In due course, this would prevent brain drain[33]: the phenomenon whereby the most highly skilled professionals leave the country.

The challenges ahead

It would be naive to think that the implementation of these creative proposals would resolve every one of the genuine problems that exist with legal migration to Europe. To list just a few of these issues:
It cannot be expected that all EU member states will want to cooperate with these types of plans. Most likely, the initiative would have to be taken by countries in Northern and Western Europe with similar labour markets and training requirements. There would be no need for this "first tier" of countries to wait until all EU member states have reached agreement: they could implement any proposals immediately under the enhanced cooperation procedure[34].

32 For more details, please see Migration Policy Centre, p. 9-14

33 For more details, please see Clemens, Global Skill Partnerships, 2015 and 2017.

34 To see the advantages and disadvantages of this method, please refer to the report by the European Council on Foreign Relations (ECFR).

Reaching agreement between the EU and individual West African states (or ECOWAS, further down the line) will not be an easy process. Striking an acceptable balance between the highly divergent priorities of European and African countries will be a crucial element in any eventual compromise. The EU is only likely to accept a settlement whereby as many migrants without residence permits as possible can be returned to their countries of origin. On the other hand, the main focus of African states is likely to be on the scope of the legal migration avenues offered by Europe.
Seasonal migration by non-skilled or low-skilled workers presents another challenge. Particularly in Southern Europe, irregular African migrants can currently find work in the agriculture and horticulture sector without any legal arrangements. For this group of migrant labour too, formal agreements, regular employment contracts and improved controls would provide better outcomes, particularly as a weapon against exploitation and abuse. The question, however, is how best to bring in and return people on temporary contracts. One solution that could be adopted is the Spanish model, whereby Ecuadorian migrants who have successfully completed four temporary employment contracts (and who have returned home in between) are given permanent residence permits[35].
Finally, it is advisable that more opportunities to find legal employment should be created for other, non-seasonal low-skilled migrants too.

Once again, it is abundantly clear that the creation of legal migration channels will only receive sufficient support from EU member states if preceded by a concerted effort to fill the existing vacancies in other ways. Such an effort could involve raising the pension age and retraining or reskilling the unemployed in all EU member states, including migrants already in Europe who originally entered lawfully, or arrived as asylum seekers or as part of a family reunion scheme. Most researchers expect that even if such measures are implemented first, there would still be a considerable shortage of labour in several sectors (care, construction, agriculture and horticulture) after 2025.

In fairness, we should also admit that the provision of legal channels would not automatically or inherently lead to less irregular migration. Much will depend on the number of available jobs, which must be great enough to convince an adequate proportion of West Africans that waiting for a legal job is preferable to the risks involved in irregular migration.
We're also fully aware that the migrant communities in Europe that were formed as a consequence of legal and illegal migration will always act as a draw for those left behind in their home countries. As a consequence, there will always be some who will keep trying to join this diaspora, even if the only way to do so is through irregular migration.

African interests

It is only logical that the EU's concerns in reaching agreement with African states on regular and irregular migration mainly revolve around the benefits and drawbacks for European countries and societies. However, it also shouldn't come as a surprise that such agreements only stand a chance of success if the interests of African nations and their citizens are taken into consideration.
For one, most Africans are convinced that more migration to Europe will act as a driving force behind the further development of their native countries – and a considerable proportion of European and African migration experts tend to agree[36]. In this sense, the dogmatic view held

35 Newland/Riester, p. 7

36 Newland, for example.

by European policymakers (more development means less migration) is turned on its head by African politicians and citizens: more migration means more development.
This is also one of the reasons why most African governments are in no rush to accept the EU's current readmission agreements, which do not include any concrete European concessions on a serious expansion of the avenues for legal migration.

The huge stream of remittances, money transfers made by migrants to their families back home, is perhaps the best example of why migration matters to many West African countries. The most recent annual overview published by the World Bank could not be any clearer: in the top ten of sub-Saharan countries with a significant influx of remittances, there are six West African states, both in terms of absolute sums and as a percentage of gross national product (GDP). In 2017, Nigeria, for example, is estimated to have received in excess of 22 billion dollars from migrants in the Nigerian diaspora. Senegal, Ghana, Mali, Liberia and Burkina Faso also received billions from overseas nationals. These money transfers constitute over ten percent of the GDP of three West African countries: Liberia (26%), Gambia (20%) and Senegal (15%). According to current estimates, the total sum of remittances to sub-Saharan Africa in 2017 will stand at 38 billion dollars, an increase of ten percent on 2016[37].
To put it in context, the amount of remittances[38] received annually by developing countries across the world – but mainly in Africa – stands at more than three times the amount of development aid they receive. As such, the threat of turning off the development money tap in response to a lack of cooperation isn't exactly the best tool for exerting pressure on these states.

Money from the diaspora is by no means the only element that matters in the development of West African countries. Research has shown that families who receive remittances invest much more in the health and education of their children. In Nigerian and Senegal, this has led to a doubling on the number of family members continuing into secondary education. African migrant communities abroad also prompt a transfer of technological and cultural influences. These can act as a driving force in progressive changes that have a positive impact on both the economy and democracy in many West African states[39].

There are also strong indicators that suggest these positive influences from the diaspora are stronger and more sustainable when migrants can travel back and forth more effortlessly. It is in fact these 'circular migrants' who drive the transfer of money and information that benefits their home countries. If it becomes more difficult for migrants in Europe to return to Africa temporarily, the tendency for migrants to settle definitively in their new home countries will increase, and their ties with their countries of origin are likely to diminish over time[40]. As such, encouraging circular migration must be high on the EU's agenda.

37 World Bank, p. 27-28

38 Please see Vanden Berghe.

39 Newland, p. 5-6

40 Newland, p. 7-8

Chapter 4

More cohesion

Introduction

We cannot allow our focus on the complicated relationship between migration and development in the previous chapters to distract us from our core question: how can the EU contribute to the development of African countries so that they can flourish as sustainable economies and stable democracies? Europe and Africa are connected in all manner of ways. The EU is often accused of incoherence in its policy towards Africa. Through its development aid, Europe has been trying for decades to help African countries reduce poverty and build strong and stable economies. At the same time, the EU has often undermined these efforts with its own trade and agriculture policies: export subsidies have funded the dumping of surpluses on African markets at rock-bottom prices and the waters off the African coast have been emptied by European fishing vessels. What the EU gave with one hand, it took away with the other. As a consequence, many African farmers were pushed out of the market by subsidised European products and local fishermen stood little or no chance of making a living. The promised development of African economies also simply failed to materialise. We fully endorse these criticisms, and we have regularly been at the forefront of efforts to address this incoherence.

Luckily, much has changed over the past decade. The most recent European treaty – the Lisbon Treaty, which came into force in 2009 – includes articles that force the EU to be coherent in its policy towards developing countries and that explicitly specify reducing poverty as an objective of European development policy.
Things have not just changed on paper either: following significant pressure from within the EU and a ruling by the World Trade Organisation (WTO) in 2015, Europe has started phasing out its export subsidies. Since 2014, fishery policies have also gone through a process of change that has at least partly addressed the most common criticisms.

In this chapter, we will take a closer look at the progress made following the conclusion of new trade agreements and the adjustments carried out in the past few years. Are the EU's policies now fully coherent, or in other words, can the EU now guarantee that none of its other policy areas undermine its own development policy? Alternatively, are the efforts made under its development policy or through the Trust Fund still cancelled out by counterproductive practices in other areas? To what extent are African states and European development organisations justified in saying that lofty promises on sustainable development and tackling the root causes of migration are still not being taken seriously in reality?

In answering these questions, we will touch upon complex and controversial issues such as the EU's comprehensive trade and agriculture policies. On the other hand, we will also enter into the decades-old debate between Afro-optimists who are convinced that the future looks

bright for the continent and Afro-pessimists who do not believe we will ever be able to overcome the current obstacles. What needs to happen in Africa and why have we only achieved limited success so far?
These issues are of course much bigger than this report, and we can only hope to make a modest contribution by focusing on where the EU currently stands in its drive for coherence and by putting forward suggestions to improve its current policies.

The burden of the past

Before we proceed to analyse the current situation, we should take a moment to reflect on the past relationship between the EU and Africa and the long-term, negative consequences of previous European interventions on the continent.
In 2000, the EU entered into the Cotonou Agreement with 79 former European colonies in Africa (including all West African states), the Caribbean and the Pacific. The most crucial elements of this agreement, which will come to an end in 2020, include preferential treatment for the countries concerned regarding the receipt of European development funds and free access to European markets. Right from the start, the WTO criticised the option for Cotonou countries to sell their products on EU markets free from import duties. According to the WTO, the developing countries themselves also needed to lower or scrap their own – often excessive – import duties. This pressure eventually led to an agreement to phase out this type of preferential treatment and to negotiate Economic Partnership Agreements (EPAs) with regions to establish more equal relationships. Aside from the preferential arrangements under Cotonou, the least-developed countries (LDCs, a category including most West African states) could also use the 'Everything But Arms' agreement from 2001 to export their products to the EU duty-free.

The debate at the several summits that have taken place between the EU and the African Union (AU) since 2000 has focused on migration, corruption, security, climate change and regional cooperation within Africa. Both African states and European development organisations have often criticised the EU for adhering too closely – despite its lofty promises and best intentions – to the policies promoted by the International Monetary Fund (IMF) and World Bank in the 1980s and 1990s, which strongly emphasised the need for economic liberalisation. On the ground, African governments are often forced to economise, to outsource tasks and to give the markets much more of a free rein. According to the critics, this type of liberalisation is detrimental to development goals.

In 2007, the EU and AU agreed a new joint strategy focusing on good governance, human rights and security. Several action plans and partnerships in multiple areas, including migration, were also initiated at this time. These agreements between the EU and African countries received considerable criticism from some corners: as the strongest partner by far, the EU could continue to impose its will on African countries in terms of trade liberalisation and migration. From an African perspective, the EU – which found itself increasingly entangled in a competitive struggle with China – continued to be driven mainly by its own self-interest[41].

Similar concerns were raised by Amnesty International. In the wake of the November 2017 EU-AU summit in Côte d'Ivoire, the human rights organisation was highly critical about the "externalisation" of Europe's migration policy: "EU member states and institutions are

41 For more information, please see Carbone, The EU in Africa.

putting significant pressure on African countries, including through the use of aid, trade and other leverage, to reduce the number of refugees and migrants reaching EU shores." [42]

African shortcomings

It goes without saying that there is a range of opinions amongst Africa experts on the consequences of the interventions of the IMF, the World Bank – and by extension, the EU. In addition, external pressure cannot be blamed for all African failures and shortcomings. Pure self-interest was also a factor in the decisions of many African governments to adopt policies that did more harm than good to a large share of their own populations. An other side note is that there are bound to be significant differences between different countries on a continent the size of Africa.

Still, we believe it is indisputable that there are certain economic characteristics shared by all countries in sub-Saharan Africa, including those in West Africa. It is important to highlight these characteristics, because only a proper analysis of African shortcomings and needs can help us answer the question at the heart of this chapter: are the EU's policies genuinely effective in tackling West Africa's biggest problems?

These characteristics

Economic growth between 2000 and 2014 was largely based on the export of a limited number of oil, minerals and unfinished agricultural products specifically produced for export, to which value was added elsewhere. This growth delivered relatively few new jobs.

The manufacturing sector remains underdeveloped in most (West) African countries: Africa simply doesn't make enough things that the rest of the world wants to buy.

In most countries, over 50 percent of the population still works in the agricultural sector. The large majority are small-scale farmers with outdated production methods. Consequently, they cannot produce enough output to meet the needs of people in rapidly expanding urban areas.

The above point has led to an increasing dependency on food imports; not only from Europe, but also increasingly from Brazil and New Zealand[43].

The distribution of the increase in prosperity remains extremely unequal. The huge divide between large groups living in poverty and the small elite who benefit from growth has only widened in the past ten years.

To address these shortcomings, policies that lead to the modernisation of the manufacturing industry and small farming enterprises will need to be implemented – or in the case of the EU encouraged. The ideal outcome of such policies would be increased food production, more varied exports, jobs for a young and increasingly bettereducated unemployed group and a significant reduction of the share of the population living in poverty[44].

42 Please see: http://europa.eu/rapid/press-release_IP-16-2072_en.htm, https://www.amnesty.org/download/Documents/IOR6074792017ENGLISH.PDF
Amnesty: In the context of the EU-AU partnership, Amnesty International is concerned by the drive to externalise the EU's migration management responsibility to countries outside Europe. 35 EU member states and institutions are putting significant pressure on African countries, including through the use of aid, trade and other leverage, to reduce the number of refugees and migrants reaching EU shores.

43 For more detail, please see the African Studies Centre Leiden info sheet.

44 For a comprehensive analysis of African shortcomings and suggestions to address these, please refer to Chapter 2 of Asian Tigers, African Lions, the recommendations of Olivier de Schutter, the UN's Special Rapporteur on the right to food and the FAO report on migration, agriculture and rural development.

New trade agreements

Considering these African shortcomings, how exactly can new agreements on trade and development between the EU and African countries contribute to finding sustainable solutions?
In Africa, the EU has tried to establish a business relationship with several regional alliances, including West Africa's ECOWAS. Contrary to previous trade agreements, these EPAs place a much stronger emphasis on the principle of reciprocity. Developing countries have kept their duty-free access to the European market, but are expected to reduce or abolish their own import duties in return. Several EPAs, including the one with ECOWAS, do however include so-called safeguards, which allow developing countries to exempt certain sectors deemed to be of national importance, such as food production, from full liberalisation. At least for the time being, these types of products can remain subject to import duties.

Negotiations on the text of the West African EPA were concluded as far back as 2014, but there is little enthusiasm on the African side to speed up the ratification of the new agreement. Due to this lack of urgency, several African states are yet to ratify the ECOWAS EPA, meaning its full implementation is delayed. The main party holding back the agreement is Nigeria; the largest country in West Africa by some margin. It is currently expected that Nigeria will not approve the EPA until after its general election in 2019.
With effect from 2016, two West African countries signed an interim EPA with the EU: Ghana and Côte d'Ivoire. Until the new ECOWAS EPA comes into force, the remainder of the countries will continue to trade with the EU on the terms of older agreements and rights (no EU import duties) they are entitled to as 'least-developed countries'.

As such, the main problem in assessing the ECOWAS EPA is the obvious fact it is yet to come into force. All we can do is look at how effective the interim agreements with Ghana and Côte d'Ivoire have been so far and what the consequences for ECOWAS countries might be based on earlier, similar agreements.
According to the EU,[45] the purpose of the EPAs is to tackle the African shortcomings mentioned above:
Diversification of the economy, i.e. reducing dependency on the export of unfinished and cheap products.
Boosting the manufacturing sector, for example through encouraging domestic and foreign investment in new industries. One possible way to do so is through reducing the cost of imported goods, such as the machines required to set up new industries.
Encouraging the export of processed agricultural goods. Instead of exporting cocoa, bananas, mangoes and other agricultural produce, African countries should focus on processing such produce locally and exporting finished products – with much higher added value – to Europe.
Protecting vulnerable sectors that are not (yet) in a position to compete with EU imports – see the safeguards mentioned earlier.

The European Commission is keen to highlight cocoa production in Ghana and Côte d'Ivoire as an example of the positive effect of an EPA. Exports of cocoa from these countries to Europe have more than doubled in the past few years. In addition, the French chocolate manufacturer Tafissa has opened a factory in San Pedro, Côte d'Ivoire, which will produce ten thousand tonnes of chocolate every year for the local, regional and European market.

45 Please see Putting Partnerships Into Practice.

Objections

In stark contrast to these constructive intentions and positive examples, there is a considerable amount of scepticism and mistrust amongst several African countries and critical development organisations. They are pointing towards structural power imbalances between the EU and African countries, as well as the stubborn persistence of existing market-disrupting EU subsidies and other mechanisms that stand in the way of the development of African agriculture and the emergence of a serious manufacturing sector[46]. Their most common criticisms are as follows:

- Because EPAs are concluded with large groups of countries and regions across the entire world, the positive impact on exports from West Africa, for example, will be much lower than currently predicted.
- The EU should make much more of an effort to encourage regional trade and cooperation within the ECOWAS area; this would collectively benefit West African countries much more than individual attempts to gain the biggest possible share of trade with the EU.
- The import of European agricultural products processed in West Africa is subject to liberalisation, which will threaten local production. Powdered milk is just one example; for more details, please see the separate paragraph on the subject below.
- EU export subsidies will be abolished in full by 2020, but plenty of other EU subsidies that make European products more attractive than their African counterparts will remain in place. For example, the European Commission recently gave the green light to yet another 169 million euro for the global promotion of European agricultural produce.
- West African countries are no longer permitted to grant export subsidies for locally processed domestic agricultural produce. This reduces their chance of finding sufficiently attractive markets, even though it is exactly these types of businesses who are expected to redress the structural weaknesses of so many African economies.
- The forced abolition of import duties will result in West African countries losing out on almost 750 million euro of income in the first five years after the EPA comes into effect. This should be balanced out by income from different sources, but there are no guarantees that it will.
- The process of implementing the safeguards West African countries are in principle allowed to use to protect what they believe to be vital sectors from full liberalisation is tricky and complicated. The burden of proof is heavy, and a large number of small West African businesses simply do not have the capacity to demonstrate that high import duties are necessary to protect their sectors from European competition. There is a considerable amount of fear that over the long term, even the most vulnerable sectors will be fully exposed to competition from cheap European agricultural produce.
- There is a risk that in the second phase of the EPA's implementation, African governments will be obliged to open up their public procurement procedures to European businesses alongside local candidates. This would make it a lot more difficult to deliver targeted aid to strong African businesses. On top of this, the potential liberalisation of capital accounts could mean that European businesses divert their profits back to Europe instead of reinvesting them in Africa. More detail on this subject is provided in the separate chapter on tax evasion and capital flight.

46 Please see CONCORD 2015 and Outcomes of the Trade Union Conference, amongst others

Powdered milk, chicken and fish

The mix of positive and negative aspects is also clearly reflected in the export of powdered milk and chicken from Europe to Africa and in the EU's fishery policies in African waters.

Powdered milk

Following the EU's abolishment of milk quota in 2015, milk production has risen while prices have dropped. This overproduction is putting more and more pressure on dairy farmers to export, with West Africa currently considered an important growth market due to its increasing demand for milk products. European exports of skimmed milk powder, for instance, have risen sharply over the past few years. – particularly to Nigeria, Ghana, Senegal and Côte d'Ivoire - West Africa accounts for ten percent of total EU exports. alone. Between 2011 and 2016, exports of powdered milk from the EU to West Africa have increased from 12,900 tonnes to 36,700 tonnes[47].

The abolition of export subsidies does not mean that all EU support for the milk sector has completely dried up. Aside from direct income support for farmers, a share of the EU budget has been set aside for business modernisation and powdered milk storage (with a current capacity of 380,000 tonnes). According to the development organisation Concord, the total EU support given per tonne of milk was around 50 euro in 2016.

One of the main points of criticism regarding the EU's trade policies relates to the stipulation in the EPA with the ECOWAS countries that import duties on powdered milk must be reduced from the current five percent (the common ECOWAS tariff) to zero percent by 2018 in Côte d'Ivoire and by 2021 in Ghana. Critics believe that this will lead to a situation where cheap powdered milk imported from the EU will continue to suppress milk production by local farmers. To give just a couple of examples: in Burkina Faso, European powdered milk is currently three times cheaper than locally produced milk, and an FAO study has shown that a litre of locally produced milk in Senegal costs around one dollar, while milk produced from imported milk powder costs only half that much[48].

According to the EU, the gradual abolition of this relatively low import tariff is not a European demand, but an African request: several African governments are actively seeking out cheap imports to meet rising national demand for milk products. In most countries, three quarters of all milk produced is consumed by the farmers themselves, with only a small share destined for consumption in cities. Demand from these urban areas far outstrips local production, so there is a considerable need to import affordable milk from elsewhere. These imports benefit consumers in major cities, but they have a negative impact on small-scale dairy farmers in rural areas, who simply cannot compete with their European counterparts. In addition, low import duties are not the only issue holding back small African farmers: a severe lack of good infrastructure such as cold stores, refrigerated transport and effective distribution channels only compounds their problems.

Major European dairy companies such as Nestlé, Danone and FrieslandCampina all have factories in West Africa that produce milk and ice cream from imported European powdered milk. They do all have plans to increase the share of locally produced milk they use, but it remains to be seen whether these plans will come to fruition as long as European powdered milk remains so much cheaper.

47 Please see Livingstone.

48 Please see Livingstone.

In principle, binding agreements between European companies on responsible trade and investments in the African dairy sector to boost local milk production and improve local transport and storage capacity – like the initiative recently taken by the Danish food producer Arla – are a good idea. However, Arla's critics have pointed out that so far, Danish investment has mainly focused on improving local distribution channels for milk produced on the basis of EU powdered milk. According to these critics, Arla's help has contributed little to the creation of a completely West African dairy supply chain.

The powdered milk example clearly shows that it is impossible to single out just one culprit for the shortcomings in dairy sectors across Africa. However, the EU is by far the most powerful actor on this scene, and if it is serious about encouraging sustainable growth, it should start by fully abolishing subsidies for products exported to Africa as soon as possible. The EU should also refrain from imposing any restrictions on the choices made by developing countries to temporarily protect their markets – either in part of in full – through high import duties. In addition, within the WTO, the EU should fully commit to a so-called right to development that limits or suspends the application of the WTO's free trade rules to developing countries if it becomes apparent that these obligations are having a negative impact on the development of such countries[49]. In turn, African governments – with support from EU funds and elsewhere – and European businesses must invest in small-scale dairy farmers and the infrastructure necessary for a fully functional national dairy market.

Chicken

Exports of chicken from the EU to West Africa (mainly to Benin and Ghana) have also risen sharply in recent years – particularly those of frozen chicken wings and necks, which are less popular in Europe, where consumers prefer chicken breast. The sale price of these items falls far below their production price but is just high enough to cover transport costs. The only alternative to exporting this meat to Africa and elsewhere is to destroy it, which only involves additional costs. As such, the issue here is not one of problematic EU subsidies; instead, it is a by-product for which there is demand in Africa, not in Europe.

This means African poultry farmers are faced with an uneven struggle if they want to meet the ever-rising demand for chicken across the whole of sub-Saharan Africa. They are producing more chicken than ever, but this growth is far exceeded by the enormous amounts of cheap chicken imported from elsewhere. Prices for these imports remain low, despite the 35 percent import duty charged across the whole of the ECOWAS area on chicken. Consequently, over 40 percent of the chicken consumed in sub-Saharan Africa originates from outside the continent. The EU is the third-biggest source of these imports, after the US and Brazil.

As with milk, the lack of decent domestic infrastructure presents an additional obstacle for African poultry farmers in their struggle to get fresh produce to consumers in cities as fast as possible.

The 35 percent import duty will remain in place even after the introduction of the ECOWAS EPA because all countries have agreed that chicken should be excluded from market liberalisation. Nigeria and Senegal can uphold their policy to completely ban imported chicken – which, incidentally, has led to an illegal chicken trade in Nigeria, together with all health and corruption issues this entails.

49 This is one of the ideas put forward in a 2013 report by Nobel prize winner Joseph Stiglitz and Andrew Charlton titled The Right To Trade: Rethinking The Aid For Trade Agenda.

However, these import duties and full import bans have not been able to mitigate the main problem: the fact that the local poultry sector in many West African countries has not been able to keep up with the increasing demand for chicken. A much greater effort is required to help small-scale poultry farmers grow quickly but responsibly. As with milk, it is up to national governments – with EU support, if necessary – to ensure the transport and storage capacity (required to quickly and efficiently move locally processed chicken to the main centres of consumption) is available. National subsidies on chicken feed may bring about enough of a drop in prices to turn imported chicken into a less attractive prospect. Finally, the EU could decide – in consultation with other importers and at the request of the African countries concerned (through the G20, for example) – to voluntarily restrict its exports of chicken to West Africa[50]. In principle, West African countries could also decide to impose their own restrictions on chicken imports. In the past, countries such as Mozambique and Cameroon have consciously decided to limit imports of chicken to protect their local chicken farmers. These measures have certainly had an impact: both countries have witnessed considerable growth in their local poultry sectors. In Mozambique, for example, research has shown that in the five years following the introduction of import restrictions in 2005, over 70,000 new jobs linked to the poultry sector were created. In West Africa, Nigeria has gone down a similar route, but Ghana decided on a different course of action; an option that has proven less successful, as Ghanaian imports of chicken from the EU have doubled in the past few years and local poultry farmers are left struggling to keep their heads above water. As with the powdered milk example, the EU should refrain from objecting to import restrictions that serve to stimulate local production, and uphold a strong commitment to this position within the WTO.

Fish

The activities of European fishing vessels in West African waters have been the subject of strong criticism in the past – and rightly so, in our eyes. According to these critics, European countries mainly used bilateral agreements between the EU and African countries to mask the overcapacity of their fishing fleets. Simply put, Europe has too many fishermen and the only way to avoid cutbacks to the heavily subsidised European fishing fleet was to allow it to operate outside European waters. The compensation paid under these agreements to Africa's coastal states was too low, which meant that European businesses emerged as the biggest winners of fishing operations in the seas off the coast of West Africa. Overfishing and the inability of African fishermen to compete were the main consequences of these European fishery policies.

In 2014, these criticisms led to an overhaul of the EU's common fishery policy: going forward, the EU would enter into Sustainable Fisheries Partnership Agreements (SFPAs) with African countries. The purpose of these SFPAs was to improve coherence with the EU's development policies by ensuring higher income for African countries, marking out a greater role for local fishermen and reducing overfishing.

One further element in these new agreements was a ban on EU vessels fishing under private agreements with local authorities or businesses: a practice that was fairly common in the past and that allowed fleets to circumvent rules and agreements. However, research by the international NGO Oceana has shown that as recently as 2015 and despite these legal restrictions, four EU member states (Greece, Italy, Portugal and Spain) still allowed vessels under their flags to operate in Gambian and Equatorial Guinean waters based on private

50 Please see SWP comments.

agreements. Both of these countries have entered into an SFPA with the EU, which means these types of agreements are no longer permitted. Consequently, we believe member states and the EU should take much stronger action in the face of such infringements of the law. Further measures could also be taken if the EU is serious about coherence in its policies and determined to tackle the root causes of migration. The fact that there is a link between unfair fishery policies and migration became abundantly clear in 2005, as thousands of West Africans tried to reach the Canary Islands. The vessels they used to do so once served as fishing boats but were left abandoned on beaches as local fishermen in Senegal found themselves out of work.
So, what could these EU initiatives look like? A mandatory requirement for European fishing vessels operating in West African waters to use more local fishermen is just one idea. Another option would be an agreement for European vessels to sell their catch to local or foreign compagnies in West Africa instead of shipping it back to Europe. That way, fish processing – which is highly profitable – could take place in Africa instead of the EU. Why not introduce lower quota for European fishing vessels, so that more fish is left over for local fishermen. And finally, if none of the above reforms have the desired effect, we should stop allowing European fishermen to operate in West African waters and allocate EU aid to help build modern African fishing fleets and processing plants that could provide a genuine boost to the local economy.

Balanced verdict

At this point, it remains difficult to reach a balanced verdict on the potential advantages of the EPAs as presented by the European commission and the critical assessment of the same EPAs by African governments and development organisations both in Europe and abroad.
If the Commission is right, the ECOWAS EPA could indeed make an important contribution to bolstering West African economies and societies. On the other hand, many doubts remain – understandably so, in our opinion – about the impact of these new partnerships imposed by the EU. Will they genuinely have a positive effect on African countries across the line? Is the EU genuinely prepared to get its own house in order in its drive for coherence? After all, we have seen lofty promises broken over and over again. Worse still, a large share of West Africa's current problems is the direct result of the structural reform programmes designed by the IMF, the World Bank and the EU in the 1980s and 1990s. In some cases, these programmes forced African governments to stop investment in their domestic infrastructure, food storage capacity or education and healthcare.

Still, it would be too easy to shove all responsibility for a better future for West African countries onto the EU's plate. The above examples on powdered milk, chicken and fish made it clear that African governments play an essential role too. Without a policy change in African capitals, even a better-functioning EU will never be able to reverse the policy failures witnessed by so many African countries in the past. The flourishing agricultural businesses and modern manufacturing industry so badly needed will only come about if the EU and West African countries join forces and are prepared to take the bull by the horns.
Luckily, there is some good news to report in that latter respect: in March 2018, 44 African countries came together in the Rwandan capital Kigali to sign the African Continental Free Trade Area treaty, which will create a large African free trade zone in the long term. One of the purposes of this treaty is to double trade within Africa, which currently only makes up 16 percent of the continent's total, by 2022. It is hoped that better options for African companies to do business within Africa will lead to more employment opportunities, the emergence of an

African manufacturing industry and a gradual end to the continent's dependence on the export of unprocessed raw materials.

This may sound like promising, but experience has shown that there are plenty of practical hurdles to be cleared before these ambitious goals are achieved. Hopefully, Africa's two largest economies – South Africa and Nigeria – will opt in to the new treaty at some point in the future. Presently, there are fears within Nigeria that some of its domestic industries will not be able to cope with competition from other African countries. Remarkably, three other West African countries – Benin, Sierra Leone and Guinea-Bissau – are also yet to sign the new trade agreement.

Capital flight

Introduction

It is not just the lack of coherence in EU policies that are causing African countries to develop less rapidly than they possibly could. In the past few years, the focus has increasingly shifted towards the enormous sums of money sucked out of African economies as a consequence of capital flight and other illicit and undesirable financial practices of foreign companies and wealthy Africans. Current estimates suggest 50 billion dollars flow out of Africa every year to be deposited or reinvested elsewhere. If that money were to stay in Africa, governments would find it a lot easier to fight poverty and invest in the development of strong and sustainable economies.

Even though combating 'illicit financial flows' – a broad term that includes both illegal and legal but undesirable ways of channelling money across borders – is one of the internationally agreed SDGs (Sustainable Development Goals), it is probably the goal that has received the least practical attention so far. According to the organisations Tax Justice Network, ICRICT and The Global Alliance for Tax Justice, SDG 16.4 is being actively undermined and is at risk of falling by the wayside altogether. To highlight this fact, the three organisations wrote an open letter to António Guterres, the UN's Secretary-General, in June 2017. They also specifically asked the EU to play an active role in ensuring that SDG 16.4 not only remains on the table, but will be fully implemented.[51]

The term 'capital flight' refers to money flowing out of the country in which it was generated without being registered. This may happen because these sums were amassed illegally, but the term also includes legal income channelled abroad to avoid tax. Capital flight is just one example of an illicit financial flow. Starbucks, for example, was also at the heart of an illicit financial flow when it was found to pay little or no tax due to fiscal agreements made with the Dutch government. In response, the European Commission called on the Dutch government to start taxing the American coffee giant more heavily.

Other forms of illicit financial flows include large-scale import and export invoice fraud and passing costs to other business entities abroad. The latter example is a practice widely used by multinationals to pay as little tax as possible; preferably only in tax havens outside of Africa.

The consequence of these illicit and undesirable practices is that African countries are missing out on huge sums of (tax) income. So, what could be done to end this situation? What should African countries themselves do, and what could the EU do to ensure money earned in Africa genuinely contributes to the development of the continent itself?

Billions

Following recent revelations such as those in the Panama Papers in 2016, for example, the global efforts by businesses and wealthy individuals to avoid taxes via ingenious offshore

51 https://www.taxjustice.net/wp-content/uploads/2013/04/Letter-UNSG-Jun17.pdf

constructions and tax havens has been a constant feature in our headlines. However, capital flight is not just a recent phenomenon: huge sums of money have been cleverly concealed from the tax man's view for decades, including in Africa. One of the main experts in this field, the economist Léonce Ndikumana, has estimated that the total amount of capital flight between 1970 and 2010 from the 39 African countries for which figures are available stands at an almost surreal 1.3 trillion dollars (1.3 million million). Capital flight has only increased since 2000, especially from countries that export oil and other raw materials. Nigeria is on top of that list, with an estimated capital flight of more than 300 billion dollars in the period between 1970 and 2010. Other West African countries, including Côte d'Ivoire, Ghana and Sierra Leone, have also seen billions disappear from their economies[52]. These figures refer to capital flight only: many more billions have been lost through other forms of illegal or undesirable transactions that resulted in lower tax revenue. To put this in perspective: over the period between 1970 and 2010, the amount of capital flight is equal to 95 percent of the total income from foreign aid and investment in the 39 countries analysed. A similar comparison was made in a recent report by a number of aid organisations who calculated that in 2015, more money flowed out of Africa through illicit financial flows than flowed in through aid, loans, grants and remittances[53].

Causes

Capital flight and tax avoidance are not problems unique to Africa; wealthy businesses and individuals across the world are devising all kinds of constructions to pay as little tax as possible. The real question is: what are the special circumstances that cause Africa to suffer so much more heavily than anywhere else as a consequence of this global trend?
First, there is the extreme concentration of capital in the hands of a small elite. The World Wealth Report for 2012, for example, shows that 0.01 percent of Africa's population owns 64 percent of the continent's total wealth. By way of comparison, in the US – which isn't exactly the world's most equal society either– 0.64 percent of the population own 78 percent of American capital[54]. The African Wealth Report 2016 reveals that nothing much has changed over the past few years: across the whole of Africa, around 150,000 wealthy individuals are worth a joint 860 billion dollars. According to estimates, more than half of that wealth – 500 billion dollars – is stowed away safely in tax haven accounts[55]. In other words: a relatively small number of extremely wealth Africans are doing everything they can to channel their fortunes away from the countries in which they amassed it.
One other specifically African cause of huge capital flight is the presence of valuable raw materials. In many African countries, economic growth between 2000 and 2010 was largely based on the export of oil, gold, diamonds and minerals, all of which had risen sharply in value. Research has shown that it is exactly this sector in which corruption and capital flight are rampant. The vast majority of valuable raw materials are owned and mined by foreign companies, who have entered into lucrative contracts with African governments for that purpose. Often, these governments get bought out or left with only a minority stake. The income from the sale of valuable national resources ends up in the hands of a small local elite, who only invest a negligible amount back into their own countries. In West Africa, Nigeria and Côte d'Ivoire provide the best examples of this type of concentration of capital amongst a limited number of individuals, while the rest of the population sees none of the

52 Ajayi, p. 26

53 Honest Accounts 2017.

54 Ajayi, p. 32

55 Honest Accounts 2017.

benefits. Aside from greed on the part of the elite, widespread corruption and poor governance further compound the problem.
In addition, it is exactly these foreign companies who fully exploit all legal and illegal ways to maximise their profits. A recent report by War On Want, for instance, showed that 100 companies trading on the London Stock Exchange owned more than a trillion dollars' worth of five raw materials (oil, gold, diamonds, coal and platinum) in 37 African countries. A quarter of these businesses are registered in tax havens such as the British Channel Islands[56]. It also tends to be these types of international companies that manipulate import and export invoices the most, allowing local government officials to pocket foreign exchange gains and ensuring the companies themselves pay less tax.
Reports by UNCTAD[57] and Global Financial Integrity[58] indicate the extreme discrepancies to which these practices can lead. According to the official figures, for example, 51 percent of all copper exports from Zambia between 1995 and 2014 went to Switzerland. However, there is not a single trace of any Zambian copper imports in Swiss trade data. Another example: between 1996 and 2014, Nigeria exported 44 billion dollars' worth of oil to the Netherlands, but Dutch statistics only show 28 billion dollars' worth of imports. It is highly unlikely that the missing 16 billion was spent on transport costs. Another UNCTAD report showed that most of this crude oil never arrived on Dutch shores.[59]. It is probably no coincidence that Switzerland and the Netherlands are home to dozens of multinationals operating in the raw material sector.
It is not just raw material producers who rely on these types of accounting tricks. The recently published book Bier voor Afrika (Beer for Africa) tells the story of how Dutch brewers Heineken kept certain profits out of sight of local African authorities in the 1960s and 1970s by funnelling them to a holding company in the more fiscally favourable climate of Switzerland.[60]

Another factor that plays a role in Africa's almost endless capital drain is the liberalisation of capital movements; a policy strongly encouraged by the IMF, World Bank and EU in the past. On the one hand, more transparency and competition on Africa's national financial markets has resulted in fewer wealthy Africans stowing away their illegally earned capital abroad. Previously, these individuals feared that their money was not safe in their own countries, but market liberalisation has assuaged those concerns. That may be a positive, but there is of course a downside too: the liberalisation of payments and the lack of bilateral or international tax treaties has made it much easier to keep illegally amassed fortunes out of sight of local authorities by moving them abroad[61].

Naturally, external factors play a major role too, including the ever-further international interconnectedness of the financial sector and the growth of an enormous offshore industry. Contrary to the common belief, capital flight and tax avoidance are not solely a problem of corrupt governments in Africa. They are mainly facilitated by policies dictated by multinationals and rich individuals who are able to use all kinds of loopholes and tax vehicles

56 Honest Accounts 2017

57 http://unctad.org/en/PublicationsLibrary/suc2016d2_en.pdf

58 Illicit Financial Flows to and from Developing Countries: 2005-2014 Global Financial Integrity, April 2017

59 http://unctad14.org/Documents/UNCTAD_SUC_2016_2_en_Advance_Copy.pdf

60 Please see: Van Beemen, p. 33

61 For a balanced assessment of the liberalisation of capital markets in Africa, please refer to Niels Hermes and Robert Lensink's work Financial Liberalization and Capital Flight: Evidence from the African Continent in Ajayi, p. 164

that European governments seem unwilling to crack down on. In addition, tax havens don't always come in the shape of tropical islands with palm trees. Many Western countries, including the Netherlands, also fall into this category.

Consequently, we can only conclude that culpability for capital flight is shared between African elites funnelling their money away and international businesses operating in Africa but channelling their profits out of the continent. However, the system also relies on foreign intermediaries, both public and private, who ensure capital flight remains not only possible, but attractive – and that's before we mention dodgy officials and cheating banks. Out of the nearly 300 tax treaties currently in place with countries in sub-Saharan Africa, almost half are with EU countries. France leads the way in these bilateral agreements, followed by the United Kingdom. The official purpose of these tax treaties is to ensure businesses or investments do not have to pay tax in both countries involved. In practice, however, they mainly serve to make it easier for European countries to transfer income earned in Africa to business entities outside of Africa. For African countries, it is particularly regrettable that the standard OECD model[62] used to determine where tax should be paid contains few or no options to collect tax in the country where profits are made.

Developing countries are strongly dependent on this type of tax income and are disproportionally affected by such constructions.

Solutions

What needs to happen to reduce the amount of capital flight Africa is currently witnessing? The main theme in all advice from experts on the matter is: more transparency, at all levels on which action can be taken – national, African and European.

It is up to African governments to help their national businesses by creating a more attractive climate to keep legally earned capital within their borders, instead of standing by while the money keeps flowing abroad. They can do so, amongst other things, by investing more in physical infrastructure for the benefit of both local and foreign investors. They can also do so by creating a better-functioning and better-regulated capital market within Africa.

Another way to make progress would be to give preferential treatment to local entrepreneurs, as several South-East Asian countries have done before. Through the application of high import duties, foreign products could be temporarily kept at bay, until such time national businesses have grown strong enough to cope with outside competition. In the previous chapter, we discussed a similar strategy to protect small-scale farmers against an uneven struggle with European agricultural businesses. Of course, the WTO and other proponents of unbridled free trade are likely to cry foul in the face of such protectionism. However, the EU should not oppose these types of temporary protective measures, in the knowledge that there is no more effective way to build a strong and sustainable economy than to allow local businesses to flourish.

A mandatory requirement for Western banks and other financial institutions to notify African governments of suspicious bank transfers originating in Africa and to have loans ratified by national parliaments has often been discussed in the past. The latter requirement could also ensure that, in the event of any default, creditors would not be able to start legal proceedings

62 The so-called 'OECD Model Tax Convention' has been used for decades as a model for countries who want to enter into a bilateral tax treaty without harming their trade. The model operates on the pretence of serving the needs of both businesses and countries and their taxpayers by preventing both double taxation and tax avoidance. Towards the end of 2017, the OECD model was reviewed in relation to the international agreements made regarding BEPS (Base Erosion and Profit Shifting). The term BEPS refers to the types of activities used by multinationals to exploit loopholes and contradictions in the different countries where they operate. Since 2016, more than 100 countries, including most West African states, have committed themselves to an international action plan to tackle BEPS.

against individual states if the loan in question had not been approved by the relevant national government.

Agreements regarding the automatic exchange of information – instead of by request only – were made at the G20 level as far back as 2013, and it is about time these plans were implemented in practice.

As far as EU countries are concerned, a much greater effort must be made to recover capital stolen from Africa and stowed away in European accounts. Using such powers, around 5 billion dollars were repatriated between 1995 and 2010 from accounts around the world back to the countries where it was illegally acquired or from where it was illegally exported. A good example of such an arrangement is the deal between Switzerland and Nigeria whereby Swiss banks at which the former military leader Sani Abacha had deposited stolen assets returned 700 million dollars to the West African country. One condition of the deal was that the World Bank would supervise how the money was spent in Nigeria.

The mandatory introduction of so-called country-by-country reporting would be another major step forward. Under this type of accounting, multinationals are required to indicate, for each country in which they operate, the name(s) they are operating under, which sums of money are exchanged between business entities, their profits before tax, how much tax they have paid and what the total value of their assets is. Such measures would make it easier for African countries to see which multinationals pay taxes in which countries, how much those taxes are and what the capital flows between and within businesses look like. Currently, a considerable number of EU member states are resisting the introduction of such rules for their businesses, delaying proposals made by the European Commission in this regard.

Since the release of the Panama Papers, there has been some progress in the EU's approach to money laundering and tax avoidance in other areas. For example, legislation on mandatory public registers for business owners and asset managers – which have often been shrouded by a veil of secrecy – has recently been introduced. Agreement has also been reached on a mandatory requirement for European tax advisors, lawyers and other actors in the financial services sector to inform their national tax authorities about all deals they make involving foreign companies. The member states, in turn, are obliged to share those details with other EU countries.[63]

It is a matter of regret that the EU member states have delayed the implementation date of this automatic information exchange by 18 months to the middle of 2020. A review of the criteria for tax avoidance structures subject to mandatory disclosure is also unlikely to occur until 2022.

By delaying essential decisions like these, the EU is in effect continuing to treat honest tax-paying citizens in both Europe and Africa unfairly. Given the urgency of the matter, these new rules must be implemented sooner rather than later. Up until now, the countries in which the businesses concerned are headquartered – which lie mainly in Europe – have enjoyed a much more favourable tax climate than elsewhere[64].

African countries and European donors both bear responsibility for tackling debt-fuelled capital flight: the practice whereby a large share of the money that flows in to Africa in the form of aid, donations or loans flows out of Africa in the form of private capital. Figures for the period between 1970 and 2010, for instance, show that in 39 African countries, an average

63 For an overview of all post-2016 initiatives, including measures not yet implemented, see the Panama Papers: 2 years later memo by the Greens/EFA group in the European Parliament.

64 Africa Confidential.

of 70 cent of every dollar coming in left the country within five years due to capital flight[65]. Both African beneficiaries and European donors must better scrutinise what happens to aid money and how the financial debts of African countries develop. This has become a particularly pressing issue now that a new African debt crisis appears imminent – this time mainly affecting private enterprises that borrowed enormous amounts of money during the economic boom between 2000 and 2010. As a result of dropping prices for raw materials on the world market, these businesses are finding it ever more difficult to pay back those loans. One factor making the situation even more unpredictable is the fact that new creditors such as China, Brazil and the Gulf states have entered the African scene in the past few years. Currently, new loans from these countries fall outside the existing mechanisms for monitoring the debt positions of African countries and for intervening where necessary. According to the Jubilee Debt Campaign, which monitors the debt positions of developing countries, the number of states that are at risk of difficulties has risen from 15 in 2015 to 28 at the end of 2017[66].

The EU can help African countries set up better financial administration systems and encourage better cooperation between different government departments within states and between different African governments. Various Africa-wide initiatives have already been taken, including the creation of the High Panel on Illicit Financial Flows in 2012. However, in practice, little progress has been made regarding better cooperation and more exchange of information between African countries. At the global level, some progress has been made: various noble initiatives have been agreed and partnerships have been set up. Still, their implementation has been sluggish and is often obstructed by countries who have too much to lose in the face of more transparency and better supervision.
Within the United Nations, the European Commission and the member states should actively seek to promote inclusive international tax regulations, so that the OECD (which only contains developed countries) is no longer the sole forum for these types of discussions.

As mentioned above, the fight against illicit financial flows must remain an element of the Sustainable Development Goals (SDGs), as it provides an important source of income to finance the realisation of these SDGs.
Further promotion of the UN's Model Double Taxation Convention or support for an intergovernmental 'tax authority' under the auspices of the UN – as regularly called for by the European Parliament – are just some of the key elements through which the EU could demonstrate more solidarity with its partners in developing countries.
The EU can and must play a leading role in these types of solutions instead of the role it currently finds itself in: one of the causes and a main facilitator of capital flight. If the leak that is capital flight from Africa is not stopped, it is mere fantasy to think that African countries can rapidly develop into stable and prosperous states that are able to offer their young people sufficient prospects of a life worthwhile in the countries of their birth.

65 Ajayi, p. 407
66 Larry Elliot

Conclusions

In our introduction, we set out to find answers to the five questions below:

- **How is the EU tackling the root causes of migration from West Africa?**
- **Is it true that more development leads to less migration?**
- **Which legal migration avenues could be opened up?**
- **How can the EU improve the coherence of its policy on West Africa?**
- **What needs to be done to stop capital flight and tax evasion in Africa?**

Our assessment of the new instruments the EU has introduced in the past few years, such as the Trust Fund, has shown that reducing the flow of irregular migration from West Africa is priority number one for the EU. Large amounts of money are directed towards projects in those states from which most migrants originate or towards migration routes in transit countries. The danger of this approach is that investments which only have an impact in the long term are sidelined in favour of quick fixes, and that the action that is taken focuses too heavily on the consequences of irregular migration instead of its causes.
One element that has remained completely absent so far are initiatives that facilitate legal migration avenues into Europe. These are a major demand on the African side and an EU priority – on paper, at least – but little or no progress has been made.
We suggest that the EU should invest much more than it does now in small and medium-scale farming operations and businesses, as this is the best way to reduce poverty and prevent hunger. In addition, such businesses are the foundations on which the sustainable development of West Africa must be built – development that in the long term, and in combination with progress on good governance, will persuade many potential migrants to stay in their countries of birth or in the wider region.

The only realistic answer to the question whether more development will automatically lead to less migration is a solid 'no'. A wealth of research and experience elsewhere has shown that fighting corruption and investing in democracy can help reduce migration, but only after an initial spike in migration as the economies of poorer countries start to grow. This is not an argument against further EU support for development in Africa, which remains essential. It does however serve as a warning that we should set realistic expectations in the short term. To do so, politicians across Europe must be honest in their defence of EU investment in Africa. If they are not, the broader social support for such investment will soon be at risk of evaporating as it becomes apparent that migration to Europe will initially increase as a result of successful EU policies.

The lack of investment in legal migration channels is a reflection of considerable resistance to such ideas amongst politicians across Europe. In our eyes, this resistance is unjustified. As Europe's population continues to age and as birth rates continue to fall, the EU will become reliant on well-prepared high-skilled and low-skilled migrants from beyond its borders sooner rather than later. As such, much more energy, money and creativity must be committed to the creation of legal migration channels. In addition, the interests of African migrants and their countries of origin must be seriously considered as part of that effort. Only when we do so can we establish a genuine partnership with Africa and a dialogue on equal footing, and only when we do so will Africa agree to the return of migrants who no longer have a right to stay, and can we politically and morally justify such returns.

Over the past few decades, West Africa has suffered badly as a consequence of the EU's trade and agriculture policies. Local farmers, for instance, were unfairly penalised by the dumping of cheap agricultural produce. Thankfully, this practice has now largely ended, but that doesn't mean no other disruptive subsidies and mechanisms remain. The modernisation of small farming operations and the creation of a local manufacturing industry should become the main aim of all EU interventions in West Africa. To achieve this, the EU must remove the final few impediments and allow African countries to defend themselves temporarily against further economic liberalisation by applying import duties or by imposing import restrictions. West African governments must – at long last, and in cooperation with the EU and European businesses – start working towards the creation of a functional national and regional agricultural sector.

Coherence in EU policy is absolutely essential to enable African countries to develop further.

The same applies to the tackling of capital flight from Africa, which is structurally undermining the progress made in other areas. Up until now, African countries have been severely inept at fighting corruption and preventing local elites from stowing away money abroad. However, the global system of tax avoidance we currently have was not created by Africans, but by multinationals and rich Western individuals. The EU must do everything it can to combat this duplicitous system – even if, along the way, it encounters resistance from European businesses who are currently making the most of the opportunities they are given to pay less tax in the African countries in which they make their fortunes.
Finally, we must repeat what we said in our introduction: there are no quick and easy solutions to tricky problems such as encouraging sustainable development in Africa or ensuring migration flows become more manageable What matters is that none of the parties involved take their eye off the core issue: the reduction of poverty and the strengthening of economies and democracies in Africa. A short-term fixation on stemming all types of migration will do more harm than good in this effort.

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