



# Study Guide

## Topic Area A

### Restructuring trade agreements towards the better involvement and development of landlocked states

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## **Welcoming Letter**

Dear delegates,

It is both a pleasure and an honor to be officially welcoming you, as your Directors, to the African Union of Rhodes Model Regional Cooperation 2016.

With our board consisting both of a veteran and a newcomer to Rhodes MRC, this committee is inevitably going not only to consist of enthusiasm and fun but also of hard work and dedication towards a great outcome. Although the African Union will be simulated for the first time in our conference, we are exerting our best efforts towards ensuring debates and discussions of high quality, a friendly and almost family-like atmosphere and thus, overall, an amazing experience in Rhodes.

Regarding this year's agenda, both topics were selected due to their major importance and their considerable controversy. Consequently, it is recommended that all delegates be fully prepared in order to address the two perplexing topic areas adequately and fruitfully. It is important to keep in mind that the African continent has always been a region of turmoil, political instability, insecurity, financial crises, and many other predicaments that are yet to be solved. Hence, we expect that our

committee will manage to live up to the conference's expectations. For that reason, we hope that the Study guides provided will constitute a useful tool to your research.

Should you have any inquiries, do not hesitate to contact us, since we remain always at your disposal.

Looking forward to meeting you all in October!!!

Chrysa Tramountana  
Chairperson-in-Office  
Evangelos Halatsis  
Vice-Chairperson

## **Introduction to the African Union**

The African Union has its beginnings traced back in 1999, where the heads of state and government of its parent institution, the Organization of African Unity (OAU), first made a call for its establishment. While the OAU was not representative of the aimed pan-African notion, the AU now consists of 54 member states<sup>1</sup>. Although the idea for the replacement of the OAU with AU began on 9/9/1999 the union was not officially established until 2001 when the South African president Thabo Mbeki disbanded its precursor. Since then the AU has been building upon the main ideas and goals set by the OAU focusing on<sup>2</sup>: stability and solidarity among members, strong cooperation for the achievement of development, guaranteed sovereignty of the member states and international cooperation within the framework of the UN.

The AU holds an ordinary session (summit) every 6 months with the latest one having taken place from 10-18 of July 2016. The separate organs of the Union also hold their own sessions at a more flexible manner and upon requirement. Every year is dedicated to a specific topic area and events will take place throughout the year regarding it (2016 is the year of human rights). During the last

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<sup>1</sup> *AU in a Nutshell | African Union*. (2016). *Au.int*. Retrieved 20 July 2016, from <http://www.au.int/en/about/nutshell>

<sup>2</sup> *HISTORY OF THE OAU AND AU | African Union*. (2016). *Au.int*. Retrieved 20 July 2016, from <http://www.au.int/en/history/oau-and-au>

summit of the Au, the so-called “Agenda 2063”<sup>3</sup> was established when the member states placed goals around several topic areas that will need to be met until that year and ever since the resolutions discussed and passed in the forthcoming sessions work around those specific goals of Agenda 2063.

The AU Assembly constitutes the Union’s supreme decision-making organ which consists of the Heads of State and Government. The main goals of the Assembly are to determine the African Union’s policies, set the priority issues, organize its annual program, ensure the implementation of its decisions and direction of other AU's organs.

One of the most important mandates of the Assembly is that it has the right to impose sanctions on Member States in case of violation of the principles provided in the Constitutive Act<sup>4</sup>, which is the main legal framework under which the AU shall conduct itself. The Constitutive Act was signed in 2000 in Togo and was entered into force in 2001, with the following six key-areas: regional integration, peace and security, protection of human rights, non-intervention, intervention, respect for democracy and rule of law.

Apart from ensuring the enforcement of the principles, the Assembly has nine main functions:

- Decides the policies of the Union;
- Decides upon the reports and recommendations from the other organs of the Union;
- Establishes other institutions for the Union;
- Takes into consideration the membership requests into the Union;
- Ensures that all Member States abide by the decisions and policies of the Union;
- Decides upon the annual budget;
- Directs the Executive Council on conflicts, war and other emergency situations and the restoration of peace;
- Selects and withdraws the judges of the Court of Justice;
- Appoints the Chairman of the Commission, Commissioners of the Commission and all deputies.

<sup>3</sup> Idossou, S. (2016). *Africa: Agenda 2063, the Africa I Dream of*. allAfrica.com. Retrieved 20 July 2016, from <http://allafrica.com/stories/201607190080.html>

<sup>4</sup> [http://www.au.int/en/sites/default/files/ConstitutiveAct\\_EN.pdf](http://www.au.int/en/sites/default/files/ConstitutiveAct_EN.pdf)

## Introduction to the topic

A country is referred to as being **landlocked** if one or more countries on all its sides surround it. This also includes countries that are surrounded by a closed body of water i.e. with no direct access to a coastline and thus an ocean. There are 48 landlocked countries in the world including 4 partially recognized by UN states. Africa has the majority of those countries as 15 of them are found there and namely are: Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe. Although not all landlocked countries are associated with low degrees of development throughout



Figure 1: Map of Landlocked Countries across the world

the world, the majority of these countries especially those of Africa are referred collectively as **Landlocked Developing Countries (LLDCs)**. Due to their isolation from sea trade routes, these countries face the unique challenge of being hugely dependent on neighbouring non-landlocked countries for their external trade. This has inevitably rendered them targets for socioeconomic exploitation, payers of

huge trade costs and victims of unfair competition in the international

chessboard. An expected consequence of this has been their inferiority in their chances for development leading to a cascade of issues within these countries such as but not limited to political instability, low mortality and morbidity rates<sup>5</sup> and deprivation along all public sectors. As numbers can always provide us with a better image of the situation it is important to mention that LLDCs paid 50% more in trade-transit costs and had 60% lower trade volumes than coastal ones

<sup>5</sup> Mortality refers to births versus deaths in a given population whilst morbidity includes the relative quality of life of the alive population

at the beginning of the decade<sup>6</sup>. Although the issues that LLDCs face were first recognized in the 1990s it is quite alarming that their proportion of worldwide exports shows a continuous, unstoppable decline until today with an average of 0.4% decline each decade from 1990.

### **Definitions of key terms, organizations and bodies**

Important organizations, bodies, institutions and terms mentioned frequently in this guide, are defined and explained below:

**World Trade Organization:** Perhaps the most important institution that the Africa Union will have to cooperate with in order to consider alternations in the current trade agreements, improve the quality of negotiations amongst member states and combat policies that harm international trade<sup>7</sup>.

**United Nations Conference on Trade and Development (UNCTAD):** This is the major body of the UN dealing with issues of development, particularly international trade. It consists of 194 member states that meet once in four years to address such issues and decide upon actions that need to be taken regarding them<sup>8</sup>.

**The Almaty Program of Action:** This was the very first document signed by 30 LLDCs in 2003 addressing the need for revised trade policies regarding landlocked countries<sup>9</sup>. Most of the current discussions are based on the original or revised versions of this document so make sure to have a look at its original and amended clauses (link at the end of the guide)

**Protectionism:** government actions and policies that restrict or restrain international trade, often done with the intent of protecting local businesses and jobs from foreign competition. Typical methods of protectionism are tariffs and quotas on imports and subsidies or tax cuts granted to local businesses<sup>10</sup>.

**Tariff:** a tax on imports or exports. Tariffs are often viewed as distortions to the free market. By using tariffs, a country artificially shields an industry from work markets and it also a way that

<sup>6</sup> Faye M, McArthur J, Sachs J, Snow T. The Challenges Facing Landlocked Developing Countries. *Journal of Human Development*. 2004;5(1):31-68.

<sup>7</sup> *WTO | What is the WTO?*. (2016). *Wto.org*. Retrieved 16 July 2016, from [https://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm)

<sup>8</sup> *unctad.org | About*. (2016). *Unctad.org*. Retrieved 16 July 2016, from <http://unctad.org/en/Pages/AboutUs.aspx>

<sup>9</sup> International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation. *Almaty Declaration* [Internet]. Almaty, Kazakhstan: United Nations General Assembly; 2016. Available from: [http://unctad.org/en/Docs/aconf2012\\_en.pdf](http://unctad.org/en/Docs/aconf2012_en.pdf)

<sup>10</sup> *Protectionism Definition | Investopedia* [Internet]. Investopedia. 2003 [cited 13 June 2016]. Available from: <http://www.investopedia.com/terms/p/protectionism.asp>

countries can discriminate against each other and products produced in different countries. Typically, it is argued that tariffs tend to benefit domestic producers and governments at the expense of consumers<sup>11</sup>

**Subsidy:** a form of financial aid or support that is extended to an economic sector, with the aim of promoting economic policy. Subsidies are usually extended and given by national governments. Subsidies can be both direct (e.g. cash) and indirect (e.g. tax breaks)<sup>12</sup>.

## History of the Problem

The issues that LLDCs face have not been in the negotiation table for a long time. It was only in the 1990s that the issue was first recognized as existent and the pace at which measures were being taken was quite slow at the time, definitely at the expense of the LLDCs' economies. Not only the African Union, but the WTO as well, has proven to be quite inefficient in the past to propose solutions to the “peaceful” establishment of global trade, something that at times even seemed to be utopic as an idea. The WTO in particular has been going through a major “remodelling” period in terms of its administration and subsequent bodies as its actions towards multiply trade agreements throughout the world were not sufficient and have come across many unexpected hurdles. As a result, the trustworthiness of this institution, in terms of its advice and proposals, has declined significantly allowing opposing ideas to free trade agreements to gain foothold again and policies of protectionism are brought back to the spotlight.

There are essentially 4 major trade blocs in Africa (they used to be 6 in the beginning but two smaller ones merged with the major ones), each with different aims as listed in their mission statements. These blocs are:

- **Southern African Development Community (SADC)**<sup>13</sup> that is comprised of Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. SADC

<sup>11</sup> Tariff Definition | Investopedia. (2003). Investopedia. Retrieved 16 July 2016, from <http://www.investopedia.com/terms/t/tariff.asp>

<sup>12</sup> Subsidy Definition | Investopedia. (2005). Investopedia. Retrieved 16 July 2016, from <http://www.investopedia.com/terms/s/subsidy.asp>

<sup>13</sup> <http://www.sadc.int/>

points out three main priorities for empowering economic growth: investing in infrastructure, promoting values such as democracy, peace and security in the region and ensuring integration of all member states in trade matters.

- **Common Market for Eastern and Southern Africa (COMESA)**<sup>14</sup> including Angola, Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. As member states are shared between COMESA and SADC the two have very similar aims and have cooperated many times in the past. COMESA has additionally formed a customs union that ensures that all tariff and non-tariff barriers amongst member states are abolished.
- **Economic Community of Western African States (ECOWAS)**<sup>15</sup> with members being Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. The main policy of this bloc is forming a common external tariff and eliminating ones in-between member states. However, the severe political instability in the area along with the porous borders especially in sub-Saharan Africa, ECOWAS has lately been facing massive decline in trade volumes and found it difficult to achieve agreements with the rest of the blocs as the action of several terrorist organizations in the area decreases the trustworthiness of the bloc.
- **East African Community (EAC)**<sup>16</sup> including Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda. Apart from their geographical proximity along the Great Lakes region of Africa, these countries also share a lot in their political and financial views in that they all hope for a pan-African community in the future along with a free-trade doctrine in all of the continent. Somalia and Sudan, although not having officially joined the bloc.

Three of these major trade blocs-SADC, COMESA and EAC have recently signed one of the most revolutionary free trade agreements in the history of Africa: the **Tripartite Free Trade Area**

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<sup>14</sup> <http://www.comesa.int/>

<sup>15</sup> <http://www.ecowas.int/>

<sup>16</sup> <http://www.eac.int/>

**(TFTA)**<sup>17</sup>. These 26 countries represent 48% of the voting capacity of the African Union and more importantly 51% of the continental gross domestic product (GDP). This agreement is considered by many as a milestone for Africa’s trading policy and resuming the discussion for a truly free trade doctrine across the continent. The TFTA agreement is composed of several sections that aim to the implementation of this idea: First, it aims at the complete liberalisation of tariffs across the area of the TFTA, while at the same time combating non-tariff barriers, such as protectionist actions by governments of the signing states. Additionally, goods exchanged have to be screened for their origin so that it is consistent with all the rules of the agreement. Finally, probably inspired by the WTO, the TFTA agreements proposed the formation of a Dispute Settlement committee responsible for establishing panels and surveillance over the implementation of rulings.

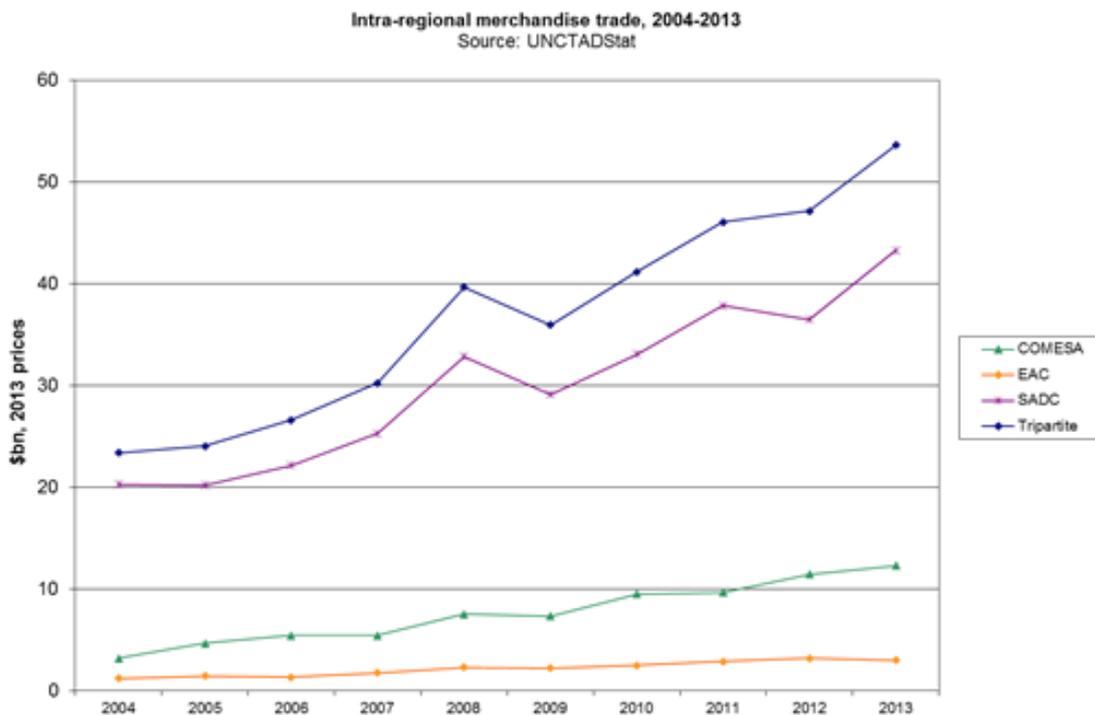


Figure 2 Comparing trade volume of individual blocs to the TFTA

<sup>17</sup> The Tripartite Free Trade Area Agreement: A milestone for Africa’s regional integration process | International Centre for Trade and Sustainable Development [Internet]. Ictsd.org. 2016 [cited 14 June 2016]. Available from: <http://www.ictsd.org/bridges-news/bridges-africa/news/the-tripartite-free-trade-area-agreement-a-milestone-for-africa%E2%80%99s>

The other trade agreement that is at the heart of these discussions and negotiations, is the one that poses at the key priorities of the union's aims by the end of the decade: The **Continental Free Trade Agreement (CFTA)**. As the name probably suggests, the CFTA looks at expanding the TFTA values and fulfilling the dream for a single, Pan-African free trade zone. Although negotiations for the creation of the CFTA has started, they are not even halfway through towards the complete implementation of the agreement, making the set timeframe of completion for 2017 seem less and less plausible<sup>18</sup>. With the agreement still in construction, it is natural that a lot of criticism is present for its different parts and the idea as a whole.

## **Discussion of the Problem**

Although the main focus should be around the reformation of the concurrent trade agreements in order to improve the economic integration of LLDCs, it is important to understand that restructuring trade is more than just a change in the deals signed or the prices/rules of origin of the goods. Trade agreements are usually very complex and consist of numerous factors that shape them and in order to successfully integrate the LLDCs all of them must be addressed. The following part of the document will explore certain of these aspects and built upon points that need to be considered during the debate.

## **Tariffs and their liberalization**

If we look at the manifestos of the established trade blocs or the aims of the TFTA and CFTA it is obvious that they all share one common target, pointing towards its important role in shaping trade and thus an agreement. This is the existence and use of tariffs. Over the last decade, there has been a huge movement internationally towards a global reduction, in terms of tariffs, in an attempt to liberalize trade and help both producers and “customers” to gain from such a policy. Surprisingly though most African countries, especially the ones of the sub-Saharan region have failed to stick to this trend and while other economies with the continent have reduced their tariffs as much as

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<sup>18</sup> Economic Integration | African Union [Internet]. Au.int. 2016 [cited 13 June 2016]. Available from: <http://www.au.int/en/auc/priorities/economic-integration>

even 80%, they have just remained at a 20% cut-off. Several analysts have attributed this to a lack of political stability in that region, as well as a general lack of trust towards those states when it comes to trade relations<sup>19</sup>. This not only creates an unfair and unbalanced trade environment for the continent but it also feeds the criticism against the liberalisation of tariffs, thus giving room for other policies that have not proven to benefit global trade as much as tariff liberalization.

It is true that there is much to be gained through tariff liberalization, but undoubtedly, LLDCs are the ones that can really benefit from such a policy. The World Bank has calculated the possible outcome of trade liberalization

that would result from a maximum bound tariff on agricultural goods of 10% in industrial countries and 15% in developing countries, a maximum bound tariff on manufactured goods of 5% in industrial countries and 10 % in developing countries, and the elimination of export subsidies, domestic subsidies, and antidumping measures.<sup>20</sup>

However, many argue that especially for the LLDCs, tariff liberalization alone may not be effective or even be catastrophic if the necessary reforms in each country are not made first. For instance, there is the issue of agriculture, a type of economy that LLDCs inevitably heavily depend upon<sup>21</sup>. Liberalising this sector rapidly without appropriate measures taken, may jeopardize the assets gained by the goods shared or even the jobs created. While middle income and liberalizing poor countries, such as India and Brazil, are likely to reap great benefits from trade liberalization, the policy environment in Africa is not conducive to rapid expansion of production. Therefore, apart from individual countries caring for their own domestic reforms, it is vital that a Pan-African movement towards the establishment of an appropriate trade attitude is established.

### **The issue of protectionism: threat or reality?**

In the past, protectionism was viewed as a policy only adopted by huge, affluent economies against the weaker ones. With the new era of global trade dawning, even colossi of trade, like the

<sup>19</sup> Mukhopadhyay, H. (1999). Trade liberalization in sub-Saharan Africa: stagnation or growth?. *Journal Of International Development*, 11(6), 825-835. [http://dx.doi.org/10.1002/\(sici\)1099-1328\(199909/10\)11:6<825::aid-jid626>3.0.co;2-l](http://dx.doi.org/10.1002/(sici)1099-1328(199909/10)11:6<825::aid-jid626>3.0.co;2-l)

<sup>20</sup> *Global Trade Liberalization and the Developing Countries -- An IMF Issues Brief*. (2016). *Imf.org*. Retrieved 20 July 2016, from <https://www.imf.org/external/np/exr/ib/2001/110801.htm>

<sup>21</sup> The problems of landlocked countries | GFP (Global Facilitation Partnership for Transportation and Trade) [Internet]. *Gfptt.org*. 2016 [cited 13 June 2016]. Available from: <http://www.gfptt.org/node/44>

United States of America, have made steps into liberalization of tariffs and have shown good faith in dropping protectionist approaches that have proven to be harmful for the global and domestic economy eventually.

Before the breakout of such adverse economic conditions, the issue of protectionism was generally viewed as a measure mostly adopted by extremist governments and countries that have openly admitted to opposing globalisation and international trade<sup>22</sup>. For instance, protectionism was probably the trademark of Soviet Russia and former extremist-left Chinese governments as well as the rigid policy of concurrent DPRK leadership. However, it turned out that the desperate times of the financial crisis did call for desperate measures, and protectionism started gaining a foothold in the trading policies of both more industrialised developed and developing countries.

One after the other countries as financially strong as the G20 started imposing protectionism; trade discriminating measures, isolating their economies in an attempt to boost domestic production. For example, China banned imports of Irish pork<sup>23</sup> and rejected certain makers of Belgian chocolate, British brandy amongst others. The United States turned to “green protectionism” by selectively subsidising manufacturers of advanced batteries, yet subsidies only applied for those firms based in the USA. Other protectionist measures adopted by economies with large banking sectors, such as the UK, were the enormous bailout packages that were handed out to capitalise the banking systems.

In all of the above cases, the state chose to prioritise domestic production over international trade, even when promoting international trade might very well have generated more domestic employment. Sooner or later, it became clear that no nation nowadays could solely depend on internal sources to boost their economy<sup>24</sup>.

Although with examples such as those mentioned above, protectionism is viewed in a negative way, nowadays more arguments are rising in favour of its use as well. Especially in blooming economies where many new industries try to be founded, protectionism in their first steps is

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<sup>22</sup> Erixon, F. (2009). *TRADE, GLOBALISATION AND EMERGING PROTECTIONISM SINCE THE CRISIS* (1st ed.). Brussels, Belgium: ECIPE. Retrieved from <http://www.ecipe.org/app/uploads/2014/12/trade-globalisation-and-emerging-protectionism-since-the-crisis.pdf>

<sup>23</sup> *China bans all pork imports from Ireland*. (2008). *The Irish Times*. Retrieved 20 July 2016, from <http://www.irishtimes.com/news/china-bans-all-pork-imports-from-ireland-1.832838>

<sup>24</sup> Andrei Levchenko, Logan Lewis and Linda Tesar, 'The Collapse Of International Trade During The 2008-2009 Crisis: In Search Of The Smoking Gun'

thought to be quite beneficial. As a chain reaction, strengthening and prioritizing domestic economy and industry, can also boost domestic employment since more jobs will be created locally<sup>25</sup>. At times, protectionism has also been seen as some kind of antidote, where a particular imbalance between imports and exports occurs (as in the case of LLDCs)<sup>26</sup>.

However, the issue with protectionism now, is the lack of homogeneity in either its abolishment or its adoption. African leaders have appeared to be quite unstable when it comes to their policies towards protectionism. Although they urge an end to protectionist policies in the developed world, African leaders refuse to open their own markets to foreign competition. Examples of such attitudes are found even in past leaderships of the union; South African president Thabo Mbeki called for an end to the U.S. and EU farm subsidies. Referring to the September 2005 summit of leaders at the United Nations, Mbeki complained that the meeting had not achieved the necessary breakthrough on trade. “How serious is the developed world about this partnership to address this matter of poverty?” he asked.<sup>58</sup> Yet, as a member of the Group of 21 developing nations (G-21), South Africa derailed the Doha round of trade negotiations by walking out of the 2003 ministerial meeting in Cancun.

With such examples haunting the history of the continent, it is clear that protectionism is something more than just an underlying threat. Member states need to understand that the results that the adoption of this policy has led to and realize that a simultaneous liberalization of tariffs in some countries and the use of protectionism in others will cause a chaotic trade environment in the region, bound to hinder all those caught up in its turmoil.

### **The factor of infrastructure: why it hinders consensus**

The lack of appropriate infrastructure is one of the very obvious reasons why trade is not the strong part of LLDCs<sup>27</sup>. The enormous travel costs that they have to pay in comparison to non-landlocked member states, inevitably puts them in a very difficult position that destroys any

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<sup>25</sup> *Trade Protectionism*. (2016). *Economics Online*. Retrieved 20 July 2016, from [http://www.economicsonline.co.uk/Global\\_economics/Trade\\_protectionism.html](http://www.economicsonline.co.uk/Global_economics/Trade_protectionism.html)

<sup>26</sup> Chand, S. (2012). *6 Main Economic Arguments in Favor of Protection Policy | Trade Policies* (1st ed.). Your Article Library. Retrieved from <http://www.yourarticlelibrary.com/trade-2/6-main-economic-arguments-in-favor-of-protection-policy-trade-policies/26242/>

<sup>27</sup> The problems of landlocked countries | GFP (Global Facilitation Partnership for Transportation and Trade) [Internet]. Gfptt.org. 2016 [cited 13 June 2016]. Available from: <http://www.gfptt.org/node/44>

competition aspirations for them. For example, shipping a car from Japan to Abidjan, Côte D'Ivoire, costs \$1,500, but shipping the same car from Abidjan to Addis Ababa, Ethiopia, costs US \$5,000<sup>28</sup>. With their imports and exports doomed to be moved only via land, the LLDCs have no other choice to pay these costs in order for trade to be viable even at the low levels that is now. Trade partners of those countries, knowing this predicament that LLDCs face have sometimes exploited them in the past raising prices of imported goods, knowing that no matter the complaints, LLDCs would eventually have to take any deal in an attempt to achieve any degree of trade possible. That kind of exploitation has also adopted more innocent faces; LLDCs are sometimes denied a trade agreement or are asked to pay huge travel costs for their goods either on the grounds that their infrastructure system is not trustworthy or even that poor security systems and instability in most LLDCs regions do not guarantee that the traded goods will reach their destination<sup>29</sup>.

As such, LLDCs have been attempting to improve their infrastructure system over the past years. A lot of funds have started to be allocated towards this sector something that has obviously called for cuts in other equally if not more vital sectors. This has led to the opinion that upgrading infrastructure is a double-edged sword, since the end does not seem to justify the means. Government officials of LLDCs have expressed their concerns that in attempt to rescue their trade they are sacrificing health and education among others<sup>30</sup>. Some sources argue that trade is a relation that at its ill harms both sides, therefore an improved LLDC infrastructure would mean improved trade for their partners as well, justifying the demand for subsidies by their corresponding trade blocs in improving their infrastructure. Greater peace, security and stability is also seen as a Pan-African issue and thus needs a more spherical approach by the union as a whole rather than LLDCs attempting to fix everything on their own<sup>31</sup>.

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<sup>28</sup> Global Economic Prospects 2004, p. xvii; see also, Commission for Africa, Our Common Interest: Report of the Commission for Africa (London: Commission for Africa, March 2005), pp. 282–83.

<sup>29</sup> Arvis, J. (2007). The Cost of being Landlocked (1st ed.). The World Bank. Retrieved from [http://unohrrls.org/UserFiles/File/LLDC%20Documents/MTR/WB\\_Cost-of-being-landlocked.pdf](http://unohrrls.org/UserFiles/File/LLDC%20Documents/MTR/WB_Cost-of-being-landlocked.pdf)

<sup>30</sup> UNCTAD. Infrastructure Development in Landlocked and Transit Developing Countries: Foreign Aid, Private Investment and the Transport Cost Burden of Landlocked Developing Countries. New York: UNCTAD; 2001.

<sup>31</sup> <http://www.scidev.net/global/capacity-building/news/landlocked-nations-tech-boost-un-chief.html>

## **Bloc Positions**

Although someone would expect member states taking sides according to their already established trade blocs, during these discussions alliances are not “written in stone” and are expected to shift according to several factors and interests of each member state:

- The major distinction between countries is in **LLDCs** and **non-LLDCs** since this is the core of the topic. However, this still leaves room for flexibilities amongst groups. LLDCs aim to prioritize reforms in the way agreements are set and bring topics to the discussion that were neglected in previous talks and have led to perpetuation of the argument. LLDCs that feel their demands are satisfied are making a move towards the rest of the blocs and in contrast non-LLDCs that feel their economy will be jeopardized if they lose LLDCs from their range of partners are willing to join their side.
- Also, **ECOWAS** is a group that has always been more difficult in all past negotiations. As they are the only bloc that has not signed the TFTA they are expected to be the greatest judges of the CFTA particularly in the case of tariff liberalization as they have their own tariff regulations at the moment and seem unwilling to change.
- **SADC, EAC** and **COMESA** will probably be a united front when it comes to the TFTA and CFTA as they have openly endorsed the formation of the latter and they all converge in terms of their policies in trade agreements.

In summary it is expected that two to three major groups will be shaping the discussions those being LLDCs, non-LLDC member states of the TFTA trade blocs and ECOWAS.

## **Questions a resolution must answer**

- How should the current agreements be considered and should the TFTA run as the main template for amendments to be made?
- What is the best way to treat tariffs? Total liberalization or leave room for special cases that will need to be clearly defined?

- Should clear measures be taken against any form of protectionism? What if LLDCs plan to use such measures on their benefit?
- How important is the aspect of infrastructure and its reform? Can funds be sacrificed for it to evolve or will it be ignored once again for the sake of using the budget differently?
- When considering factors like infrastructure, are there other broader ones like political instability that need to be addressed as well?
- In general, what measures need to be taken towards the better economic growth and integration of LLDCs, without downgrading the rest of the economies in Africa?

### Further Reading

- Economic report on Africa (evaluates the current agreements): <http://www.uneca.org/publications/economic-report-africa-2015#>
- The Almaty Declaration (good source of pre-ambulatory clauses and a first idea on the topic): <http://www.un-documents.net/almaty-d.htm>
- EAC website: <http://www.eac.int/>
- SADC website: <http://www.sadc.int/>
- COMESA website: <http://www.comesa.int/>
- ECOWAS website: <http://www.ecowas.int/>
- Great article explaining the importance of TFTA: <http://www.brookings.edu/blogs/africa-in-focus/posts/2015/06/17-tripartite-free-trade-area-andriamananjara>

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