

Committee: European Union

Issue: Africa after Brexit

Student Officer: Anna Kokla

Position: Deputy President

PERSONAL INTRODUCTION

Dear delegates,

My name is Anna Kokla and I will be serving as one of the deputy chairs of the European Union in the 5th session of the Campion School Model United Nations. This will be my second time serving as a student officer and I am looking forward to another fruitful conference.

Being a student officer in the specific committee means that it is my obligation to help and support you throughout your attempts to conduct research, create resolutions and debate before and during the conference. I hope that this study guide will facilitate your preparation. However, should you come up with any questions, do not hesitate to contact me through my email address : akokla@icloud.com

I am looking forward to meeting you and working with you all!

Kindest regards,

Anna Kokla

TOPIC INTRODUCTION

Africa is thought to be the first continent where human species lived and created civilisations. Large African Kingdoms formed which were later ruled by European countries, especially by Britain. Therefore, African countries throughout history have been connected with the UK and consequently, any change to the UK would have an impact on Africa.

Brexit, the proposed withdrawal of the United Kingdom from the European Union has raised many concerns regarding the future of the UK, the EU, as well many countries outside the EU, like some African states, which have developed a great bond with the UK.

Most of the African States have been suffering from instability and poverty so, Brexit would have even bigger impacts on their prosperity.

This study guide will focus on the effects that Brexit will have on Africa and recommend ways for the African continent to handle the specific situation in the best way possible.

DEFINITION OF KEY TERMS

Brexit

"Brexit is an abbreviation for "British exit," referring to the UK's decision in a June 23, 2016 referendum to leave the European Union (EU)."¹

Referendum

¹ Investopedia. What is 'Brexit'. n.d. web. 19 June 2017.

“A vote in which all the people in a country or an area are asked to give their opinion about or decide an important political or social question”²

European Union

“The organization, since 1993, through which European governments who choose to be members make decisions and agree on shared action in social and economic matters.”³

United Kingdom

“The country that consists of England, Scotland, Wales, and Northern Ireland.”⁴

Africa

“The continent that is to the south of the Mediterranean Sea, to the east of the Atlantic Ocean, and to the west of the Indian Ocean.”⁵

Gross Domestic Product (GDP)

“The monetary value of all the finished goods and services produced within a country's borders in a specific time period. Though GDP is usually calculated on an annual basis, it can be calculated on a quarterly basis as well.”⁶

Subsidy

“A benefit given by the government to groups or individuals, usually in the form of a cash payment or a tax reduction. The subsidy is typically given to remove some type of burden, and it is often considered to be in the overall interest of the public.”⁷

BACKGROUND INFORMATION

In 1957, France, West Germany, Belgium, Italy, Luxembourg and the Netherlands signed the Treaty of Paris, which established the creation of the European Economic Community (EEC), the predecessor of today's European Union. It was an effort to promote economic cooperation between European nations in the aftermath of World War II, so as to prevent any further conflict that could possibly create tension.

When the United Kingdom first applied for being a member in the EEC in 1963, France's President Charles de Gaulle vetoed its application, because he didn't want English to replace French as the dominant language of the EEC. The UK finally became a member of the EEC in 1973, but two years

2 Cambridge Dictionary. Meaning of “referendum” in the English Dictionary. n.d. web. 19 June 2017.

3 Cambridge Dictionary. Meaning of “the European Union” in the English Dictionary. n.d. web. 19 June 2017

4 Cambridge Dictionary. Meaning of “the United Kingdom” in the English Dictionary. n.d. web. 19 June 2017

5 Cambridge Dictionary. *Meaning of “Africa” in the English Dictionary*. n.d. web. 19 June 2017.

6 Investopedia. *What is 'Gross Domestic Product - GDP'*. n.d. web. 26 June 2017.

7 Investopedia. *What is a 'Subsidy'*. n.d. web. 26 June 2017.

later was on the verge of backing out again, when the nation held a referendum on the question: “Do you think the UK should stay in the European Community (Common Market)?”, in which “Yes” was the majority of the votes, therefore the UK remain in the European Community.

Tensions between the EEC became bigger in 1984, when the UK was the third poorest nation in the Community. The Maastricht Treaty in 1993 created the European Union. In the midst of the “mad cow” scare of the late ‘90s, Brussels imposed a ban on British beef. Nonetheless, Europe and UK did not only battle over beef, but over chocolate as well.

Furthermore, David Cameron became the first UK prime minister to veto an EU Treaty in 2011. In early 2013, he promised to renegotiate membership in the EU if his Conservative Party won a majority in the next general elections. At the same time, support was growing among British voters for the UK Independence Party (UKIP) and its hard-line stance against the EU. An economic unrest and the migrant crisis led to the enforcement of the Independence Party. Cameron, after winning re-election in May 2015, began renegotiating the EU and UK relationship and set the 23 June as the date for a referendum on whether Britain should stay or not in the EU.

This referendum was held on Thursday 23 June 2016, to decide whether the UK should leave or remain in the European Union. Leave won by 51.9% to 48.1%. The referendum turnout was 71.8%, with more than 30 million people voting.

England voted for Brexit, by 53.4% to 46.6%. Wales also voted for Brexit, with Leave getting 52.5% of the vote and Remain 47.5%. Scotland and Northern Ireland both supported staying in the EU. Scotland supported Remain by 62% to 38%, while 55.8% in Northern Ireland voted Remain and 44.2% Leave.

After the referendum, Britain got a new Prime Minister - Theresa May. Mrs May was against Britain leaving the EU but she played only a very low-key role in the campaign and never openly supported Britain’s membership in the EU. However, she is now in favour of Brexit, because she says it is what the majority of British people want.

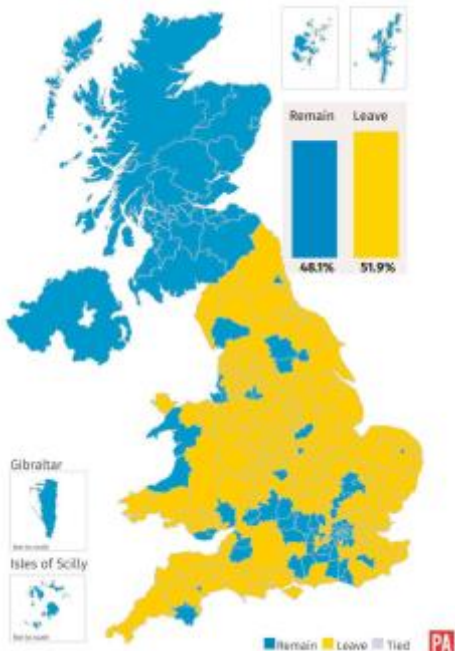


Figure 2: Brexit Map of Britain



Figure 1: How Britain Voted Graph

Theresa May became prime minister after David Cameron resigned, so had not won her own election. She ruled out calling a snap election saying the country needed a period of stability after the Brexit vote. She said she was happy to wait until the next scheduled election in 2020. Nonetheless, after the Easter Bank Holiday she announced that she had changed her mind and had decided to hold an election being called for Thursday, 8 June 2017.

After the elections, "Mrs May lost her overall majority and ended up with fewer MPs than when she started the campaign, meaning she could not form a Conservative-only government, following an unexpected surge in support for the Labour Party"⁸. She is currently doing a deal with Northern Irish party the Democratic Unionists, which has 10 MPs, to enable her to form a minority government.

Although it seems weird, Brexit talks will not be delayed due to the specific situation. "They were due to begin on 19 June. No date was set for the start of negotiations at the first meeting of British and EU officials in Brussels. But the EU's chief Brexit negotiator Michel Barnier has urged the UK to begin talks very quickly".⁹

What the supporters of Brexit believe

"Leave" voters base their support for Brexit on many reasons, such as the European debt crisis, immigration, terrorism and the perceived drag of Brussels' bureaucracy on the British economy. Britain has not been supportive of the European Union's projects, which Leavers feel threatens the UK's sovereignty. The country never became a member of the European Union's monetary union, and that is why it uses the pound instead of the euro. It also remained outside the Schengen Area, meaning that it does not share open borders with a number of other European nations. Generally, we can say that the UK does not "trust" the EU.

What the opponents of Brexit believe

Opponents of Brexit cite a number of reasons for their position. "One is the risk involved in pulling out of the EU's decision-making process, given that it is by far the largest destination for British exports. Another is the economic and societal benefits of the EU's "four freedoms": the free movement of goods, services, capital and people across borders."¹⁰ In other words, Brexit would destabilize the British economy both in the short term and in the long term.

The consequences for Africa

"Britain's colonial past in Africa still weighs heavy, especially with regard to countries such as Nigeria, Kenya, Zimbabwe and Somalia. But Britain is also tied to Africa by its permanent seat and veto power on the UN Security Council."¹¹

⁸ Wheeler, Alex Hunt & Brian. *Brexit: All you need to know about the UK leaving the EU*. 13 June 2017. web. 19 June 2017. <<http://www.bbc.com/news/uk-politics-32810887>>.

⁹ Wheeler, Alex Hunt & Brian. *Brexit: All you need to know about the UK leaving the EU*. 13 June 2017. web. 19 June 2017.

¹⁰ Investopedia. *What is 'Brexit'*. n.d. web. 19 June 2017.

¹¹ Gibert, Marie. *Whoever governs, Britain's Africa policy is tied to the UN and the EU*. 28 April 2015. web. 26 June 2017.

In 1562, Britain begins slave trade in Africa. In 1651, it invades Gambia. In 1797, British forces capture the South African Cape Town from the Dutch. In 1806, Britain annexes the Dutch Cape colony and the next year, it abolishes slave trade. In 1845, Great Britain introduces the system of segregation in Natal.

Brexit has already had and is going to affect the global markets, including those of Africa. “Less than 12 hours after a successful referendum on Brexit, South Africa’s currency, the rand, took the first blow. It plunged by almost 8% from R14.33 to R15.45 against the US dollar, its steepest single-day decline since the 2008 financial crisis.”¹²



Figure 3: The map of Africa

Furthermore, investors in African economies panicked because the economies of Angola, Nigeria, South Africa, and Zambia were already suffering from a financial crisis. So, to these specific countries, Brexit “added salt to the wound” and deteriorated the situation.

African governments may need to redefine their trade and diplomatic relations with the post-Brexit UK and EU. Most of the trade arrangements the UK has with African countries were negotiated through the scope of the EU. This means the agreements will cease to apply or will have to be renegotiated when the UK finally leaves the EU.

When Brexit takes effect, considering that the UK is South Africa’s eighth-largest import and export market in global terms, according to 2015 data, South Africa’s gross domestic product (GDP) could shrink by 0.1%, setting the economy on a downward spiral.

“Another key issue that could be affected by the Brexit is one of agricultural subsidies. For years, the U.K. has criticized the current subsidies European countries have in place, which have hindered African farmers’ trade capacities. In his argument in favour of the “leave” option, James Duddridge voiced his concerns over the EU’s Common Agricultural Policy (CAP), which puts in place subsidy systems with harmful effects on African farmers’ competitiveness. With more than 60 percent of Africa’s economically active population working in agriculture, the subsidies take an important toll on the livelihoods of a majority of Africans. The U.K. has been a key opponent of the subsidies. In a situation where the U.K. was to leave the EU, there would not be a strong voice within the EU advocating for the livelihoods of African farmers.”¹³

¹² Tan, Amelia. *Africa after Brexit*. 2016. web. 26 June 2017.

¹³ Mariama Sow, Amadou Sy. *The Brexit: What implications for Africa?* 21 June 2016. web. 26 June 2017.

“Despite fears that Brexit could harm African economies, some experts see positive impacts for countries like Libya and Zimbabwe, currently under EU sanctions by Britain. Brexit might encourage the EU to review and re-examine these sanctions. Britain will also be able to work more on the bilateral relationships with Africa and to really cater for Africa’s needs rather than looking at it through the prism of the EU. In other words, without the EU, ties between Britain and Africa could get stronger.”¹⁴

Furthermore, “it is important to remember that the history of Britain in Africa is characterised by oppression and economic exploitation. Within this troubled history, there has never been any kind of reconciliation. The British never apologized and consequently Africans are very sceptical of Britain. Many Africans still feel angered by the treatment they continue to receive from Britain and some European countries, particularly at the ports of entry. Despite a shared language and culture, most African countries have drifted away from economic and political partnership with Britain. They have instead opted to associate with the countries that supported their struggle against imperialism, such as China and Russia.”¹⁵ Since the British referendum, Africa’s relationships with China and Russia have been strengthened and, as a result, the new alliances might act as a vehicle by Africa to move forward. Africa will also take advantage of the new socio-political reality and try to push for certain reform especially regarding visa requirements.

“It is also anticipated that there will be some political wrangling between Africa and Europe regarding a future relationship with Britain. Given the size of the combined economic power of Europe it is most unlikely that Africans will prioritize Europe over Britain if faced with a choice.”¹⁶

Finally, it is more than evident that Britain’s strength without Europe will be weakened and any possible endeavours with Africa will be difficult to emerge, especially because the two superpowers, China and Russia, will influence Africa’s attitude towards Britain.

COUNTRIES AND ORGANIZATIONS INVOLVED IN THE ISSUE

UK

The UK economy grew by more than previously reported in the final three months of 2016. Gross domestic product (GDP) increased by 0.7%, up from 0.6%, according to the Office for National Statistics (ONS). At the same time, the pound fell dramatically after the Brexit vote last year, while the Bank of England cut interest rates from 0.5% to 0.25%.

South Africa

¹⁴ Fakude, Thembisa. *The Sociopolitical Impact of Brexit on Africa*. 31 August 2016. web. 26 June 2017.

¹⁵ Fakude, Thembisa. *The Sociopolitical Impact of Brexit on Africa*. 31 August 2016. web. 26 June 2017.

¹⁶ Fakude, Thembisa. *The Sociopolitical Impact of Brexit on Africa*. 31 August 2016. web. 26 June 2017. <<http://studies.aljazeera.net/en/reports/2016/08/sociopolitical-impact-brexit-africa-160831082848629.html>>.

South Africa, the UK's largest African trading partner, suffers whenever the British economy lacks behind. Therefore, it will bear the losses of the Brexit. Many South African companies are listed on both the Johannesburg and London stock exchanges, and several South African banks depend on British cash reserves.

Nigeria

Nigeria is Britain's second-largest African market. The International Monetary Fund announced in July that Brexit will likely plunge the Nigerian economy into a recession this year, shrinking by 1.8% from the earlier 2.3% growth projection.

Kenya

Kenya, Britain's third largest market in Africa, could face a downfall in terms of capital after Brexit, leading to falling exports. This would weaken the Kenyan shilling and make imports more expensive.

Libya, Zimbabwe

These two countries might witness a rearrangement of previous sanctions imposed by Britain in view of the fact that they will be seen positively by the European Union after Brexit.

China

China became sub-Saharan Africa's "most important export partner" by 2013 and, thus, could maintain this relationship with the continent during the post-Brexit era.

Russian Federation

For Russia, Brexit could be seen as an opportunity and not as a tragedy. Therefore, the country could develop diplomatic ties with Africa after Brexit in view of further development.

International Monetary Fund (IMF)

The International Monetary Fund cut its forecasts for global economic growth this year and next as the unexpected U.K. vote to leave the European Union creates a wave of uncertainty amid already-fragile business and consumer confidence.¹⁷

African Union (AU)

The African Union is a replica of the European Union and was previously known as the Organization of African Unity (OAU). The core objective of the organization is collective efforts towards socioeconomic development of Africa. AU countries depend on EU for aid and other packages and that is why Brexit has had major implications on the sustainability of the AU. "African and other developing economies are heavily dependent financially on their former colonising powers and western capital in general. Such dependency has made it very difficult for these economies of the global South to untangle themselves from trade liberalisation championed by the global North, even when they have established free trade zones for themselves. Therefore, when a major change, such as Brexit, hits the economy of the North, the dependent South suffers it most."¹⁸

¹⁷ International Monetary Fund. *IMF Cuts Global Growth Forecasts on Brexit, Warns of Risks to Outlook*. 19 July 2016. web. 6 July 2017.

¹⁸ Agajelu, Abuoma C. "The Brexit: Implications and Lessons for African Union." n.d. web. 15 July 2017.

The World Trade Organization (WTO)

“It is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.”¹⁹

The WTO can even shape the Brexit negotiations themselves.

African Solutions to African Problems (ASAP)

‘African Solutions to African Problems identifies rural women caring for orphans and vulnerable children in their communities and develops their skills and knowledge so that they are able to create sustainable community care centres tending to the children’s health and wellbeing.’²⁰

TIMELINE OF EVENTS

Date	Event
1870s - 1900	Africa faced European imperialist aggression, diplomatic pressures, military invasions, and eventual conquest and colonization. At the same time, African societies put up various forms of resistance against the attempt to colonize their countries and impose foreign domination.
Early 20th century	Africa, except for Ethiopia and Liberia, had been colonized by European powers.
23 June 2016	The U.K. holds a referendum on whether to leave the European Union.
24 Jun 2016	The results are announced, with 52 percent of voters choosing to leave the bloc. David Cameron resigns as prime minister and the pound plunges to a three-decade low. \ South Africa’s currency, the rand, plunged.
23 July 2016	Teresa May becomes Prime Minister.
4 August 2016	The Bank of England cuts its benchmark interest rate to a record low 0.25 percent and expands its bond-buying program.

¹⁹ World Trade Organization. "The WTO." n.d. web. 15 July 2017.

²⁰ ASAP. „Vision and Mission.“ kein Datum. web. 16. July 2017.

SOLUTIONS

The international arena is now starting to grasp this new issue and its consequences on the African continent and, therefore, the delegates of the committee of the European Union should try to come up with effective and tangible solutions to the negative aspect of Brexit.

Delegates, through their resolutions, ought to foster cooperation between the stakeholder countries of Africa, the UK and other powerful nations that could influence the situation. Monitoring is also of great significance in order to ensure that everything runs smoothly.

According to the London School of Economics and Political Science, the UK should focus on a three-point plan in order to help Africa, which includes:

- Regionalisation through foreign investment in Africa, in order to create job opportunities
- Harmonisation of hygiene and food standards, working closely with African countries and setting the framework away from the scope of EU reality.
- Building up on existing strengths, when it comes to European trade laws such as the Generalised System of Preferences (GSP) for LDCs.

At the same time negotiations for better trading deals between African countries, such as South Africa and Nigeria, should take place, in order for those countries to sustain their financial independence and development.

Good relations with other nations, including the UK, are also of vital importance, since this way African states will be able to have allies in case of financial, social or political tensions.

Africa and, more specifically the African Union, should also cooperate with NGOs, such as ASAP, with the goal of supporting financially the countries in need that have been negatively influenced by the implications of Brexit.

Funding for research by large funding institutions such as the IMF can help as well. Research can prove to be really essential, since new ways of dealing with the situation from a financial point of view can be developed.

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IMAGE AND GRAPH SOURCES

FIGURE 1: Kemble, Harry. "Brexit or Remain? How your area voted – breakdown." n.d. web. 17 July 2017. <<http://www.dailystar.co.uk/news/latest-news/525244/Brexit-United-Kingdom-EU-referendum-voting-polls-Remain-Leave>>.

FIGURE 2: Made for Minds. "How the UK could turn the Brexit ship around." n.d. web. 17 July 2017. <<http://www.dw.com/en/how-the-uk-could-turn-the-brexit-ship-around/a-19360300>>.

FIGURE 3: Geology.com. "Africa Map and Satellite Image." n.d. web. 17 July 2017. <<http://geology.com/world/africa-satellite-image.shtml>>.