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The false promise of Aid for Trade

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Abstract

Aid for Trade (AfT) has gained prominence as an innovative form of donor support in the era of the 'post'-Washington Consensus. Institutions such as the World Trade Organization (WTO), the US Agency for International Development (USAID), the European Commission, and the UK Department for International Development (DfID) have heralded AfT concessions as a means of creating a level economic playing field between industrialised nations and countries in the global South. Specifically, AfT mechanisms have been praised as a means of aligning trade liberalisation deals (whether in the Doha Round or within bilaterals) to poverty reduction objectives. Donor AfT assistance to low-income states' trade capacity – including support to government ministries, private sector development, and local infrastructure – are understood to construct a more balanced global trade system conducive to the needs of 'the poor'. This article, however, through critical analysis of AfT discourse within the 'moral economies' of multilateral WTO and bilateral EU-ACP (African, Caribbean and Pacific) negotiations, points to the strategic purposes of donor language in rationalising asymmetric North-South trade systems. Moreover, it questions the 'development' credentials of AfT assistance, given its disbursement to strategically significant middle-income states in relation to Western overseas interventions, private sector activities that have dubious consequences for supposed beneficiaries, and the tying of AfT disbursements to the implementation of inappropriate policies.

Keywords: Aid for Trade, World Trade Organization, Economic Partnership Agreements, EU, moral economy, Doha Development Agenda

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Introduction

Aid for Trade (AfT) has gained prominence in contemporary donor efforts to eradicate poverty in the global South. Aimed at supporting developing countries' economic capacity through assistance to trade governance, the creation of enabling infrastructure and the facilitation of private sector development (PSD), AfT mechanisms are hailed as a means of levelling the economic playing-field between donors and recipients. In addition, AfT instruments are hailed as a means of enhancing the wellbeing of the poorest within developing societies – since increased trade will encourage livelihood creation and prosperity will 'trickle down' to vulnerable citizens. In this vein, donor AfT support is understood to encourage low-income states' successful integration into global free markets, making 'globalisation work for the poor' through the creation of new jobs and the establishment of a prosperous tax base conducive to wider social improvements (OECD 2007: 11; Orbie 2008: 47).

Significantly, the espousal and dissemination of these 'pro-poor' norms within AfT programmes strongly aligns with donor attempts to enact a 'post'-Washington Consensus in their approach to international development, though doubts remain about the extent to which the substance has changed from Washington Consensus to post-Washington Consensus. Acknowledging the regressive consequences of donor-sponsored laissez-faire policies upon the social fabric of low-income states under structural adjustment programmes (SAPs), the donor community has promised to combine 'second-generation' liberalisation measures in developing countries with necessary transitional assistance (Easterly 2001: 21; Stiglitz and Charlton 2006: 3; OECD 2009: 1). In this context, AfT instruments are viewed as a means of connecting liberalisation agendas to legitimising poverty reduction objectives, providing the means through which developing countries can fairly compete in open markets. AfT mechanisms, in this vein, act as a bulwark of the post-Washington Consensus, providing tangible evidence of donors' willingness to 'learn the lessons' of past liberalisation programmes and to lubricate developing countries' 'smooth and gradual' entry into globalised markets (Langan 2011: 88).

Given the strategic functions of AfT programmes within the post-Washington Consensus, it is necessary to critically evaluate AfT instruments and assess whether they are genuinely delivering a level playing-field conducive to the wellbeing of 'the poor' within global trade systems. In particular, it is necessary to explore the functions of AfT discourse in rationalising donor-sponsored liberalisation agendas in low-income states and in establishing 'common sense' understandings of the need for open markets in an era of globalisation. Furthermore, it is relevant to contrast the significance of AfT discourse in promoting post-Washington Consensus norms with the material outcomes of AfT instruments for developing countries. Namely, it is illustrative to contrast the development narratives embodied within AfT programmes with the tangible implications of specific AfT assistance for improving local infrastructure, enhancing trade governance capacity, and for promoting PSD.

This paper, accordingly, applies a critical moral economy perspective concerned with the potential ‘normativity-outcomes gaps’ (Sayer 2007: 262-264, Booth 1994: 654; Bernstein 2007) between the discourse of AfT mechanisms and their material impact. It considers the role of AfT discourse in embedding pro-poor norms within North-South trade systems, imbuing these systems with apparent legitimacy. Drawing from the moral economy approach, the paper then considers how moral norms regarding poverty reduction and fair economic relations may be overridden by geopolitical and/or commercial interests pursued by donor institutions. Specifically, the paper provides a comparative analysis of AfT discourse and interventions in relation to i) the moral economy of WTO Doha Round negotiations, and ii) the moral economy of EU bilateral trade relations with the African, Caribbean and Pacific (ACP) countries. In both cases, the paper examines the strategic functions of moralised AfT narratives in furthering liberalisation within the post-Washington Consensus, and the disjuncture between these narratives and the material outcomes for ‘the poor’.

The paper is structured as follows. The first section introduces a moral economy perspective and examines the relevance of this critical political economy approach for an understanding of the strategic functions of AfT programmes within the post-Washington Consensus. The second section then examines AfT instruments in the context of ongoing WTO negotiations for further liberalisation in North-South trade, with a focus on the Doha Development Agenda (DDA). The third section briefly examines the distribution of AfT funds and draws implications for the donors’ priorities. Thereafter, the fourth section considers the role of AfT mechanisms within ACP-EU relations, with a focus on the functions of moralised development discourses in the context of bilateral Economic Partnership Agreements (EPAs). Finally, the conclusion recaps the broader lessons of a moral economy analysis of AfT measures amidst concerns surrounding the ‘normativity-outcomes gap’ between discourse and material outcomes for ‘the poor’.

Moral economy and the post-Washington Consensus

Moral political economy is an emerging sub-discipline within the broader field of political economy that seeks to examine how moral norms relating to the ‘rules’ of economic life often contrast, in regressive fashion, with actual economic outcomes in relation to human well-being/ill-being. Articulated by Andrew Sayer (2000: 79; 2004: 5; 2007: 261) and drawing upon a longer tradition established by Karl Polanyi and E. P. Thompson, moral political economy maintains that ‘economic activity presupposes the establishment of moral economic norms… even where, as in the case of capitalist property rights and the capitalist labour-relation, they are products of unequal power, there are generally attempts to legitimise them as just and fair' (Sayer 2004: 5). Moreover, a moral economy approach seeks to discern possible 'normativity-outcomes gaps', as ostensible norms are materially breached within operating 'moral economies'; and to examine how asymmetric relations may be insulated from reform due to the construction of norm-laden 'common sense' understandings as to how economic processes *ought* to function. In this vein, a moral economy perspective offers a 'critical' approach within the study of economic life that seeks not merely to criticise injustices, but to understand how they arise and are thereafter perpetuated within operating economic structures. A moral economy 'critique' in this sense can be 'distinguished from mere criticism by the fact that it tries not only to identify false beliefs and the practices they inform, but *why* those false beliefs are held' (Sayer 2009: 770). That is, its focus on the normative underpinnings of economic structures helps to unveil the ways in which moral discourses/norms may establish progressive images of economic exchange that downplay and obscure 'real' material consequences for human wellbeing. Dominant understandings of economic processes and their alleged 'progressive' outcomes may veil arising disjunctures between embedded norms and actual material effects.

A moral economy perspective, consequently, is inevitably bound to forms of *discourse analysis* in order to consider how norms are (re)embedded within economic systems, and how 'common sense' understandings of economic life are constructed in the 'real world'. As Goodman (2004: 907) argues in his analysis of the moral economy of fair trade foods, ethical norms are created, and recreated, within 'discursive fields' that communicate certain common-sense understandings of economic life. Namely, the narratives of economic actors serve to (re)embed norms within economic systems, imbuing them with legitimacy and facilitating public acceptance. A moral economy assessment of AfT mechanisms and their role in embedding legitimating norms must therefore be attuned to the ways in which 'language can shape behaviour… it reflects [and potentially reshapes] those hierarchies and power that are prevalent at any given moment in time' (Wilkinson 2009: 7). Moreover, qua Fairclough (1989: 37) it must reflect the fact that 'discourse is the favoured vehicle of ideology, and therefore of control by consent'. Namely, that moralised AfT discourses, in their embedding of legitimising 'pro-poor' norms, may serve ideological purposes in the sense of bolstering dominant worldviews.

In this context, it is illustrative to examine the role of AfT discourse in solidifying dominant post-Washington Consensus understandings of the moral purposes of North-South trade ties in an era of globalisation. Specifically, it is necessary to consider how AfT narratives propel legitimating norms as to poverty reduction, a level playing-field between 'partners' in the North and South, and fair economic exchange (and thereafter embed these norms within the operating moral economies of WTO negotiations or ACP-EU trade ties). Accordingly, it is useful to consider how donor institutions, notably the Organisation for Economic Co-operation and Development (OECD), have utilised AfT discourse in the creation of 'common sense' understandings of the linkages between free trade strategies and poverty reduction efforts. Indeed, the OECD has acted as one of the foremost 'policy entrepreneurs' for the promotion of AfT measures within the broader donor community:

> Economic growth is the most powerful tool to reduce poverty. However, many low-income countries are still confronted by major obstacles in expanding and diversifying their trade, and trade reform and liberalisation have not always delivered the expected benefits in terms of trade expansion, growth and poverty reduction. Against this backdrop the international community has agreed to expand and *improve aid for trade to help developing countries*, particularly the least developed, build the *supply-side capacity* and *trade-related infrastructure* needed to expand their trade and to *benefit from their integration into the world economy*. Aid for trade has been designed as a *tool to interlock aid and trade policies* in pursuit of raised living standards and *reduced poverty* (OECD 2009: 1; emphasis added).

In such donor articulations, AfT measures are utilised as a 'tool to interlock aid and trade policies', and to rationalise free trade agendas in low-income states in relation to moral goals concerning 'raised living standards and reduced poverty' (*ibid*). Moreover, emphasis on the potential obstacles preventing developing countries from realising the opportunities of market-opening are recognised and ostensibly remedied via AfT support to trade capacity building. This sits in strict alignment with the post-Washington Consensus and its movements away from 'laissez-faire' policies pursued in the 1980s and early 1990s. Indeed, what might be termed the 'moral economy' of the post-Washington Consensus is bolstered, with legitimating norms as to poverty reduction being embedded within free trade agendas.

Significantly, this AfT 'development' discourse has been promoted by an array of additional donors. The UK Department for International Development (DfID 2009), for instance, links AfT with poverty reduction and sees it as a means 'to ease the costs of adjustment to a more open trading system'. This discursive theme is repeated by the International Monetary Fund (IMF 2007). Once more, AfT measures are not merely viewed in relation to objectives of poverty reduction, but in relation to developing states' progress vis-à-vis trade liberalisation:

> [AfT aims] to help developing countries address supply-side bottlenecks and boost their capacity to take advantage of expanded trade opportunities. Aid for trade can be an important *complement to trade reform and global market opening*.

It is, however, in the communications of the WTO Director-General, Pascal Lamy, that this dual purpose of AfT discourse becomes most clear. Welcoming the creation of a 'strong narrative on Aid for Trade', Lamy stresses that AfT measures must not solely be seen in relation to poverty reduction efforts, but must be contextualised in terms of necessary trade liberalisation:

> We need to listen to the development community and make the case why trade is important for economic growth. We can do a better job of explaining why Aid for Trade can support *broader policy objectives like poverty alleviation*, social welfare, food security, gender empowerment, climate change adaptation, energy generation and sustainable development … [I]n making the case for Aid for Trade, we are *really making the argument for the multilateral trading system*. *Aid for Trade is all about logging onto this world-wide trading system* (quoted in WTO 2011).

Through such narratives, AfT measures once more reinforce post-Washington Consensus understandings that free trade structures, if accompanied by appropriate transitional support to low-income states' competitive muscle, will work for 'the poor'. A broad 'moral economy' is thereby reinforced through AfT mantras, embedding legitimising norms as to 'poverty alleviation, social welfare, food security' – to name but few – within North-South liberal trade regimes.

Despite the donor community's strong statements on the 'development' merits of AfT measures, however, there is notable scepticism amongst academics, civil society organisations, and, at times, developing country governments as to the tangible impact of donor AfT assistance. In particular, there is concern that AfT mechanisms are merely providing legitimacy for donors' pursuit of 'second-generation' liberalisation in the global South – liberalisation that will potentially be detrimental to the needs of 'the poor' amidst subsequent deindustrialisation and import flooding. Carin Smaller of the Institute for Agriculture and Trade Policy, for instance, argues that the existing trade system is 'ill equipped to address the fundamental concerns facing developing countries' (Smaller 2006). Oxfam (2005a: 5), meanwhile, notes that whilst combined multilateral and bilateral AfT flows increased from $2 billion in 2001 to $2.7 billion in 2003, these resources accounted for a mere four percent of all overseas development assistance. Funds, in addition to being 'insufficient', were also 'painstakingly slow to arrive', greatly diluting the impact of AfT in making globalisation work for the poor. The South Centre (2005: 1), emphasising the need for fairer trade structures between the global North and global South, also maintains that AfT cannot 'offset a bad trade deal' and should not therefore be seen as a panacea for free trade objectives.

Academic commentators such as Sheila Page (2006: 11), Jan Orbie (2007: 297), and Faber and Orbie (2007: 5), moreover, have pointed to the coercive potential of AfT provisions in compelling low-income states to sign inequitable trade agreements on the basis of promised aid resources, a concern that mirrors analyses of aid more generally (see, for instance, Browne 2006). Orbie (2007: 308), in particular, provides convincing critique as to AfT 'side-payments' constituting a 'low-cost legitimacy enhancing device' with reference to ACP-EU negotiations on EPAs. Clive George, for similar reasons, is extremely sceptical of the AfT agenda within the WTO:

> The current trade liberalization agenda may not be as bad as the colonial agenda of King George III, but it is a bad agenda. Aid which reinforces that agenda is bad aid. It will counter few of the adverse impacts of liberalization, will do little to ensure that the potential benefits are experienced by the countries that most need them, and will do nothing to make global development sustainable development (George 2010: 132).

J. Michael Finger, in similar fashion, criticises the WTO's AfT initiative as a 'bonanza for consultants, nothing for development' (Finger 2008a), and questions the suitability of the WTO as a forum for its coordination (Finger 2008b).

There is also a technical, policy-orientated academic literature on AfT mechanisms that seeks to explore empirically their development impact, though these analyses of the effectiveness of AfT have been mixed (see OECD 2006; Lyimo and Sungula 2008; OECD and WTO 2011; United Nations Economic Commission for Africa 2011; and Calì and Te Velde 2010, among others).

Crucially, however, the existing literature – whether in this technical school or within more 'critical' evaluations – lacks an appreciation of the normative purposes of AfT instruments and the ways in which trade structures gain acceptability in relation to strategic moral discourse. Moreover, the technical literature fails to consider the likely impact of 'second generation' liberalisation upon the poor within developing states. Indeed, technical evaluations of AfT, to date, have divorced their analysis of immediate AfT successes/failures from the broader systemic implications of the trade liberalisation programmes to which AfT initiatives are preconditioned. Accordingly, the next two sections examine AfT programmes in relation to two case studies, namely AfT provisions within the WTO and the DDA, and within bilateral trade relations between the EU and ACP former colonies. They examine the role of AfT discourse in these 'moral economies', highlighting the functions of AfT measures in legitimising post-SAP liberalisation endeavours, and draw attention to the 'normativity-outcomes gaps' in relation to disjunctures between 'pro-poor' norms and material outcomes for vulnerable citizens in the context of (premature) trade liberalisation.

Aid for Trade in the WTO: putting 'Development' into the DDA

This section examines the emergence of AfT in the WTO and its strategic discursive functions in relation to the moralisation of misguided trade reform in the DDA. Specifically, it assesses the role of AfT instruments and discourse in relation to the rationalisation of market opening and the reassurance of developing countries as to their 'pro-poor' integration into global markets. It then argues that this is highly problematic in relation to actual material outcomes for low-income states for two reasons: first, through its role in legitimising a flawed DDA package and encouraging developing countries' (unwise) acquiescence; and, second, in shifting attention away from the flawed rules and adverse structures of the global trade system that perpetuate unequal development. AfT thereby becomes a means of legitimating entrenched power relations and of immunising them from overdue reform.

AfT has been an element of the WTO since its creation (see Ismail 2008). It was a component of the Uruguay Round of negotiations, which promised developing countries financial assistance for implementation costs. It thereafter became an implicit element of the DDA from the outset, with the Doha Ministerial Declaration urging donors to 'significantly increase contributions to the [Integrated Framework] Trust Fund and WTO extra-budgetary trust funds in favour of LDCs' (WTO 2001: paragraph 43). Initially, however, this call was left unheeded and AfT maintained a relatively low profile within DDA processes. That situation changed dramatically around the 2005 Hong Kong Ministerial Meeting, when the politics of the negotiation process thrust AfT and its 'pro-poor' discourse to the fore. The WTO vigorously sought a positive outcome to this Hong Kong Ministerial, for two reasons (Wilkinson 2006). First, members and secretariat alike wished to avoid a repeat of the outcome of the last Ministerial Meeting (held in Cancun, 2003), which had collapsed amid recrimination and antagonism when the developing countries protested over continued US and EU protectionism on agricultural commodities. Second, the DDA negotiations were showing no movement, despite 2005 having been the target date for completion of the round. With no improved offers being made by the EU and US, particularly in the critical area of agriculture, yet with a strategic need for developed countries to offer something positive to developing states' aspirations in the DDA, AfT emerged to enhance the 'pro-poor' credentials of the trade round. Committing to reducing agricultural subsidies had proved impossible, but moralised statements on an AfT package provided a strategic means of marrying proposed trade liberalisation reforms to legitimising norms concerning poverty reduction and fair North--South relations.[1]

From the outset, therefore, AfT was strategically linked to movement in the DDA negotiations and to the rationalisation of developing countries' continued participation in liberalisation talks. Accordingly, developed country donors began (ostensibly) to allocate material funds to AfT initiatives. Japan pledged $10 billion (much of it funds already pledged) over three years in AfT for LDCs as part of a 'development initiative', but, crucially, stated that this initiative was 'to encourage developing countries to sit down

[1]. This was merely one element of the grandstanding undertaken by the richest countries, designed to sound good but ultimately largely vacuous. The US, for instance, offered duty-free quote-free market access for Africa's cotton exports. However, since the US is a major cotton exporter, this will be of no value to them. Likewise, the US offered duty-free quota-free market access to LDCs on 97 percent of all product lines. Again, though this sounds good, the narrow range of products that LDCs export means that almost all their exports can be excluded (Rangaswami 2006: 8).

and start talks' (quoted in Oxfam 2005b: 9). The EU, in similar terms, announced an increase of AfT spending to €3 billion by 2010. The US additionally pledged that it would double its annual AfT spending to $2.7 billion, but this was made explicitly conditional on 'market access expansion and the elimination of trade-distorting subsidies' by developing countries via their continued participation in the DDA (quoted in Bridges Daily Update 2005). Hence, as AfT embedded legitimating norms as to poverty reduction within the 'moral economy' of DDA negotiations, it was simultaneously linked by the major donors to their own trade concerns – an exchange of AfT financing for new market access into developing country markets. Interestingly, this direct linking of AfT pledges by the donor countries to market opening by developing countries was not well received and is no longer found so prominently in official donor communications. Nonetheless, the link to market opening is still present. The Office of the USTR, for instance, states the object of its trade capacity building support to be: 'a critical part of the United States' strategy to enable developing countries to negotiate and implement market-opening and reform-oriented trade agreements' (USTR 2011). Similarly, WTO Director General Pascal Lamy stated in 2009, quoting Cambodian Trade Minister Cham Prasidh, 'Aid for trade and the Doha Round are Siamese twins. They cannot be separated because they share one heart' (WTO 2009).

It is clear then, that AfT is envisaged as a means of leveraging 'buy-in' by developing countries to the DDA and, hence, to further market opening. Tacitly excluded from the agenda are alternative, more interventionist trade and industrialisation strategies, such as those pursued by European member states as well as the US in their own period of historical development and more recently the countries of East Asia (Wade 1990; Chang 2002; Storm and Naastepad 2005). AfT, through its moralisation of liberalisation in the DDA, strategically directs recipient countries down a particular, liberal trade path. Furthermore, AfT fails to learn the lessons of those Asian countries that have achieved rapid poverty reduction. As Clive George notes,

> the dramatic reductions in poverty that have been achieved in South-East Asia and now China have come from releasing the potential of small farmers not from large commercial exporters. The aid for trade agenda has little to say about small-scale farms. It has a lot to say about increasing the productivity of large exporting ones, and, by inference, their incentives to take productive land from small ones. It has little or nothing to say about assistance for the non-commercial agricultural research and extension schemes that played such an important role in South-East Asia and China (George 2010: 131).

Far from obtaining moralised goals associated with fair North-South relations and wide-scale poverty reduction, AfT mistakenly confounds increasing trade for achieving development.

The issue of farming and rural poverty reduction illustrates well the problematic nature of AfT being used as an inducement to developing countries to acquiesce to further trade liberalisation within the DDA. With 70 percent of those in extreme poverty found in rural areas (IFAD 2010: 16), agricultural productivity, particularly among small-holders, and the impact of global trade rules on food prices are critical for the poverty impact of trade agreements. Many developing countries have been wary of agreeing to agricultural liberalisation within the WTO for fear of the impact on rural communities, particularly due to the problem of import surges.[2] Import surges – that is, sharp rises in the quantity of imports in a given product – disrupt local markets and push down prices, negatively affecting the livelihoods of domestic producers. Particularly at risk are small-scale farmers, who struggle to compete as cheaper imports flood local markets. For example, when Kenya experienced an import surge of sugar from 1998 to 2004, employment in the Kenyan sugar industry declined by 79 percent (Action Aid 2008: 22), with the poorest regions most keenly affected seeing falls in employment and wages of over 70 percent. Similar examples can be found around the world (see FAO 2006a and the set of other studies in the same series) and they are increasing in frequency (FAO 2006b; South Centre 2009a).

Reducing agricultural tariffs within the DDA would reduce the capacity of developing countries to respond to such import surges. Realising this threat, developing countries have pushed for the creation of a Special Safeguard Mechanism (SSM) to be included in the agreement. There is insufficient space to go into the SSM in detail here (see Wolfe 2009 for a comprehensive account), but it is important to note that the proposal as it currently stands (contained in WTO 2008a; 2008b) is unlikely to be sufficiently robust to prevent the disruptive effects of import surges (South Centre 2009b; Scott and Wilkinson 2010). This is particularly true given that the DDA, as reflected in current negotiation texts, seems highly unlikely to reduce rich countries' agricultural subsidies in any way – it will just limit the extent to which they can be increased. Hence, the DDA as it currently stands would increase the threat of import surges in agricultural products, whilst failing to tackle a key cause of the problem – food subsidies in rich countries – and providing only weak protection through the SSM.

The key point of this is not that AfT cannot solve this problem – even by its most ardent supporters AfT is not suggested to be a panacea for all trade issues. Rather, this illustrates the profoundly problematic nature of AfT being used as a means of inducing developing countries to sign up to a wider trade package that is potentially severely regressive (see Scott and Wilkinson 2011). Trade deals negotiated in a context of large power inequalities inevitably create asymmetric outcomes. These unequal deals further

[2] This issue ostensibly brought about the collapse of the DDA negotiations in July 2008 when the US and India could not agree on protective measures against import surges, though it has been argued that this was in reality an attempt by the US to engineer a collapse of the talks to avoid having to discuss cotton.

entrench structural inequalities in the trade system. The very real risk is that developing countries are ‘bought off’ cheaply by the promise of AfT, cajoled into signing an agreement that exacerbates the structural inequalities of the global trade system in return for limited pledges of increased aid.

Indeed, the AfT agenda studiously avoids the issue of structural inequalities. AfT is premised on the need to further integrate developing countries into the global trade system and finds the causes of their adverse integration in domestic constraints. In this way, it establishes the ‘moral economy’ of the DDA, linking its free trade objectives to legitimising ‘pro-poor’ objectives. In reality, however, many developing countries, including many LDCs, are highly integrated into the trade system already – notwithstanding AfT and the DDA. Sub-Saharan Africa as a whole has a higher trade-to-GDP ratio than the US and the EU, and the same as that of Japan.[3] More importantly, the way in which the moralised discourse surrounding AfT identifies the lack of benefits developing countries accrue, despite this trade integration, as being due to domestic infrastructural and trade capacity constraints serves to divert attention from other factors, for example the WTO’s flawed negotiating rules. WTO negotiations are highly exclusionary, with the most important negotiations taking place between a select group of the most powerful countries (see, for example, Jawara and Kwa 2004). Though AfT supposedly plays an important role in increasing the capacity of many poor countries to formulate trade policy and to redress supply-side constraints, this will do little to help them in bringing about more favourable WTO agreements when they are excluded from the core negotiating forums.

Second, though AfT again has a role to play in technical training, providing assistance to developing countries to implement their WTO obligations is of questionable benefit when those obligations are frequently inappropriate and deleterious to their development. For example, for many countries TRIPs (Trade Related Aspects of Intellectual Property Rights) imposes levels of intellectual property protection that are inappropriate to their levels of development (Wade 2003) and fail to reflect their intellectual property priorities (Finger and Schuler 2000). Similarly, TRIMs (Trade Related Investment Measures) cuts out the opportunities to use key elements of the investment strategies used by, among others, the Asian tigers, such as requirements on foreign direct investment (FDI) for local content, exports and technology sharing (Rodrik 2004: 32-35; Wade 2003). Assisting developing countries to understand and implement the obligations of such agreements does nothing to address the inequities of the rules themselves.

This section has demonstrated how the AfT agenda within the WTO emerged at a particular moment to serve particular political needs, and that AfT has always been intimately bound with the DDA and generating forward momentum in the negotiations. In

[3]. Authors’ calculations, using data from IMF Direction of Trade Statistics, IMF World Economic Outlook and WTO Trade Profiles.

this sense, AfT has been a means of the rich countries leveraging continued buy-in to the WTO-based liberalisation agenda, promising to deliver greater gains from trade to those marginalised by the current system. And yet, as shown in the above analysis, there are major dangers for developing countries in acquiescing to this exchange. The AfT agenda emerges as a fig leaf, a cheap gift from the powerful to obtain the compliance of the marginalised whilst distracting attention from the wider economic and political structures that perpetuate their marginalisation, all dressed in the discourse of development.

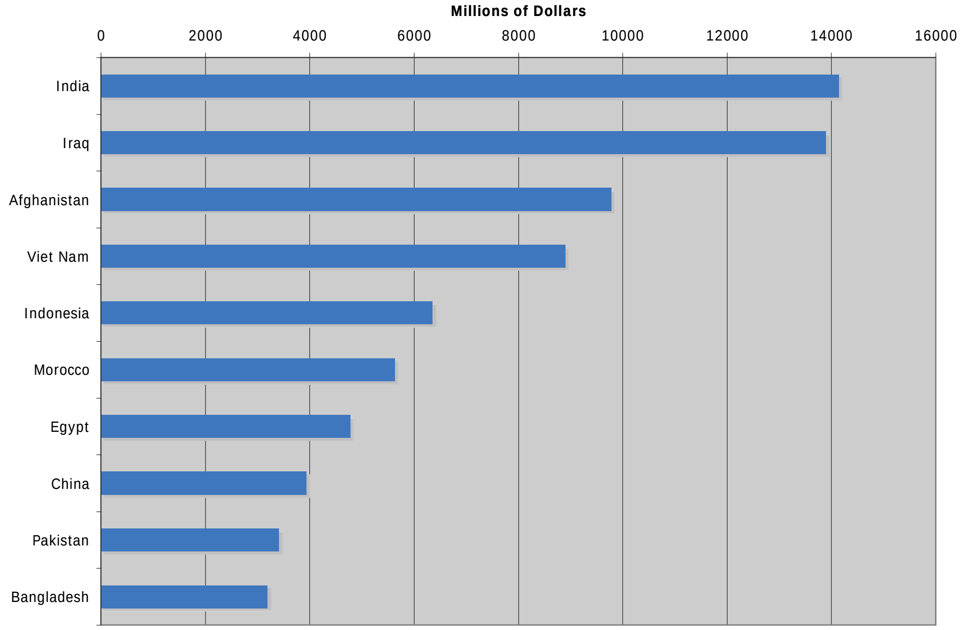
AfT distribution

AfT, like other aid, is presented by donors as being altruistic, motivated by a desire to tackle the problems of global poverty and assist developing countries in making use of the global trade system. Developing countries within the WTO have consistently demanded that AfT should not be conditional, and should not be linked to progress in the DDA negotiations. They are likely to find it extremely difficult to achieve these aims. As Stephen Browne (2006: 100) notes about US aid (though it applies also to other major donors), 'Influence is the quintessence of US aid... More US aid would mean added reach and influence, driven by motives that are at least as much commercial, geopolitical and security-related, as they are developmental'.

Much has been pledged, and much is made of the large increases in resources going into AfT (see for example, WTO and OECD 2009). It is unclear exactly how much of this is aid that was scheduled by donors anyway, but which is now packaged as being 'for trade', since it falls within the relevant sections of the OECD's aid categories. The second report by the WTO and OECD (2009: 13) claims that the rise in reported aid has been additional, rather than a redisbursement of other aid. Ismail (2008: 66) by contrast, citing OECD (2006), argues that it is unlikely that there would be any new money going into AfT until at least 2010, as most Development Assistance Committee (DAC) members had already made commitments for their total aid levels.

Assessing the truth behind this disagreement is regrettably beyond the scope of this paper. Instead, we examine briefly the distribution of reported AfT funds and highlight some issues that it raises. Figure 1 shows the top ten AfT recipients for the period 2001-2009.

Figure 1: Top ten AfT recipient countries, 2005-2009



Source: OECD data, available from www.oecd.org.

Iraq being the top recipient is in line with the large inflows of aid over this period following the 2003 invasion. Similar reasons lie behind the high figures for Afghanistan and Pakistan. Beyond these three there are some surprising inclusions, notably those of India, Vietnam and China. None of these countries have been struggling to increase their aid flows over the last decade, achieving average (compound) annual export growth of 14, 15 and 12 percent, respectively. It is highly unlikely that AfT has played a significant part in this process. The picture that emerges is that the distribution of AfT funds is highly political, with some of the largest recipients being those that are at the forefront of the 'war on terror'. Secondly, it is poorly targeted in terms of those countries needing the greatest assistance in making use of trade opportunities. This is also the conclusion reached by Massimiliano Calì, who finds that 'trade-related needs have not been the major drivers of aid allocation' (Calì 2008: 167). In addition, based on the World Bank's procurement practices, the companies that build the infrastructure that the overwhelming bulk of AfT is targeted at are to be found in the emerging economies, particularly China and India, though also including Turkey and Vietnam (World Bank 2010: 48).

Efforts have been made by donors to increase the amount of AfT that is channelled to LDCs and other countries in greatest need, as has been the case with all forms of overseas development assistance (ODA). AfT is a component of larger ODA programmes and will face similar pressures from groups in donor countries seeking to reduce aid spending. Many donors have shown little willingness to increase aid spending, and even those that have made significant strides to do so are facing a backlash. The UK government, for instance, is facing a concerted media campaign led by *The Daily Mail* against the continuation of the previous government's move to increase aid spending to 0.7 percent of gross national income (GNI), spurred on by aid sceptics such as Dambisa Moyo (2009). Several other European countries are facing severe financial problems (Greece and Portugal being the most extreme examples), while France and Germany are having to bail them out. Conditions in the near future are not favourable for a concerted improvement in aid flows, raising doubts about whether the pledges made will be honoured.

If they *are* honoured, this will mark a break from the established pattern. Numerous targets have been set by the donors to increase aid spending. These include the pledge to increase ODA to 0.7 percent of GNI, first made in the UN General Assembly in 1970 and reaffirmed countless times since, which the most recent figures suggest continues to be missed by a wide margin, reaching only 0.32 percent of DAC countries' GNI. Several commitments were made at the 2005 Gleneagles G7 meeting, such as doubling aid to Africa. Reviewing these pledges five years later, less than half the pledged increase to Africa had been delivered and most European countries, along with Japan, were set to miss their promised overall ODA increases (Gulasan 2010; see also OECD 2011). The Brussels Programme of Action for the LDCs of 2001 set a target of 0.15-0.20 percent of GNI for the donor countries to go to LDCs in ODA (UN 2001). By 2008 this had reached 0.09 per cent up from 0.05 per cent in 1998, but was still well short of the target (UN 2011a). The latest LDC summit held in Istanbul was notably weak on ODA commitments. The Programme of Action merely stated that those countries that are giving 0.2 percent of GNI as ODA to LDCs will continue to do so, those that have reached 0.15 percent will 'undertake to reach 0.20 percent expeditiously', while all other donor countries will either achieve the target by 2015 or 'make their best efforts' to do so (UN 2011b: 37). This reflects the perilous state of many donor countries' finances, with the implication that aid budgets are likely to face a squeeze in coming years.

The point is not that the commitments are not well meant, nor that it is a simple task for states to pledge commitments and then make them happen. There is a lack of absorptive capacity in recipient states and, as noted above, powerful domestic groups that oppose the whole principle of ODA. However, it remains the case that ODA commitments are rarely met. When these commitments are purely altruistic, that is a shame. But when they are part of a larger deal – concessions to offset the costs of a trade deal – this is distinctly more problematic.

Aid for Trade and ACP-EU relations: putting 'Partnership' into EPAs

AfT, in addition to its moralising role within the DDA, has played a highly influential part in contemporary ACP-EU trade relations. AfT instruments and discourse have worked to rationalise the European Commission's pursuit of far-reaching trade liberalisation within ACP economies as an equitable 'development' enterprise in keeping with the needs of 'the poor'. Specifically, AfT mechanisms have provided a means by which the Commission presents the movement away from 'non-reciprocal', preferential trade under the expired ACP-EU Lomé Conventions (1975-2000) towards 'reciprocal' free trade under the Cotonou Agreement (2000-2020) as an opportunity for former colonies' successful integration into globalised markets. Again downplaying the extent of African states' prior 'integration' via SAPs, AfT instruments become seen as a means of bridging liberalisation with legitimising norms concerning poverty reduction and an egalitarian 'partnership' between former colonies and former colonisers.

The Commission's strategic focus on the assumed development credentials of AfT concessions historically dates to the negotiations for the Cotonou Agreement in the late 1990s. ACP countries, fearful as to the likely implications of reciprocal trade for poorer communities already adversely affected by SAPs, received assurances from European negotiators that EU contributions to PSD would ensure their successful participation in 'globalised' markets. Most prominently, the Commission's (1998) communication, *A European Strategy for Private Sector Development in ACP Countries*, made clear that valuable assistance would be directed towards resolving ACP countries' supply-side constraints and improving their trade capacity. This would further be enacted 'with a view to reducing their [ACP states'] poverty and increasing their competitiveness and participation in the world economy' (European Commission 1998: 3). Moreover, PSD assistance would allow 'second-generation' liberalisation measures, as promoted in the transition to Cotonou, to succeed:

> much progress has been achieved in liberalising [ACP countries'] markets, in removing regulatory obstacles facing private investors and adapting taxation systems in order to improve investment incentives. However, progress has been slower in identifying and achieving institutional changes helpful to private enterprise… such so-called 'second generation' reforms are inherently difficult to conceive and slow to implement. They involve a substantial element of 'capacity building' (European Commission 1998: 8).

PSD mechanisms, through ostensible support to 'capacity building', thereby downplayed ACP countries' concerns about the social impact of unsupported market opening. Notably, in the timeframe of the Cotonou Agreement, the ACP-EU Joint Parliamentary Assembly (2003) stated that

> the private sector is the main source of employment in ACP countries… by targeting this important economic sector the ACP Group and the European Union seek to fight poverty by improving income distribution and reducing social exclusion.

The Assembly continued,

> whereas trade liberalisation by itself will not lead to development of the ACP States… if such a process is not carried out taking into consideration of the specific needs and limitations of the ACP productive sector it could lead to greater social exclusion and distress.

ACP policy elites thereby participated in an emerging dominant moral narrative, that Europe's PSD support would make reciprocal trade work for the poorest within former colonies. Trade liberalisation, enacted under EPAs and supported by PSD aid, would be an opportunity, rather than a threat, to emerging ACP economies.

Significantly, PSD mechanisms soon became merged within broader AfT pledges as the Commission updated its policy communications in light of the 2005 WTO Hong Kong Ministerial. EU PSD support to ACP countries undertaking 'reciprocal' trade reforms became articulated in relation to wider AfT measures, including support to ACP trade ministries, the construction of 'enabling' infrastructure, as well as the provision of educational meetings (relating to the likely impact of EPAs) for ACP civil society and private sector personnel. This emergent EU AfT discourse was firmly put forward by the Commission (2007: 2) in its *Contribution to an EU Aid for Trade Strategy*, in which it was made clear that AfT support would be concerned with assisting ACP countries vis-à-vis their participation in 'reciprocal' trade reform:

> Aid for Trade can help developing countries to take advantage of new market access by assisting them with the implementation of new [reciprocal] trade rules; strengthening their supply side capacity; and, where necessary, helping them to deal with adjustment challenges resulting from a changing external trade environment.

Interestingly, the Commission insisted that 'the delivery of Aid for Trade should not be conditional upon the speed of progress in trade negotiations'. Nevertheless, it simultaneously emphasised that 'benefits from Aid for Trade… can be expected to increase if the negotiation agendas are concluded successfully'. ACP officials were thus left in little doubt that AfT measures were seen as a vital complement to Economic Partnership Agreement (EPA) negotiations, ostensibly providing the material support to make reciprocal trade agreements amenable to the needs of 'the poor'.

AfT discourse, accordingly, imbued legitimating norms concerning poverty reduction, the prevention of 'social distress' or 'social exclusion', as well as balanced trade negotiations. In this manner, the moral economy of ACP-EU trade ties was reupholstered, reassuring ACP governments as to concerns vis-à-vis EPAs, as well as European publics and policy elites as to their equitable treatment of less privileged states in the international system. Nevertheless, there is clear evidence of a gaping 'normativity-outcomes' gap in relation to the material implications of Europe's AfT agenda for vulnerable citizens within ACP societies. Not only has AfT discourse worked to rationalise the Commission's pursuit of EPAs – trade deals that will have highly regressive consequences for poorer agricultural producers and nascent manufacturing industries – but the material operation of AfT instruments has not largely produced 'pro-poor' outcomes, quite the contrary.[4]

At first sight, Europe's contributions to AfT would appear robust and capable of reducing poverty on a wide scale in former colonies. The Commission has pledged that its AfT contributions will amount to €1 billion per year by 2010 in conjunction with an additional €1 billion per year from the European member states. This target, the Commission claims (2010: 8), was met as of 2008. Moreover, the Commission (2010: 20) states that its own AfT distributions to ACP countries combined to that of the 25 member states came to an average annual value of around €1.85 billion between 2001 and 2006.

When forms of ostensible AfT contributions are considered more closely, however, the development credentials of these moralised instruments come under significant doubt. A large proportion of total AfT allocations are directed towards 'infrastructural' projects, namely road-building in former colonies, often via direct government-to-government transfers (budget support). The Conference of European Directors of Roads (CEDR 2010: 31), for instance, states that the Commission spent €6.5 billion on road-building between 1995 and 2006 on 682 projects, predominantly in the ACP countries. Moreover, it estimates that €4 billion of this funding was allocated between 2000 and 2006, that is, during the lifetime of the Cotonou Agreement. It would therefore appear that much of the €1 billion per year allocated by the Commission to AfT in ACP former colonies is dominated by disbursements to road construction. Indeed, it is estimated that the Commission contributes approximately €600 million to the African transport sector per year (*The Courier* 2011).

[4] It is not within the remit of this paper to provide detailed quantitative assessment of the regressive impact of EPAs upon ACP economies. Analysis of the likely negative impact of EPAs – in relation to import flooding upon nascent ACP industries, as well as monopolisation of lucrative services sectors by European providers – can be found within a broad, and convincing, technical literature on the regressive trade impact. This literature includes Christian Aid (2006), Milner (2006), Traidcraft (2004), Stevens and Kennan (2005), and Busse et al. (2007).

While such disbursements are presented as benevolent contributions to ‘enabling’ infrastructure, there are concerns as to the implications of such assistance for tangible poverty reduction. Notably, there are concerns that European monies to road building are merely a form of ‘boomerang-aid’ – subsidising European firms rather than eliminating poverty per se (c.f. Eurodad 2011). In Uganda, for example, where EU road-building assistance currently amounts to approximately €155 million, there have been serious complaints from both the Government of Uganda (GoU) and domestic civil society as to the creation of what President Museveni deems ‘third-world roads’ by European construction firms (Langan 2009: 437). For instance, serious complaints have been raised as to standards and project delays in relation to the Kampala Northern Bypass, a project which the Ugandan *Observer* (2008) notes has been partially designed by French firm BCEOM, undertaken by Italian construction firm Salini Constructori Spat, and ultimately reviewed by British company TRL. This highway project has been subjected to extensive delays – originally planned for opening as of November 2006, yet completed only in October 2009. Moreover, there were claims of ‘poor workmanship’ amidst ‘gullies’ and ‘cracks’ apparently emerging on sections of the construction prior to opening, flaws due in part to the alleged usage of sub-standard construction materials (*Observer* 2008). Thus, while European firms received a significant proportion of allocated ‘AfT’ road-building monies in this Ugandan case, the material outcomes of the project for poorer producers and workers remain in significant doubt. Furthermore, the rationale of EU budget support to ‘enabling’ infrastructure is itself called into question, given that projects self-financed by the GoU have more successful records. As *African Executive* (2008) explains:

> According to [the Ugandan] Ministry of Finance records, road funds committed to Uganda by multilateral agencies exceed US$1.2 billion (about UG Shs2.2 trillion) compared to approximately US$350m (about UG Shs630 billion) the E.U has spent in the sector over the last five years. According to Dan Alinange, spokesman of the Road Agency Formation Unit, roads paid for by the Ugandan government are completed much faster, normally in just two years. When outside donors fund a road project, … money is lost to… contractors and government officials. But when the country pays for a road, officials often work under political pressure, which speeds up the process.

Moreover, when the geographies of EU-funded road construction projects are considered, it becomes clear that ‘the EU operates with an air of commercial interests’ (Fiott 2010: 10). Indeed, in Kenya road building is concentrated in rural areas, connecting agricultural producers to the ports – and hence securing around €596 million worth of food imports emanating from Kenya to European consumers per annum (*ibid*)

Furthermore, one of the major institutions entrusted with fulfilling the EU's AfT mandate in Africa, the European Investment Bank (EIB), has been regularly criticised for supporting private sector initiatives that have dubious outcomes for pro-poor development, undermining both social and environmental wellbeing in Africa through its commercially motivated interventions. Notably, its concentration of resources in mining projects in ACP countries such as Zambia and the Democratic Republic of the Congo (DRC) have been seen to support large-scale extractive activities based on the needs of European energy consumers, while exploiting vulnerable ACP citizens, in terms of both low wages and poor labour standards, as well as the longer-term impacts of pollution and environmental degradation. EIB loans of around €100 million to private sector operations in the Tenke Fungurume Mine in the DRC, for example, have been seen to transgress nominal norms concerning poverty reduction in former colonies. Indeed, mining operations in the area have led to hardship for both residents and poorer workers. As Counter Balance, a coalition of concerned non-governmental organisations (NGOs), explains:

> People have been displaced without being resettled. They have had to live under tents for months until deciding to leave the area. The wages for workers in the mine are very low, overtime is not paid, and most workers are not declared to the administration. Some social projects have been implemented – including renovation of schools and wells, but these are token and inadequate (Counter Balance 2010: 10).

Such concerns about the mine and its impact on poorer workers have been reinforced by the Congolese organisation 'Action Against Impunity for Human Rights', whose Director states that:

> Thousands [of mine workers] do not have any rights, they have terrible working conditions and they go into mines without any protection... They are without any healthcare when they are injured. And they are not allowed to set up a trade union... problems of poverty should be at the heart of any [European] investment. Is this project really contributing to alleviating poverty? ... Is it really a development project? The [European Investment] bank should say if the project is really useful (quoted in *IPS* 2008).

Accordingly, there is much scepticism surrounding the role of the EIB in promoting 'pro-poor' AfT. Indeed, much of the EIB's interventions appear to subsidise the commercial operations of European mining firms, while also increasing its own EIB resources through 'revolving funds', that is that the EIB itself seeks profitable interests on the loans that it provides in African infrastructure projects. Smaller stakeholders, such as local residents forced off agricultural lands, or workers paid

low wages in poor working conditions, do not appear to benefit as per the normative parameters of the operating ‘moral economy’ of ACP-EU trade ties.
Meanwhile, whilst vast resources are channelled towards developmentally dubious mining operations or costly road-building projects carried out by (predominantly) European firms, there appears to be a dearth of EU AfT resources available for small and medium-sized enterprises (SMEs) run by ACP citizens. Whereas the EIB investment fund (IF) enjoys funds of over €2 billion for large-scale investments, more modest institutions such as the ACP-EU Centre for the Development of Enterprise (CDE) – originally established to improve the competitive muscle of ACP industry under the Lomé Conventions – made do with only €90 million during the timeframe of the ninth European Development Fund (EDF) from 2000-2007 (Langan 2009: 423). This is despite the fact that the CDEpredominantly disburses to smaller ACP firms, rather than to multinational contractors, as per EIB operations.

Sadly, however, even in the case of the limited CDE interventions that are currently underway, there are still considerable grounds to doubt whether EU AfT assistance to ACP SMEs is genuinely delivering ‘pro-poor’ outcomes. Notably, much of CDE disbursements appear to be aimed towards textiles manufacturing operations within export processing zones (EPZs) – with dubious consequences for poorer workers often labouring in intensive factory conditions for low wages. A recent CDE (2010) newsletter, for example, lauds the Centre’s funding of a consultation on the potential opportunities of European markets for Haitian textile producers. The CDE explains that Europe’s trade relationship with Haiti, and with the Caribbean Community (CARICOM) countries more generally, opens up the potential for lucrative contracts between European distributors and ACP manufacturers. However, the ‘development’ credentials of enhancing links between textile manufacturers operating in EPZs and the European market are questionable if labourers do not enjoy a fair share of the resulting economic gains. Indeed, the International Labour Rights Forum, in co-operation with similar NGOs, raises serious concerns surrounding the treatment of vulnerable workers within the Haitian textiles industry:

Haiti’s factory workers are victims of very low pay and tough conditions, forced to work extremely long days so that employers are able to skirt laws that would require higher compensation. One garment worker reported that she makes 125 gourdes ($3.15 USD) a day, which is the Haitian minimum wage for piece-rate workers. After tax, her take-home is approximately $14.75 a week. With a day’s pay she can buy a cupful of rice, transport via group taxi, and pay down debt on her now-destroyed apartment [destroyed during the recent Haitian earthquake]. In October 2010 this wage was nominally raised to 150 gourdes a day, but still remains considerably below the national minimum wage because private enterprises successfully lobbied the government (Labour Is Not a Commodity 2011).

The logic of CDE interventions in favour of enhanced trade linkages in the liberalised Haitian textiles sector therefore appears to bolster European distributors in their desire to diversify sourcing locations rather than to enhance an industry capable of achieving an 'equitable distribution of the fruits of growth', as per the ostensible norms of the ACP-EU Cotonou Agreement (Langan 2009). As the CDE (2010) itself admits, its sponsorship of a consultation on Haitian-EU textiles linkages aims in no small part to aid

> the major European distributors...[who] seek more and more partner producers, able to ensure competiveness in terms of prices and quality of goods and services throughout the entire range of production and logistical functions.

Unfortunately, this is not likely to represent a 'development' gain for exploited workers.

Consequently, the role of EU AfT mechanisms in delivering 'pro-poor' outcomes in ACP states within 'reciprocal' trade structures is cast into significant doubt. Whilst the Commission's AfT discourse works to cement egalitarian visions of free trade regimes working for the benefit of poorer ACP citizens, 'integrating' them into global markets, nevertheless, the tangible implications of AfT interventions appear to do more to lock in poverty than to liberate poorer individuals from social and economic underprivilege. Road building consumes the bulk of AfT funding, the contracts for which are directed primarily towards EU firms, despite evidence of poor workmanship. Billions of euros disbursed via the EIB are channelled to private sector activities, notably mining operations, whose outcomes in terms of wages, labour standards, and environmental sustainability again cast much doubt on 'pro-poor' AfT objectives. Meanwhile, even institutions such as the CDE, founded in order to serve SMEs, favour the channelling of AfT resources into sectors that may be strategic in terms of European consumers and firms, yet that do not appear to liberate ACP workers from poverty. Subsequently, AfT discourse would appear not only to buttress regressive EPA negotiations, but also to subsidise developmentally questionable commercial linkages between European firms and ACP countries under the ostensible goals of poverty eradication. A gaping normativity-outcomes gap thus becomes apparent within the moral economy of Africa-EU ties in the Cotonou Agreement.

Conclusion

This paper has considered the strategic functions of AfT mechanisms and their associated discourse in propelling forward regressive forms of North-South trade linkages in the post-Washington Consensus. Through the dissemination of AfT narratives, donors have promoted egalitarian images of 'second-generation' market-opening working to the advantage of poorer citizens and countries in the global South. Apparently recognising the limitations of past liberalisation agendas under SAPs and within the GATT, contemporary liberalisation negotiations are presented as 'pro-poor' owing to donor AfT support to trade capacity building and the redress of supply-side constraints in developing economies. Accordingly, through AfT interventions, poorer countries will be able to make 'globalisation' work for 'the poor' and to enable a more level playing field into global trade between developed and developing 'partners'.

However, through assessing the role of AfT mechanisms in the case of both WTO DDA negotiations as well as within contemporary ACP-EU relations, the paper has pointed to the emergent normativity-outcomes gap between AfT discourse and its tangible implications for 'the poor'. Taking a moral political economy perspective, it has recognised the strategic significance and functions of AfT narratives in embedding legitimising norms within asymmetric North-South trade arrangements. Thereafter, it has examined how professed norms regarding poverty reduction and egalitarian partnership have been materially overridden by the commercial and geopolitical interests of the donor community and their associated corporate stakeholders. Notably, in the case of the DDA, the paper has assessed the means by which AfT discourse worked to dissipate developing countries' fears as to the impact of liberalisation and to circumvent the refusal of the EU and US to liberalise their own markets in agricultural commodities. Commitments of AfT enabled the Doha Round to be presented as an equitable forum for the achievement of 'win-win' trade liberalisation and as a 'development' enterprise conducive to improving the position of developing states in globalised markets. However, when set against the regressive effects of premature or ill-planned liberalisation, there appears to be a gaping normativity-outcomes gap with regards to WTO AfT agendas. Poverty eradication does not seem to be forthcoming; on the contrary, unjust trade regimes are solidified through nominal support to trade capacity building – support which is not forthcoming on a scale necessary for genuine pro-poor relief.

Similarly, in the case of ACP-EU negotiations for bilateral EPAs, AfT discourse has played a crucial part in presenting the shift from non-reciprocal to 'reciprocal' trade as a beneficial shift towards a more balanced relationship between the EU and former colonies. Claiming to address ACP countries' concerns as to their competitiveness within liberalised conditions, AfT instruments are utilised as a means of reupholstering the moral economy of ACP-EU relations and of promoting pro-poor images of the Cotonou Agreement. Nevertheless, when the disbursement of the lion’s share of EU AfT monies is considered in relation to badly implemented road-building projects, mining operations and the activities of the CDE vis-à-vis low-wage textiles sectors, the development credentials of AfT measures are once more cast into significant doubt. Rather than creating the conditions for genuine economic and social advancement in ACP former colonies, EU AfT measures appear to rationalise disadvantageous EPAs, while subsiding European corporate activities that have adverse consequences for poorer workers and local communities. EU contributions to AfT do not therefore appear to be an altruistic concession to a more level playing field, but rather to lock in conditions of poverty and to amplify ACP countries’ unequal status in their economic relations with the EU.

Overall, this paper has utilised a moral political economy framework to illustrate the normative functions of AfT mechanisms and discourse in limiting avenues for developing countries’ attainment of pro-poor economic growth. Rather than redress inequalities in North-South trade linkages, AfT frameworks rationalise the pursuit of second-generation liberalisation measures – the completion of which will jeopardise the standing of weaker manufacturers and poor workers in developing states. Moreover, AfT instruments are all too often captured by corporate interests, failing to deliver poverty reduction or economic development. Accordingly, it is necessary for policy-makers within both developed states and developing countries to become more reflective as to the dual strategic purposes of AfT instruments. Attention to the disjunctures between the normative role of AfT discourse and the tangible implications of AfT frameworks within asymmetric free trade regimes may help to re-open policy imaginations to alternative economic strategies.

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