Brazilian Journal of African Studies
e-ISSN 2448-3923 | ISSN 2448-3923 | v.2, n.3 | p.10-35 | Jan./Jun. 2017

BREXIT, THE EU AND STRATEGIC UNCERTAINTIES: SHORT, MEDIUM AND LONG TERM IMPLICATIONS FOR SUB-SAHARAN AFRICA

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The European Union (EU) has been a fundamental actor in the economic and political relations with the African countries. EU's foreign policy towards Africa has been particularly affected by French and British colonial past. The history of the economic relations between the European Economic Community (EEC) and the African continent has been shaped by a series of multilateral agreements – the Yaoundé Conventions, adopted under French influence, and the Lomé Conventions, starting on 1975 –, and, with the entry of the UK in the EEC (1973), the community had to renegotiate the ancient commercial agreements to incorporate the former British territories as "beneficiaries" of these agreements.

On 2000, a new agreement was signed, the Cotonou Agreement, which should be seen as a step forward towards the adoption of the Economic Partnership Agreements (EPA), negotiations that should have been concluded in 2007. This kind of fourth generation or free trade agreement generated distress among African countries, because of the impact of these regulations to national economies. By the time of signing the agreements, the Europeans did not have what they initially wanted; they just had isolated agreements with a handful of African countries. It required seven more years of EU pressure to widen the existing agreements to the level of sub regional blocs and other African entities – some of them created just for that goal, violating their own sub regional economic organizations.

From the standpoint of political relations, from 2000 onwards the EU has established the summit EU-AU, which, not by accident, coincided with the same periods that the Europeans aimed to renegotiate these free

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trade agreements: 2000, 2007, 2010 and 2014. Nevertheless, France and the UK maintained their own maneuvering tools of foreign policy: the francophone zone and the *Commonwealth,* respectively. Both foreign policy tools had guaranteed the strengthening of the ties between Paris and London with their own post-colonial influence areas aside of the consensual foreign policy guidelines in the EU.

The seemingly inevitable departure of the UK from the European integrationist bloc will strongly redefine the basis of this juridical-institutional boundary that established, regulated, managed and controlled not only the economic relations, but also the political ones between EU and Africa. According to Cuban experts such as Eduardo Perera Gómez, PhD and professor of Philosophy and History at the University of Havana, it is still possible that the UK does not leave the EU, since the referendum is non-binding, the British institutions could block the process of getting out, and leaving the bloc could generate immensurable negative consequences.[2] Notwithstanding, this work follows the premise that the concrete separation between London and Brussels will have a series of repercussions to the Sub-Saharan zone. This is precisely the central goal here: to pursue the possible scenarios to European and British policies post-Brexit. The paper addresses a series of variables – such as policy relations, trade and economic relations, security and defense, and bilateral relations – which will be used to indicate tangential scenarios – most probable and alternatives – that will shape the new political, economic and military relations between these actors and Africa.

The British referendum of June 23, 2016, yielded a favorable balance for *Brexit* in face of the European integration system. The voting took place in a context of acute international economic crisis, as a result of the falling oil and commodity prices, the migrant crisis and a multitude of conflicts in its immediate geographical space.

Therefore, there are a number of uncertainties about the regional and international consequences for the economic and political levels and for the integration mechanism that may emerge after the materialization of the UK's departure from EU. Although Africa is not the center of the debate over how the new alliances between the EU and the UK will be articulated, it is vital for Africans to know how these relations will be (re)defined in order to clarify how they will fit into this new international context.

2 PhD. Eduardo Pereira's presentation on "Implicaciones internacionales y regionales del Brexit" seminary realized at CIPI on July 12th, 2016.

Political Definitions

Without a doubt, significant political changes and redefinitions are to be expected. There should be, for example, a reformulation of the EU's relations with the AU now without the weight of the British presence. In the same sense, there will be a re-launch of the UK's foreign policy towards the Sub-Saharan Africa (SSA) with the strengthening of the *Commonwealth* because the UK will no longer be part of the bilateral political dialogue already established between Europeans and Africans.

- The possible scenarios for the relations with the continent in the political dimension could be:
- Political relations between the EU and the AU may suffer a series of impasses, with a tendency to retreat since foreign policy priorities will not be focused on the African continent. This is evidenced in the lack of systematicity in the accomplishment of the summits of Head of State and Government.
- France is, however, in an advantageous position to push its own foreign policy and security agendas towards the African continent because of the consolidation of its role within the EU.
- London's policy towards Africa is no longer a priority due to the essential recomposition of its external relations with its strategic partners; this will also be marked by a relative loss of its political influence in the international system.
- The UK as part of the EU could have an impact on shaping policies towards Francophone countries and/or sub regions, for example, through Official Development Assistance (ODA) or civilian and military missions. The departure, however, will make it difficult to extend their political and economic influence to these areas.
- The EU could change its policy of sanctions against Zimbabwe, taking into account the British absence and the different positions that exist within the organization related to this country. The UK is isolated in its positions against the government of Robert Mugabe.

A total of 18 African nations are part of the ***Commonwealth***, a mechanism that offers a number of economic and political advantages to its member countries. In the context of the referendum, resident citizens in the UK from the Commonwealth countries were able to participate in the voting process. This is an example of the strong presence of the African Diaspora in that country. According to Alex Vines, head of the African

Program at *Chatham House* in London, the new British government will seek to reformulate and strengthen this particular mechanism.[3]

According to the IMF, this device will contribute to the world economy more than the EU itself[4] until around 2019. This is an interesting statement, but it raises more doubts than answers, since the Commonwealth's former economic space is not exclusive to the British anymore. Many of its countries – both Caribbean and African – are also linked through trade agreements to EU.

- The Commonwealth is revived and becomes the main instrument of political dialogue with its sphere of influence in the SSA, but it is still not a viable alternative to the EU.
- In medium term, the UK cannot articulate a multilateral mechanism with the AU at the level of Heads of State and Government Summits like there are with other international actors.
- Its political influence in Africa decreases considerably in favor of France.

Undoubtedly, the departure of the UK from the EU will revitalize France's position in the African continent, since it will not only have its traditional control mechanisms in the Francophone zone, but it will also have the institutional "support" that EU can offer. The UK, on the other hand, will have to redesign its foreign policy instruments to avoid losing even more influence in the African continent.

In terms of political-diplomatic relations, France continues to consolidate the bilateral mechanism of the France-Africa Summits to increase its areas of influence in the continent beyond the Francophone zones. In the same way, it maintains its presence in the solution of eventual political conflicts, mainly where its interests are in danger.

Behavior of economic variables

The impacts on the world economy will translate into greater volatility in the financial markets, in a decline in economic activity and it will affect trade relations. This scenario adds new uncertainties to the development of the world economy already in crisis.

3 *Africa faces up to Brexit vote*. Available in: http://www.dw.com/en/africa-faces-up-to-brexit-vote/a00

4 *BREXIT aftermath: How it affects Nigeria*. 26 de junio de 2016. Available in: http://sunnewsonline.com/brexit-aftermath-how-it-affects-nigeria/

One of the variables of greater uncertainty relates to energy supplies. How would the Brexit and the decline of British demand, followed by the decline of Europe demand in general, affect world hydrocarbons market prices? Will there be a redefinition of market share in the import of oil to the EU? Will it increase the effects on energy supply? When the referendum results were published, the price of oil barrel fell by 6%.

The major British oil companies – Shell (also Dutch-owned) and British Petroleum (BP) – have been hit hard by the falling of oil prices. Shell, in particular, has reduced its production in Nigeria also because of the attacks by armed groups in the Delta region. Therefore, as the oil market is influenced by financial speculation, this situation contributes to the prolonging of the non-recovery of oil prices and, consequently, to the maintenance of the economic crisis.

The main African economies, and hence the continent as a whole, have already been suffering the consequences of the global economic crisis since the collapse of hydrocarbons and commodity prices. These impacts have been evidenced by a decrease in state budgets, the devaluation of national currencies, external indebtedness and the decline in exports. The *Brexit* variable undoubtedly incorporates new elements to the general deepening of the crisis.

The analysis can be based on two levels: the impact of *Brexit* in the world economy and the consequences of the increase of British internal economic crisis. This second variable is significant, especially for several African countries, due to the strong ties between them and the 5th world economy. The economic repercussions, however, will not be the same for all African countries. The most affected will be those with a greater dependence on the British market.

There have also been impacts in the financial sector. The devaluation of the pound sterling has forced the adoption of some measures by the African central banks. This is the case of the Central Bank of Mauritania, that saw itself in a position to have to increase its reserves in gold and US dollars to reduce its exposure towards the British Pound. While in other cases, there has been a devaluation of national currencies in relation to the pound and to the euro.

Economic-commercial relations

The EU was in an advanced process of negotiation of the **Economic Partnership Agreements** (EPAs) with African regional groups. These trade treaties raise a full liberalization of trade in goods, services and investment.

Currently, this customs process should be carried in a gradual and controlled manner, in a process that is expected to end by 2022. In July 2014, the 16 states of West Africa signed the EPA of which the Economic Community of West African States (**ECOWAS**) and the West African Economic and Monetary Union (**UEMOA**) are part. Also in July 2014, negotiations were successfully concluded with the Southern African Development Community (**SADC**), and in October 2014, the Eastern African Community (**EAC**) concluded negotiations with the EU. The agreement with SADC was signed on June 10 2016, while the EAC agreement has yet to be ratified by the European Council.

On its turn, the agreement with the Central African Economic Community (**CEMAC**) raises 80% of liberalization of EU export to this sub region and the suppression of customs duties on agricultural products over a period of 15 years. The Economic Community of Central African States (**ECCAS**) has not signed the EPA, only Cameroon signed a bilateral and provisional agreement in 2009. Ali Bongo, President of the Republic of Congo, was appointed in May 2015 to negotiate the terms of the agreement between the EU and the rest of the countries of the Sub region, which should be enforced on August 4, 2016. It should be noted that the Council of the EU had promised €6.5 billion in the period between 2015 and 2020 for development projects in the EPA Development Program (EPADP) guidelines. This would be a summary update of this complex process of free trade agreements negotiations pushed by the EU towards Africa, some still being ratified by the European Council.

At the level of economic and trade relations, the regulatory framework of the EPAs is one of the most controversial issues in the new European context after Brexit, which raises questions about its legal framework. Within the EU, the UK is the main trading partner of several African countries and this trend should not disappear. Immediately, there will be no change in economic-trade relations because there is still a margin of at least two years to define how relations between the EU and Great Britain will be reestablished. Therefore, the same trade regulations continue to operate.

Now, what will be the regulatory framework that will define the UK's specific economic relations with the ACP countries, in particular the African ones, when the UK's departure from the EU becomes official? Undoubtedly, the EU will continue to lead the process of EPA's negotiation and implementation with each one of the African sub regions, putting the British in a disadvantageous position in the African market. The EU should not renegotiate new EPA's agreements due to the complexity and the delay of the process, which has been signed with the EU and the sub regional blocs (with African reluctance), since these agreements have not been materialized yet. It is therefore unlikely that the EU will renegotiate such free trade agreements to avoid prejudice for the UK.

This will also vary according to the model of the UK's future relationship with the EU. One of the variants handled is linked to the *European Free Trade Area* (EFTA), which includes European non-EU member states and thus maintain the same prerogatives. In this way, London would maintain access to the European market. Once advanced in this sense, the economic ties between Africa, the EU and the UK will be reconstituted. Unquestionably, however, the economic value of Africa within the EU will notably decrease.

Several outputs can be noted regarding the economic-trade relations:

- According to the Institute for Economic Affairs, the UK maintains its obligations under the free trade agreements it has signed as an EU member state, even after Brexit.
- Long-term renegotiation of EPAs will occur.
- UK is excluded from EPAs.
- Several African countries that have not ratified EPAs bilaterally won't sign it. In a general sense, these free trade agreements are being questioned.
- There is a decline in British economic presence in Africa as a result of the internal crisis. The impossibility of increasing their levels of investment and imports is used by other international players with a strong presence in the continent to expand their areas of influence.[5]
- This does not mean that the UK will not be a major player in economic and trade matters for those African countries where its presence has been historic.
- The EU strengthens its economic-trade relations with African countries, especially in the French market, where it is consolidate as the main destination of African exports.

Although the framework of "new" economic-trade relations between the UK and African countries will continue to be based on free trade, the deepening antagonism with the EU and the competition for market shares would give some advantages to African economies because

5 There is a wide variety of extracontinental actors with interests in African continent: traditional ones such as the United States, China and Japan - the situation in France will be broadened - as well as new actors or "emerging" ones such as India, Brazil, Turkey, Israel and Russia.

they can choose between the "best" buyers. One sector that may benefit from these antagonisms may be the agriculture sector, because the EU advocated subsidy policies for its agricultural producers in prejudice to African producers, while the UK was opposed to it[6]. Another contradictory element may be reflected in the tariff policies adopted by the British government, especially if they are more "beneficial" than the current customs policy established by the EU.

One could experience the repetition of a similar scenario to that of the 1960s, when Britain's entry into the EEC had been blocked due to the country's economic decline and the decline in trade between Great Britain and the Commonwealth, in favor of economic and trade ties with the successful CEE[7]. This historical background would reaffirm the tendency that the departure of the UK from the EU will mean the decline of its economic-trade relations with the African countries in favor of – more institutionalized – relations with its neighboring European countries.

Foreign investment

In recent years, there has been a downward trend that shows that Africa has not attracted large flows of foreign direct investment, especially since the outbreak of the 2008 crisis. In this new context, a rebound is not to be expected. This trend of European investment is the opposite to that shown by the Chinese capital:

- African countries will have less access to foreign capital from Europe and especially from the UK. This will have effects on infrastructural development programs driven by European capital.
- The devaluation of the pound sterling has meant a reduction in the foreign direct investment value and also reduced the amount of international reserves of some African countries.

Migration

The migration issue has been a key aspect of the EU-AU relationship, especially in the current context of the refugee crisis that is taking place

6 The British were opposed to EU agricultural subsidy policies (Common Agricultural Policy, CAP) because they were not an agricultural country and therefore they did not have to pay for these costs.

7 Fernando Montoya Cerio. *El Brexit, ficción o realidad: impacto sobre la PCSD de la UE*. Instituto Español de Estudios Estratégicos, 64bis/2016, July 24th 2016. p. 3. Available in: http://www.ieee.es/Galerias/fichero/docs_opinion/2016/DIEEEO64bis-2016_Brexit_MontoyaCerio.pdf

around the European borders, and for which the current solution – besides the military one in the Mediterranean Sea – has been the relocation of illegal migrants between EU members according to different quotas. This means that once the departure of the UK is approved, it will generate difficulties to "resettle" the illegal immigrants who arrive at their borders using an EU member (mainly from France) as a way of arrival. This situation creates a legal problem regarding how this procedure is to be carried out, since they will have to be returned to their countries of origin or to a third country outside the EU.

- The EU countries continue to be affected by the refugee crisis around their borders, and the expulsion of migrants in irregular conditions is now a consolidate measure that is being undertaken.
- Britain's anti-immigrant stances are in the context of a much stricter new immigration policy against illegal immigration of sub-Saharan nationals across Europe.

The remittances are one of the sources of income for African countries as a result of the Diaspora that is essentially embedded in EU labor markets. The fall in the value of the pound sterling, which reached its lowest point since 1985 in comparison to the dollar, has been an immediate consequence of the failure of the "*remain*". This situation, more than the implications in international financial markets, in the most direct way has meant the reduction of purchasing power and therefore of the reduction of remittances from the UK in terms of absolute value.

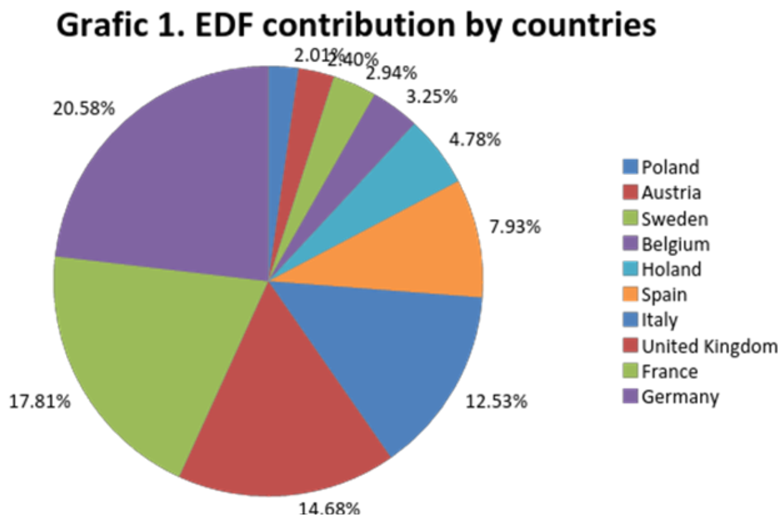
- The trend towards the reduction of remittances from the European countries and the UK is maintained due to the economic crisis and the devaluation of both the pound sterling and the euro.

Official Development Aid

The UK is one of the main contributors to the EU general budget in this section, contributing 14.68% to the European Development Fund (EDF). The loss of this financing will mean a redistribution of the quota taken by each country, increasing the weight over Germany and France, countries that together with Italy, contribute 20.58%, 17.81% and 12.53%, respectively.

Now, given the context of economic crisis presented by several countries in the bloc, the most likely will be a significant reduction of the entire EU budget. This contraction will in turn result in a further cut in the EDF, much of which is used to drive development programs in African countries, that have been traditionally limited and with a high political conditionality: respect for human rights, multiparty and free elections, human rights, among other issues that have always been political tools of pressure and internal interference[8].

Graphic 1: EDF contribuion by countries



- EU funding is reduced, and hence the amounts destined to EDF, which will lead to greater political conditionalities for accessing them.
- The new conservative government in London makes further cuts to Africa's Official Development Assistance (ODA).
- This will mean greater funding problems for AU and its organizations and agencies, which depend on external financing.
- Much of the socioeconomic programs and donations to African institutions and agencies – AU and RECs – will be paralyzed or eliminated.

Influence on economic and political integration processes in SSA

8 *Le Brexit: Quelles conséquences pour l'Afrique?* Available in: http://www.brookings.edu/blogs/africa-in-focus/posts/2016/06/23-le-brexit-consequences-pour-lafrique-sy-sow

Although the African sub regional economic and political organizations for integration emerged inspired in part on the European integration process, Brexit will not mean a challenge to the integration in Africa. Pan-Africanism is strongly supported by the African Union and this strengthening integration is indicated in its long-term strategy called *Agenda 2063*.

- Brexit has given rise to a new secessionist feeling in several parts of SSA, but that does not transcend the level of political declarations.
- The AU, to further promote the integrationist cause in the African continent uses the EU's "institutional fragmentation" process as a strengthening mechanism.
- It is absolutely unlikely that any African country plan its "separation" from the African Union.

The economic position of France in SSA post-Brexit may present as follows:

- In the economic sphere and above all due to the effective implementation of the EPAs, France increases its trade with the countries of its traditional influence zone.
- Bilaterally, Paris increases its foreign investments in the subcontinent due to the greater guarantees for its companies within the framework of the EPAs. While the amount of ODA directed through the European Development Fund decreases.
- France has guaranteed the African markets and, in this sense, the dependence of those countries on the EU market, specifically the French one. This is especially true for Francophone countries.
- The CFA franc remains a financial instrument by France to control the monetary policies and economies of the countries within its area of influence in West and Central Africa.
- The French transnational companies continue to be present in wide sectors of the African economy controlling banking, finance, transport and telecommunications, mainly in francophone countries.

Security and defense dimension

One of the most controversial aspects within the EU has been the adoption of a Common Security and Defense Policy (CSDP) that responds to the interests of its 28 member states. This mechanism has had cohesion problems due to the different interests in foreign security and defense policies between Great Britain, France, Germany and Spain – the rest of the member states lack a proactive foreign policy towards Africa. The implementation of the "*leave*" may benefit a better coordination in terms of security and defense between France and Germany, but at the same time the reduction of the general budget or the reluctance to a greater contribution of the other states, will affect military and civilian missions that the EU already has on African soil.

The Britain military presence in Africa and in military/civilian EU missions

While the UK did not retain a large and strong military presence in Africa – as the French did –, its armed forces have been present in several conflict scenarios in Africa either by providing troops or logistical support, bilaterally or multilaterally.

In a historical perspective, the British spearheaded military intervention for the "warfare" against piracy in the Aden Golf since 2008. At the same time, supported the EU missions to: the Democratic Republic of Congo (2003, 2006), Chad (2008, 2009), and to Central African Republic (2014, 2015). In addition, the Britain secret service has been operating in alliance with the CIA, for example in the warfare against terrorism. The last example was in Nigeria following the massive kidnappings of Boko Haram. They have also been active in EU civilian operations.

In comparison with France, the Britain military presence is limited, although they have deployed bilaterally several military units in Sierra Leone and in Kenya, as well as a small group of military personnel in South Africa for advising on peace maintenance operations. The British Army is active through the *British Peace Support Team* (BPST) and the *British Army Training Unit Kenya* (BATUK), both in Kenya, and the *International Military Assistance Training Team* (IMATT), in Sierra Leone. The missions in Kenya are focused on military assistance to the armed forces, logistical support, clearing of minefields and training of Kenyan military personnel through joint military exercises. In the case of Sierra Leone, its actions focus on the development of the national armed forces[9].

The following table shows the approximate number of troops deployed by the EU in only 10 missions in Africa (according to data from the EU General Staff) and how much of these personnel are British. Fernando

9 British Army. *The British Army in Africa*.Available in: http://www.army.mod.uk/operations-deployments/22724.aspx

Montoya Cerio, of the Spanish Institute for Strategic Studies, argues that the effects of the British withdrawal will not be very strong because of the insignificance of their numbers, but in fact it is not only the troops but also the logistics and the financing issues in these missions that matter.

Table 1. Great Britain's contribution to EU missions in Africa[10]

	Mission	Period	Military/ Civil	Effective	UK Contribution
1	EUNAFVOR ATALANTA	Somalia since 2008	M	545	64
2	EUTM SOMALIA	2010	M	185	4
3	EUCAP NESTOR (Africa Horn)	Djibouti, Somalia, Seychelles and Tanzania since 2012	C	43	7
4	EUSEC RDC	Since 2005	C	10	1
5	EUCAP SAHEL NIGER	2012	C	50	1
6	EUTM MALI	2013	M	561	30
7	EUCAM RCA	Central African Republic 2015	M	70+5	0
8	EUCAP SAHEL MALI	2014	C	73	2
9	EUBAM LIBIA	2013	C	2	0
10	EUNAFVOR MEd-op SOPHIA	Mediterranean 2015	M	1341	80
Total	**10**			**2885**	**189**

Another element to be taken into account will be security and defense expenditure. Although these are not part of the EU's general budget, it is agreed that the most contributors with budget are almost the same as the main quotas in this sector. In this sense, the highest percentages in defense items are only five of the EU 28 states, representing more than 70% of this budget: Germany (21.5%), UK (17.6%), France (15.4%), Italy (11.2%) and Spain (7.7%).

Fernando Montoya Cerio states that the cost of leaving the UK, considering 17.6% of the defense budget "would be a minimal amount,"

10 Self elaboration with data offer by Fernando Montoya Cerio. Ob. cit., p. 12 and 13.

[11]which would easily assume that the rest of the EU countries could safely take over the British amount. Only the UK represents the budget of almost 15 EU countries. When we make an analysis of how much each of the countries contribute, we would have that the total of the first group only represents 1.8%, while the whole second group represents 18.8% therefore in any case, these countries would be forced to almost double their contribution, which is not likely.

At the first EU summit following the outcome of Brexit, the High Representative for Common Foreign and Security Policy, Federica Mogherini, began to call on European governments to advance in defense cooperation and to contribute more to guarantee collective security in the new global strategy for the EU's foreign and security policy.

In accordance to its diplomatic statements in the last years, Great Britain had blocked a greater cooperation in defense rejecting any idea of creating a European Army, joint military capacities, or the creation of an EU barracks, trying to avoid the duplication with NATO[12]. These initiatives can move forward in a new framework of security policy.

Table 2. Contribution of member states to security expenditure[13]

Countries with less than 0,5%	**Subtotal**	**% total**
Bulgaria, Cyprus, Estonia, Croatia, Malta, Latvia, Lithuania, Luxembourg, Slovenia, Slovakia	10	1.8
Countries with less than 3%	**Subtotal**	**% total**
Austria, Greece, Belgium, Portugal, Czech Republic, Romania, Sweden, Finland, Ireland, Poland, Hungary	11	18,8%
Countries with 4%	**Subtotal**	**% total**
Netherlands	1	4%
Total	**22**	**20.64%**

According to researcher Daniel Keohane of the Center for Security Studies at ETH Zürich, the departure of the UK would make European cooperation in security much more difficult to reach since it can only work

11 Fernando Montoya Cerio. Ob. cit., p. 17

12 *Mogherini pide a los países de la UE más cooperación en defensa en una nueva estrategia global de seguridad*. BRUSELAS, EUROPA PRESS, June 28th, 2016. Available in: https://es.noticias.yahoo.com/mogherini-pide-pa%C33n-defensa-estrategia-global-151502808.html

13 Denmark does not contribute with defense expenses. Table: Self elaboration with data offered by Fernando Montoya Cerio. Ob. cit., p. 16 y 17.

based on an agreement between Berlin, London and Paris[14]. However, this level of coordination did not always exist and, with the absence of London, the rest of the actors could agree much faster. The researcher calls attention to the role of the UK through the EU's "most successful military mission"[15]: the anti-piracy operation in Somalia. It highlights this example to indicate that perhaps the Britain withdrawal will introduce elements of inefficiency in EU missions.

Possible scenarios for the EU, the UK and France in security and defense are:

- With the *Britain exit*, there is a cessation of both military and civilian presence of the UK in the EU missions on Africa. In accordance with a professor of international relations at the University of Nottingham, it will mean a loss of international status for UK and would be "devastating" for its diplomacy[16].
- The British withdrawal does not necessarily mean the cessation of its military and security relations with the EU, nor the withdrawal of its troops from African soil. Because in fact, there is a background policy dating back to the 1990s called the *P3 Initiative*, which suggest a principle of "shared responsibilities" between the US, France and the UK in common "threats", which currently are terrorism and migration. In fact, both Berlin, Paris and London have agreed to increase military budgets to face these issues in Africa and the Middle East.
- France succeeds in achieving greater participation of the EU in peacekeeping missions in Africa, in terms of financial, logistical and personnel, specifically by some countries of the bloc, such as Germany and Spain. There are strong contradictions between member states about the increase of the contribution to the defense budget.
- There is a significant reduction in defense budgets, which will have repercussions on further military deployment of EU missions in Africa and will mean further financial cuts to AU missions[17].

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14 Daniel Keohane. *European Defense and Brexit: A Tale of Three Cities*. March 1st, 2016. Available in: http://carnegieeurope.eu/strategiceurope/?fa=62922

15Idem.

16 Catherine Gegout. *Brexit would be death knell for British influence in the world*. May 18th, 2016. Disponible en: http://theconversation.com/brexit-would-be-death-knell-for-british-influence-in-the-world-58890

17 In the beginning of 2016, the EU announced the reduction of 20% of the budget allocated to AU mission in Somalia (AMISOM).

- Nonetheless, the EU continues with its peacekeeping missions and civil missions in the prevention and resolution of conflict in the area, although with a serious funding restriction. It continues to limit the European approach of linking security to development, which means that security must be improved as a condition for improving the economic situation and reducing poverty.
- The EU continues to be affected by the migration crisis from Sub-Saharan Africa. It maintains the issues of migration, terrorism and other transnational crime as threats to its security. The criminalization of illegal migration and an EU's military response to narrow these flows are maintained. In this regard, Paris, Rome and Madrid are promoting a stronger agenda within the EU to curb illegal Sub-Saharan migratory flows.
- The struggle against terrorism throughout the Sahel area and the struggle against "piracy" on the shores of the Gulf of Aden continue to be prioritized as the EU's policy towards the SSA region. Around these two axes, relations between the EU and the UK are articulated.
- The EU is engaged in a reformulation of its CSDP that enables to continue to "attend" its security "priorities" in regions such as Sub-Saharan Africa. The absence of the English makes it possible to move towards a greater consensus on the CSDP.
- The financial resources that London destine to EU could be used to develop a more aggressive military policy in Africa on a bilateral basis, following its own geostrategic and security interests.
- The level of coordination between France and the UK in terms of security and defense policy towards Africa will decline considerably[18], although some cooperation will be maintained.
- Paris retains its traditional military presence in the bases deployed in Senegal, Cote d'Ivoire, Gabon, Cameroon, Chad and Djibouti. As a result of its anti-terrorism speech, France maintains its military operations in the area, such as the Operation Barkhane in the Sahel, with greater troop employment with the aim of carrying out cross-borders actions between Mauritania and Chad, at the same time as they ratify

18 Richard G. Whitman. Brexit or Bremain: what future for the UK's European diplomatic strategy? p. 527-528. Available in: http://ukandeu.ac.uk/wp-content/uploads/2016/05/International-Affairs-Brexit-or-Bremain.pdf

defense agreements with these countries and increase their role in training African soldiers.

- The UK can push for a stronger military agenda regarding Africa – signing new military collaboration agreements, engaging African troop training and increasing intelligence activities – with the aim of rescuing influence areas[19].
- The military presence of both Spain and Germany in EU missions in Africa will increase significantly.

UK as a contributor to UN missions

UK is among the first five contributors to UN peacekeeping missions, accounting for 6.68%[20]. This country still retains its seat on the Security Council, with the right to the veto and also is an important member of NATO. Regarding its performance as part of the UN missions, it emphasizes its participation in Somalia – 70 personnel of the *Force Troop Command, 1st Division and Field Army* – with the goal of overthrowing the Somali terrorist group Al Shabaab, and they also have other personnel in charge of Medical, logistics and engineering services. In addition, some 300 troops were deployed in the conflict in South Sudan[21].

- Although the British military presence in Africa is insignificant compared to the US and French troops, its exit from the EU and also the withdrawal of its troops – civilian and military – from the EU missions will not mean its exit at all of the continent. UK will remain as part of the UN missions, through NATO in correlation with the US or by bilateral defense agreements such as Kenya's.

Bilateral relations

Economic relations between the UK and SSA are not symmetrical;

19 *Íbidem,* p. 528

20 The fist place is for United States (28.38%), then there is Japan (10.83%), France (7.22%) and Germany (7.14%). After the Great Bretain, in the sixth place, there is China (6.64%), than Italy (4.45%), Russia (3.15%), Canada (2.98%) and the last one is Spain (2.97%). See: *Financing Peacekeeping*. Available in: http://www.un.org/en/peacekeeping/operations/financing.shtml

21 *British Army team in Somalia on UN peacekeeping duties*. May 2nd , 2016. Available in: http://www.bbc.com/news/uk-36183932 y Ben Riley-Smith.
David Cameron: UK troops to go to Africa to help counter extremists. New York, September 27th, 2015. Available in: http://www.telegraph.co.uk/news/11895048/David-Cameron-UK-troops-to-go-to-Africa-to-help-counter-extremists.html

they depend on the sub region, sector and country. The countries that depend the most on the UK market are Ghana, Nigeria, Kenya and South Africa – the last one is the EU's main trading partner in the African continent. However, even interdependent economies may be affected by a UK economic recession. Zimbabwe is one example of this difficult economic situation, since it depends both on South Africa and on the UK, making it doubly affected.

Ghana

Economic relations between the UK and Ghana are particularly strong. Ghana has the month of October 2016 as the deadline for the signature of EPA's agreement. In the Brexit context, it is assumed that this country can renegotiate a more beneficial agreement with the EU and a bilateral agreement with London[22] more functional to its interests.

Ghana's Foreign Minister, Hannah Tetteh said that the main effects of Brexit would be on trade, but it will not be instantaneous because the legal process of the UK exit from EU has not yet been concluded. In addition, Ghana will begin the negotiations with the UK to establish a bilateral trade agreement.[23]

Nigeria

Nigeria is the main producer and exporter of oil in the SSA. Nigerian economy has been deeply affected by the fall of oil prices and by the reduction of its production – from more than 2 million bpd to 1.4 million bpd – due to the actions of several armed groups in the Niger's Delta. This combination of factors has also produced the devaluation of the national currency – the Naira – and the reduction of state budgets. Aggravating the whole situation there is the atmosphere of uncertainty around the Brexit and its impacts on Nigerian economy.

The economic ties between Nigeria and the UK are very strong. The trade volume between the two countries was 8.52 trillion dollars in 2015 and during the same year, British investments were 1.4 billion dollars. Nigeria is the second commercial partner of the UK in Africa after South Africa, probably because of its historical colonial past. This country is also part of

22 *After Brexit EU Ambassador aims to allay Ghanaian fears*. June 28th 2016. Available in: http://pulse.com.gh/business/after-brexit-eu-ambassador-aims-to-allay-ghanaian-fears-id5202211.html

23 Ismail Akwei. *Buhari shocked by Cameron's resignation as Africa assesses Brexit impact*. July 24th , 2016. Available in: http://www.africanews.com/2016/06/24/buhari-shocked-by-cameron-s-resignation-as-africa-asseses-brexit-impact/

the *British Commonwealth*.

Forecasts indicate a significant impact of about $ 25 billion on investment and trade by 2020.[24] This will also be conditioned by a renegotiation of trade agreements.

According to Professor Bola Akinterinwa, General Director of Nigeria Institute of International Affairs (NIIA), the main impact will be on economy, while the British exit will endanger the EPA signed with the EU. He also argued that a weakening of the European economy, in a general sense, will affect the EU aid because London is one of the main supporters of these programs in Africa[25].

Related to trade flow, foreign direct investment and migration, the trends would be:

- The decline of trade.
- The reduction of British GDP will mean a contraction of its investments in development projects in Nigeria.
- Visa restrictions are expected in Nigeria within the framework of more restrictive migration policies[26].

The symbolism of the British referendum – an "example" of Western democracy that is not applicable to other regions – is an inspiration for political-armed movements seeking to "separate" from central authority. There have already been statements from the *Nigeria Delta Avengers* (NDA) group seeking the secession of the Niger Delta area from the Nigerian federal government. Of course the conditions are very different from the Brexit because, in this case, the separation of a region within a country is being considered; it is not the same as the separation from a political and economic bloc. The political repercussions are very different. In any case, the influence of Brexit and its multiple interpretations can benefit this type of local demand.

A clear allusion to the British referendum is the Indigenous People of Biafra (IPOB), group in the Nigerian Southeast region that is mostly Igbo and with an "independence" feeling on Biafra region[27], they began a

24 Brexit may affect $25bn UK investment target in Nigeria. EXX Africa Report. Available in: https://www.today.ng/news/national/145432/brexit-affect-25b-investment-target-nigeria-report

25 *BREXIT aftermath: How it affects Nigeria*. Jun 26th 2016. Available in: http://sunnewsonline.com/brexit-aftermath-how-it-affects-nigeria/

26 Jerrywright Ukwu. 7 potential impact of Brexit on Nigeria. Available in: https://www.naij.com/870440-top-7-effects-of-uks-eu-exit-on-nigerian-visa-applicants-and-investment.html

27 Between 1967 and 1970 there was the first civil war in Nigeria known as Biafra's War and that was the root of the unilateral declaration of Biafra's Independence. Despite of losing the

campaign with the slogan "Biafrexit". The Abuja government has radically refused to pay any attention to these political statements, but tensions in the area are scaling.

- Secessionist demands are increasing in the Biafra region. As a result of the government's refusal, the political tensions become more acute between the separatist partisans and the central authorities. Added to this scenario are the military actions of other groups in Niger Delta.

On June 20th, the Nigerian Central Bank introduced a more "flexible" monetary policy, increasing the binding between the naira (NGN) and the dollar in the order of NGN 197 per dollar[28] (June 17th, 2016). The Nigerian government measure of "strengthening" the Naira against the dollar has been contrary to the IMF purpose of further devaluation. This policy has been curbing the domestic impact of the economic crisis, but an additional element has now been introduced: the conjunctural devaluation of the pound sterling.

Although the government has been able to handle the situation with an intervention in financial market, protecting the national currency, the volatility of the international financial sector (following the Brexit) does not make this situation sustainable in favor of the Nigerian naira. Therefore, before the British referendum the pound sterling was NGN 281.49 and then, after the results, it devalued to NGN 414.70. And so did the dollar, that devalued from NGN 197 to a rate between 281 and 283[29] (June-July 2016). This indicates the strong devaluation of the naira.

- The Nigerian state's foreign currency reserves decreases, weakening its precarious financial situation even further.
- The government's monetary policy of strengthening the naira does not guarantee greater levels of devaluation of the national currency.

South Africa

Trade relations between South Africa and EU have been strengthened as a result of the signing of a Strategic Partnership Agreement. Europeans signed the regional EPA within the framework of the SADC. With this in

war, this separatist feeling has not been eliminated.

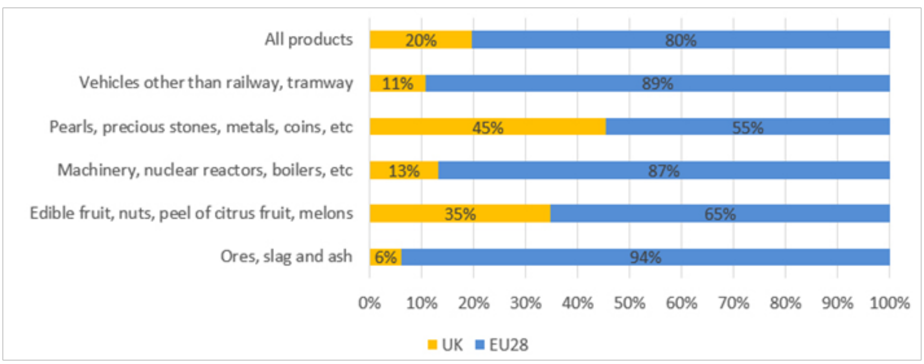
28 The naira (NGN) is divided in 100 kobos. (1 € = 220 NGN, in september 2015). Since june 2015 some measures have been taken to defend the currency devaluation.

29 Central Bank of Nigeria. *Nigerian Naira Exchange Rate*. Available in: http://www.cenbank.org/rates/ExchRateByCurrency.asp.

mind, the access to the British market has been part of all agreements signed with South Africa – as well in the Trade and Development Cooperation Agreement as in the Economic Partnership between the Southern African Customs Union members plus Mozambique. The EU institutional framework will not guarantee this access anymore.

During 2015, South Africa sent 24% of its manufacturing production to the UK, as well as 35% of its agricultural exports. The UK buys 10% of South Africa's wine exportation, as well as 10% of its citrus fruits and 21% of its grapes. The total volume of exportation was valued in 14.2 billion dollars. The tourism sector will also be affected, since 18% of the tourists who visits the country are British.

Graphic 2: South Africa's main exportation products to the EU[30]



As an example, during 2015, 80% of the whiskey consumed in South Africa came from the UK, which indicates a high level of linkage between the two economies. A total of 45.6% of the foreign direct investments received by South Africa came from this same European country.

If the UK remains in the European Economic Area or EFTA, South Africa will be benefited by the existing agreements between them. It is not likely that London establishes new bilateral trade agreements[31].

- A positive aspect for South Africa is the possible reduction of agricultural subsidies or the renegotiation of a free trade agreement with the UK[32].

30 Asmita Parshotam, Cyril Prinsloo y Elizabeth Sidiropoulos. *Would a Brexit matter for South Africa?* Available in: http://www.saiia.org.za/opinion-analysis/does-a-brexit-matter-for-south-africa

31 Dewald van Rensburg. *How Brexit may affect SA economy.* June 26th 2016. Available in: http://city-press.news24.com/Business/how-brexit-may-affect-sa-economy-20160626

32 *Five ways Brexit can impact South Africa.* News24Wire, June 29th, 2016. Available in:

According to *North West University*, in the worst scenarios of a 5% recession in the British economy and a 10% drop in its imports, South African economy would fall only 0.1%. Given the strong commercial ties between both countries, however, the real impact may not be as optimistic as anticipated.

The South African economy is the most industrialized in African continent, and it was already in recession before the Brexit was confirmed, therefore this situation will worsen the economic crisis in the country.

Financial system

The South African financial system has suffered immediately the consequences due to the continuous decline of the national currency – the rand – which fell 8%. By June 2016 the rand had lost 21% of its value compared to the dollar.

In any case, the rand has shown an oscillatory tendency. This indicates that, conjuncturally, its performance has been improved, but in other contexts it has been devalued, for instance it was R14.37 in relation to the dollar, and soon fell to R15.86, followed by a recovery to an exchange rate of 14.89. The pound sterling has depreciated 4% compared to the rand (1 GBP = 19.2714 ZAR, July 4th). In any case, the sterling's versatility creates levels of financial uncertainty.

This is explained by the strong financial ties between Johannesburg and London[33], through the large number of South African companies based in the *Londoner city*. According to a study by *UniCredit*, British banks claim that the accounts of South African entities own 178% of the country's foreign reserves. Therefore the effects that will be produced in South African companies located in London[34] should be very significant.

Kenya

Diplomatic relations between London and Nairobi were marked by a number of contradictions. The Western powers criticize the Kenyan government alleging political "repression" and the controversial judicial process against the country's president and the vice-president.

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http://businesstech.co.za/news/finance/128544/five-ways-brexit-can-impact-south-africa/

33 *Brexit and its impact on Nigeria, Kenya South Africa*. Available in: http://thenationonlineng.net/brexit-impact-nigeria-kenya-south-africa

34Lily Kuo y Yomi Kazeem. *Brexit will be terrible for Africa's largest economies*. Quartz Africa, June 24, 2016. Available in: http://qz.com/715710/brexit-could-be-terrible-for-africas-largest-economies/

Regarding economic-trade relations, it should be noted that Great Britain is the third largest export market for Kenya and it is an important ally in East African. The announcement of the UK exit from the EU did not have an immediate impact on the stability of the Kenyan market.

One of the main products of exportation to the British market is that of flowers. Horticulture is an important branch of Kenyan exports. A third part of EU's flower imports originate in this country bound for Holland and Great Britain.

The main concern has been to have delays in the implementation of the EPA with the EAC, and that it was extended, during the process of reinstitutionalization between the EU and Great Britain. The *Kenya Flowers Association* has expressed this concern because it could cause serious losses to Kenyan floral industry, estimated in nearly $ 38 million per month[35].

There is a strong British presence in the country, both as residents and as tourists, and Kenya receives a significant amount of British investments in agriculture (mainly in the tobacco and coffee sectors) as well as in the oil and gas industry.

In the same way, the financial British sector in this sub region has an important center in this country. For these reasons, the financial turbulence generated in London after the announcement of the failure of the *Bremain* generated serious doubts in Nairobi, where the national currency – the shilling – was devalued[36]. Patrick Njoroge, the president of the Central Bank of Kenya, declared that there would be effects and that they would not be in a position to maneuver a better situation[37]. The devaluation of the currency causes an enhancement of the importations and therefore increases the price of the products to consume. If the economic crisis in Great Britain gets worse and the demand is reduced, this situation inside Kenya will continue.

Conclusion

To conclude, the current political framework in the EU following the confirmation of Britain's abandonment of the bloc necessarily introduces

35 *Brexit and its impact on Nigeria, Kenya South Africa*. Available in: http://thenationonlineng.net/brexit-impact-nigeria-kenya-south-africa/

36 Since 2011 shilling has been devalued. In this year, the exchange rate raises from 83 shillings a dollar to 100 shillings a dollar, and then in september 2015, it was 105 shillings a dollar.

37 Lily Kuo y Yomi Kazeem. *Brexit will be terrible for Africa's largest economies*. Quartz Africa, June 24, 2016. Disponible en: http://qz.com/715710/brexit-could-be-terrible-for-africas-largest-economies/

new scenarios with high levels of uncertainty. It goes through the questioning of the process of integration itself in Europe. It raises the possibility of new states calling the Article 50 of the Treaty of Lisbon. It raises the questioning of the new economic and financial dynamics and their impact on the world economy. Finally, it points towards the legislative framework in which the relations between the EU and the Great Britain will be established.

The definition of all these aspects is essential for African countries, which are aside of this process, but their level of interdependence with Europe affects them directly. The redefinition of EU-Great Britain relations will necessarily imply a change in its foreign policy projection towards the SSA, mainly due to the return of the British-European antagonism in areas of influence. An eminent British withdrawal will be essentially exploited by France, which will strengthen its political and economic positions in SSA.

There are sharply contradictions – especially between UK and France – about the areas of coordination, such as in the military frame because of security and defense issues. In economic terms, the main dilemma will be centered on free trade agreements and how the British will be inserted into trade legislation already controlled by Europeans.

Despite the outcome of this current institutional crisis in the EU, Great Britain will remain permanent member of the UN Security Council, with veto power, a key contributor within NATO and an important ally of the United States. These premises will be decisive in any decision of the British foreign policy towards the SSA.

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ABSTRACT

The article analyses the effects the possible exit of the United Kingdom from the European Union could bring to the African continent. It considers political, economic and security elements comprehensively, through both multilateral and bilateral relations. It also explores how the influence of other European countries over Africa could shift because of the changes a British exit from the EU would bring to the continent's scenario. The article builds these analyses through the observation of different scenarios, some more optimistic than others.

KEYWORDS

Brexit; Multilateral relations; Bilateral relations; Politics; Economy; Security.

Received on March 13, 2017.
Approved on May 11, 2017.

Translated by Caroline Assis.