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# Britain and Africa: heading for the Brexit rocks

Dirk Kohnert <sup>1</sup>



[Brexit - The Unsinkable Britannic](#)

Credit: Zapiro, 2016 <sup>2</sup>

**Abstract:** High-flying illusions on the part of the proponents and grim predictions on the part of the sceptics have characterised the controversy around Brexit. The article assesses five key issues at stake for post-Brexit relationships between Britain, the EU, and Africa: market access, foreign direct investment (FDI), aid, security, and the nature of the partnership. The analysis focuses on those sub-Saharan African countries that belong to the Commonwealth, as the British government's vision of a "Global Britain" relies heavily on its reinforced cooperation with Commonwealth nations. The review of potential developments in these different policy fields shows that the expectations of Brexiteers and African politicians alike concerning an enhanced, partnership-like post-Brexit Commonwealth relationship are largely unfounded. Although the post-Brexit United Kingdom will increase African countries' choices regarding preferred trading partners, it remains questionable whether London could offer something new that other global players with increasing interest in Africa, such as China, do not already have on their agenda.

**Keywords:** UK, Brexit, EU, Africa, international trade, tariffs, aid, security, partnership  
**Jel Code:** F13, F2, F35, F54, F63, G15, G2, H26, N17, N47, N77, O17, P16, Z13

<sup>1</sup> Associated expert at the Institute of African Affairs, GIGA-German Inst. of Global and Area Studies, Hamburg. – The subtitle refers to a remark of an Italian Member of Parliament, echoing the thoughts of many in the European Commission: "It does the UK no credit and no service in the wider world. I fear the British government is heading towards the Brexit rocks." (Boffey, 2017a).

<sup>2</sup> ZANEWS, June 20, 2016. [Jonathan Shapiro](#), pen name *Zapiro*, is a distinguished South African cartoonist.

## Introduction: Brexit - an African perspective

The controversial discussion on the potential impact of the Brexit, that is the impending withdrawal of the United Kingdom (UK) from the European Union (EU, Map 3, Appendix), by the end of March 2019 on Africa has been characterized by high-flying illusions on the part of the proponents and grim predictions on the part of the sceptics. Two years ago, shortly after the Brexit vote of June 2016, Ansorg & Haastrup (2016) published an excellent overview of the major issues at stake for Africa, which was then complemented by an in-depth study on the impact of Brexit on African Commonwealth states in October of the same year (Langan, 2016). Since then, additional studies have completed and updated this picture, including a comprehensive recent report from the European Centre for Development Policy Management (ECDPM) (Bilal & Woolfrey, 2018). The following analysis summarizes and re-assesses these studies in light of new developments. Nevertheless, the consequences of the Brexit vote will still take many years to be fully understood (Gamble, 2018). In view of the still highly controversial Brexit policy and the fact that neither a hard ‘no-deal’ Brexit nor a second referendum can be ruled out (Bellamy, 2018; Kettle, 2018), some of the conclusions presented necessarily remain highly speculative.

Of course, the suspense brought by the Brexit vote was mirrored prominently in Africa. We would be well advised to heed the advice of Sangu Delle, an influential Ghanaian entrepreneur and pan-African -investor<sup>3</sup>. Delle, who is representative of lots of others, cautioned that the Brexit vote was a warning to us all. According to him, it wasn’t all about racism, reviving nationalism and ‘splendid isolation’: *“A substantial segment of UK citizens feel disenfranchised - that they are not stakeholders in the new economic order. As we go about creating new African economies, we have to make sure that the economic systems we put in place don’t just create economic growth, but create shared economic prosperity.”* (Eng&Delle, 2018). Quite a lot of politicians and businessmen from African [Commonwealth](#) countries see the UK as a big supporter of Africa. Without it in the EU, that support might dissipate. According to Delle, the UK has pushed for a lot of pro-Africa initiatives in the G8 and the EU. *“It was instrumental in supporting development aid being allocated to Africa, and when the UK held the presidency of the G8, we saw debt cancellation and a lot of pro-Africa programs.”* A more inward-looking EU might not support Africa in the same way. This could be detrimental to the continent at large (Eng &Delle, 2018).



Thibault, S. (2018) [After Brexit](#)<sup>4</sup>

<sup>3</sup> Delle is a member of the progressive [TEDFellows](#) program, a global network of interdisciplinary visionaries in their fields.

<sup>4</sup> Illustration - Credit: Sébastien Thibault, Eng & Delle, 2018, [TED Fellows](#).

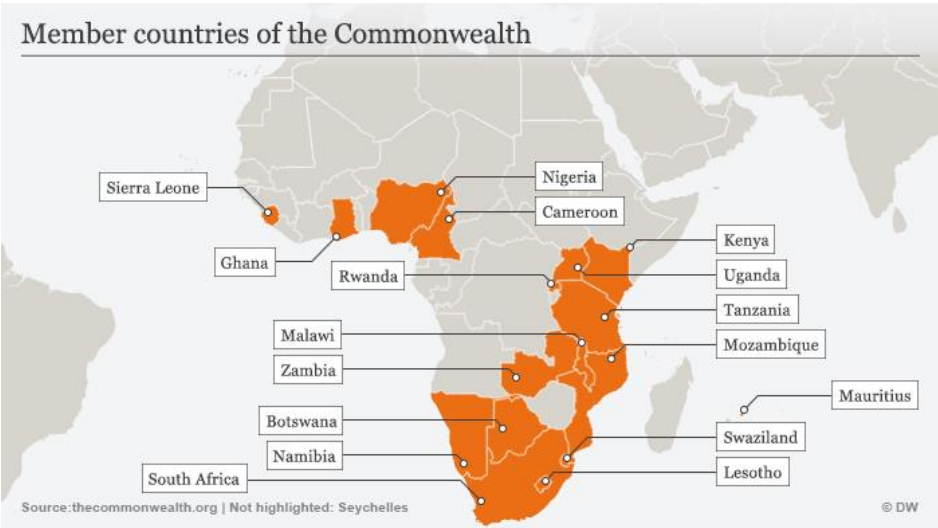
# Brexit: Principal Issues at Stake for Africa

Remarkably different perspectives on the potential impact of Brexit on Africa have shaped the current scholarly debate (Bilal and Woolfrey 2018). Nicholas Westcott, director of the Royal African Society, for example, holds that ‘for Africa and other developing countries, Brexit is a golden opportunity to secure better access, greater protection, and more aid from Britain’ (Westcott, 2018), although he admits that there are challenges. Mark Langan (2018) on the other hand, considers that Brexit, on balance, offers fewer opportunities for Commonwealth African nations’ trade position vis-à-vis European partners while opening up many potential hazards. In short, Brexit could bring increased ambiguity, resilience, but also new opportunities and investments for Africa. But what are exactly the issues at stake for Africa?

## 1. The African Commonwealth network

Altogether, 19 out of 54 African states belong to the [Commonwealth of Nations](#) (comprising 53 member countries worldwide), including the by far most populous and powerful states, Nigeria and South Africa. English is an official language in all these countries, except Mozambique, where Portuguese is the community language. In Cameroon and Rwanda, both English and French are official languages. Formally, all members have an equal say – regardless of size or economic stature - in order to ensure that even the smallest member countries have a voice in shaping the Commonwealth. ([Commonwealth Network](#), 2018). However, although debates in Britain suggest that the government intends to focus on co-operation with Commonwealth nations in the future, commerce with these nations represented up to now only 9% of UK foreign trade (Henköl, 2017; Stone, 2017). With Brexit London wants to increase this share substantially, particularly by liberalizing the markets in reducing tariffs and non-tariff barriers to trade.

**Map 1:** African member countries of the Commonwealth <sup>5</sup>



Source: Gutteridge, 2016; [Commonwealth Network](#), 2018

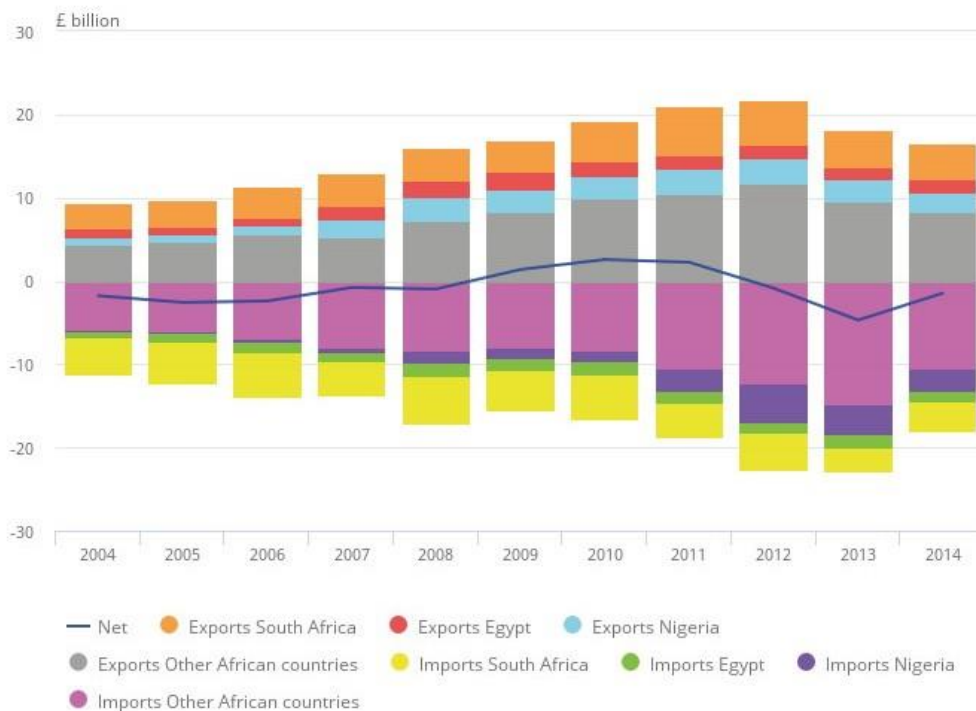
<sup>5</sup> Gambia (West Africa, re-joined in 2018) and Seychelles, are not highlighted in the map; Zimbabwe withdrew in 2003.

## 2. Better Access to Markets for Africa?

Brexit could bring about increased ambiguity and resilience, but it could also generate new opportunities and investment for Africa. But what exactly are the issues at stake for Africa? In the following, I focus on five issues that could arguably have the greatest impact on sustainable cooperation between both the UK and Africa and the EU and Africa: market access, foreign direct investment (FDI), aid, security, and partnership. This review of potential developments and challenges focuses on the 19 Commonwealth states of sub-Saharan Africa – which include heavyweights such as South Africa, Nigeria, Kenya, Egypt, and Ghana – because the British government’s vision of a “Global Britain” relies heavily on reinforced cooperation with Commonwealth nations.

For most African Commonwealth countries, Britain has been by far the biggest market for their exports (see Figure 1). According to the British Parliament, the liberalised post-Brexit trade policy should enhance the sales prospects of African economies (RAS-APPG 2017). Even though with Brexit, Britains’ share in the EU market would have to be omitted, the EU would still absorb a significant share of the goods those countries sell. The principal trade and development arrangement between the EU and its former African colonies, the [Cotonou agreement](#), in force since 2000, will expire on February 29, 2020, i.e. about one year after Brexit. Negotiations on a future – and hopefully more fair EU-Africa partnership, including African Commonwealth countries, will start by August 2018<sup>6</sup>.

**Figure 1:** UK trade with Africa broken down by country (£ billion), 2004 to 2014



<sup>6</sup> In July 2018, the African Union (AU) appointed Carlos Lopes, an internationally renowned economist from Guinea-Bissau and former Executive Secretary of the United Nations Economic Commission for Africa (ECA), as the high representative for the post-2020 negotiations with the European Union. The appointment, ratified by the Heads of State AU-summit in Nouakchott, formally opened the doors for engagements with the EU on a continental economic partnership agreement (EPA) (Olingo, 2018).

*Source: Ansorg & Haastrup, 2016; Hardie, 2016; Office for National Statistics (UK).*

*Notes: For the purpose of the chart imports shown with a negative sign*

Within the framework of the Cotonou agreement, trade relations between Africa and the EU are regulated by controversial regional [Economic Partnership Agreements](#) (EPAs) imposed on many African countries by the EU in the past decade (Kohnert, 2015, for the West Africa EPA).

It is possible that the majority of the Anglophone state governments will try to renegotiate or even pull out of disputed trade agreements with the EU following Brexit. Tanzania, for example, has already discarded a proposed economic partnership agreement (EPA) between Brussels and the [East African Community](#) (EAC) countries, citing the “turmoil” engulfing the EU following the Brexit vote and the skewed terms of the agreement (Gutteridge 2016). The government in Dar es Salaam indicated in February 2017 that it will not sign the EAC-EPA until it has conducted an in-depth analysis of the prevailing circumstances, particularly with regard to issues such as Brexit (Gutteridge 2016). This the more so, as the EPAs would hurt nascent Tanzanian industries. The same holds for Nigeria, the biggest African country, that up to now refused to sign the West-African EPA because it wants to protect its indigenous markets and infant industries (Kohnert, 2015). London boasts of protecting nascent African industries with its Post-Brexit policy in contrast to the EU Economic Partnership Agreements (EPAs) (RAS-APPG 2017).

The government in London currently claims that it will protect nascent African industries with its post-Brexit trade policy, which is supposed to stand in stark contrast to the EU’s EPAs (RAS-APPG 2017). However, in the case of a hard or “no-deal” Brexit, African countries will no longer have preferential access to the UK if London does not succeed in negotiating new bilateral agreements with African governments in advance. In view of the limited time left before March 2019, this appears unlikely. The exclusion from preferential access to the UK holds not just for signatories of the EPAs, but also for participants in the EU free trade agreement (FTA) and the EU general system of preferences (GSP), including the duty-free quota-free market access under the Everything-But-Arms (EBA) initiative. Major adverse consequences are predicted for countries such as South Africa, Nigeria, Egypt, Kenya, and Mauritius, as the UK accounts for approximately 25 to 30 per cent of their exports to the EU. These impacts will be intensified in the event of a – likely – recession in the UK as a consequence of Brexit (Bilal 2016; Ansorg and Haastrup 2016). Moreover, within the remaining EU, the African Commonwealth countries will lose the UK as an intermediary and advocate. This could result in a stronger Francophone and Lusophone bias in the EU’s Africa trade relations at the expense of the African Commonwealth (Bishop and Clegg 2018: 5). The EU, on the other hand, is unlikely to renegotiate EPAs in near future in order to adapt them to Brexit. Last but not least, it is doubtful that the UK on its own could compete more successfully with other trade interests, such as China and India, than within the EU partnership in the global run for Africa’s resources.

As of October 2016, only 12 African countries had implemented an EPA, and 12 others had no EPA at all<sup>7</sup>. In case of a hard or ‘no-deal’ Brexit, all African countries will have no longer preferential access to the UK if London does not succeed to negotiate new bilateral agreements with African governments before Brexit. This, however, is unlikely, as the previous lengthy negotiation processes indicate that renegotiation will be a contentious

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<sup>7</sup> [EU-ACP EPAs](#). Bilaterals.org., 2018

undertaking. This the more so, as African governments have a long experience in see-saw policies since the time of the cold war. They are likely to use contradictions between Post-Brexit UK and the EU to their advantage. For the rest, the exclusion from preferential access to the UK holds not just for the EPAs, but also for the [EU free trade agreement \(FTA\)](#) and the [EU general system of preferences \(GSP\)](#), including the duty-free quota-free market access under the [Everything-But-Arms \(EBA\)](#) initiative.

In short, immediately after Brexit, the UK will cease to have any special trade agreement with Africa, although London has pledged that it will maintain quota-free, duty-free access for all least developed countries (LDCs) to the UK market under the Everything but Arms (EBA) agreement (Westcott, 2018). However, London will have to get its priorities right in concentrating its negotiations first on the biggest Commonwealth players like Canada, Australia and South Africa. For the rest, Britain will probably be more selective, trying to focus on bilateral deals, preferentially with those African countries that are most important to its own economy (Bilal, 2016). Moreover, within the remaining EU, the African Commonwealth countries will lose the UK as intermediary and advocate. This could result in a stronger Francophone and Lusophone bias of the EU's Africa trade relations at the expense of the African Commonwealth (Bishop & Clegg, 2018: 5). The EU, on the other hand, is unlikely to re-negotiate EPAs in near future in order to adapt it to Brexit. Last, but not least, it is doubtful whether the UK on its own could compete better with other trade interests in the global run for Africa's resources such as China, India, than within the EU partnership.

### *3. More Foreign Direct Investment at the Expense of the African poor?*

On the occasion of the G20 summit in Hamburg in July 2017, British prime minister Theresa May announced sweeping post-Brexit programmes to reduce African countries' reliance on aid (Little 2017). London envisaged increasing Africa's long-term prosperity by combined trade-enhancing programmes such as "aid for trade" (OECD 2017), financial instruments (see section 4), and the promotion of FDI in Africa (UK Gov. 2017).

The amount of UK investment in Africa, which more than doubled between 2005 and 2014 from GBP 20.8 billion to GBP 42.5 billion, was meant to be enhanced by Brexit. South Africa will most likely remain the largest recipient of UK FDI (Vines 2018: 122–123). It already accounted for 29.8 per cent of total UK (outward) FDI in Africa in 2014 (Hardie 2016; see Figure 2). Industry, mining, and financial services have been the main industrial sectors receiving British FDI, accounting for 54.4 per cent and 34.3 per cent of total UK FDI into Africa in 2014, respectively (Hardie 2016). However, a British accounting firm expects post-Brexit FDI to decline rather than increase (Vines 2017: 123).

**Figure 2:** UK foreign direct investment positions with Africa (£ billion), 2005 to 2014



Source: Hardie, 2016; Office for National Statistics (UK)

One of the most prominent instruments to increase FDI within the Post-Brexit policy of the British government is the [G 20](#) initiative ‘[Compact with Africa](#)’(CwA), although the CwA is a multinational initiative, not directly related to Brexit. It is coordinated by the German Federal Ministry of Finance<sup>8</sup>, but endorsed by the United Kingdom, the International Monetary Fund, the World Bank, and the African Development Bank (Campbell, 2017). The CwA initiative is demand-driven and open to all African countries. Since its launch in 2017, 11 African countries have joined: Benin, Côte d’Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia. (CwA, 2018). Unfortunately, the CwA is biased and omits important issues crucial for sustainable development in Africa (Lay, 2017). First, the CwA neglects investment in education, crucial for balanced and inclusive African growth. Second, it fails to discuss the G20’s responsibility in creating an unfavourable trade and investment policy environment that harms investment in Africa. Third, it does not address the social and environmental risks associated with private investment. Fourth, it disregards a comprehensive development agenda, as implied by the 2030 UN [Agenda for Sustainable Development](#) (Lay, 2017). Moreover, the CwA makes important ideological presumptions which in actual fact work predominantly against the interest of the African poor, as criticized in detail by a *tralac*-report (Reisen, 2017).

In short, even if the CwA should attract substantial net investment in Africa, it would still be another instrument to increase the profitability of private investment and to socialize potential losses at the cost of the taxpayer, to the detriment of the poor in Africa and elsewhere.

Last, but not least, UK investment in Africa, just as the distribution of Britain’s mineral wealth on the continent, is restricted to a very small elite in the UK and Africa, similar to its infamous francophone pendant, the ‘*Messieurs Afrique*’ (Kohnert; 2005). British companies control large areas of African land enclosing key mineral reserves including gold, copper, platinum, coal, and diamonds (Ansorg & Haastrup, 2016; Kabemba 2014). About 100 companies listed on the London Stock Exchange (LSE) - most of them British - have mining

<sup>8</sup> Together with other Africa initiatives of the German Government, such as the ‘Marshall Plan with Africa’ of the Ministry for Economic Development and Co-operation (BMZ), a proposal to rewrite Germany’s aid relationship with Africa, with a focus on support for start-ups and small and medium-sized enterprises, vocational training and renewable energies.



operations in 37 sub-Saharan African countries. They collectively control over US \$1 trillion worth of Africa's most valuable resources (Curtis 2016). British companies could be inclined to negotiate in the future independently of perceived or real EU ethical restrictions which would allow these inequalities to aggravate even more (Ansorg & Haastrup, 2016: 3). The ever-increasing use of tax havens by wealthy British citizens (see below and Fig. 3, Appendix) might be taken as an indicator of such unrestricted ethics.

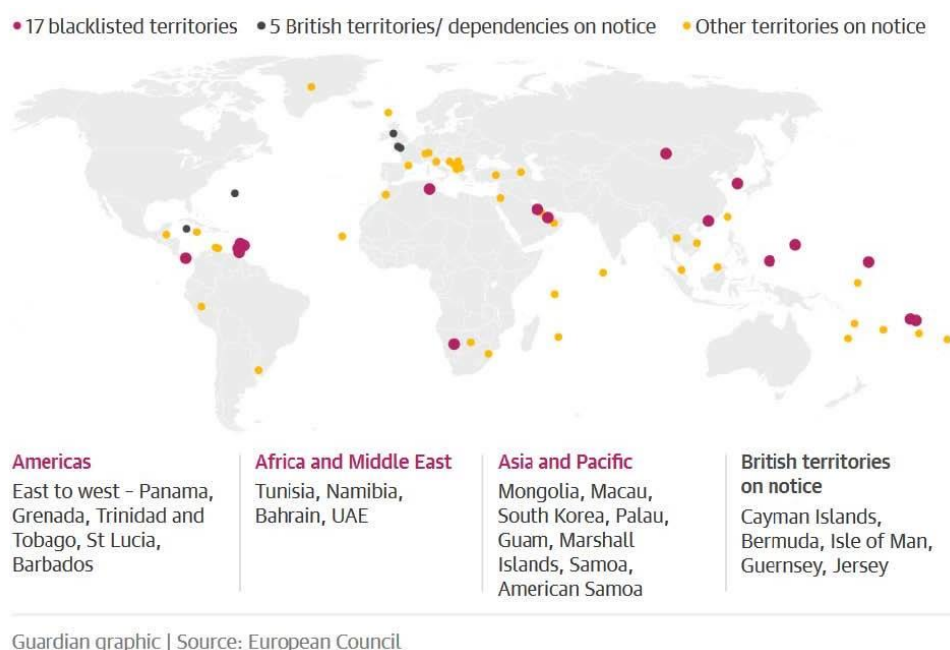
As a complement to increased FDI, Prime Minister Theresa May also announced at the G20 summit in Hamburg that the British government will seek to boost the integration of African countries into global financial markets post-Brexit. Among other things, she promised to contribute GBP 60 million for the construction of a strong and transparent African financial market (UK Gov. 2017). According to Theresa May's rather elusive announcement, the UK will seek to stimulate financial innovations, to enhance the autonomy of the African banking sector, and to allocate financial resources where they are most needed.

In addition to restoring the role of private financing within the framework of British economic development strategy as a "hallmark of building Global Britain" (DFID 2017), London will aim to use the unique role of the British state for the expansion of financial markets (Price 2018b). Thus, Theresa May offered her African peers a strong partnership with the City of London in order to make the City the financial hub for Africa, among other regions, by channelling private capital to former colonies there and elsewhere. This understandably not without securing returns on that investment in creating 'value for money' by means of [Development Finance Institutions](#) (DFIs) such as London's private equity arm, the [Commonwealth Development Corporation](#) (CDC) (Campell, 2017; Langan, 2016; Price, 2018a). In plain language that would mean blanket subsidisation of private investment in Africa by the British taxpayer. Apart from such a doubtful policy, civil society organisations (CSOs) in Europe and elsewhere denounced exploitative working conditions in African countries such as Zambia and Kenya, financed by these DFIs. This apparently included also the use of [tax havens](#) to avoid paying full revenues to host countries or for money laundering (see below). Also, newly founded 'development schemes', created to support British agribusiness interests (e.g. of Unilever, Diageo, SABMiller and Syngenta; Langan, 2016:484), are not necessarily contributing to inclusive growth as pretended. The same applies to the fulsome support of the British Government for the [New Alliance for Food Security and Nutrition \(NAFSN\)](#), utilised to channel FDI into African Commonwealth countries such as Ghana by improving private property rights, business investment climate, and by identifying land into which investment could be placed. The NAFSN has been assigned a prominent role in Post-Brexit 'Global Britain'-plans, especially in Africa too. However, it has been widely condemned by CSOs, the media, and even by a European Parliament inquiry (in 2015) because of labour and human rights abuses, land grabbing, forcibly displacing local peasants (Langan, 2016:484-85), last, but not least in African Commonwealth states, such as Nigeria, Ghana, Mozambique and Tanzania. In fact, NAFSN could be considered a Trojan horse for the corporate takeover of African agriculture (Sokin, 2018)<sup>9</sup>.

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<sup>9</sup> NAFSN was launched in 2012 by the G8 in "partnership" with 10 African governments, the AU, private corporations, development organizations, and aid donors. African 'partnerships' involved 10 African countries: Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Mozambique; plus Tanzania (since 2012), and Nigeria, Malawi, Benin, and Senegal (since 2013). Development partners that contributed include Belgium, Canada, the EU, France, Germany, Japan, the Netherlands, Switzerland, the UK, and the USA. On 9 February 2018, France pulled out of NAFSN, because Paris considered the approach of this initiative as too ideological, involving a real risk of land grabbing at the expense of smallholders. This decision came just a few days after revelations of political manipulation and flawed methodology, revealed by the World Bank Chief Economist Paul Romer, in

**Map 2.: EU blacklisted tax havens (Credit: Boffey, 2017)**



Apparently, behind the ‘altruistic’ Post-Brexit rhetoric of the British government about assisting pro-poor growth in Africa, the fact got lost that the UK still supports a wide network of notorious [tax havens](#) in UK’s overseas territories, crown dependencies, and island economies of its former empire. Tax havens links are particularly strong between colonial powers and their current and former colonies. The UK has been labelled already the mother of all tax havens (Srinivasan, 2018). Indeed, pervasive offshore FDI affects wealthy economies as much as LDCs in Africa and elsewhere (Haberly et al, 2015). Offshore wealth hidden in these tax havens is likely to have major implications for the concentration of wealth not only in many of the world’s industrialized countries, including Britain but also in African developing countries, including South Africa and Uganda (Alstadsæter et al, 2018). The use of tax havens in the UK increased continuously since the 1960s, as in other industrialized countries (Figure 3, Appendix). The users of tax havens, where not only British investors. Also, African politicians, dignitaries and businessmen used it to harbour illicit gains (Map 4, Appendix). British tax havens include the [British Virgin](#)- and [Cayman Islands](#), [Bermuda](#), [Turks and Caicos Islands](#), [Guernsey](#), [Jersey](#), and the [Isle of Man](#). Other former British colonies, but actual independent island states and notorious tax havens, like [Barbados](#), [Trinidad and Tobago](#), [Grenada](#), [St. Lucia](#) still equally belong to the Commonwealth net. Some of them had recently been blacklisted on an EU list of 17 tax havens, others were listed among the 47 additional territories which were warned by the EU in an attempt to clamp down on the estimated £506bn lost to aggressive tax avoidance every year (Map 2, and Boffey, 2017). The British government had tried before in vain to ensure those jurisdictions would not be screened by the EU’s tax experts. However, shortly afterwards, 7 countries listed, including Barbados, were again lifted from the original list of 17, under the pretence that they pledged to address the EU’s concerns, a move swiftly condemned by activists ([AFP-news, 23 January 2018](#)). Therewith, London condoned at least implicitly, more or less veiled

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January 2018. All this suggested that the NAFSN could be considered as a Trojan horse for the corporate takeover of African agriculture (Sokin, 2018).

connections to human right abuses, global corruption, illicit financial flows and money laundering. Despite EU warnings, it is not to be excluded that this support will continue or even be reinforced after Brexit, just as the ongoing commitment of the British government to neo-liberal ideologies, which at least radical economists see as a representation of British post-colonialism (Price, 2018a; Biyani, 2018; Bishop & Clegg, 2018). In the meantime, however, European Council members threatened already to review whether British territories previously left off the EU tax haven blacklist should now be added. Apparently, this was a move by the EU to use this blacklist as leverage to force concessions during Brexit trade talks (Watts, 2018).

#### 4. *Increased aid for Africa?*

The perspectives on future aid relationships between the UK and Africa after Brexit are closely entangled with Britain's trade and financial policy. This applies particularly to London's focus on "aid for trade," "trade, not aid," and private sector development outlined above. Although Prime Minister Theresa May has on several occasions in 2017 and 2018 reaffirmed the British government's commitment to spend 0.7 per cent of gross national income (GNI) on aid (enshrined in law in 2015, see Heppell et al. 2017), it is likely that Brexit could result in a decrease in UK aid for Africa, for the following reasons.

First, reinforced by revelations of scandals within Oxfam and other development NGOs, British anti-aid sentiment has grown in recent years, with the alleged ineffectiveness and mismanagement of aid raised as critiques. Moreover, the divorce from the EU will deprive the UK of substantial multiplier effects in relation to aid (Price 2018a). In fact, the government in London already stated in 2013 that the collective EU aid provisions enable the "reach and magnitude of EU financial instruments" – which include the European Development Fund (EDF), the EU's main instrument for providing development aid to ACP countries – to "outweigh those the UK could bring to bear bilaterally" (UK Government 2013, quoted in Price 2018a: 3). This has allowed the UK to focus "scarce national resources on priorities elsewhere" in times of austerity (UK Government 2013, quoted in Price 2018a: 3). Thus, the British government apparently saw the EU as a catalyst for enhancing its own aid. Deprived of this, Britain's willingness to fulfil its aid pledges could decrease significantly. This all the more so, as the EU apparently allowed the UK to offset the challenges to its own competitiveness. In 2013, the [Senior European Experts Group](#), an informal group of former high-ranking British diplomats and civil servants who regularly publish high quality briefing and opinion papers about EU issues, stated "*that statistics about the strength of the UK economy, such as it being the seventh largest economy, 'flattered to deceive', and that by working through the EU the UK was able to maintain influence and prosperity 'in an era where the relative balance of global growth, population and power is moving away from the UK and Europe'*" (UK Government, 2013; quoted in Price, 2018:3-4).

Another reason for diminishing aid could be a possible devaluation of the pound sterling, with a corresponding negative impact on the value of British aid in Africa and elsewhere. This could be aggravated by a likely fall in British GNI as a direct or indirect result of Brexit. In view of the UK's relatively poor growth forecasts, this raises questions about London's ability to meet its aid commitments (Bishop and Clegg 2018: 5). In addition, the British government could be tempted to reallocate scarce resources to domestic spending in response to pressure from populist politicians (Ansorg and Haastrup 2016; Price 2018a). Finally, London could focus on bilateral partnerships at the expense of its contributions to the multilateral development cooperation efforts of the United Nations (UN), including the United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United

Nations Volunteers (UNV), World Health Organization (WHO), United Nations Environment Programme (UNEP), the World Bank, including the International Development Association (IDA), the International Monetary Fund (IMF), and the Global Fund to Fight AIDS, Tuberculosis, and Malaria. again with the likely exception of the Commonwealth nations. Such a downward spiral could be aggravated by a reduction in overall EU development assistance, given the prominent role of the UK as one of the major contributors to the EU's aid budget and the advocator of the 0.7 per cent aid target within the EU (Ansorg and Haastrup 2016).

Under these conditions, London would probably focus on hand-selected strategic partners and existing bilateral ties, particularly with individual African Commonwealth states such as South Africa, Nigeria, Kenya, and Somalia, on the expense of the poorest African LDCs (Vines, 2018:139). In addition, it could broaden its range of bilateral partners at the expense of multilateral development cooperation of the [UN](#)<sup>10</sup>, [World Bank](#)<sup>11</sup>, [IMF](#), the [Global Fund](#) to Fight AIDS, Tuberculosis and Malaria, etc. again with the likely exception of the [Commonwealth](#) and the [Commonwealth family](#). Such a downward spiral could be aggravated by a reduction of overall EU development assistance, given the prominent role of the UK as one of the major contributors to the EU's aid budget<sup>12</sup> which would become obsolete with Brexit (Ansorg, & Haastrup, 2016).

### *5. Enhanced security for Africa?*

The EU is still the main contributor to the [African Peace and Security Architecture](#) (APSA) and the [African Peace Facility](#) (APF) (Ansorg and Haastrup 2016). The APF is the main channel for EU support for the African Union's and African Regional Economic Communities' efforts in the area of peace and security, with an overall amount of more than EUR 2.7 billion provided since 2004 (EC 2018a). The Peace Fund is intended to provide the necessary financial resources for the operationalisation of APSA; these resources comprised a total of \$325 million in 2017. By means of this facility, Britain, which contributed just 3 per cent bilaterally to APSA in 2014, was also able to contribute continentally rather than just bilaterally to African peace and security initiatives, using the multiplier effect of the EU's 75 per cent APSA funding in its own interest (Nathan et al. 2017). Thus, British bilateral funding was far less than the German bilateral funding, which was four times as great (12 per cent).

The British government has repeatedly claimed that its defence expenditures are the largest in the EU, that it has the largest defence industry, and that it has contributed to most of the operations and missions of the EU [Common Security and Defence Policy](#) (CSDP) (Duke 2018: 44). However, London apparently exaggerated its input deliberately in order to enhance its bargaining position for a new post-Brexit security partnership with the EU, which would include the issues of defence, cybersecurity, and external migration (Duke 2018: 44–45).

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<sup>10</sup> [United Nations Development Programme](#) (UNDP), [United Nations Children's Fund](#) (UNICEF), [United Nations Volunteers](#) (UNV), [World Health Organization](#) (WHO), [United Nations Environment Programme](#) (UNEP).

<sup>11</sup> [International Development Association](#) (IDA)

<sup>12</sup> Britain was the third-largest provider of funding to the European Development Fund (EDF), behind Germany and France. It was one of the most important supporters of EU aid programs in Africa, both politically and financially. Its advocacy for industrialized countries to commit 0.7 % of their gross national income (GNI) to developing countries in accordance with a 1970s UN agreement resulted in the UK becoming the first G7 country to enshrine this in law in 2015 (Ansorg, & Haastrup, 2016).

Britain provided just 2.3 per cent of all CSDP missions, or 4.3 per cent of those operations to which it contributed, according to data from the [European University Institute](#) (Duke 2018: 44–45). This is considerably less, for example than France, Spain, or Italy’s contributions to civilian and military operations. Moreover, the UK did not contribute to most missions in Africa, apart from the mission at the Horn of Africa intended to secure the seaways from Europe to Asia. Instead, France assumed the lead in nearly all of these missions.

Only when it came to the secure the sea routes from Europe to Asia, the UK seemed to develop a greater interest. For example, the UK led the personnel contributions to a regional maritime capacity building mission for the Horn of Africa and the Western Indian Ocean ([EUCAP](#), [NESTOR](#)). Even a former UK Ambassador to the Political and Security Committee admitted openly that the UK’s CSDP contributions tended to be ‘more about leadership and diplomatic support’ than about troops (Duke, 2018:45). A similar tendency of disregard was to be observed with respect to UN peacekeeping missions in Sub-Saharan Africa since 2000. Apparently, other regions and operations, like the NATO-led [military intervention in Libya](#) (2011) to implement a United Nations Security Council Resolution against crimes against humanity during the Libyan civil war, or in Afghanistan and Iraq were of greater strategic relevance to the UK.

To sum it up, although the direct effect of Brexit on EU security operations in Africa will probably be rather small, it would be crucial for both the EU and the UK to find a post-Brexit agreement for the Maghreb and Sahel countries in order to stem irregular migration, organized crime and the growth of jihadist groups and terrorism (Duke, 2018:46). In this respect, the [Permanent Structured Cooperation \(PESCO\)](#) initiative of the EU could offer unexpected Post-Brexit opportunities. Apparently, the EU ponders to open PESCO to countries outside the EU, such as the (Post-Brexit) UK, USA, and Norway. This could offer new prospects for EU external action, especially within the framework of Europe-Africa conflict prevention and security operations (Darmuzey, 2018). This would be even more appreciated because it could prevent an identity change for the EU’s security architecture and its security practices in Africa, in order to avert a Post-Brexit dominance of the French military approach (Ansorg & Haastrup, 2016).

## *6. A Partnership of Equals or Collective Clientelism?*

Some Brexiteers and African politicians have expressed their hope for a golden era with a rediscovered but deeper and more partnership-like post-Brexit Commonwealth relationship. The British International Trade Secretary, for example, envisaged better free trade arrangements than the existing EPAs with the EU, conceivably based on a euphoric and over-ambitious multi-expert report of the [Africa All Party Parliamentary Group](#), financed by the Royal Africa Society, on the post-Brexit Africa-UK trade and development cooperation relations (RAS-APPG-2017). Besides, London could use the chance to co-operate with the newly created African [Continental Free Trade Area \(CFTA\)](#), approved by 44 African governments in Kigali in March 2018. African governments envisage using their negotiating advantage as in-demand partners to press for more protection of their domestic markets and infant industries (Westcott 2018). This strategy might work in areas where British products and services do not compete with African markets. However, it is questionable whether the UK will allow for less rigid tariff-rate quotas and non-tariff barriers to trade, more flexible rules of origin, or greater protection against British service exports if the British industry could be affected negatively. Moreover, a more liberal attitude on Britain’s part concerning imports from Africa – for example, with regard to quotas and other non-tariff barriers – could

increase the cost of future trade agreements between the UK and the EU, especially if London has to leave the EU customs union. Although Britain is proud of its strong bilateral relations with the Commonwealth network, these relations, especially with the most important African players, South Africa, Nigeria, Ghana, and Kenya, have been not without tensions – for example, concerning brain drain from the former British colonies to the UK.<sup>13</sup> Last but not least, it is unlikely that new and better deals between both Britain and Africa and the EU and Africa as a consequence of Brexit will materialise soon; the UK and the EU will first focus on their most important global partners and competitors when reassessing their international relationships and partnerships (Westcott 2018).



*Brexit and Africa, Trade implications could be dire for Africa*

Credit: [Victor Ndula](#)<sup>14</sup>

Under these conditions, a partnership of equals between the UK and Africa and a win-win situation for both sides is unlikely. Moreover, Brexit will not only challenge European integration but will also put African regional integration efforts at risk (Ansorg and Haastrup 2016; Henökl 2017: 70). African regional trade is characterised by overlaps between regional organisations with competing agendas. The EU’s past experiences with negotiating the EPAs have proven that it is an extremely difficult task to consolidate incomplete African regional projects. It is doubtful whether London will be more successful in this respect. However, if London replicates the existing patchwork of EPAs and other EU trade arrangements across Africa instead of pushing for a continent-wide solution, this will likely add to existing barriers to intra-continental free trade (Murray-Evans 2017). The same applies to relations with the newly created [African Continental Free Trade Area](#) (CFTA) initiative (Ezeani 2018). The best available strategy for most African least developed countries (LDCs), especially the smaller ones, will probably be one of patronage or “collective clientelism” (Ravenhill 1985: 3, 43; Price 2018a, who applies this concept) – that is, making concessions on non-trade-related issues, such as voting behaviour in the UN or other non-comparable assets, in exchange for

<sup>13</sup> In 2015, for example, the UK was the biggest recipient of South African skills, taking in over 18,500 skilled South Africans, according to a 2015 report by InterNations Expat Insider (BusinessTech 2016).

<sup>14</sup> A detailed bio of the renowned Kenyan cartoonist [Victor Ndula](#), Nairobi Kenya, together with more of his artwork is provided by [Cartoon Movement.com](#).

better market access and protection. Thus, the governments, especially of small African states, may fall back on the traditional seesaw policies they used with success to outwit global players during the Cold War.

## Outlook: What next?

Brexit is not easy going. Unfortunately, many of those who voted for it in favour of a truly ‘Global Britain’, including reminiscences to the ‘golden times’ of the British empire, last but not least in colonial British Africa, apparently had not thought of the scope of their decision sufficiently. Many voters were lured by platitudes and scare stories. African governments will have to adapt their relations not just with London, but also with Brussels. Therefore, African governments should speed-up provisions to counteract the resulting changes (Bishop & Clegg, 2018: 9).



[Brexit](#) – Boris Johnson’s self-inflicted injury  
Credit: *Gado*, June 26, 2016 <sup>15</sup>

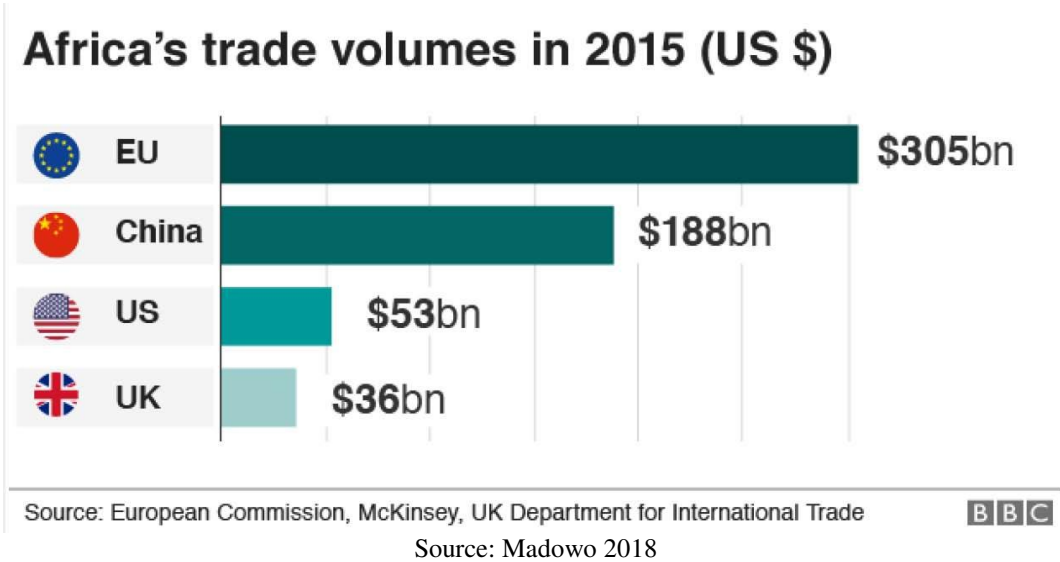
On 28 August 2018, Prime Minister Theresa May started her first three-day visit to Africa in order to build up new trade relations with key nations ahead of Brexit. On her tour of South Africa, Nigeria, and Kenya, she emphasised the enormous opportunities presented by Britain’s post-Brexit policy. She presented ambitious plans that would allegedly deliver a major Brexit boost for British firms and investors and promised to turn Britain into a truly global nation doing business around the world in economies with massive and growing potential. On the second day of the tour, during her visits to Nigeria, she unveiled a proposal to create the first UK–Africa FinTech Partnership in Lagos. Britain is a leading global hub for FinTech which contributes over £5 billion to the UK economy every year and Lagos is said to be at the forefront of FinTech innovation in Africa. UK-Nigeria trade was worth £4.2 billion last year and British companies including British Airways, GSK, Shell, Diageo, Unilever and Standard Chartered have long-established operations in Nigeria. Altogether 111 African companies are already listed on the London Stock Exchange. In Lagos T. May also met

<sup>15</sup>Cartoon with an apparent allusion to the legendary British comedy group [Monty Python](#) and its heroes, the [Black Knight](#)’s self-enhancement and self-destruction. - The Tanzanian cartoonist [Godfrey Mwampembwa](#), pen name ‘*Gado*’ “is the most syndicated political cartoonist in East and Central Africa” according to his self-portrayal.

leading Nigerian businessman Aliko Dangote and welcome news that he is committing to list his \$10 billion cement company on the LSE. Also today, oil and gas company Seplat Petroleum is committing to list its \$350 million Eurobond programme on the LSE (Little 2018).

At first glance, these developments appear to support optimism about post-Brexit relations between the UK and African Commonwealth nations. In view of China’s long-standing and successful Africa offensive, however, it remains questionable whether London can offer something that other countries with increasing interest in Africa do not already have on their agenda. African leaders are in the comfortable position of being able to choose: enhanced cooperation with China, the huge EU bloc, the potential riches of the US, or the historically linked UK. Possibly, the Africans will play one partner off against the other, choosing the best for their clientele. In doing so, they will be well aware of the relative importance of each trading partner, a consideration which would not necessarily favour the UK given the strong bargaining position of the major competitors. A post-Brexit United Kingdom will increase the choice and thereby potentially also the leverage of African countries in choosing their preferred trading partners. In 2015, total trade (imports and exports combined) between Africa and the UK amounted to USD 36 billion (GBP 28 billion), but EU–Africa trade amounted to USD 305 billion and China–Africa trade to USD 188 billion (Madowo 2018). Despite its historical ties with many countries on the continent, the UK may therefore not be African nations’ first choice given its competitive disadvantage in terms of trade volume.

Time is running out for the United Kingdom. London has just started to introduce legislation meant to ensure that African businesses will be able to access the UK market on the same terms as they currently do under the diverse trading regimes (Madowo 2018).



The Brexiteers, like Boris Johnson, should bear in mind history’s lesson that the ideology of right-wing liberalism along the lines that ‘what’s good for business is good for everyone’ is just as likely doomed to fail as leftist social paternalism concerning immigration (Collier, 2018). The story of the ‘betrayal’ of the Commonwealth by the precipitated EU-entry of the UK, often used by Brexiteers, is a myth (Murray-Evans, 2016). It only serves to impress both the clientele of the overwhelmingly disenfranchised British poor who voted for Brexit as well as governments of African Commonwealth nations.



Apparently, the 900.000 Commonwealth residents living in the UK, who were allowed to vote on Brexit, knew it better. According to Lord Ashcroft Polls figures, 73% of black voters were the largest demographic group in support of 'remaining', while 67% of Asian voters voted to remain. In contrast, just 47% of white voters backed 'Remain' (Namusoke, 2016). Actually, the latter had first and foremost the 'old' or 'white' Commonwealth' in mind, i.e. Britain, embracing, Australia, New Zealand, and Canada, when they voted to 'make Britain great again'. For the rest of the non-white Commonwealth countries, they seemingly wanted to reinforce the racial hierarchies of the British colonial empire. At least, this was suggested by the British racism and xenophobia that triggered the Brexit vote (Namusoke, 2016: 471-472).

On the contrary, rebuilding economic incentives around mutual interests and reciprocity, within the framework of a humane form of globalisation, would be one of the big themes of future Post-Brexit relations between Britain, the EU and Africa (Collier, 2018; Baldwin et al, 2017). In this respect, all sides concerned should heed the advice of Sangu Delle quoted right at the beginning: "we have to make sure that the economic systems we put in place don't just create economic growth, but create shared economic prosperity", which should be the Leitmotiv of future Brexit negotiations.

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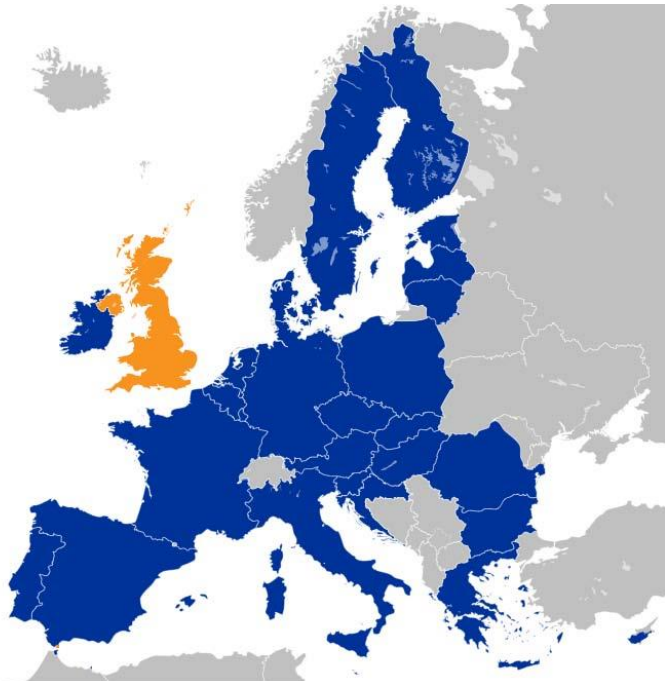
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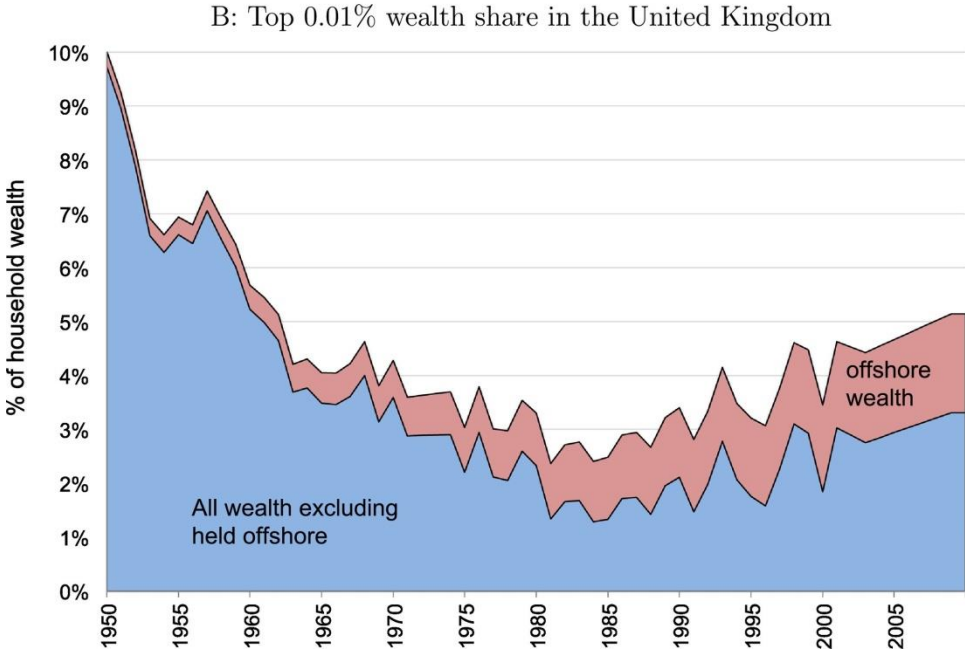
**Annexe:**

**Map 3:** GB and the other EU member states, 2018

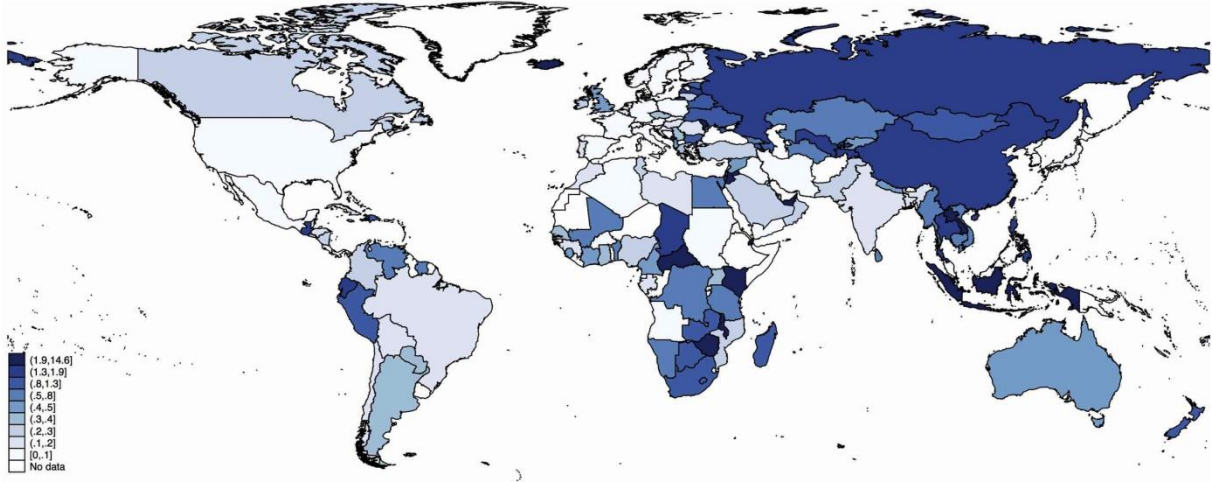


Credit: [Furfur, EU Single Market](#), Wikimedia

**Figure 3:** The use of tax havens in the UK - share of wealth held by the top 0.01% since 1950 (Source: Alstadsæter et al, 2018)

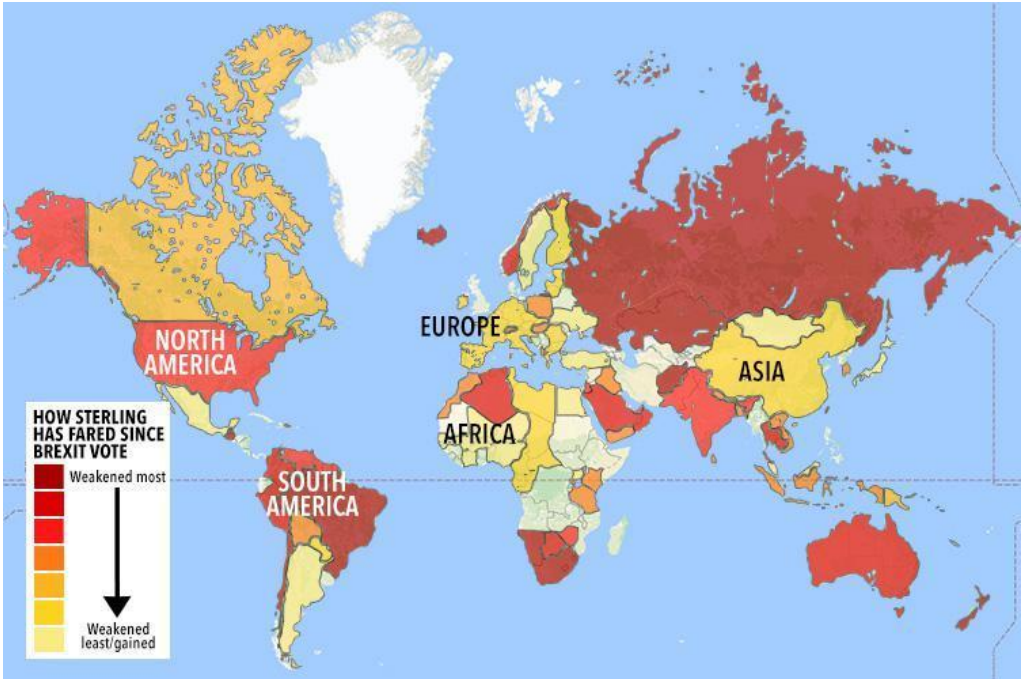


**Map 4:** Indicator of use of illicit use of wealth - Propensity to own “Panama Papers” shell companies (Alstadsæter et al, 2018)



*Notes:* “This map depicts the number of unique owners of shell companies created by the Panamanian firm Mossack-Fonseca, normalized by 2007 GDP in billion current US\$. The sample includes all the owners of shell companies created by Mossack-Fonseca before 2006 and active in 2007. ... Note that an owner of a shell company can be another shell company, hence the addresses of registered owners do not always reflect the country of residence of the ultimate owners. To deal with this issue, we exclude owners who own more than 10 different shell companies and owners with addresses in tax havens, both of which are likely to be nominees (such as other shell companies) instead of actual persons.” Source: ICIJ (<https://panamapapers.icij.org> ; Alstadsæter et al, 2018

**Map 5:** Where the £ Sterling is more (and less) since Brexit (February 2017)



In February 2017, the pound was e. g worth much less in South Africa, Brazil and Russia, but more in Turkey and Egypt. Credit: [The Sun \(UK\)](#), [Caroline McGuire](#), 23rd February 2017