

Poverty alert strains Blair-Mandy ties

A landmark report warning that European free trade deals risk millions of Africans' jobs today threatens to increase tension between UK prime minister Tony Blair and Brussels trade commissioner Peter Mandelson. The report claims vital industries face collapse if poor countries are forced into opening markets to Europe's big business.

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This bleak warning is signalled using extensive research on key business sectors in Kenya - one of the 77 developing countries the commissioner wants to sign an economic partnership agreement. In a major study on the impact of EPAs, cotton, dairy and sugar farmers and suppliers to the leather and textile industries express profound fear for the future.

Previous liberalisation has brought dire hardship including soaring crime rates, prostitution, lost education and even suicides. The European Commission itself estimates that under reciprocal liberalisation Kenya would lose 82 per cent of its customs revenue - 12 per cent of government income.

The study warns that forcing Kenya to open its markets to unfair stronger competition endangers prospects for recovery after economic decline followed liberalisation imposed by international donors in return for assistance.

The slump resulted in the number of poor people rising from 11 million to 17 million - more than half of Kenya's population. Primary school enrolment fell, illiteracy grew, life expectancy dropped, the proportion of fully vaccinated children plummeted and death rates among babies and under-fives increased.

Leaked documents in May showed Mr Mandelson aims to use his close ties with Mr Blair to persuade the Prime Minister to withdraw criticism of the EPA plans. The research, from the British fair trade charity Traidcraft and the Nairobi-based non-governmental organization EcoNews Africa, intensifies pressure on Mr Blair to use the UK's presidency of the European Union to seek a rethink of the agreements.

It comes as he addresses the Labour Party annual conference in Brighton amid charges of inadequate action since his alert over the African "scar" on the world's conscience at the same venue four years ago.

Mr Blair has promised a "monumental struggle" to fight poverty at the World Trade Organisation conference in December. Now, according to Downing Street sources, if needed he will fly for talks in the United States, Japan and Africa in a desperate bid to reach accord on reductions in farm subsidies.

But Traidcraft and EcoNews Africa are concerned that even if subsidies are cut, sub-Saharan Africa will continue to be forced to open its markets to rich nations' companies. Already liberalisation has cost the region \$270bn in the last 20 years.

The African Caribbean and Pacific group's trade ministers want a WTO rule change to allow their countries to conclude regional agreements with developed nations while they protect their own weaker industries.

The Traidcraft and EcoNews Africa report coincides with Mr Mandelson's negotiations with Caribbean ministers on the agreements in St Lucia. The ACP nations fear that if they reject the agreements they will lose market access to Europe and may suffer aid cuts, with the EU the largest donor to many ACP economies.

Traidcraft policy adviser Liz Dodd said: Far from healing Africa's scars, EPAs would inflict gaping new wounds. If Tony Blair fails to act, millions more people will be thrown into poverty. The prime minister must put the war on poverty before his relationship with Mr Mandelson.

For more information, please contact [the Traidcraft Press Office](#).