

Abstract

In this paper we explore the nature and effects of the Economic Partnership Agreements (EPAs) between the EU and groups of African, Caribbean and Pacific (ACP) countries. We argue that the direct economic effects from reciprocal trade liberalization - both positive and negative - may be rather limited. EPAs will only marginally increase access of ACP countries to the EU market and empirical studies on the static effects of preferential trade liberalization show a small negative effect on welfare for ACP countries. After that, we investigate ways in which the EPAs can be deepened so as to contribute to development: by increasing external financing options of firms in ACP countries; by expanding the role of the private sector and MNEs in economic development; and by supporting regional organizations.