

# The EU Strategy Towards the Developing World

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## The EU Strategy Towards the Developing World

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### **Critically assess the extent to which the Cotonou agreement marked a change in EU strategy towards the Developing World.**

The Cotonou agreement, signed 23<sup>rd</sup> June 2000, is described as “a global agreement, introducing important changes and ambitious objectives while preserving the ‘acquis’ of 25 years of ACP-EC cooperation” (European Commission [no date]). As is suggested, the agreement mirrors the main aims and principles of previous bilateral EU-ACP partnership, such as poverty alleviation, sustainable development, equality and liberalized trade (Bretherton, C. 2006, p.115). This essay aims to assess the extent to which the ways, or strategies, which the EU adopts towards the developing world by comparing the strategy of Cotonou with previous EU-ACP partnerships whilst considering changes in global, political, technological and economic climate. The Developing World will be considered as the ACP due to its size and the fact that the Cotonou agreement specifically deals with EU-ACP relations.

Although many elements of the Cotonou Agreement can be seen within in past EU-ACP agreements, such as proposed regional co-operation in Lomé IV (European Commission. 2009); there are important areas in which the Cotonou Agreement supposedly innovates strategically from its predecessor Lomé IV: Differentiation; regionalization; political conditionality and greater involvement of non-state actors in political dialogue (Holland, M. 2002, p. 200). For example principles of trade liberalization and the recognition of different levels of development are present in both Cotonou and Lomé; yet the Cotonou agreement marks a “paradigmatic” departure from Lomé uniform development policy towards the ACP, in which states were given the same trade privileges and non-reciprocal aid from the EDF (Holland, M. 2002, p. 196, 208). Here the Generalised System of Preference (GSP) used in Lomé Convention, which offered preferential access to EU markets, could not be taken advantage of by many ACP countries without sufficient technological, marketing, transportation or sanitary capabilities (De la Rocha, M. 2003, p.13). This resulted in the ACP only enjoying a 2.8% share of EU market in 1999 (Holland, M. 2002, p. 196) and therefore Cotonou focuses on a policy of differentiation between ACP states’ levels of development, trade capabilities and aid needs. This means that ACP states, who have achieved greater economic liberalization, can take advantage of lucrative trade offers with the EU, whereas LDC’s, landlocked or island states can, for example, receive duty and quota free access to all products except arms through the 2001 EU initiative “Everything But Arms” (Bretherton, C. 2006, p.112). The strategy of differentiation clearly differed from the GSP used across all previous EU-ACP partnership agreements up to Cotonou (Bretherton, C. 2006, p. 112), and marked an innovative strategic attempt at amending the negative political and institutional growth in ACP countries under the GSP, which hindered effective development leaving ACP countries perhaps more dependent on EU aid (Holland, M. 2002, p. 196).

In an attempt to further avoid ACP dependence on the EU, a strategy of regionalisation has been implemented in the Cotonou agreement, in an attempt to economically integrate 6 different ACP regions in order to increase intra-ACP trade for sustainable development (Bretherton, C. 2006, p.124). Although the idea of decentralization was noted in Lomé IV (European Commission, 2009), in Cotonou the EPA arrangements will again differentiate between levels of development and the socio-economical impact of these trade agreements on different regions (De la Rocha, M. 2003, p.12). Moreover Cotonou marks the EU’s recognition of the requirements of achieving democratic institutional growth in a globalized world through the promotion of economic integration between ACP states and entering EPA’s

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(Economic Partnership Agreements) between these regions and the EU (De la Rocha, M. 2003 p.13), to achieve democratic institutional growth in a globalized world. This in turns is aimed at reversing the negative effects that globalization has on the developing world and integrating the ACP into the world economy (Bretherton, C. 2006, p.124). Thus this can be considered a justifiable departure from the strategy of the Lomé Convention, in which uniform economic strategy remained despite World Bank and IMF economic structural adjustments during the 1990's (Lister, M. 1997, p.153).

A greater emphasis was also put on the political dimension of EU-ACP relationship during the 1990's, in particular on political dialogue and conditionality. Cotonou's continuation of this policy (European Commission [no date]) can therefore be perceived as less innovative than the previously discussed policies of differentiation and regionalization, as the three newly dubbed "essential" elements of EU-ACP relations: human rights; democratic principles and the rule of law have remained consistent between Lomé and Cotonou (Holland, M. 2002, p. 200). This standpoint is supported by the fact that post-Cold War political conditionality became less of a taboo (Holland, M. 2002, p. 197) and thus it can be said that Cotonou has followed the spirit of Lomé in the continuation of this strategy, as increased emphasis on democratic values was present before Cotonou.

Nevertheless Cotonou has highlighted the importance of these "essential elements" to which ACP countries must adhere to in order to benefit from trade and aid; the aim of this being to increase the incentive for ACP countries' political self-improvement, becoming less reliant on the EU, as aid is distributed based on good development progress within different ACP states (Avafia, T. 2004, p. 5). In particular this is related to texts concerning "good governance" and corruption which were not "simply duplicated from Lomé", becoming "fundamental" elements of adherence for ACP states who wish to receive aid or trade benefits (Holland, M. 2002, p. 202). Here ACP unease over the necessity of accountable government with clear decision-making procedures marks a strategic relationship change in the Partnership's political dimension, as it demonstrates the EU's ability to determine the requirements and direction of the Partnership, undermining the theme Partnership's consistent equality throughout all EU-ACP relations. The failure of previous development and poverty alleviation attempts seems to have provoked the EU, which possesses more effective political institutions, to increase the significance of adherence to political conditions within the Partnership, putting the EU in a stronger bargaining position and prioritizing institutional enhancement over aid obtainment for ACP states than in the Lomé Convention strategy.

Some would argue that this political emphasis represents a large shift in strategy between Lomé and Cotonou, as political dialogue is described as a "cornerstone" of the Cotonou Agreement (Avafia, T. 2004, p. 5). However there is a large amount of scepticism surrounding this view, as the institutional framework of Cotonou has been largely carried through from Lomé; the Council of Ministers, Committee of Ambassadors and Joint Parliamentary and 5-year-reforms of the Agreement have all been retained (Holland, M. 2002, p. 200). This is considered a problem as the institutional complexity of Lomé is regarded as one of the key reasons for its failure. Consequently the retention of its institutional system would presumably mean that the implementation of Cotonou's policies would scarcely differ from that of Lomé, suggesting that Cotonou differs from Lomé more in ambition and spirit than strategy. This notion is further supported by the lack of innovation that has been made to the financial structure of the Cotonou Agreement, the entire EDF/EIB fund for EU-ACP relations between 2000-2005 (€13.5 billion) being only marginally higher than that of Lomé IV (Marsh, S. 2005. p. 229). Arguably to achieve the ambitious strategies and goals of the Cotonou Agreement increased EDF commitment is required, the lack of funds in Cotonou clearly undermining the main goal of poverty alleviation and marking a resounding similarity to previous EU-ACP relationships.

However the Cotonou Agreement does present a wider basis on which political dialogue can take place (Holland, M. 2002, p. 204). This is achieved through the EU encouragement of increased participation of non-state actors within EU-ACP discussion, aiming to deepen integration of all social sectors to increase democratic norms (Bretherton, C. 2006, p.123). This strategy, which is widely unappreciated by ACP states (Bretherton, C. 2006, p.124), marks Cotonou's realisation of the role than non-state actors can play in ACP development strategies (Avafia, T. 2004, p. 5), as through Cotonou the EU can fund private institutions without ACP consent. This departs from the strategies of Lomé in which respect of equality and ACP sovereignty were primordial, however the change in strategy shows the EU's realisation of past failure in relationship and the need put the wealth of political experience within the EU before the respect of ACP sovereignty in terms of achieving the main goal of poverty alleviation in those states.

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Considering the previous arguments, it can be said that although the Cotonou Agreement has retained institutional structure and several main principles seen in previous EU-ACP Partnership agreements, the ways in which these are achieved has been greatly altered. Ignoring the fact that these strategies are somewhat hindered by the lack of funds available for the 2000-2005 period in, the proposed ideas of Cotonou have marked a profound change in approaching the ACP. In particular individual differentiation and regional organisation of ACP states allows for multilateral rather than unilateral EU-ACP and intra- ACP co-operation and trade, paving the way faster system of sustainable development which was not possible under the centralized, homogenous policies of the Lomé and Yaoundé Conventions. In addition, although it is clear that many elements of the Lomé institutional framework and emphasis on political dialogue and conditionality surrounding the political dimension have been withheld in Cotonou, the strategy of funding ACP non-state actors has shown a previously unseen willingness to undermine ACP sovereignty and partnership equality in order establish an EU model of democracy in ACP states. The Cotonou Agreement clearly demonstrates the EU's belief that poverty alleviation and sustainable development can be better achieved through EU influence as opposed to EU-ACP equality in partnership. Regardless of whether increased EU influence comes purely from self-interest or is solely fixated on the goals of the Cotonou Agreement, it is clear that the EU has altered greatly its strategy towards the Developing World.

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## Abbreviations:

**IGO**-Intergovernmental organization

**IMF**-International Monetary Fund

**LDC**-Lead Developed Country

**EDF**-European Development Fund

# **The EU Strategy Towards the Developing World**

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**EIB**-European Investment Bank

**EU**- European Union

**ACP**- African, Caribbean and Pacific countries

**EBA**- Everything but Arms

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