Research Activities

France, Europe and Development Aid
From the Treaties of Rome to the Present Day

Gérard Bossuat and Gordon D. Cumming, Editors

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France, Europe and Development Aid

From the Treaties of Rome to the Present Day

Proceedings of the Conference held on 8 December 2011

Gérard Bossuat and Gordon D. Cumming, Editors

COMITÉ POUR L'HISTOIRE ÉCONOMIQUE ET FINANCIÈRE DE LA FRANCE
The mission of the Institute of Public Management and Economic Development (IGPDE) is to support both university research on economic and financial history and research on public management, and to circulate the findings.

The Institute of Public Management and Economic Development is assisted in its research activities by a scientific committee, the Committee for the Economic and Financial History of France.

The members of the committee are:
This volume explores the origins and evolution of European development assistance policy, focusing particularly on the role of the European Commission and its interactions with France, Britain, and the African, Caribbean and Pacific states.

This book is noteworthy in a number of ways. For a start, it is empirically rich, covering half a century of aid relations and drawing upon interviews, archives and first hand accounts by officials and practitioners who were instrumental in shaping the evolution of European development policy. In addition, this study sheds new light on the actions of leading European figures (such as Jacques Ferrandi, Claude Cheysson and Edgard Pisani) as well as offering fresh insights into the role of the European Commission as a norm entrepreneur shaping the aid policies of member states. Significantly too, this work is refreshingly frank in its critique of France’s early role in shaping European aid policy as well as in its assessment of the current threats to Europe’s aid partnership with the South, whether from globalisation, the World Trade Organisation or the eurozone crisis. Finally, this volume incorporates the views of an unusually wide range of actors (donors, recipients, academics, development practitioners and informed members of the public) and, in so doing, provides a rounded and holistic account of the history of European aid and trade agreements.

While edited books are currently out of favour in liberal anglophone academic circles, this ambitious and impactful study reveals the benefits offered by such volumes. It will be of particular interest to aid practitioners, historians, scholars of international relations and specialists in development studies.
INTRODUCTION
by Gérard BOSSUAT

This symposium, marking the 70th anniversary of the French Development Agency (AFD), focuses upon two development aid actors, France and Europe, and the countries of the South which receive aid. It offers readers an overview of official development aid policies from 1945 to the present day. It explores the origins of aid, its forms and methods, and the motives behind development aid policies. A new actor – the European Community – emerged on the scene in 1958. Since then, it has always held a special position, challenging the traditional role of states. Competition and innovation in development matters become the focus of national and European actors, which are in fact one and the same but with different interests.

The Origins of European Aid

Development aid is nothing new to Europeans, who received aid via the US European Recovery Programme, the Marshall Plan, between 1948 and 1951. The pursuit of modernisation, developed by the Truman administration, upheld by the Keynesian ideas of the time, and supported in France by de Gaulle and Monnet, led Europeans to the so-called “Thirty Glorious Years”. This modernisation was intended to raise people’s living standards closer to those of the “land of plenty”, the United States. Great things were achieved: the economy grew at a pace which has never been repeated. Would the era of the Thirty Glorious Years forever be our paradise lost? Western Europe or the Europe of Six and every metropolitan country with overseas territories could draw inspiration from this experience when they came to embark on the development of underdeveloped territories. The Marshall Plan was a chance for the American Government to demand the development of the overseas territories and secure free access to them, even if that caused some tension with France (Morocco, New Caledonia).

In 1957, EEC treaty negotiators accepted the participation of the French, Belgian and Dutch overseas territories in the new Community and envisaged the possibility of development aid, even if – at least in France’s case – aid matters already fell under the remit of the Jean Monnet modernisation plan and of an instrument called the Caisse centrale de coopération économique (CCCE). The
development of these territories was planned to take the form of “joint” or “co-development” even though France had neither the budget nor the sufficient capital to make this happen.

The birth of the EEC led to tensions within the political machinery of the Fourth Republic. Some of the actors regarded the Community’s involvement in the development of the overseas territories as an unacceptable intrusion (Georges Boris against Eurafrica). But the French Government, led by the socialist Guy Mollet, brought the French overseas territories into the Common Market: “The overseas territories are in or that’s it, there’s no Common Market!” is what Gaston Defferre and Jacques Chaban-Delmas also declared. At first the Dutch were against the idea, refusing to be “taxed” on behalf of the French colonies. Other partners refused to join in the colonial disputes. The Germans demanded that the colonised countries themselves be involved in the joint development work. They tried to buy their way out of further commitments through the payment of a capital sum in favour of the overseas territories, which would have avoided granting them trade preferences. But so much was at stake in the “European” Common Market that the Auswärtiges Amt agreed to inter-European cooperation in Africa. The entry of the overseas territories was achieved late on, in February 1957, a month before the treaty was signed, evidence of the tough negotiating.

Why did the French want them included? A note to a French Government department gives the reasons: “To ensure acceptance of arrangements which meet political concerns and prepare for the future in economic terms”. Associating the overseas territories with the Common Market was a cheap way of winning allies in international relations and helping France to disengage from its overseas involvement. It satisfied the requirement to include the overseas territories in a larger trade area. More specifically, France agreed to renounce its preferences in the French Union in return for its partners’ participation in the cost of developing its overseas territories. The American Secretary of State, John Foster Dulles, recognised that the Common Market was contributing to the economic development of the African territories on the basis of equality and mutual interest. A European Development Fund (EDF) was created, endowed with $581.25 million, of which $512 million was destined for the French overseas territories over a five year period. The French and German contributions were set at $200 million each. The customs tariffs of the Six were cut by 30% in the case of imports from the overseas territories, and the customs tariffs of the overseas territories were set freely in relation to the Six. The European Commission became responsible for managing development aid and interna-
tional trade negotiations. The economic development of the underdeveloped countries ceased to be a national monopoly.

**The Ways and Means of Development Aid**

A series of agreements ensued between the European Community and the African, Caribbean and Pacific States, the ACP. There were nine successive EDFs. The idea was to prevent conflict and abandon neo-colonial relations. The Community effort and bilateral national aid (0.5% of GNP) exceeded the efforts made by the United States (0.18%) and Japan (0.32%). The two types of aid did work, even though there was some competition between French and EDF funding (with rivalry over the development of the ports of Cotonou and Lomé as well as the construction of two competing cement works at Malbaza in Niger and Sokoto in Nigeria).

The EIB was another institution created by the Treaty of Rome; anticipated since 1949, its role was to coordinate private investment and correct the imbalances resulting from the relaxation of exchange controls. It lent funds within the Community but also contributed to development aid. Since 1990 it has funded projects for the economic development of Central and Eastern European countries.

The European Union is motivated by the hope of participating effectively in the development and new governance of the countries of the South. Although criticised from the start by European countries not keen to become involved in the South because of their totally different history, this relationship between the European Union and the African, Caribbean and Pacific States (ACP) is a legacy of the history of Europe and the South. It indicates the development route adopted by the Union. However, it will be necessary to measure the effectiveness of European and French development aid practices, to understand whether the development players in the countries receiving the aid are involved in the mechanisms of the Aid and Cooperation Fund (ACF), the CCCE or the EDF, since the aid instruments all originate from the North. Have multilateral aid practices proved more productive for growth and human development than bilateral aid? Who has benefited from the development aid? Is there any attempt to ensure coherence between EDF aid and bilateral aid?

**Reasons for Development Aid**

It has emerged from discussions with some European officials and from university research that the European Community aimed to display “solidarity” and
“responsibility” towards the newly independent states. Development, packaged in third world ideology to distance it from colonialism and neo-colonialism, became the key to Community action in 1960-1970. Yet the liberal, capitalist approach to international relations was never in doubt. Europeans saw the European Community as Europe’s second chance to undo its colonial past of domination over other cultures. The political literature sometimes stresses the humiliation of receiving aid, despite the real benefits it provides, and accuses aid of being a neo-colonial practice. Is not the integration of developing countries into the global commercial and financial system a form of financial imperialism which is just as dangerous as the old imperialism?

There are two key protagonists in this symposium: the European Union and France. Expert speakers have taken on the task of explaining the role of the CCCE in Development Aid. But why grant aid? We remember the provocative words of Raymond Cartier, the Paris-Match columnist: “Corrèze before the Zambeze”, concerning development priorities. In response, successive French governments have always endeavoured to justify development aid. The following arguments regularly appear and it is hard to rank them in order of importance. Some are more likely to come from aid practitioners. Aid only makes sense if it benefits the population, which, in turn, implies the need for checks on how it is used, and friction with some governments. The reasons put forward are moral, political and philosophical. The historical argument also counts. In the eyes of many, the historical links justify the aid that France provides. The end of the colonial era does not mean the end of Franco-African relations, because colonial domination created links of all kinds. Aid is a form of responsibility on the part of the current generation towards the peoples colonised by previous generations. Those in favour of French development aid argue that it is reasonable because it can avert the threat of chaos. One argument endures: the spread of the French language in the name of access to the modern world. There was an argument surrounding the defence of the free world, but that has been replaced by one based on the war on terror and in favour of universal human rights enshrined in the United Nations Charter, values which one would expect to be shared by the new independent countries and elites trained in the western university system.

Let us summarise France’s motives: aid is necessary for humanitarian and moral reasons; it corresponds to national cultural and economic interests; it forms part of the system of French influence in international relations. In the long term, it looks like the ultimate adjustment by a European State in search of its destiny.
What is the meaning of French development aid in 2012? What policy do member states and the Commission aim to pursue with regard to development? Does aid still make sense in a liberalised economic area where private sector initiatives are pre-eminent?

The presentations on the beginnings of European development aid (1957-1975), the extension of the European Community’s aid agreements and the new aid paradigms (1975-1995), the questioning of the European approach to development (1995-2010), and the future of European and French aid thus help to provide a long-term historical picture of development aid. Development aid is a clear indication of the way in which our societies conceive international relations, which are not merely the expression of economic power relationships and human indifference. The budgets of member states and of the EU reflect this conception of international relations.
In 2005, the Member States of the European Union set themselves the target of spending 0.7% of their GNP on development aid, an exceptional commitment by the standards of the donor community. A quantitative analysis of European aid based on fifty years of statistics will enable us to assess the contribution that the Member States have made through a common European framework of institutions.

Official Development Assistance is measured by the OECD Development Assistance Committee

Defined in the 1960s, official development assistance (ODA) is measured by the Organisation for Economic Cooperation and Development (OECD). Set up in 1961, the OECD is heir to the OEEC (Organisation for European Economic Cooperation), itself established after World War II to link the United States and the countries receiving aid under the Marshall Plan. Thus, in the beginning, some OECD countries were themselves aid recipients. Today, the organisation is a club in which industrialised countries discuss various aspects of their governance in order to define “good practice”. The organisation does not grant funding; the term “development” is used to emphasise a concern for international cooperation which emerged at that time.

The Development Cooperation Directorate provides the secretariat for the Development Assistance Committee (DAC), which aims to promote the expansion of the aid which member countries grant to developing countries, and to

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improve the effectiveness of the resources allocated. While there were only nine founder members (Germany, Belgium, Canada, United States, France, Italy, Portugal, United Kingdom and the Commission of the European Economic Community), the DAC now has 24 members (Australia, Canada, Korea, United States, Japan, Norway, New Zealand, Switzerland and the major donor countries in the European Union, plus the representation of the European Commission).

The DAC is a key element in the administrative and political supervision of official development assistance. It conducts regular peer reviews of the member countries’ systems of cooperation and development aid policies. It records aid efforts, makes recommendations on enhancing their effectiveness (“good practice” in aid, the Agenda for Development in the 21st Century, etc.) and checks the use of the aid via its peer reviews.

Official development assistance (ODA) was defined in 1969. It designates all public expenditure exhibiting the following three characteristics:

– it is granted to an eligible developing country included on an existing list;
– it promotes the economic development and welfare of the country concerned;
– it includes a minimum concessional element.

The concessional element of a loan refers to the difference between the amount lent (the principal) and the expected discounted repayments (difference expressed as a percentage of the principal). A 40% concessional element therefore means that the loan repayments are equivalent to a current value of 60% of the principal. The longer the term, the farther away the first repayment, and the lower the interest rate, the more the concessionality increases. On repayment, the aid is reduced by the amount of the principal actually repaid.

ODA also includes food aid and emergency aid, aid to refugees, debt relief, certain specific peace-keeping operations (restoring infrastructure, transportation of emergency aid, mine clearance, demobilisation, organisation of elections, etc.).

European aid includes all these types of intervention, and takes the form of grants handed out by the Commission and loans from the European Investment Bank.

2. In 1974, Portugal left the DAC and asked to be included on the list of developing countries drawn up by the DAC; Portugal rejoined the DAC in 1991.
3. That is, 15 countries: Germany, Austria, Belgium, Denmark, Spain, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, United Kingdom and Sweden.
Development Aid can be Bilateral or Multilateral: European Aid is classed as Part of the Multilateral Effort

Aid may be granted either directly by a State (bilateral aid) or via an international body (multilateral aid). Since 1975, the proportions of these two forms of aid have been stable, with multilateral aid making up around 30% of the total ODA of all OECD countries.

Chart 1
Share of Bilateral Aid and Multilateral Aid in Total Aid

The percentage of multilateral aid represented by European aid has risen continuously.

OECD Development Assistance Committee databank, consulted online on 29 April 2011.
Chart 2

Multilateral Aid is Stable, European Aid is growing

Chart 3

Aid granted by European Institutions in Comparison with that of the Member States ($ million, 2009)

OECD Development Assistance Committee databank, consulted online on 29 April 2011.
Several Characteristics emerge from the Upward Trend in European Aid

Sustained growth is a feature of European aid, which even withstood the aid crisis of the 1990s: during that decade, it was only European aid that continued to increase steadily.

Chart 4
EU Aid is more Stable than that of its Member States ($ million, 2009)

The geographical breakdown shows that Africa’s share is gradually being eroded. With the enlargement of the EU to include Central and East European countries, aid to Europe is declining in favour of Asia.

The share taken by the least developed countries (LDCs) and other low-income countries (LICs) declined steadily until 2001, but picked up again following the adoption of the “Millennium Development Goals”.

Overall, the trend in the amount of European development aid appears to be steady, despite variations in the number of Member States and the incidence of historic events. This remarkably stable aid has withstood competition from other forms of multilateral aid. It has increased continuously, and features three key periods: the initial phase (1957-1975), the era of enlargement and new aid paradigms (1975-1995), and the period of questioning Europe’s approach to development (1995-2010). This is undoubtedly a key quality of European aid.
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Chart 5
Geographical Breakdown of Aid by Continent

OECD Development Assistance Committee databank, consulted online on 29 April 2011.

Chart 6
Breakdown of Aid between Least Developed Countries, Low-Income Countries, Upper and Lower Middle-Income Countries

OECD Development Assistance Committee databank, consulted online on 29 April 2011.
BEGINNINGS
OF EUROPEAN DEVELOPMENT AID
(1957-1975)
INTRODUCTION

This chapter aims to analyse France’s role in relation to the development cooperation of the European Economic Community (EEC) during the 1960s. At that time, the EEC’s development aid policy was centred on French-speaking Africa, a region at the heart of French political and economic interests. We therefore need to understand the terms of the relationship between Paris and the European Community in Africa.

The first part of this paper will concentrate on the origins of the EEC’s development cooperation policy and the entry into force of the system of association linking the EEC to a number of African countries. The second part will examine the results of the Yaoundé Convention (1963), the EEC’s agreements with Nigeria and the countries of the East African Community, and the second Yaoundé Convention (1969). The paper will conclude with some points to consider when taking stock of European cooperation and assessing the role played by France throughout the period.

I. ESTABLISHMENT OF A DEVELOPMENT COOPERATION POLICY

A. THE ORIGINS OF THE EEC’S DEVELOPMENT COOPERATION POLICY

The Treaty of Rome had made provision for French and Belgian colonies, Somalia under Italian trusteeship, and some Dutch overseas territories to be associated with the EEC. The purpose of that association was the economic and social development of the African territories and the establishment of close economic relations between those territories and the EEC. To that end, a European
Development Fund (EDF), with a budget of $581.25 million, was to finance economic and social investment in the associated territories. At the same time, tariff barriers between the latter and the EEC were to be gradually lowered so as to eliminate any discrimination in favour of the colonial powers. In addition, exports from the associated countries would not be subject to payment of the common external tariff (CET); that guaranteed them some advantage over third-country exports. Ultimately, a free trade area would be created between Africa and Europe.

During the Common Market negotiations, France had insisted that the association of the overseas territories was an essential condition for its membership of the EEC. Unlike the other five countries, the French Government had to assess the consequences of the creation of a common market not only for metropolitan France but also for the French Union. In 1957, France still controlled a large colonial empire. France had a common market with its overseas territories. The currency used in the French overseas territories – the CFA franc – was closely linked to the French franc. Moreover, the French government had undertaken to fund an ambitious programme of economic and social development in the overseas countries. Against this backdrop, the French were unable to join a European common market without first obtaining a number of guarantees: the EDF had to share at least part of the costs associated with financing overseas development. The Euro-African free trade area was meant to preserve Franco-African ties and open up the African market to the countries of the European Community. In so doing the dream of “Eurafrique” still dear to a large section of the French political class and French public opinion was preserved.


When the negotiations came to an end, Paris had thus secured a number of economic guarantees which had major political implications. Terminating the Franco-African customs union would have led to the economic separation of the overseas territories and ultimately to their political independence. In 1957, at the time of the Algerian War of Independence, French political circles were not ready to consider the independence of the overseas territories.

B. ENTRY INTO FORCE OF THE ASSOCIATION AGREEMENT

The EEC and Euratom Treaties, signed in Rome on 25 March 1957, were promptly ratified by the parliaments of the six member countries and came into force on 1 January 1958.

In the EEC Commission, the Directorate General of Overseas Development (DG VIII) headed by Robert Lemaignen had the task of managing the association system and launching the EDF. The entry into force of the EDF was particularly complex since there was a need to design the fund’s operating procedures, make contact with the associated territories via the competent authorities, define the respective powers of the Council and the Commission, and overcome the mistrust of France, which thought that the Commission was interfering too much. In fact, while the EDF rules were being developed, Paris endeavoured to minimise the establishment of direct relations between the Commission and the associated States. In March 1960, on the eve of


5. In the words of the French ambassador to Brussels: “It is true that this question of relations between the Commission and the overseas local authorities is not explicitly covered by the treaty […]. All the same, it is evident that the position adopted by the Commission for some time is increasingly tending towards the establishment of direct contact between that European executive body and key figures overseas […]. There is also a need for meticulous scrutiny of the Commission’s intentions regarding its ‘direct contact’ with the countries of the French Community.” Archives of the (French) Ministry of Foreign Affairs (MAEF), DE-CE, 721. Letter from France Permanent Representative to the Minister for Foreign Affairs, 25 October 1958. Cf. also Véronique Dimier, “The birth of a European diplomatic service: from contrôleurs techniques to the delegates of the Commission in ACP countries”, in Anne Deighton, Gérard Bossuat, Les Communautés européennes, acteurs de la sécurité mondiale. Bilan de cinquante ans de relations extérieures, Paris, Soleb, 2007, pp. 114-129.
independence for the African countries, Michel Debré, then Prime Minister, wrote to Maurice Couve de Murville, the Minister for Foreign Affairs, to complain about the Commission’s attitude:

I feel that the Commission is abusing its rights in all its dealings with the Community’s Member States. Experts are dispatched without any request for the slightest authorisation by us. They correspond with one another directly without informing us. Also, I have noticed political positions adopted either by Commission members or – more seriously – by Commission officials. In short, it is becoming habitual to forget not only that it was France that signed the Common Market Treaty, but also that it is ultimately France, and France alone, that shoulders political responsibility on behalf of the Community’s for European cooperation.⁶

At the end of his letter, Michel Debré asked for instructions to be sent to France permanent representative in Brussels with a view to calling the Commission to order. While the independence of African countries soon rendered the terms of such an approach obsolete, Paris continued to keep a close eye on the relations which the Commission develops with African countries and the projects that it funds via the EDF.⁷

C. THE INDEPENDENCE OF AFRICAN COUNTRIES AND THE ASSOCIATION AGREEMENT

In 1960, the associated African countries became independent.⁸ In this new context, was it possible to retain the association arrangements, negotiated at a

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⁷. “The African States should therefore present their projects in agreement with France, the Commission should ensure that France agrees before deciding to fund a project, even if it was presented to the European Fund with France’s consent, [and] Commission members and officials should refrain from commenting on the problems raised by the operation of the Fund. It is intolerable that they should accuse France of hindering the work of that body.” French National Archives, Fonds public Foccart, dossier 2605, minutes of select committee meeting on Wednesday 29 June 1960 on relations between the EEC and the associated African and Malagasy States.
time when the African territories were still colonies? There were heated discussions between the Six and the Commission: the Commission considered that the independence of these African States did not mean the end of the system of association, so long as they agreed. In the Commission’s opinion, the agreement remained valid until its scheduled expiry date. Following expiry, it would be necessary to negotiate a new association treaty based on the Greek model. The French Government took a position very similar to that of the Commission, but for different reasons: it considered that the time had not yet come for new negotiations with the associated countries. The African States must first get the measure of their independence and take advantage of the benefits of association and the EDF. Moreover, as the Franco-African Community (set up by de Gaulle in 1958) was in the midst of profound changes, and as the cooperation agreements had not yet been signed, the French preferred to wait before proposing new negotiations to the African States. Consequently, the French Government proposed adopting simple modifications to the current system.

The Netherlands adopted a position that was directly opposed to that of the French. The Dutch Government considered that the independence of the associated African States had rendered the association system null and void. They wanted to end the preferential trade tariff regimes enjoyed by the associated states. The latter could nonetheless still benefit from the EDF.

Without agreeing with the French position, the other four EEC members did not support the Dutch view. They considered that the abolition of the association regime was not politically desirable. Such a solution would amount to ending the advantages enjoyed by independent States and maintaining those advantages for territories still under external control. That would be seen by the African countries concerned as a hostile move. The four considered it preferable to adopt a provisional solution to resolve the political and legal problems.

For their part, the associated African states quickly made it known that they wanted to retain their association with the EEC. In fact, despite the significant

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9. France permanent representative to the European Communities commented openly on this: “It is essential for us to be able to propose to the EEC institutions – and persuade them to accept – a conservative, transitional solution which would permit the countries of the Franc Zone to continue developing, sheltered from the upheavals that would be bound to arise from an immediate revision of the association regime.” Archives of the French Ministry of Foreign Affairs, DE-CE, 722. Note from France’s Permanent Representation to Brussels, 3 June 1960.
Influence of the concept of pan-Africanism, the associated countries wanted to preserve their preferential relationship with the EEC.  

The agreement was thus retained, but with some changes to take account of the new situation: the African States would themselves apply for EDF funding and meetings would be arranged with representatives of the associated States to discuss questions of mutual interest. Finally, those states would be free to choose how to be represented in Brussels: by delegating an EEC member country or accrediting an ambassador.

Following the independence of the associated African countries, the issue of coordination between bilateral policies and Community policy became even trickier and more urgent. It particularly concerned France, which continued to invest substantial sums in sub-Saharan Africa. The French therefore tried to control, or at least influence, the presentation of projects to the EDF by the associated countries. They did not want to end up funding the least attractive or most expensive projects. Michel Debré stressed the need for the associated African states to maintain close collaboration with the French Government on everything concerning Brussels. At the same time, the Commission had to be kept under control so that it did not take any initiatives without first consulting the Member States. In a note, Debré said:

If the French do not play a pre-eminent role in distributing the aid that the Commission in Brussels grants to the [African] Community States, we will find ourselves in the deplorable political situation of spending a great deal of money without enjoying any of the benefits, while also having in Brussels a body which can pursue a policy entirely different from that which we intend to follow.


12. French National Archives, Fonds public Foccart, 2605, minutes of the select committee meeting on Wednesday 29 June 1960 on relations between the EEC and the associated African and Malagasy States.

Moreover, in 1963, following a meeting between the development commissioner Henri Rocherau and the French Minister for Cooperation, Raymond Triboulet, it was decided to establish a system of information and consultation between the respective departments.\[14\]

II. SUB-SAHARAN AFRICA AND THE AGREEMENTS WITH THE EUROPEAN COMMUNITY

A. THE YAOUNDÉ CONVENTION

On 20 July 1963 the Six and the 18 associated African countries met in Yaoundé, Cameroon, to sign the new convention which was to extend the association regime for five years. Despite serious questions, the principle of free trade area was upheld. At the same time, the common external tariff (CET) was reduced on certain particularly important tropical products, thus cutting the preferential tariff margin enjoyed by the associated States in relation to other countries. The EDF was increased from $ 581.25 to $ 730 million. New forms of aid were introduced: aid for diversification and production, to help the associated countries cope with the end of guaranteed prices in the Franc Zone (as they had been abolished following the entry into force of the European Common Market).

Negotiations among the Six, and between the Six and the African States, Madagascar and Mauritius (ASMM), were difficult. Discussions focused particularly on the free trade area and financial cooperation. The preferential tariffs enjoyed by the associated countries were a stumbling block, notably for the Netherlands and Germany. Moreover, the Germans and Dutch were against the idea of providing aid to compensate the African countries for the losses that would result from the abolition of the Franc Zone’s guaranteed prices. They considered that France was trying to hand over to Europe the burden of a policy which had now become too expensive and which was incompatible with

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14. “These meetings took place alternately in Brussels and Paris, the agenda being set by the party hosting the meeting, and possibly supplemented by the guest. They were held at fairly regular intervals, taking account of political needs and events [...] These meetings, held at director level, examined both general issues [...] and specific projects. As the outcome was not always satisfactory, since March 1967 they have been supplemented by meetings of technical experts on specific questions [...]. While it is difficult to assess what has been achieved, such a procedure clearly facilitated an exchange of views between the various departments, leading to effective cooperation.” French Ministry of Foreign Affairs Archives, De-Ce, 803, Taking stock of the Yaoundé Convention, note No 19, January 1968.
Common Market rules. Compensating the associated States for the abolition of the Franc Zone’s guaranteed prices would amount to admitting Community liability. That was considered economically dangerous, since it would promote the production of uncompetitive crops already available on world markets. It was also politically inconvenient, given the colonial origin of the Franc Zone. In addition, the Five considered that such a liability was likely to become too costly for the Community budget. Belgium alone was prepared to make an effort, provided the compensation was partial, decreasing and temporary. The other European countries were far more intransigent.

Definition of the amount of the EDF and its allocation among the Six also caused problems. A solution was found only when Italy agreed to a substantial increase in its contribution.\textsuperscript{15} Regarding compensation for the abolition of the Franc Zone’s guaranteed prices, the Five ultimately agreed to temporary aid for production and diversification.

For their part, the African associated states were somewhat disappointed with the progress of these negotiations. They feared incurring costs in the construction of the European Common Market: they would lose their entitlement to the guaranteed prices of the Franc Zone without adequate compensation.\textsuperscript{16} In particular, they demanded maintenance of the Treaty of Rome trade rules and the establishment of a guaranteed market for tropical products. They wanted the common agricultural policy (CAP) rules to apply to African products supplementing or competing with European products, and they wanted the abolition of national taxes on the consumption of tropical products. But their proposals were largely ignored. In fact, the African associated states had no means of exerting pressure on the Six. To boost their weight in the discussions, they set up the African and Malagasy Economic Cooperation Organisation (OAMCE), but not all the associated States were members. The African countries were divided by divergent or competing economic interests. Except for a few details, they were therefore obliged to refuse or accept the proposals made by the Six. Amending


\textsuperscript{16} “These States considered Community aid to be inadequate and at the same time feared that France might make use of the terms of the new association agreement to abolish their price surcharges altogether.” Centre des archives économiques et financières (CAEF), Fonds Trésor, dossier B 62.169, note for the minister, 12 July 1962.
them would have threatened the rather precarious compromise reached by the EEC Council of Ministers.17

The associated countries thus felt that the EDF did not have sufficient resources and that there was not enough in the way of aid for productive investment. The preferential tariffs were threatened by the reductions in the CET, and Germany kept its traditional quotas for banana imports from the American continent. Yet, despite these defects, the negotiations with European countries and the signing of the convention were significant moments for the associated African states. They joined in discussions with the Six on an equal footing: in the preamble to the convention, the signatories made a point of expressing their “mutual desire for cooperation on a basis of complete equality”. That retrospectively confirmed their recent independence. Moreover, the European market was to offer wider access for their products, and they obtained a steady flow of financial assistance. Finally, the association with the EEC enabled the African states concerned to strengthen their relations with European countries in a preferential context. That advantage was all the greater in that it would have been very hard for them to acquire the diplomatic capability to establish links with each Member State of the European Community.

If the Yaoundé Convention negotiations are compared with those in 1956-1957, there seems to have been little change in the situation. France continued to defend the principle of a Euro-African free trade area, wishing both to share with the Five the cost of developing its former colonies and to continue to preserve its influence over those countries. However, compared to 1957, the French began to display greater awareness of the claims of the developing countries. In fact, de Gaulle now realised that the association between the African countries and the EEC was a problem for the relations that France wanted to establish with the rest of the Third World. The preferences granted to the associated countries were particularly disputed. That advantage was justified to the GATT on the basis of the forthcoming creation of a Euro-African free trade area. However, many third countries considered these preferences to be illegitimate. Moreover, in the EEC, Germany and the Netherlands would have preferred to eliminate

the preferences enjoyed by the associated countries and to adopt a non-discriminatory policy towards the Third World.

Up to 1961-1962, France had made the tariff preferences a key element of the association regime. After that date, the French were less steadfast in their defence of that principle. In the margins of a note summarising the content of the statements by the US Secretary of State at the Punta del Este Conference (August 1961), de Gaulle wrote:

Mr Foccart, I generally believe that the preferences which we grant and which we get the Six to grant to the African States are not justified in the long run. Moreover, the future of Latin America and its relations with us are crucial. We must not sacrifice that owing to an illusion of “loyalty” to the Africans. Include this matter on the agenda of the next meeting of the African Affairs Council.18

The tariff preferences granted to the associated countries thus became a card to be used in the negotiations on renewal of the association. Those preferences could be reduced in exchange for a reduction in (national) taxes on consumption, on condition that the associated countries received compensation for the losses incurred.19 Olivier Wormser, Director of Economic and Financial Affairs at the Quai d’Orsay, was very clear on this point. In May 1962, addressing France permanent representation in Brussels, he wrote:

We must not attach too much economic importance to these preferences. But they are politically and psychologically important, and are an asset for us in the current negotiations and in the negotiations with the British […] Our eventual consent to a reduction in the CET is obviously one of our main cards in the negotiations, and must not, of course, be played too soon.20

Such a change in the French position was connected with the more general adjustments to de Gaulle’s foreign policy. Once the Algerian war was over, General de Gaulle could adopt a more ambitious foreign policy. His trips to Latin America and Asia demonstrated the General’s desire to address the non-aligned countries and pursue a genuine policy of cooperation with them.21 In that

context, France’s preferential links with the African states should not hamper closer relations with other Third World countries. The EEC’s policy on development cooperation could thus take a less discriminatory approach.

B. THE AGREEMENTS WITH NIGERIA AND THE EAST AFRICAN COMMUNITY

During the 1960s the EEC steadily developed its relations with the associated African countries. At the end of 1963 Nigeria applied for the opening of negotiations on an association agreement with the EEC. This was a significant gesture on the part of the country with the second largest population on the African continent, a country which had hitherto maintained a very negative attitude towards association. Nigeria specified that it did not wish to accede to the Yaoundé Convention but wanted to negotiate its own association agreement. The Nigerian Government also stated that it did not want any development assistance. The agreement was to include only tariffs and trade measures.

The Nigerian request caused difficulties for the French. Owing to its size, Nigeria was likely to become the leader of the associated countries and to modify the content of the association regime. During the negotiations, the French thus endeavoured to reduce the scope of the agreement and, above all, to prevent it becoming an alternative model to Yaoundé. The international context was also significant. It was highly likely that the agreement would trigger disputes in GATT and UNCTAD. Moreover, London and Washington informed the Nigerian Government that they were against the conclusion of a preferential agreement with the EEC.22

West Germany, and especially the Netherlands, took a totally different view: they wanted to take advantage of these negotiations to extend the EEC’s development aid policy to include the rest of Africa.

The eventual compromise, ratified by the agreement signed in Lagos in July 1965, made provision for a series of trade and tariff concessions. Nigeria was to enjoy a trade regime similar to that under Yaoundé, excluding four sensitive products for which tariff quotas were specified. In turn, Nigeria was to grant the EEC limited tariff concessions.

The Netherlands and Germany were thus able to welcome the conclusion of an agreement between the EEC and an English-speaking African country. Nigeria succeeded in securing its priorities, obtaining tariff concessions without yielding anything fundamental. Moreover, in the eyes of the French, the Lagos agreement was fairly limited and did not represent an alternative to Yaoundé. Paris also announced that the ratification of the agreement would depend on the outcome of the discussions with Tunisia and Morocco on the conclusion of association agreements. In the end, the Lagos agreement was not ratified and did not enter into force because of differences between France and Nigeria at the time of the Biafran war.

Nigeria’s example was soon copied by three east African countries: Kenya, Tanzania and Uganda, members of the East African Community. Those countries told the EEC that they were interested in concluding a limited association agreement on trade. In particular, the three countries asked for tariff preferences for temperate zone agricultural products (competing with European products) and coffee. In exchange, they offered tariff concessions, though they would be valid erga omnes.

These proposals were unacceptable to France since they would have led to the establishment of a regime more favourable than that of Yaoundé, with political as well as economic drawbacks for the associated states. The latter did in fact have to defend themselves against other African states for having signed a neo-colonialist agreement which divided Africa. If other developing countries secured greater advantages than themselves, then the African and Malagasy States (ASMM) would lose much of their credibility.\footnote{On the debate in Africa concerning the EEC and the Yaoundé Convention, see G. Migani, La Communauté économique européenne et la Commission économique pour l’Afrique de l’ONU…, op. cit., pp. 133-146.}

For its part, the Commission was not willing to grant unilateral tariff concessions and was worried about the proliferation of convention models. It would have preferred to see the three countries join the Yaoundé Convention, something which they refused to do. The negotiations continued in this way until 1969, when the Arusha agreement was signed. Under that agreement, the three African countries were to eliminate quantitative restrictions and tariff barriers on the EEC’s exports. In exchange, the Community granted a regime similar to that of the Yaoundé Convention, but with large quotas for coffee and for other agri-
cultural products competing with exports from the associated countries. The agreement did not provide for any form of technical or financial assistance.  

C. THE SECOND YAOUNDÉ CONVENTION

The decision to prioritise Yaoundé over the Arusha agreement was particularly important because, at the same time, negotiations were in progress on the renewal of the association agreement. Having officially begun in December 1968, the negotiations were concluded at the end of June in the following year.

The essential aspects of the convention were unchanged. However, some problems had started to become obvious. The discussions that took place during the second UNCTAD conference in New Delhi (1 February to 29 March 1968) led EEC countries to accept the principle of a system of generalised preferences in favour of developing countries. Under this programme, developing country exports (up to a pre-set quota and with some important exceptions) would enjoy easier access to the Common Market. But how was the association agreement to be reconciled with the new system which was being devised? The Germans and the Dutch considered that the new agreement should have paved the way for transition to a regime benefiting all Third World countries. They continued to defend the idea of a Community policy on development aid based on a global approach. In fact, French-speaking Africa was never a priority for the Netherlands and West Germany, which had much more important links with English-speaking African countries, and with Asia and Latin America.  

The Dutch thus demanded the end of reverse preferences (granted by the associated countries to the Six), reduction of the CET on tropical products, and a declaration (to be attached to the agreement) by the Six specifying that the new agreement would not impede the entry into force of a system of generalised preferences. The Dutch were opposed by the French, who took a very defensive position. In 1968-1969, France was experiencing a period of difficult political and eco-


nomic transition. In that context, the French Government was not prepared to reform the association regime. On preferential tariffs, the French stance was more rigid than in 1962. They were strongly opposed to the Six mentioning the possible abolition of reverse preferences. France asserted that they formed part of the Euro-African free trade area and that they were of economic importance (at least for France). Ultimately, they were what the African countries contributed to the association regime, which was important to ensure that they did not become simply recipients of European aid.

Where the CET was concerned, the French were prepared to make a gesture towards the developing countries; however, the CET could only be cut on non-competing products of the associated countries, and provided the principle of the free trade area was maintained. As for UNCTAD, the work had barely begun and must not influence the negotiations with the associated countries. If the EEC introduced a system of generalised preferences, that must not interfere with the association regime, as the associated countries themselves demanded. The French made a point of protesting about a certain attitude on the part of the Community, which, in “giving in to constant blackmail by the underdeveloped third countries and the most industrial country in the world, seemed to be more concerned about the interests of non-member countries than about those of its original associates.”

Between the Netherlands and Germany in one corner and France in the other, there were Italy, Belgium and Luxembourg, which considered that the EEC, while remaining attentive to other developing regions (especially Latin America), should maintain a special relationship with the associated African countries.

For their part, the associated States wanted to maintain tariff preferences, reinforce measures to promote sales of their products at worthwhile prices, and introduce specific measures to support export prices. But their demands were largely unfulfilled.

On conclusion of the negotiations, it was decided that the trade regime would continue to operate according to the free trade principle, while the EDF was confirmed at $900 million. The CET would be slightly reduced on certain tropical products of particular importance for Latin American and Asian countries. Aid for transformation and diversification was eliminated, but to meet a request by the associated countries it was specified that, in the event of a serious price

collapse, use could be made of that part of the EDF reserved for aid in exceptional circumstances.

**Conclusion**

At the end of the 1960s, the French could consider themselves satisfied. The association arrangements made it possible to share at least part of the cost of developing African territories without any resulting reduction in French influence in the region.

Thanks to the Euro-African free trade area, the French preserved their preferential links with their former colonies. In 1967, despite some decline, France was still the leading exporter to the associated states, and their main customer. In 1966, France had imported 45% of the goods exported by the associated countries to the EEC, and had accounted for 67% of EEC exports sold to the associated countries. The quotas of the Five had increased, but were still not comparable to the market shares retained by French firms. That situation makes it easier to understand why the French attached such importance to the principle of the free trade area and reverse preferences: they produced real benefits for the French economy.

As regards the EDF, France won most of the tenders. French companies, long established in the African territories, had a substantial advantage over European competitors. At the end of 1966, having contributed the same amount, Paris and Bonn had respectively secured 43.85% and 9.14% of the tenders. Of course, this situation attracted strong criticism. Towards the mid-1960s, an agreement was concluded between Paris and Bonn to encourage French companies to associate themselves with German companies so that the Federal Republic could recoup a larger percentage of the funds invested in the EDF.

However, while France still played a considerable role in defining a Community policy on development assistance, Euro-African relations changed following

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27. The Belgian quota was 26%, the German quota was 13%, the Italian was 2% and the Dutch 4%. French Ministry of Foreign Affairs Archives, DE-CE, 803, Report on the Yaoundé Convention, January 1968, Note No 1.
28. The German quota was 10%, the Dutch 4.9%, the Belgian 11.1%, and the Italian 7%. *Ibid*.
29. Paris and Bonn contributed to the first EDF up to $ 200 million each, i.e. 34.41% of the total amount ($ 581.25 million). In the second EDF, they brought $ 246.5 million each, i.e. 33.7% of the total ($ 730 million). For a description of the EEC/EU Member States contribution to the EDF from 1957 to 2008 see Charlotte Bué, “La politique de développement de l’Union européenne : construction et projection de l’Europe par le Sud, 1957-2010”, thesis directed by Guillaume Devin (Sciences Po Paris, 2010), Annexes thématiques, pp. 28-32.
the independence of the associated African countries and the adoption of a more assertive role by the Commission in the management of Community aid.

Despite France’s efforts to control, or at least coordinate, the dialogue between the Commission and the associated African countries, direct relations had been established. The African countries in question had sent their ambassadors to Brussels and had endeavoured to find contacts in the Commission, more particularly in DG VIII. The latter, to improve the management of the EDF, had recruited a growing number of experts who were sent out to the African countries. Those experts were formally answerable to the EAC (European Association for Cooperation) which – though independent – was in fact managed by the Commission. The EAC was used to develop a network of contacts and experts independent of Member States.

France therefore retained a fundamental role in the Community, especially during the negotiations on renewal of the association agreement, i.e. at the time when it was mainly the Member States that took the initiative.

In 1970, the French Government was pleased to find that the Five did not challenge or question its influence over the associated countries. However, that was destined to change with Britain’s entry into the EEC. Following the Hague Summit (December 1969), which was to open the way to negotiations with London, the French Government was aware that its role in defining a Community policy on development assistance would no longer be the same, and that there would be major changes in the Euro-African situation. In fact, Britain’s membership of the EEC and the participation of English-speaking Africa and the Caribbean and Pacific countries in the negotiations on the renewal of the second Yaoundé Convention would imply fundamental changes in the content and instruments of the Community’s policy on cooperation.

32. “For France’s policy on sub-Saharan Africa, the association regime as defined by the Yaoundé Convention and its successor is an instrument well-suited to its purpose […]. Among the European countries, we are still the preferred partner for those States, and the current policy on association gives us the means to maintain and develop our interests and influence in the region under satisfactory conditions.” French Ministry of Foreign Affairs Archives, DE-CE, 805, note, 5 June 1970.
**FROM DAKAR TO BRUSSELS:**
**PASSING ON COLONIAL METHODS**
**TO THE HEART OF EUROPEAN DEVELOPMENT POLICIES**¹

by Véronique DIMIER

**Introduction**

This new post did not change my job in any way: as the controller delegate ("contrôleur délégué") representing the European Commission I did what I had always done as a colonial administrator, persuading the people and their leaders that a particular project could benefit them, negotiating with my African contacts to initiate or launch a particular rural modernisation project. We […] spent hours talking with the African authorities […]. In some cases, we achieved a very great deal. I regarded X, the Minister for the Plan, as my brother. It was absolutely essential to have a valid interlocutor and to come to a good understanding with him.

It would be hard to do better than René Teissonnière, former colonial administrator, controller delegate of the European Development Fund, European Economic Community,² when describing what some European Commission officials regarded as the “remarkable understanding” between the French colonial administration and African elites, an understanding which was to endure long after independence, as is evident from the above quotation. In many cases, that understanding was greatly encouraged by the very nature of the colonial state: while such a state doubtless required the imposition of a western type of bureaucracy on African societies, the bureaucracy was of a very specific type in which the guiding principle of territorial officials (the colonial administration) was to adapt the laws and policies decided by metropolitan France to local circumstances by means of compromise, negotiation, a continuous dialogue, in short: highly personal relations with the local elites.³ The way in

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¹ This article is taken from the book by Véronique Dimier, *Recycling Empire: the Invention of a European Development Aid Bureaucracy*, Palgrave Macmillan, in publication.

² René Teissonnière (École coloniale 1945), head of district in Madagascar, 1951-1960, then Agriculture Secretary (to the Malagasy Government), served as Commission delegate from 1966 in Burundi, Congo, Togo, Gabon, Niger, Ivory Coast. Interview, 26 June 2000.

which those officials were able to transfer that model to other administrative entities after decolonisation, permanently influencing the culture of embryonic institutions, such as those at the European Commission concerning development issues, will form the subject of this chapter. Indeed, some people did not hesitate to continue pursuing their colonial mission in Brussels, taking part in this new project, the European Economic Community, and particularly the association with the overseas countries and territories, the first step towards a European development policy. France had insisted on that association at the time of the Treaty of Rome negotiations, when, as a moribund colonial power, it was trying to find a way of preserving influence in sub-Saharan Africa while making its partners share the heavy financial burden of the economic and social development of its overseas territories. France thus specified a trade element which renewed the French system of colonial preferences and extended it to the other EEC countries. It also included financial aid in the form of donations, a European Development Fund (EDF) financed by direct contributions from the Member States and managed by a European Commission department, Directorate General VIII. The EDF broadly reproduced the mechanisms of the Investment Fund for Economic and Social Development (FIDES) which France set up in 1946 to assist in the development of its overseas territories. Initially, the association – a typically colonial term – was only to concern territories having a “special” – not to say colonial – relationship with certain EEC members, i.e. primarily the French and Belgian territories in sub-Saharan Africa. Ironically, at a time when those territories (or at least the French ones) were being granted some internal political autonomy thanks to the Defferre framework law (1956), the embryonic African assemblies and their leaders were not even invited to give an opinion on what some of them immediately regarded as a “marriage of convenience” arranged without the consent of the main interested parties. However, that consent very soon proved necessary: once the age of independence had arrived, the association with African and Malagasy States had to be renegotiated; that led to the Yaoundé Convention.

subsequently renamed the Lomé Convention with the African, Caribbean and Pacific countries (1975), and more recently the Cotonou agreement (2000). In a climate of widespread criticism, finding officials who could gain the trust of the African leaders and be capable of persuading them that the association arrangement was not a continuation of French colonial policy – which it quite clearly was – but a “great work of solidarity”, unique in the world, became a question of survival for DG VIII. This was specifically one of the factors which encouraged the recruitment of former French colonial administrators hankering after leadership, enabling them to “colonise” this new institution: confident in the team spirit acquired at the École coloniale [college training colonial administrators] and the networks created in Africa, these people immediately presented themselves as the sole experts on African development. This gave them a legitimacy which would enable them to influence the mission, methods and very identity of this Directorate General. As part of the EDF control arrangements they introduced a “supervisory territorial authority”, the EDF technical controllers, later renamed controllers delegate and then European Commission delegates, adopting a model which was to prove relatively similar to that of the former French colonial administrators. At the very heart of Europe, they were to help establish an administrative system resembling the neopatrimonial system of the post-colonial African States, or at the very least relatively well-suited to dealing with the latter: an apparently bureaucratic system comprising officials recruited for their competence, forming part of a clear hierarchy, tasked with applying a regulatory system of controls and objective legal rules, neutral in their dealings with the institution’s beneficiaries; a system which was in reality based on the discretionary power of a few leaders and their “clan”, on highly personal relationships, founded on mutual trust and loyalty, which was to be extended to African elites via a kind of “collective clientelism”.  

I. COLONISING DG VIII

With a view to safeguarding its interests, France had successfully secured the post of development commissioner: the first to hold that post was Robert Lemaignen,

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one of the great colonial bosses in sub-Saharan Africa.⁸ It was not long before he asked Jacques Ferrandi to join him as his chef de cabinet. A former student of the École coloniale (class of 1935), Ferrandi had previously been Director General of Economic Services in French West Africa (1953-1958), becoming one of the main architects of FIDES in that part of the Empire. In November 1957, following a visit by Maurice Faure, who had travelled all over Africa to sell the future association, Ferrandi decided to pursue his career in Brussels. Following the Defferre framework law of 1956, the African colonies, renamed overseas territories, were moving towards increasing autonomy, and the French West African Federation was destined to disappear. In January 1958, the federal government of French West Africa, and hence the post of director general of economic services, were abolished. For Ferrandi, the association arrangement represented an unexpected opportunity: though the venture was uncertain and risky, it matched his leadership ambitions. Presenting himself – and being acknowledged – as one of the best specialists in African development, with a very extensive network among African heads of state, Ferrandi very quickly gained great legitimacy in DG VIII. Following Lemaignen’s departure, he was promoted in 1962 to Director of one of the two EDF directorates (Directorate of Research and Development Programmes, Directorate C) then, following a reorganisation of the DG in 1963, sole Director of the EDF until 1975 (Directorate C, Development Fund). With these various powerful positions and his expertise, he succeeded in positioning his “clan” of colonial administrators in key posts at DG VIII. Thus, Émile Fay, one of his fellow graduates, joined DG VIII in 1958 as Head of Division (Trade liberalisation) in Trade Directorate D, soon followed by Michel Cellerier, in charge of West Africa in the programmes division (Directorate of Research and Development Programmes, Directorate C). In that same year, Pierre Cros was

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⁹. Trainee administrator in Casamance (1941-1943), by 1945 he had been transferred within the French Overseas Ministry to the Directorate General of Economic Services and the Plan. In 1947, he became head of International Affairs, in 1949 he was France’s delegate to the Overseas Territories Committee of the OEEC, and in 1951 technical adviser to the French Overseas Minister.

¹⁰. Émile Fay (École coloniale, 1935). He began his career at the French Overseas Ministry (Directorate General of Economic Services and the Plan, 1946-1948). He then pursued his career as head of the import office in that directorate in 1953, then in Dakar in the Directorate of Planning and Facilities, and finally as the deputy director of Economic Services, 1954-1957.

recruited to the Commission’s information service and seconded to DG VIII to organise a veritable “propaganda” campaign aimed at African elites. André Auclert was also to follow his old boss (Ferrandi) from Dakar to Brussels: in 1958, he was appointed to the Research division (Directorate of Research and Development Programmes, Directorate C). Following the reorganisation of DG VIII in 1963, he accompanied Ferrandi as an assistant in the new Directorate C (Development Fund), where he was promoted (1967) Head of the Financial Operations Division, effectively remaining his trusted right-hand man. Finally, Ferrandi was also to ensure his own succession in the office of Henri Rochereau, the new Commissioner for Overseas Development (1962-1967): on his advice, Jean Chapperon, one of his best staff in Dakar, would be appointed as chef de cabinet to Rochereau, and later to Jean-François Deniau (the next commissioner, 1967-1973). All graduates of the École coloniale and having served in West Africa, some of these men (Cros, Auclert et Chapperon) had built up local, rural experience (assistant to the “cercle” – or district – commander) and then moved on to the central offices of the federal government. True, they were few in number owing to the need to share posts among nationalities in the European Commission, but they were still “in key positions” and “formed a hell of a team”. A team which, at the heart of Brussels, met every three months for a special “colonials” lunch. It was no surprise that other “colonials” wanted to join this select band.

Backed by this close-knit team, and taking advantage of a favourable institutional context and a reform of the EDF whereby the Director General of

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12. Pierre Cros (École coloniale, 1949), was assistant to the “cercle” commander in Niger from 1949 to 1951; he subsequently worked in the Ministry of the Colonies, seconded to the French Parliament, then from 1955 to 1958 as head of the press service of the High Commissioner in Dakar.
14. Jean Chapperon (École coloniale, 1940). In 1942, he began his career with a brief spell as assistant to the “cercle” commander in Guinea, and was then mobilised until 1945; after that he worked for the French Overseas Ministry (Directorate General of Economic Services and the Plan, 1945-1946); in 1946, he was sent back to Guinea to organise the first elections, and then to serve as assistant to the “cercle” commander until 1949; afterwards, he returned to the French Overseas Ministry (Directorate General of Economic Services and the Plan), 1950-1953; he subsequently became chef de cabinet to the secretary general of French West Africa, 1953-1958.
17. J. Chapperon, ibid.
DG VIII – traditionally German – delegated to him the powers of chief authorising officer. Ferrandi very soon made his mark: “DG VIII was the EDF, and I was the EDF”. 19 Coming from the “man in charge”, this assertion was probably exaggerated … though not for the African heads of state who visited him personally in Brussels in order to put forward their development projects. In fact, the Implementing Convention attached to the Treaty of Rome, along the lines of the decree of 4 June 1949 concerning the operating arrangements for the FIDES, 20 specified that it would be for the authorities responsible for the associated territories and countries (which would evolve from colonial governments into African governments), with the agreement of the local authorities or people’s representatives, to initiate the economic and social projects for which European Community funding was requested, and then to implement them (and issue calls for tenders). The Council of Ministers of the European Community (very soon embodied in an EDF committee composed of representatives of the Member States) was to give a favourable opinion on the proposed projects (by a qualified majority), in fact deciding to allocate the funding. In this connection, the role of the Commission, i.e. DG VIII, was to examine the project proposals and submit funding proposals to the EDF committee, and finally to supervise the work and ensure that European companies shared equally in the contracts awarded via calls for tenders launched by the associated territories. 21 This role of mediator and negotiator between the Member States, all of which wanted their companies to win some contracts, and the associated African states, which all wanted their share of the European largesse, fell mainly to Ferrandi and his team who, thanks to their expertise, were very soon dominating the process. Ferrandi therefore gained substantial discretionary powers, especially as the criteria for examining the projects were developed and formalised very slowly, and remained very general. He maintained that, in order to take account of the political, economic and social reality of Africa in the choice of projects, it was necessary to allow great freedom of action for the departments responsible for organising the records and the EDF officials responsible for assessing the projects, i.e. his own people. 22

21. The treaty specified that “For investments financed by the Community, participation in tenders and supplies shall be open on equal terms to all natural and legal persons who are nationals of a Member State or of one of the countries and territories” (Art. 132).
II. ADAPTING TO AFRICAN COUNTRIES:
THE MOTTO OF BOTH THE ÉCOLE COLONIALE AND DG VIII

Whether the French colonial administrators were the only experts on African development at DG VIII remains open to debate. Some Belgian officials, such as Lefebvre, one of the two directors originally in charge of the EDF, also had relevant experience, having worked in the Ministry of the Colonies and taken an active part in the Treaty of Rome negotiations. However, the fact is that he very soon had to leave DG VIII as he was unable to agree with Ferrandi on the projects to be approved. Conversely, it cannot be denied that the legitimacy and position of strength secured by Ferrandi and his team enabled them to impose their way of doing things on the other European officials, to influence their approach, in short to imbue DG VIII with a team spirit strongly inspired by their colonial mission and methods. According to the teaching of Robert Delavignette, Director of the École coloniale (1937-1946), that mission and those methods were governed by a profound pragmatism and had to be based on adapting to African realities.\textsuperscript{23} Greatly influenced by the cultural relativism of the day, he considered colonisation to be a particularly destructive form of cultural contact for African societies. The mission of the colonial State and its officials on the ground was therefore, in his view, to protect the colonised societies against the damaging effects of that contact (economic exploitation, cultural integration), to help them to achieve “harmony” between western influences and local culture. By that time, the official aim of the French Government was no longer to “civilise”, still less “assimilate” and instead to “develop” Africa economically and socially, while respecting its ancestral “civilisations”, an aim which is not without its contradictions, but which was very clearly enshrined in the 1946 Constitution. For the colonial administrators, the result was a particular type of approach: as a territorial official representing the authority of the colonial state in an extensive territory, the colonial administrator’s mission was not only to apply and monitor the implementation of the policies decided by metropolitan France, but to adapt those policies to local circumstances and customs. If we can believe Auclert, “respect for and knowledge of individuals and societies would become the motto of the École coloniale”.\textsuperscript{24} That was doubtless Ferrandi’s motto:

\footnotesize{\textsuperscript{23} On this point, see: V. Dimier, \textit{Le gouvernement des colonies}, \textit{op. cit.}}
\footnotesize{\textsuperscript{24} Auclert, interview cited.}
I would add that, just as there is no disease, only sick people, so there is no under-development, only underdeveloped countries, with their characteristics, their specific needs, their potential and their specific solutions. 25

And if it is true that the method of giving is more important than what is given, and that you can give less if you give well, it must be said that, with a relatively modest fund (compared to some international funds), the Community’s method of giving is appreciated by its associates. Why? Because the Community has established a continuous dialogue with its associates to find out what they need, to assess the problems encountered in carrying out the investments, and to reach mutual agreement on the appropriate remedies. All that is not particularly clever, nor is it a matter of doctrine: people say that doctrine is often the product of a lazy mind, representing for economists what rules are to a policeman, taking away the need to think. A problem arises: you apply the solution prescribed by the rules. That’s easy. You are never wrong … because if you make a mistake it is the doctrine that is wrong […]. We in Brussels prefer the school of real life. It is difficult and it means that we must pay attention and be constantly making choices. Thus, the Fund can finance investments of any kind […]. Similarly, the Fund makes it a rule to consider its associates as equal partners. 26

It is not our intention here to see whether this approach was actually applied and put into practice by the officials of DG VIII. 27 We would simply note that, as a principle, it was regularly repeated in the official speeches of the Commissioner or the Director General, to the point where – contrary to Ferrandi’s intentions – it became “the doctrine” of DG VIII, a way of distancing its action from that of other donors such as the World Bank, regarded as far too “technocratic”. The very idea of adapting to African reality would likewise justify the absence of specific criteria in the distribution of funding, and the lack of clear aims beyond the very vague objective set out in the Treaty of Rome, which was primarily to further the interests and prosperity of the inhabitants of the overseas countries and territories in order to lead them to the economic, social and cultural development to which they aspire (Article 131). Following the independence of these territories, the same idea was used to justify this basic principle of the Yaoundé and then Lomé Conventions up to the 1990s: the lack of any political conditionality in what would be presented as cooperation between “equal, sovereign”

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27. Cf. V. Dimier, Recycling Empire, work in publication.
partners. Taking all regimes together, aid was actually offered equally to Bokassa and Senghor, to countries with communist leanings and to friends of the West.

According to Ferrandi, that aid could be effective only “in a climate of sincere collaboration with the authorities or governments responsible for these countries. It has already been said, and it is becoming commonplace to remark that the method of giving is more important than what is given. Everything depends on the style, I mean human relations.” Ferrandi’s method, or “style” was in fact embodied in very personal relations with African elites, in human relationships based on mutual trust and loyalty. A style somewhat reminiscent of that advocated by the École coloniale: it was via a continuous dialogue, very personal relations with the African elites – usually traditional chieftains regarded as legitimate representatives of the colonised populations – that the ideal colonial administrator was supposed to take the rules handed down from the centre and adapt them to local customs and circumstances. The administrator thus had to advise, educate and persuade the local chieftains of the benefits of the policies to be implemented, and in so doing use tact and pragmatism. By means of the art of negotiation and interminable discussions, he had to try to win the trust of the chieftains and reach the necessary compromises with them. It was thought that these daily dialogues and these compromises should enable the colonised societies to cooperate in and consent to the colonial project, in short, to endow the project with some legitimacy. Ironically, Ferrandi and his team used similar techniques to persuade the new African heads of state of the benefits of association, in short to reinforce the legitimacy of this policy now presented as unique in the world, and very different from colonial policies.28

These techniques also proved to be an effective method of managing the EDF, an anti-bureaucratic and pragmatic method, opposed to any rationalisation of procedures, such as the establishment of mechanisms for planning (i.e. setting priorities) or assessment. This method involved the piecemeal adoption of the projects proposed, without any formal criteria other than the very personal ones applied by Ferrandi, based on his relations with the various African heads of state, and to some extent on the political priorities of France and Europe in Africa, such as – in the context of the cold war – keeping these countries on the side of the West.

That is in fact what he was later accused of by some young economists at DG VIII itself, and by British experts. 29 Although this arbitrary approach was widely


accepted by the other members of DG VIII, proof that this way of doing things had been successfully imposed, it still attracted some criticism, as it tended to favour the wealthiest countries and the French companies which already had a local presence. Clearly, the power and success of Ferrandi as the leading figure in DG VIII depended mainly on his ability to adapt to the people concerned by association, i.e. the French-speaking African political elites whose economic and political interests largely coincided with the interests of the former colonial power. In the system of interdependence which the latter set up at the time of decolonisation, their authority and legitimacy remained heavily dependent on the financial, military and political support of the French Government. In fact, Ferrandi could hardly ignore the political needs of France’s “African protégés” and French political priorities in Africa. Moreover, that explains the importance attached to prestige projects, such as the trans-Cameroon railway, the economic viability of which would remain hotly contested. In the neo-patrimonial African state, where the distribution of emoluments was a way for the African heads of state to secure a clientèle and thus enhance their political legitimacy and authority, such projects offered substantial financial largesse. They were likewise of some interest to French firms with a local presence which – because of their proximity to – and often shady dealings with – African elites enjoyed a de facto monopoly which soon became the envy of firms from other Member States. But it would be wrong to conclude that Ferrandi systematically favoured French firms. Supervising the calls for tenders managed by African authorities, and monitoring those authorities in the execution of the projects, became a central concern for Ferrandi and his team, a way of ensuring that European firms took part in the EDF tenders according to the principle of equality, and above all a way of avoiding instructions issued by France, as is evident from the conflict between Ferrandi and the French Government concerning EDF technical controllers.

As soon as discussions began on the Treaty of Rome, France expressed its desire to limit the Commission’s technical and financial control over the implementation of the EDF in territories which, at that time, still came under French sovereignty. The issue clearly became crucial when those territories gained independence. France then proposed that the Commission, which carried ultimate responsibility for the management of the EDF, should hand over that control to French firms in the field, possibly in association with other European firms. In view of the obvious inability of newly independent states to prepare technically viable and financially acceptable development projects, these firms could also play a key role in providing technical assistance. So it was easy to envisage the following scenario: an influential French firm supported by the French Government (or a consultancy linked to that firm) would help the government of the country to set up a particular project (or would even pay it to propose a project in which the firm itself would have a key executive role). With the backing of the French Government on the EDF committee and some haggling with other Member States, the project would eventually be adopted, a call for tenders would be issued at local level and, as a result of more or less legal practices, the same firm would win the tender. The firm would not only execute the project but would exercise control over it, including financial control. Such a system was bound to be prejudicial to companies from some other Member States which were already at a disadvantage, and to Ferrandi himself, who would thus lose much of his power. He knew about this type of practice from experience, and instead proposed authorising his own technical controllers, recruited under contract and paid by the Commission. The proposal was put forward a number of times in the Council of Ministers of the European Communities, but was always rejected despite Germany’s support.

In the end the matter was settled in a very pragmatic way. In 1960, Ferrand was to recruit technical controllers under contract, via consultancies, with the job of supervising the calls for tenders locally, monitoring the execution of the work (including financial supervision) and helping African authorities to set up their projects. However, the system was still very unsatisfactory, as is evident from a subsequent report on the subject: it was very soon apparent that the work delegated to these consultancies concerning a public service mission (controlling public funds) was at odds with the commercial interests of those consultancies (often linked to contractors), which aimed to maximise their profits. Chapperon therefore proposed the creation of a supervisory territorial authority which could ensure the impartiality and independence of the technical and financial control
and make it harder for the controllers to engage in shady deals with the African elites. Imbued with the EDF’s philosophy, that authority would also be able, according to Ferrandi, to guide the governments concerned in the adoption of the projects submitted to the Commission, thus playing the same role as the colonial administration had done.\footnote{V. Dimier, “The birth of a European diplomatic service: from contrôleurs techniques to the delegates of the Commission in ACP countries”, in: G. Bossuat, A. Deighton, (ed.), The EC/EU: a world security actor?, Soleb, Paris, 2007.}

After much debate, a regulation was eventually adopted in 1965, establishing the EDF “contrôleurs délégués” (controllers delegate). They were recruited under contract, sent out for several years to an associated country and administered by the European Association for Cooperation (EAC), a Belgian non-profit organisation set up for the purpose by Ferrandi and funded by the EDF. This meant that Ferrandi was able to ensure that he had loyal people in the field, people he could trust and to whom he could easily delegate his supervisory powers. Some of these men were recruited from among former French or Belgian colonial administrators.\footnote{Interviews were conducted with the following controllers delegate, former colonial administrators: R. Teissonnière, 26 June 2000; R. Calais, reply to a questionnaire, 27 November 1999; P. Hugot, 26 September 2002; C. Blanchard, 22 January 2000; Aubenas (former colonial magistrate), 18 December 2003; A. Van Haeverbeke (former Belgian colonial administrator), 4 May 2002. It is hard to know exactly how many former Belgian and French colonial administrators were recruited among the delegates. As they were employed under contract and were not officials of the Commission, there is no complete contemporary list of their names and nationalities.}

Going by the quotation from Teissonnière in the introduction to this chapter, there is no doubt that these men considered their new job relatively similar to what they were doing before decolonisation.\footnote{Regarding the role and status of these controllers delegate, see: V. Dimier, “Préfets d’Europe, le rôle des délégations de la Commission européenne en Afrique, 1964-2004”, Revue Française d’Administration Publique, No 111, 2004, pp. 433-446.} As intermediaries between the Commission and African elites, they became – like the model colonial administrator from the École coloniale – the people who made the necessary compromises between the ambitions of the African elites and the requirements of the European development bureaucracy, using – like Ferrandi – their personal connections of mutual loyalty and trust. Though their role was originally purely technical, it very soon became highly political. Admittedly, it is difficult to measure their true influence over African heads of state. While some former officials of the European Commission were quick to see them as veritably viceroys, others instead tended to stress the limits of their collaboration with African elites, a collaboration which could prove dangerous in many ways. In 1966, D. Schmidt, who was then a German controller in Mali, thus had to face the wrath of the Malian Government after having made some unfortunate statements to the local
press. Thanks to the good offices of the owner of his residence, who worked for the Malian Minister for International Cooperation, he just managed to avoid a political crisis. However, in terms of personal safety, “I had escaped by the skin of my teeth.”

The fate of successive EDF controllers under the Bokassa regime in the Central African Republic tells the same story. In 1971, the controller was expelled after Bokassa had accused him of corruption. A few years later, in 1977, when Bokassa proclaimed himself emperor and faced repeated demands from the European Parliament for effective sanctions, his successor was to suffer the same fate. In both cases, the investigations conducted by the Commission exonerated the controllers concerned. However, these repeated incidents reveal the fragility of the position of these employees, performing a diplomatic role without having either the status or the protection for it at the time.

They also indicate their difficulty in getting on with heads of state who very soon showed that they had little desire to share the humanistic and democratic values of the European project. As one of them, a former French colonial administrator, recognised:

I told Ferrandi that an over-intimate and emotional relationship was inappropriate in our job. Controllers must maintain courteous relations, but must never have personal friends among the African elites. Ferrandi clearly took that as a criticism of himself. It was how he worked, as director of the EDF. He used to spend hours and hours on the telephone to African ministers. He viewed them as friends. As controllers, we received circulars asking us to act as unofficial advisers. But of course, the problem of such an attitude was that it could lead to dangerous shady deals.

This comment effectively reveals all the ambiguities of the job: being close enough to the Africans to be able to persuade them and keep the dialogue open, but not too close, for fear of being an unwilling party to local political practices.

IV. DANGEROUS LIAISONS?

It also reveals all the ambiguities of a nascent European development policy, ambiguities based on interdependence between DG VIII and African leaders: the former providing aid which enabled the leaders to enhance their political legitimacy and authority; the latter enabling DG VIII to enhance its authority and legitimacy as an international player (in relation to the Member States, and


37. They eventually acquired that status in the late 1980s.
From Dakar to Brussels: Passing on Colonial Methods

particularly France). These ambiguities proved persistent despite the gradual establishment of a system of planning from the 1970s onwards, followed by political conditionalities in the 1990s. The first enlargement and extension of the Yaoundé agreements (renamed Lomé) to include the former British colonies in sub-Saharan Africa, the Caribbean and the Pacific (the ACP countries) in fact led to an attempt to rationalise the EDF management procedures by establishing national indicative programmes specifying each country’s priorities and the amount which might be available over five years. This rationalisation also included formulating more specific goals linked to poverty reduction and the adoption of clear criteria (based on the level of poverty) in the allocation of the funds among countries. Encouraged by the British, the new system – long envisaged by certain DG VIII officials calling for more transparency (including Dieter Frisch, Head of the Development Research Unit from 1968) – was deemed to restrict the arbitrary activities of the Ferrandi team in the management of the EDF, and ensure that aid was fairly shared between former British and French colonies. In order to establish this system and prevent potential sabotage by the operational staff controlled by Ferrandi, the new French Commissioner for Development, Claude Cheysson, instructed a young Italian statistician recruited by Frisch, Giorgio Bonacci, to proceed quickly, and “in the greatest secrecy” to develop the criteria for the geographical allocation of the funds.

I did what I could. Of course, these statistics were questionable, but I at least managed to define an amount to be allocated to each country according to criteria such as GNP and population size […]. These statistics became a source of embarrassment for Ferrandi, because you could now compare how much had been given to a particular country according to Ferrandi’s methods, and how much that country could have received under the new system. They demonstrated that some of the poorest countries, such as Niger and Burkina Faso, received much less than Gabon, Senegal or Ivory Coast for example.

The expected opposition to these new methods from Ferrandi eventually prompted Cheysson to reorganise DG VIII, depriving Ferrandi of some of his powers. Following this reorganisation, Ferrandi eventually left DG VIII prematurely, though not without trying one final manoeuvre: thus, some African heads of state, including Senghor, Houphouët-Boigny and Bongo, asked the president of the French Republic to intervene with the president of the Commission.

to prevent the reorganisation planned by Cheysson... The manoeuvre failed. Nonetheless, it demonstrates the links that Ferrandi maintained with African elites and the methods that he used in managing the funds. Did those methods change very much after he left? If we believe Bonacci, far from it:

I came after Hauswirth (Ferrandi’s successor, Deputy Director General in charge of EDF operations) in Ivory Coast, France’s African jewel. Our job was to tell the Ivorian representatives that, because of the new aid distribution system, they would receive less than in previous years. The job turned into a nightmare. Calais, the local controller delegate, a great friend of Ferrandi, told me: “Don’t even think about it. They’ll stop you at the airport”. In the end, the dinner we had with the Minister for the Plan was the worst of all. He very angrily told us that Ivory Coast was not a beggar. Hauswirth said: “We have to give them more”. But of course, that would have totally derailed the new system. In the end, we signed a paper with no amount stated on it. Cheysson came along later to resolve the problem. The same thing happened when I went to the former British territories. Foley (one of the British deputy director-generals) told me: “We must give them more, these people are poor. The guide amount is not high enough.”

So the opacity of the methods persisted, supported by the political logic of the European Community and the need for DG VIII to maintain its clientèle in Africa, though that clientèle was constantly growing with each successive enlargement...

Moreover, the same scenario was repeated some thirty years later, once conditionality measures were included in the Lomé conventions (Lomé IV bis, 1995), then Cotonou (2000). These measures specified the new commitments — including respect for democracy and human rights, and good governance — which the signatories to the convention had to endorse, and envisaged the possibility of sanctions (already applied several times) if those commitments were not respected. Incentives were also envisaged from 1995 onwards, via a new instrument, the governance incentive tranche, which became general in 2007 at the instigation of Louis Michel, Commissioner for Development at that time. The aim of this instrument was to offer a supplementary budget (which could represent up to one third of the amount of the national indicative programme) to reward recipient countries which had embarked on democratic reforms and “good governance”, a concept which has remained relatively vague. In order to measure the true degree of commitment by a country, a “governance profile” was to be drawn up by DG VIII (since renamed DG DEV), according to a set of criteria to be defined. According to one of the officials who played an active part in establishing these criteria:

40. Bonacci interview, 14 February 2008.
The idea of such a system was interesting in itself, but was not carried out and translated into practice in line with the original logic. We were asked to construct indicators jointly with local Commission delegations in order to measure a country’s [record on] good governance, its degree of commitment to democratic reforms, and the progress achieved. We set up a classification system: depending on the results, a country could score one, two or three points and the budget would be allocated accordingly. We spent eighteen months working on it. In the end, Louis Michel decided to give all countries the same allocation, except for a few minor differences….

It was also Michel, the former Belgian Minister for Foreign Affairs and a great ally of the Kabila regime in the Democratic Republic of the Congo, who encouraged the Commission delegation in Eritrea to be flexible in dealing with a military government firmly resolved to prevent delegation officials from conducting on-site checks on the implementation of the projects, and to convert Community food aid into money. That logic also explains why the gradual establishment of an evaluation system aimed at measuring the effectiveness of development projects and programmes concerning poverty reduction (an objective now enshrined in the treaties) is still decidedly haphazard: if more or less transparent political goals and criteria continue to take precedence over that objective in the distribution of aid and the negotiation of programmes, then it makes no sense to try to measure the results which those programmes achieve according to predetermined criteria concerning poverty reduction. Talking about the numerous evaluation reports to be written, one of the officials of the present DG DEVCO (now responsible for all European development aid programmes) eventually concluded:

This bureaucratic persecution is nothing more than a façade used to give the appearance of neutrality. But at the end of the day, the outcome is the same as before: arbitrary decisions on the allocation of aid. We are still giving millions to President Kagamé in Rwanda, who is hardly the most democratic leader in the world, just because he is our friend.

A quotation which proves how hard it is for the European institutions to extricate themselves from this system of interdependence with the African elites, which was inherited from colonisation and which has formed the basis of the identity and legitimacy of the European Commission’s development cooperation and aid for more than fifty years … just as it has for other donors.

DISCUSSION
Moderator: Gérard BOSSUAT

Gérard Bossuat

To start the discussion, I would like to put a first question to Guia Migani: did the EEC association agreements with black Africa come about because of concerns for the Third World on the part of European societies in the 1960s?

Guia Migani

I would say that EEC members were not so much acting out of a new awareness of the Third World as responding to the fact that the Third World had become an international actor that had to be reckoned with. After Bandung things were not the same as before, so there was a need to consider this actor which was making its presence felt on the international scene and initiating a United Nations conference on Trade and Development. People were asserting their position. Relations with the associated African countries had to be viewed through a Third World prism because those countries were part of the Third World but at the same time they did not entirely belong to it. They were still dependent on France and Belgium. In fact, here we are asking what is Europe’s role. Should the European Community focus its action on the associated countries, on Africa and then the ACP countries, or should it look at the Third World as a whole? That is a debate which has been around for a long time. We [in Europe] began with a regionalist approach, because aid was devoted solely to the associated African countries, and little by little we extended our activities to other Third World countries, particularly after Britain joined but also thanks to Claude Cheysson, the Development Commissioner. In my opinion, the EEC is still organising relations with the Third World on a regional basis. Since regionalism has worked well for Europe, it is trying to promote it in other Third World regions. So it is expanding its relations with the Third World, but doing so on a regional basis, namely by regional programmes for Latin America or Asia.
Véronique Dimier

The people from that period whom I interviewed did not talk about the Third World. It was not a concept that was used. The term Third World covers a whole concept, a doctrine, an ideology, a biased view; in any case it is ideological. The question was not asked in that way at the time.

Gérard Bossuat

At the time when the Treaties of Rome were being negotiated, there were Africans in Guy Mollet’s government, and so I wonder whether they were kept informed. Did they play a role? How do you see the relationship among the Africans as a group? Did they adopt common positions?

Guia Migani

Yes, there were Africans in the government. In fact, they did have a role to play; for example, Houphouët-Boigny was sent to Brussels at the time of the negotiations to convince the Germans and Dutch that it was necessary to develop activities in African colonies and those activities should not take the form of a colonial gesture.

Gérard Bossuat

What were their arguments?

Guia Migani

Africa was the argument! Europe must display solidarity with Africa. There was this complementarity. It was a fairly dated, rather colonial argument.

Gérard Bossuat

Yes, it was more than dated. But at that time were people still talking about Eurafrique?

Guia Migani

In 1957, in France, yes, but in my opinion only among the French elite.
Gérard Bossuat

And the African elite? Did they accept this concept or not?

Guia Migani

Some African leaders perhaps, but in my opinion, as soon as those countries became independent, Eurafrique was shelved.

Véronique Dimier

Senghor, for example, was not against Eurafrique. He definitely wanted all countries to be fully integrated, i.e. represented in the Commission and the Parliament, to be represented within the Community institutions in the same way as France. That is why this rather bizarre idea of association (you are associates but you do not have entirely the same rights) was a bit like the great French Community: you are all citizens but you do not all have the same rights. It was taking things a bit too far, and the worst thing was that in 1956, despite the Defferre framework laws granting these territories a great deal of autonomy, with elected assemblies, and governments which became accountable to parliaments, not everyone was consulted. They did not even attend the Union debates …

Gérard Bossuat

All the same I am a bit surprised…

Véronique Dimier

They were not present, and many members of parliament at the time noticed this kind of thing and were very shocked. You will see it all in the articles from those days.

Guia Migani

The concept confronting African leaders after 1957-1958 was not really Eurafrica, but pan-Africanism. And there was that slightly ambiguous relationship with English-speaking countries and EEC countries, because the associated countries did not want their exports to lose the right to enter the EEC freely, and above all, they did not want to share that privilege with other African countries; but at the same time, they wanted this concept of pan-Africanism. It
was actually rather complicated. They did agree to African common markets, but not immediately.

**Gérard Bossuat**

That’s very interesting, because often, in French historical accounts, at least in those most familiar to me, we perhaps put too much emphasis on the Franco-African aspect, whereas today there are other factors involved, such as pan-Africanism, etc. Did African leaders or opinion leaders who did not favour a particular relationship between Europe and Africa join in the debate?

**Véronique Dimier**

Yes, and they were critical, because Ghana was very strongly opposed to association, which it regarded as the continuation of France’s colonial relations with its empire, and Nigeria too, at the time, not least since it was on opposite sides from France in the Biafran war. There were political interests which made English-speaking elites very strongly opposed to association and they stayed that way until 1964. Men from DG Development and Claude Cheysson went on tours, taking with them new British colonial administrators, to convince English-speaking African elites that this was not a new colonial pact but a major new solidarity project. The same approach had been followed in the 1960s to convince the French-speaking elites.

**Guia Migani**

The two main sources of these criticisms were the Economic Commission for Africa, a regional commission which came under the UN Economic and Social Committee. That was the first place where pan-African economic cooperation was discussed. Evidently, the special cooperation in the form of the association of certain African countries with the EEC caused problems for the creation of common pan-African economic structures. That was actually the source of major criticisms.

**Gérard Bossuat**

Did they have an impact on the Treaty of Rome negotiators? It doesn’t seem that way to me.
Guia Migani

The ECA (Economic Commission for Africa) was set up after the Treaty of Rome negotiations, so that happened afterwards. The ECA was important, its Director, Robert Gardiner, saw the proposed participation of English-speaking countries in negotiations to renew the Yaoundé Convention as an opportunity to bring African states together. He worked closely with the British to block the efforts of the Commonwealth Secretary General, who was against association for English-speaking African countries.

Gérard Bossuat

Thank you. We shall now move on in time. In your presentation, I noticed that you only mentioned Jacques Ferrandi. It looks as if there wasn’t anyone else, but I don’t think that’s true. Can you name some figures who played a role in Euro-African relations?

Véronique Dimier

You must realise that there was very severe tension within DG Development all the same. There was a small central group of economists recruited by Jean Durieux, who were pushing for more rational ways of choosing projects in terms of planning, selection and criteria that were increasingly being developed by the World Bank. At first, these players had little power because Ferrandi was so dominant. Even those who didn’t like him could agree that he really was the leading figure within DG Development. This small team of economists just got on with it and ultimately had to wait for the first enlargement before gaining a little bit of power. From 1973, Cheysson recruited his team from among Jean Durieux’s people, economists who would help him enlarge the association.

Gérard Bossuat

The interesting thing is that you say “these were economists”, it’s the economists who govern us, we know!

Véronique Dimier

These were people trained in economics, not trained as colonial administrators.
Gérard Bossuat
Could you give us some names?

Véronique Dimier
Yes, facing me in this room is Mr Dieter Frisch. But Philippe Soubestre, Hantz Smida and Giorgio Bonacci were there too. Bonacci was the first statistician recruited by Dieter Frisch’s team to organise the first programmes locally. And these were fairly arbitrary programmes because in 1974 he was asked to draw up, amidst the greatest secrecy, criteria for giving as much money to the former English-speaking countries as to the former French-speaking countries. He had to act very fast to set up criteria for sharing out the money in order to avoid criticism from the British to the effect that ex-French colonies were getting more money than the ex-British colonies. That said, once he was in Africa he had to enter into negotiations since Houphouët-Boigny did not want his budget to be cut in favour of the British, and English-speaking elites definitely did not want their budget to be smaller than that of French-speaking elites. So all these criteria went by the board, and in the end it was Cheysson who negotiated the budgets for the various countries.

Gérard Bossuat
There are several names that keep recurring; Claude Cheysson is one of them. But you haven’t mentioned Jean-François Deniau. Did he play a role too? Later on, did Edgard Pisani play a role, at least on the French side? As regards other EEC members, do you know of any other policies that might have played a role in development aid?

Véronique Dimier
They all played a role, but were self-effacing to some degree. Mr Rochereau and Mr Deniau were commissioners who had a career in France, so they largely shared their job with Jean Chapperon, their chef de cabinet, who was a former colonial administrator and a very great friend of Ferrandi. They were more or less jointly in charge at DG Development. Cheysson made a much greater impact because he was regarded as something of a gift by France to the British in an attempt to reach a compromise between French and British interests, to ensure that the EDF budget was fairly shared out. So he was someone who made a much greater mark through his role as a mediator and his role as a leader. That
said, he would use precisely the same methods as Ferrandi had established for selling association to the new countries. As for Pisani, he was an intellectual. He had lots of ideas, he was going to set up integrated rural policies, small-scale projects along the lines of the colonial projects of 1940-1950, and for good reason, since his political master was Robert Delavignette, the Director of the École Coloniale. Small rural cooperative projects were to be set up. Nowadays, it is hard to say whether there are any traces of that remaining.

Gérard Bossuat

Can you tell us what happened when Jacques Ferrandi left office?

Véronique Dimier

Yes, because that sheds a fairly clear light on the person and on the system that he set up. When the British arrived it was decided, by Cheysson in particular, with a view to reaching a compromise, to split the management of the EDF into two, one part being given to a British man, Mr Foley, a politician with a great deal of influence in Africa, and the other to Jacques Ferrandi. That reorganisation meant the end of the great power that Ferrandi had had over his empire (that is how the British described it). To prevent that reorganisation, Ferrandi had asked his African friends – Houphouët-Boigny, Bongo and Senghor – to write to the President of the Republic, Valéry Giscard d’Estaing, asking him to bring pressure to bear on the Community institutions, and particularly on the president of the Commission, to prevent this reorganisation, which would obviously be prejudicial to French interests and French businesses in Africa. Those letters were sent. Of course, this was unacceptable to the president of the Commission, to the then Commissioner and Director General, Mr Krohn, who demanded Ferrandi’s resignation. That gives a fairly good idea of the highly personalised system based on loyalty and mutual trust between the African elites and these colonial administrators, these “Africanists” within DG Development.

Gérard Bossuat

Would Mr Frisch like to add anything?
Dieter Frisch

You can perhaps see from my reactions that I lived through much of this period and I can now make two or three comments. You should know that there was a big issue, right from the start, concerning this association – imposed on the Europeans by France – for the overseas territories, which to my knowledge were not consulted on this. We were wrong to call it “association” because, while the Treaty of Rome does provide for association, it is association with sovereign states. We set off with a term that had ambiguity built into it, which caused a lot of problems with English-speaking countries when they came in. For example, we had to abandon the term “association” in the title of the Lomé Convention because this word was not acceptable to English-speaking countries: it was ambiguous and sounded almost colonial. So the association issue turned into something else with the negotiation of the Yaoundé Convention, because at that point the Africans ministers were there to negotiate. They had a spokesman and very soon a secretariat in Brussels, where they met, and joint institutions were the most important addition to the previous regime.

As regards what has been said this morning, I would place even more emphasis on the increasing autonomy of the Commission. In the initial years, there was perhaps a need to be close to France because this whole enterprise was initially one that concerned French interests, the others didn’t want it. So it was a matter which France forced onto other partners, and was primarily of interest to France; that caused some frustration right from the start because the Germans and Dutch, in particular, agreed to it against their will. At the time, there were some who wanted a grand policy from the start, but we did not have the resources for that, and up to the 1972 Paris Summit we had this controversy between the globalists who would have liked a global policy to replace Yaoundé, and especially Yaoundé II, which was no longer in favour. And, fortunately, the Paris Summit in 1972 (a key date) resolved this conflict constructively with the aid of the Commission, which had produced an initial memorandum, in 1971, stating that the policy of association had to be pursued by enlarging it, in view of Britain’s accession. But at the same time it was necessary to gradually construct a policy on a global scale.

In fact, that was when we embarked on a genuine development policy, contrary to what my friend Jacques Ferrandi said. He saw it as the end of development policy, but he was wrong, because a more rational, more structured and more ambitious approach to the European Community’s development policy began with the Lomé Convention.
I would just like to say a few words about Ferrandi. I have the greatest respect for this man. In her work, Ms Dimier tended to put him very much, perhaps a bit too much, at the centre of events. The main thing I would say is that Ferrandi displayed exemplary loyalty and fidelity towards his colleagues and his superiors, in this case a German Director General Heinrich Hendus, for whom I worked as an assistant at that time. Hendus had given Ferrandi this important job as director of the EDF by merging two directorates. He knew what he was doing, and Ferrandi, a Corsican, with his sense of honour and loyalty, never betrayed that trust. It was sad when he left, but his departure was due to a French commissioner, Claude Cheysson, who wanted to put an end to a reign which he considered outmoded.

Gérard Bossuat

Thank you very much. Everything you have just said is very useful and interesting, and you have put great emphasis on the importance of this Third World view that I referred to earlier and that came out very clearly in my reading of the archives of the European Commission. I will now hand you back to Ms Migani and Ms Dimier to end this brief discussion.

Guia Migani

I would just like to add something in line with what Mr Frisch said about the increasing autonomy of the Commission. I would add that, as the negotiations proceeded on the successive conventions, the Commission acquired an increasingly independent role, and, after Lomé, it negotiated in the name of the Nine, while that was not so in the case of Yaoundé. It was the Council of Ministers that had negotiated. With regard to the Lomé Convention, there were also some questions, such as the financial protocol, that remained subject to the control of the Council of Ministers. But the fact that the Commission was the “spokesman” for the Council of Ministers in negotiations with ACP countries meant that it gained a huge degree of autonomy in taking charge of these negotiations.

I would just like to come back to the various commissioners for a moment. Some of them stand out more because they were helped by a quite specific international situation. That applies to Cheysson (in the 1970s). That was not so in the 1960s or the 1980s. In that sense, I would draw attention more to the content of the various conventions. Mr Frisch may talk about that later. The spirit of Lomé I is different from that of Lomé III or IV.
Véronique Dimier

I would like to end by talking about the effectiveness of aid. Everyone talks about effectiveness, especially the Member States which, in the 1970s, asked for a major appraisal of Community aid. It took the Commission three years of hard work to produce a report which showed that it is actually very hard to make comparisons, especially as the Member States refused to do the same thing for their own aid. So it is very difficult to make comparisons, but the British used the effectiveness of aid as a weapon to challenge the amount of their EDF contribution.

So this was a political weapon used by various Member States against the Community, against the autonomy of the Community. It is a concept that wasn’t used in the 1960s, for a very simple reason. Ferrandi would say: “effectiveness in relation to what?”, just as he would say: “the idea behind planning is priority, but everything has priority in Africa”. Who is wrong: those who want more effectiveness or those who subscribe to this discourse? I don’t have the answer, it is just that the idea of effectiveness came at a time when there was competition between different states, and between different clients, the English speakers on the one hand and the French speakers on the other. It was necessary to find a way of saying that aid was less effective in order to redirect part of the aid to the English-speaking countries, and so on. I shall not go into detail, but effectiveness is a political weapon, in the same way as evaluation.

We can only ask about effectiveness if we have clear development aid criteria and objectives. It is not possible to judge the effectiveness of a project 30 years later, according to criteria which were not the criteria used to select the project. That would be totally stupid. So to say, 40 years later, that all Community projects were ineffective, for example in relation to the aim of poverty reduction, that amounts to saying that Ferrandi aimed to combat poverty. That is far from certain. There were more important political priorities at the time, keeping these countries on the side of the West in the context of the Cold War. If we consider that the political priorities and goals at the time were to keep certain regimes on the side of the West, and therefore simply to prop up certain regimes, I am thinking of Ahidjo in Cameroon, that was all too successful. I mean some dictators retained their position until they died. So if that was the objective, as was widely acknowledged at the time, no-one concealed the fact, the idea of development aid is political. Yes, we are going to arrange the social and economic development of these countries, but there is a political objective behind it. So if you want to talk about the effectiveness of aid, I am exceedingly suspicious, and I think that we should be more suspicious, especially at a time when we
are presented with indicators which say that aid is less effective than ..., but it is very random, very subjective, and we must always bear in mind that you cannot judge the effectiveness of aid except in relation to its original goals. If those goals are not clear, and they were not in the 1960s, or perhaps they were clear, i.e. they were highly political, you cannot then say that they failed, or you have to use the same criteria. If those criteria are political, then you have to recognise that they succeeded very well for some regimes in any case.
ENLARGEMENTS AND NEW AID PARADIGMS
(1975-1995)
UK-European Community: Reciprocal Influence or a dialogue de sourds?
UK-EUROPEAN COMMUNITY AID RELATIONS
OVER THE LOMÉ YEARS: RECIPROCAL INFLUENCES
OR A DIALOGUE DE SOURDS?

by Gordon D. Cumming

Soon after joining the European Community (EC) in 1973, the United Kingdom came to be regarded by other member states as “an awkward partner”.¹ The British felt particularly aggrieved that their voices were not being heard on issues such as the UK budget rebate and the Common Agricultural Policy (CAP). They complained in more measured tones about their lack of influence over the EC’s “haphazard” and “diffuse” aid programmes.² Yet how justified was the UK in claiming that it did not enjoy, in the early decades after acceding to the EC, its fair share of influence over European development assistance?

This is an important question that is not addressed in the literature. Only a handful of commentators touch upon Britain’s role in shaping European aid and most suggest that the UK had little or no influence. Cosgrove Twitchett argues that, during the negotiations on Lomé I (Europe’s first aid and trade agreement with former African, Caribbean and Pacific countries), the UK was “temperamentally less interested in promoting an accommodation between her former colonies and the EEC than had been the case during the 1960s”, when Britain first applied to the EC.³ Hewitt also plays down British influence, suggesting that, despite a doubling of UK aid through the EC, Britain’s “levels of political clout were stagnating” between 1979 and 1990.⁴ A notable exception comes in the form of a thinkpiece by the then British Overseas Development Minister Lynda Chalker. Unsurprisingly perhaps, this offers a more positive assessment of the UK’s ability to shape European development policy. However, it also completely ignores the possibility that British aid policy was ever influenced by the European Commission.⁵

The question of reciprocal influences is important as it can provide an original perspective on why the UK has retained a reputation for awkwardness on some European issues and not others. It is central to this chapter which draws on semi-structured interviews with key officials in the European Commission and the UK’s Overseas Development Administration (ODA). It begins by identifying instances where the European Commission exerted influence on UK aid. It then evaluates British influence on European development assistance over three time periods: 1973-1979 (Lomé I and the negotiations preceding it), 1980-89 (Lomé II and III) and 1990-1999 (Lomé IV). Next, it identifies the factors which enabled and constrained British influence. Finally, it asks whether Britain’s continued awkwardness in Europe might be traced back to its early experiences of European development assistance.

Before proceeding, it is worth noting the following caveats. First, the terms European Community and European Union are used respectively to refer to the pre- and post-1992 periods. Second, the emphasis is on reciprocal influences involving the UK and European Commission rather than Britain and individual member states. Third, the focus is on European development assistance, as opposed to humanitarian aid or trade preferences. Finally, it should be noted that influence is hard to prove in the context of European aid where decisions are usually made behind closed doors.

WINNING OVER THE BRITISH?

Notwithstanding the above, it is possible to identify several ways in which the European Commission held sway over UK aid in these years. First of all, the Commission helped pave the way for Britain and its Commonwealth to enter into the Lomé agreement. It did so through the work of key policy-makers and through policy memorandums. Two of the Commission’s most influential figures were, as from 1973, the Development Commissioner, Claude Cheysson, and Deputy Director-General of the Development Directorate (DG VIII), Maurice Foley. Cheysson was a progressive and imaginative negotiator, who was instrumental in breaking the deadlock between francophone states, which sought to maintain reciprocal trade preferences, and the anglophone bloc, which wanted non-reciprocity. For his role in facilitating Commonwealth accession to Lomé, this French politician was described by Hewitt and Whiteman as French President...
Gordon D. Cumming

Pompidou’s “gift to the British”. As for Foley, this former UK Foreign Office Minister and trade unionist used his personal links with anglophone Africa leaders to allay both their suspicions of a francophone-led European Commission and their concerns over the loss of Commonwealth preferences. He also played a decisive role in bringing Caribbean and Pacific nations into Lomé and in ensuring they did not become “the orphans of Britain’s rush into Europe”.

Turning to policy memorandums, the Commission used these documents to frame the debate over the content of Lomé I and the terms of Britain’s accession to it. In its 1971 memorandum to the Council of Ministers, the Commission stressed that the Yaoundé Convention no longer corresponded to the developmental ambitions of the EC and that there was a need to extend the policy of association and trade cooperation to other developing countries. In so doing, the Commission prepared the ground for the October 1972 summit in Paris, which brought together member and accession states and which resolved much of the disagreement between those states, led by France, favouring a regional approach, and those, such as Germany and Holland, seeking a global development policy. In its 1972 memorandum, the Commission stressed that, while the advantages of association should be preserved, European assistance should be extended beyond former colonies. Then, in 1973, the Commission produced a memorandum which recommended opening up the advantages of Yaoundé and undertaking negotiations with the 20 Commonwealth countries (subsequently extended to 22) listed on the protocol attached to UK Accession Treaty.

In facilitating the UK’s accession to Lomé, the Commission also helped to ensure that Britain accepted the implications of joining the European club. In particular, it secured the UK’s acquiescence in the fact that the Commission was, de facto if not de jure, “in the lead on initiatives”. Over time, the Commission even persuaded the UK and other member states to go along with the need for “a

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10. Dieter Frisch, La politique de développement de l’Union européenne, ECPDM, Maastricht, 1998, p. 8
common policy framework which would be politically binding not only on the 
Commission but also on member countries. Importantly too, the Commission 
was able to ensure that Britain, right up until the mid-1990s, increased its contri-
butions to successive European Development Funds (EDF) and hence to ACP 
countries under successive Lomé Conventions (see Table 1). The Commission 
also engineered over many years major increases in the EC aid budget as a 
whole and saw total British aid to the EC increase from 6 per cent in 1978 to 
12 per cent in 1979 and nearly 20 per cent in 1990.

Table 1
European Development Fund:
Signatories and Key Contributors 1959-2000

<table>
<thead>
<tr>
<th>EDF</th>
<th>Signatories EC</th>
<th>ACP</th>
<th>France</th>
<th>FRG</th>
<th>UK</th>
<th>EC/EU Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 1959-64 (Rome Treaty Association)</td>
<td>6</td>
<td>18</td>
<td>34.4%</td>
<td>34.4%</td>
<td>-</td>
<td>100% (581 m ECU)</td>
</tr>
<tr>
<td>2 1964-70 (Yaoundé I)</td>
<td>6</td>
<td>18</td>
<td>33.8%</td>
<td>33.8%</td>
<td>-</td>
<td>100% (730 m ECU)</td>
</tr>
<tr>
<td>3 1970-75 (Yaoundé II)</td>
<td>6</td>
<td>19</td>
<td>33.2%</td>
<td>33.2%</td>
<td>-</td>
<td>100% (900 m ECU)</td>
</tr>
<tr>
<td>4 1975-80 (Lomé I)</td>
<td>9</td>
<td>46</td>
<td>26.0%</td>
<td>26.0%</td>
<td>18.7%</td>
<td>100% (3.1 bn ECU)</td>
</tr>
<tr>
<td>5 1980-85 (Lomé II)</td>
<td>10</td>
<td>57</td>
<td>25.6%</td>
<td>28.3%</td>
<td>18.0%</td>
<td>100% (4.7 bn ECU)</td>
</tr>
<tr>
<td>6 1985-90 (Lomé III)</td>
<td>12</td>
<td>66</td>
<td>23.6%</td>
<td>26.1%</td>
<td>16.6%</td>
<td>100% (7.4 bn ECU)</td>
</tr>
<tr>
<td>7 1990-95 (Lomé IV)</td>
<td>12</td>
<td>69</td>
<td>24.3%</td>
<td>25.9%</td>
<td>16.4%</td>
<td>100% (10.8 bn ECU)</td>
</tr>
<tr>
<td>8 1995-2000 (Lomé IV)</td>
<td>15</td>
<td>70</td>
<td>24.3%</td>
<td>23.4%</td>
<td>12.7%</td>
<td>100 (13.0 bn ECU)</td>
</tr>
</tbody>
</table>


14. *Idem*. This framework came into being with the 1992 Maastricht Treaty, which imposed a legal obligation on member states to harmonise aid policies, and the 2007 Lisbon Treaty, which called for greater complementarity at the European level.

15. A. Hewitt, “Britain and the EDF, op. cit., p. 86. This overall rise was, however, not a matter of choice as British contributions to the EC budget for non-ACP countries were determined by the size of Britain’s Gross National Product and voted on by the European Parliament.
The Commission could equally claim to have had an impact on UK development policy. Spurred on by Maurice Foley and with support from the EEC-ACP Parliamentary Association, the Commission pushed for the creation of a Southern African Development Community and for a radicalisation of Europe’s policy towards southern Africa. In so doing, it kept up pressure, during the 1970s and 1980s, on UK governments to take a robust stance towards the white minority regime in South Africa. It also played a key role in the early 1990s in coordinating the positions of the UK and other member states on political conditionality, a controversial policy of linking aid to political reform in developing countries. The fact that Europe’s humanitarian arm, ECHO, ruled out any suspension of emergency assistance, also facilitated the halting of development aid, as the UK and other bilateral donors knew that humanitarian assistance would continue to flow to those most in need.

Finally, the Commission enjoyed influence through information exchanges. It had knowledge, expertise and contacts to offer, notably in parts of the world such as francophone Africa where Britain was under-represented and had little local knowledge. According to a former Acting Director of DG VIII, Peter Pooley, the British “did accept they might have something to learn from the Commission outside their own sphere of influence”. Michael Lake, former Head of the European Commission Delegation in South Africa, echoed this view, noting how “in francophone African countries, the UK Ambassador was the Commission’s best friend”, as he or she would be looking for ways of tapping into “the EC’s wide network of ministerial and other contacts”.

To sum up, the Commission had influence where it had something to offer (such as information, networks), where Britain was in a weaker position (as at the moment of accession) or where the UK preferred not to go it alone (as with aid sanctions). In line with institutionalist and path-dependency thinking, the Commission’s influence increased over time as it grew in self confidence, became more resilient as a policy entrepreneur and refused to act as a repository for the aid policies of any one dominant member state.

Against this, some commentators question the degree of Commission influence. Lottie and Orbie argue that, in the case of Lomé I, France and the UK “largely shaped the content and nature of the agreement through intergovernmental bargaining”, while the Commission failed to pursue “an agenda

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of its own” and only played “a more important role in the subsequent Lomé Conventions and in the recent Cotonou Agreement”. In a similar inter-governmental vein, Crawford shows how, at the time of the 1995 Mid-Term Review (MTR) of Lomé, the UK drew a line in the sand regarding its aid contribution. Karin and Dickson likewise suggest that Britain, together with other member states, was instrumental in keeping the EDF outside of the rapidly expanding European Community budget, thereby ensuring that Lomé funding was the subject of inter-governmental bargaining every five years.

Commission officials interviewed for this study were also wary of claiming influence. As Dieter Frisch admitted, “it was certainly more the member countries that tried to influence what the Community did than the other way round”. Peter Pooley was even more cautious, noting that where the British had “unparalleled networks”, in places like “East Africa and in the Caribbean, they thought that they knew how to do things and nobody else did, not only the Commission but anyone else”. It was certainly the case, moreover, that UK politicians in Parliamentary debates, gave little indication that they were listening to the Commission. They criticised the EC aid for being slow, ineffective, poorly controlled and evaluated. They also viewed it as overly bureaucratic, formulaic, over-concentrated on contractual questions rather than substance. For British policy-makers, the Lomé did not, as promised in its preamble, lay down “a model of relations between developed and developing states”. Instead, the UK looked for ideas on overseas development to the US-led World Bank and the OECD.

**BRITAIN’S INFLUENCE ON THE COMMISSION**

Turning to UK influence, this will as noted earlier, be examined in three periods.

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22. Interview D. Frisch, 2011.
PHASE I: 1973-79

The first chapter (1973-79) corresponds to the negotiating phase through to the end of the first Lomé Convention, signed by nine European member states and 46 ACP countries. Claude Cheysson was EC Development Commissioner (1973-1981) and a Labour government (Harold Wilson 1974-76, James Callaghan, 1976-79) was in power. The crucial way in which the UK exerted influence was in providing the opportunity for the expansion of the Yaoundé Convention into a much broader framework. Prior to Lomé I, Europe was divided over the future of Yaoundé. France, with francophone African backing, was pushing for the continuation of a regional policy of association, whereas “the view of a number of key member states, notably Germany and Holland was that Yaoundé could not be continued in its existing form and should be replaced” by a global approach. Though wary of a diffuse approach that would spread Europe’s then limited aid budget too thinly, the Commission did want a convention that was commensurate with Europe’s growing size and ambitions. It was seeking a new approach, and the UK’s entry opened the door to a more dynamic partnership. According to Dieter Frisch, the trebling of the size of the financial envelope between Yaoundé II and Lomé I (see Table 1) would not have been possible without Britain’s entry. With all the push we could have produced, with the support of the Germans, the Dutch … it would not have sufficed. So the fact that Britain joined … certainly helped us enormously to open up to Lomé. I don’t think that Lomé would have been what it became without British entry.

It was also thanks to the UK’s accession to the EC that so many Commonwealth countries were able to sign up to Lomé. In so doing, they changed permanently the dynamics of ACP-EC negotiations. Anglophone African countries brought a “more forthright … political outlook”, with Nigeria in particular contributing “political and technical skill as well as impetus for united action”. The six Caribbean Commonwealth countries provided a “dynamic … team of experienced negotiators [whose] … tactics proved to be an eye-opener, especially for the more deferential francophone Africans”. The new members built upon the Yaoundé Associates’ familiarity with EC bureaucracy and helped forge united positions, particularly after the ACP formally constituted itself via the Georgetown Agreement of June 1975.

Crucially too, the UK’s application to the EC paved the way for substantive changes to the original Yaoundé Convention. One such shift was the move away from reciprocal to non-reciprocal preferences, as Commonwealth countries, with the backing of Britain, Ireland, the Netherlands and eventually Germany, rejected the francophone bloc’s demand that reciprocal preferences be maintained. Another innovation was the introduction by the Commission of Stabex, a European system for stabilising export earnings from agricultural commodities, which was introduced largely in response to the concerns of Commonwealth sugar producers.

At the operational level too, the UK enjoyed some influence over European development assistance. This was particularly true in the field in former colonies where British officials were “present in greater numbers” and where the UK was often “the lead country”, as in Kenya.29

Overall, however, it would be wrong to overstate Britain’s role in shaping Lomé I. As Hewitt suggests, the improvement in the terms of Lomé over Yaoundé “was at least as much a result of hard bargaining by ACP countries – notably Jamaica, Guyana and Nigeria, supported by the power which they derived from temporary world commodity shortages (petroleum and sugar particularly) – as of British patronage and far sightedness”.30 Cosgrove Twitchett notes, moreover, that “the Lomé negotiations took place while the UK was in the throes of renegotiation and the ensuing referendum debate on whether she should herself remain a member of the EC”. It was against this backdrop and in a context of domestic economic woes that the UK argued only half-heartedly for the inclusion in Lomé of the Asian Commonwealth, adopted a confused negotiating stance on sugar import prices and failed to match the French or German contribution to the Convention.31 Britain could not even claim to have held sway over the thinking behind the new Convention. Its real architect was Cheysson, a skilled statesman and former French diplomat with a background on African issues, who moved Europe away from its earlier “benevolent paternalism” and encouraged greater ownership, telling the ACP “It’s your money. … We are here to provide technical advice if you need it”.32 It follows that upon signing up to Lomé, “Britain found a set of policies, established positions and sitting

29. Interview, P. Pooley.
31. In the interest of UK consumers, Britain called for lower sugar prices while proclaiming its commitment to the Commonwealth’s development.
32. Cited in Frisch, La politique de développement, op. cit., p. 12.
tenants in positions of power (at both the delivering and receiving ends of the aid process) with which it had little sympathy.\textsuperscript{33}

\textbf{PHASE II: 1980-1989}

This second period focuses on Lomé II (1980-85) and Lomé III (1985-90). It also corresponds roughly to the time in office of Development Commissioners Edgard Pisani (1981-85) and Lorenzo Natali (1985-91) as well as the premiership of UK Conservative Prime Minister Margaret Thatcher (1979-90).

Despite their anti-Brussels rhetoric, successive Thatcher governments played a broadly positive role towards the Lomé Convention. As Dieter Frisch told the author, “the choice the British made … was that if they had to accept that Brussels now managed more and more money, the best thing was to influence that as much as possible in a positive sense. They were not slowing it down or blocking it or creating problems”.\textsuperscript{34} In line with this logic, the UK went along with a further significant rise in the EDF financial envelope: from 3.1 billion ECU for Lomé I to 7.4 billion ECU for Lomé III (see Table 1). The British remained engaged and began planting ideas that would later come to fruition. To illustrate, the UK’s Labour Foreign Secretary, David Owen, suggested during the Lomé II negotiations that the benefits of this Convention be conditional upon respect for human rights in recipient countries.\textsuperscript{35} Another issue on which the UK began voicing concern was the need to improve the effectiveness of European aid by making it less project-focused and more tied to World Bank structural adjustment reforms. Britain also pushed for tighter controls to ensure that Stabex should be used for its intended purpose, namely compensating peasant farmers for commodity price drops. A UK White Paper even concluded that the EC should disband Stabex and contribute instead to the global compensatory scheme run by the International Monetary Fund (IMF).\textsuperscript{36}

The above ideas did not, however, bear fruit in the early 1980s. While the UK enjoyed support from the Dutch and, as from 1983 the European Parliament, for human rights conditionality, this idea was sidelined in Lomé II due to determined protests by the ACP and opposition from some EC member states which

\textsuperscript{33} A. Hewitt, "Britain and the EDF", \textit{op. cit.}, p. 88.
\textsuperscript{34} Interview, D. Frisch.
wanted the Convention to remain “politically neutral”.

Britain’s demands for greater aid effectiveness also made little headway. Indeed, Lomé II continued to focus almost entirely on projects, eschewed World Bank style economic programmes, extended Stabex to more than ten new products and actually set up a parallel scheme for mineral price support, Sysmin.

It was not until Lomé III that a number of these UK-backed ideas found their way into the EC’s approach to aid. Lomé III picked up on British demands on human rights and wrote this concept into the texts that formed “part of the Lomé contract” and that might “therefore be invoked in the most flagrant cases in which elementary human rights are abused”. Lomé III also reflected Britain’s growing concern over aid effectiveness. Thus, “policy dialogue” was introduced as a way of moving away from a project-oriented to a programme-based approach involving mutual commitments by the EC and ACP in sectors where ACP countries had already agreed a structural or sectoral adjustment loan with the World Bank.

The UK’s efforts to improve the efficiency of EC aid were not of course confined to the EDF framework. Thus, Britain in the mid-1980s lobbied for reform of EC emergency food aid and UK Development Minister Chris Patten was quick to claim the credit for “pushing the Commission away from classic short-term emergency aid towards making emergency aid a developmental instrument”.

It would, however, be mistaken to overstate the UK’s influence on Lomé III. The fact is that the shift towards policy dialogue was largely the brainchild of French Development Commissioner, Edgard Pisani, whose 1982 memorandum stressed the need to move away from Cheysson’s earlier logic and introduce a mature approach to EC-ACP discussions. The UK had little input here. Indeed, “the British, in the Council of Ministers, found it difficult to know why the Commission was attaching so much importance to it. It wasn’t part of Lomé which was cut and dried”. In addition, Britain’s success in pushing for closer linkages between EC aid and World Bank neoliberal programmes was at best partial. Thus, while the Commission did eventually sign up to the adjustment process and set up a structural adjustment facility (SAF) in 1987,

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37. D. Frisch, La politique de développement, op. cit., p. 20.
40. Interview with ex-official, Aid Policy Department, ODA, 2011.
42. Interview, M. Lake.
it also sought to remain the compagnon de route of the developing world and rejected the hard-line stance on economic reform pushed by the UK. Finally, even the British government’s claims that it brought about changes to European food aid policies have to be qualified given that the Commission had already begun work on these reforms before Chris Patten spoke out on this issue.\textsuperscript{43}

**PHASE III: 1990-2000**

This phase covers Lomé IV, the first ten year Convention. During the first tranche and the MTR for the second, Manuel Marin was EC Development Commissioner (1989-95) and John Major was UK Prime Minister (1990-97). In the early 1990s, the UK remained constructive, approving an overall increase in the EDF budget of 12 million ECU (two million more than the British government had wanted)\textsuperscript{44} and accepting a rise in Stabex funding (to ECU 1.5 billion), despite “British distaste for a fund that stabilises export earnings without encouraging diversification”.\textsuperscript{45} The UK also adopted a “helpful” approach in the field, where they “tried to get things to work efficiently”, providing instant funding for feasibility studies and thereby “giving the Commission time to get its paperwork in order”.\textsuperscript{46} In Brussels too, Britain acted in “a positive fashion” by seconding specialists on education and forestry, where the Commission lacked expertise.\textsuperscript{47} The British, equally, offered advice to the Commission on aid evaluation and planning methods, thereby facilitating the introduction of an integrated approach to project cycle management (which uses the logical framework), a project information control system, an expansion of the Commission’s Evaluation Department, and the launch of joint evaluations of EC aid programmes to ACP and non-ACP countries.\textsuperscript{48} At the same time, the UK continued pushing for tighter aid coordination in the field and led the way by sponsoring the Horizon 2000 pilot scheme during its 1992 Presidency of the EC.\textsuperscript{49}

By adopting a positive approach, the UK was better able to push one of its longstanding concerns, human rights conditionality, which was approved by the European Council in a Resolution in May 1991. The British government also

managed to move the EC a step closer to accepting World Bank programmes. As Hewitt makes clear:

It was only … with … the fourth Lomé Convention …, that the EC conceded that structural adjustment policy reform obligations were a reality. The Commission belatedly recognised that it could not continue to operate a project aid system which allowed governments to bypass reform conditions which were being imposed by the EC member states’ own governments.  

The UK encouraged the Commission down this road by seconding an economist to DG VIII to advise on structural adjustment. Britain also welcomed the Commission’s decision to increase staff in the unit dealing with the SAF to 12 economists and to expand the value of this quick disbursing facility from 2.8 per cent of programmable aid in 1991 to over 25 per cent in 1994.  

Again, however, it would be misleading to exaggerate British influence. Thus, while the UK’s provision of specialist expertise did give it a voice “on the inside”, any actual influence on the Commission was curtailed by the frequency of complaints from other member states about the irregularity of such secondments. Furthermore, the UK never fully persuaded the Commission of the merits of structural adjustment. Thus, while the British had called for a major shift towards SAF funding, they ended up accepting a compromise whereby a special fund was set aside for recipients pursuing structural adjustment programmes whilst other ACP states continued to benefit from pre-allocated programmable aid under National Indicative Plans. In other words, the Commission refused “to go the way that the British wanted which was to be in the forefront of conditionality”.  

The UK’s negotiating position began hardening as early as the 1992 Edinburgh summit when the EC pledged to increase by 60 per cent over the next seven years its spending on external action, particularly in Eastern Europe and the Mediterranean. Given the decline in the UK’s own aid budget, the British became alarmed at the squeeze that EC contributions were imposing on bilateral assistance. They complained that the EC was “being given resources … by the European Parliament” which outran “the Commission’s own capacity for effective administration”. They demanded to know “whether the Commission

52. Interview, M. Lake.  
was spending the money efficiently or not". They felt this particularly strongly in the early 1990s since “the exchange rate of the pound was going down and the contributions that had to be made … in terms of pounds sterling … [were] costing the ODA more”. Furthermore, the ODA was “not in a strong position domestically, as it was not a Department. Lynda Chalker was not a member of the Cabinet but a Foreign Office minister, and the developers … were not well funded and were looked down on by the diplomats”.

Against this backdrop, the UK argued for a 30 per cent reduction in its EDF contribution. In fact, “The British Government was the most intransigent during the deadlock and succeeded in reducing its contribution in real and nominal terms”. The UK emphasised its preference for bilateral assistance and for trade over aid. It secured some backing from Holland, Italy and Germany, itself under pressure from the cost of reunification. The impact of this UK stand (which led to a fall in its contribution by eight per cent) was to reinforce the sentiment within the Commission that there would be no future Lomé-style Convention.

The adoption of a two-tranche system for payments after the MTR signalled the shift away from equal partnership towards greater control by EU member states. The Green Paper, initiated in 1996 under Development Commissioner João de Deus Pinheiro (1995-99), also paved the way for negotiations (1998-2000) on a new convention, the Cotonou agreement, that was supposed to address Lomé’s shortcomings.

All the same, it should not be thought that the UK’s growing inflexibility in these years bought it greater influence over European aid. Needless to say, member states such as France, which held the presidency during the crucial phase of the MTR, and Germany, as the economic power-house of the EC, played a crucial role. The Commission was also influential, particularly through the “personality and thinking” of Commissioner Marin, who framed discussions by widely circulating in 1993 a draft negotiating brief that included proposals on the “democracy clause” and aid suspension mechanisms, the introduction of

55. Interview, P. Pooley.
56. Idem.
57. Idem.
performance-related tranching of aid, and the reservation of special allocations for financing EC priority programmes.\textsuperscript{62}

**ENABLING FACTORS**

So what were the factors that facilitated UK influence over EC aid? Contextual factors were clearly important, not least the opportune timing of UK’s accession to the EC, just as the Yaoundé Convention was running out of steam. The end of the Cold War also opened up opportunities for fresh donor thinking on emerging themes such as the environment, where the UK was relatively advanced in its thinking. The end of apartheid and the resignation of Margaret Thatcher in 1990 also untied the hands of UK policy-makers, hitherto forced to softpedal on sanctions against Pretoria, and allowed them to press more vociferously for a stronger linkage in Lomé IV between aid and respect for human rights.

Another enabling factor was the quality of Britain’s foreign policy administration. Despite the Eurosceptic rhetoric of many UK Ministers, FCO officials in London and Brussels were always professional in Lomé negotiations, while the ODA was frequently interested in cooperation at the operational level.\textsuperscript{63} The UK’s foreign policy machinery contained gifted individuals, such as Charles Powell, a Counsellor to UKREP Brussels (1980-83), and Tim Lankester, ODA Permanent Secretary in London (1989-94). Britain’s apparatus was more coherent than the hydra-headed French administration, whose influence declined partly as a result over the Lomé years.\textsuperscript{64} Within the Commission too, there were figures who helped the UK cause, not least Maurice Foley and Kaye Whiteman, who were said by the latter to have been “charged – unofficially – with selling British influence in a relationship with Africa that had been French-dominated”.\textsuperscript{65} UK Development Ministers such as Timothy Raison and Chris Patten also enjoyed “a really positive partnership” with Dieter Frisch as DG VIII Director, while Lynda Chalker got on well both with Frisch and Acting DG VIII Director, Peter Pooley.\textsuperscript{66} It was in fact thanks to these good relations that Frisch was twice invited to address the UK Foreign Policy Select

\textsuperscript{62} K. Arts and J. Byron, “The mid-term review …”, op. cit., p. 76.

\textsuperscript{63} Interview, M. Lake.

\textsuperscript{64} Interview, D. Frisch.

\textsuperscript{65} The Guardian, 22 February 2002.

\textsuperscript{66} As EC External Affairs Commissioner (1999-2004), Patten was instrumental in pushing DG VIII to work more closely with DG Trade; interview, M. Lake.
Committee, an opportunity for an exchange of views that was not afforded by other member states.

Historical linkages also facilitated UK influence, not least the fact that Britain had prior experience in, and an ongoing relationship with, a large proportion of the membership of the ACP. The UK, thanks to its “decentralised management system”, was “better represented” in the field than most other member states. The British were as such better placed to shape and coordinate donor activities. Other factors that enhanced UK influence were more coincidental. Thus, the British were swift to take advantage of the opportunity afforded by UK presidencies of the EC to push agendas such as food aid regulation and donor coordination. British officials were also quick to build temporary alliances, lobbying with the Dutch on the need to link EC aid to respect for human rights, and, with the Germans on the size of the Lomé IV budget for 1995-2000. Britain benefited, moreover, from the fact that EC development assistance was not dominated by the Franco-German tandem or any other cluster of member states.

CONSTRAINTS ON INFLUENCE

Given the above, it is perhaps surprising that the UK did not hold more sway over the direction of European aid. The reality was, however, that there were also major constraints on British influence. The first was structural. The UK was late in joining “a club that was already working” and where the approach (e.g., dirigiste planning and price support mechanisms) was not of the UK’s choosing. As Peter Pooley pointed out, “That was the structure and it was very difficult to change.”

A related constraint was the fact that the UK was not a particularly big hitter on overseas development issues over the Lomé years. Indeed, for most of this period, the British aid programme was run by an “administration” rather than a Ministry and its budget was shrinking. The UK was, moreover, only ever one of between nine and 15 EC member states, each of which could “push its own priorities in the Council of Development Ministers if they really felt strongly about something.” Britain was moreover never sure of winning the Commission over to its cause, given that the latter was much “less bewitched

67. Idem
68. Interview, T. Glaser.
69. Interview, P. Pooley.
70. Interview, T. Glaser.
by the Foreign Office than UK Ministers”. In fact, the Commission had grown in self-confidence from the time of its leadership in the 1973 UNCTAD negotiations to become “a substantial institutional presence on the development scene”. According to Dieter Frisch, by the mid-1970s the Commission was “very much in the driving seat …and the member countries could not push us around. We were now as professional as the others. We knew what to propose and we succeeded in pushing member states towards higher and higher levels of aid”. Against this backdrop, European Commissioners did not need British advice. This was particularly true of Cheysson, a gifted negotiator with an African diplomatic background, and Pisani, the grand penseur of the French socialist party.

Lack of popularity further constrained British influence. The UK was seen to be a semi-detached member of the Community and was deemed to be “taking a high profile on the Brussels aid scene only when national commercial interests were at stake”. This perception limited Britain’s capacity “to persuade its EC partners of the very real need to reform the EDF”. The absence of any long-term alliances with other member state further hampered the UK’s ability to harness the méthode communautaire to its own ends. So too did poor relations with the Commonwealth, particularly in the 1980s when Mrs Thatcher’s government baulked at imposing meaningful sanctions on apartheid South Africa and helped keep “political questions over southern Africa” off “the official Lomé ministerial dialogue”.

Ideological differences were also important. Hewitt has argued that the UK was often “out of sync” with the EC, proposing ideas such as aid evaluation and an equal distribution of aid between ACP and non-ACP states, that were only adopted years later. This lack of synchronicity should not, however, disguise deep-seated ideological differences between the UK and much of the EC, particularly in the 1980s when Britain signed up to World Bank structural adjustment programmes. As one former Commission official put it, “We were deeply at odds with the World Bank in these years because we were francophone”. Hewitt makes a similar point, noting that “In the aid field there was nothing

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71. Interview, senior Commission official, Brussels, 2011.
72. Interview, M. Lake.
76. The UK Labour Minister Judith Hart in the mid-1970s was the first to suggest this aid split between ACP and non-ACP states; interview, D. Frisch.
77. Interview, M. Lake.
more likely to annoy the dominant French interests in EC development policy than to side with the Washington-based … World Bank and the International Monetary Fund, on matters concerning Africa …” 78

Ultimately, the explanation for the UK’s relative lack of influence lies in Britain’s own choices and priorities within Europe. To illustrate, the British did not lobby for key positions within DG VIII. Instead, they “pretended this did not matter as long as aid programmes were being run effectively” and, in so doing, they lost control of the “commanding heights”. 79 This “lack of influence at the top” was later compounded when the UK halted, albeit temporarily, recruitment via the European fast stream.80 This latter decision inevitably reduced the flow of British nationals working their way up to the top of (rather than being teleported into senior positions within) the Commission’s hierarchy.

As regards the UK’s priorities, these did not lie with DG VIII, the EDF or overseas development but with DG Trade, the CAP and the single European market.81 In the early 1990s, a key focus was on the commercial opportunities opening up in Eastern Europe and the UK attached “more importance to starting the European Bank for Reconstruction and Development (which would be sited in London) on a businesslike footing than overhauling the EDF”.82 The British were ultimately being pragmatic. They knew that they could not overhaul the EDF so they became “diffident as a new member”.83 They also foresaw the upward trend in EC assistance and “instead of slowing it down, they decided to join the movement and influence it”.84 With their residual responsibility for the Commonwealth, a stagnant development assistance budget and a huge EC aid envelope on offer to many of their former colonies, the British recognised that it was not in their interests to rock the boat. They also realised that Britain stood to benefit from lucrative EC aid contracts.85 Indeed, the UK’s overall share of these contracts rose from 10.5 per cent in 1975 to 15.3 per cent (higher than any other member state) in 1988, with the UK performing particularly well on supplies and technical assistance (see Table 2).

79. Interview, T. Glaser.
80. Idem.
84. Interview, D. Frisch.
85. When the UK began competing successfully for contracts in Eastern Europe, the Commission imposed a quota preventing them “from exceeding in contracts awarded the proportionate value of the EDF contributions”; see A. Hewitt, “Britain and the EDF”, op. cit., p. 88.
**Table 2**

**EDF Contracts in Millions of ECU by Nationality of Firm as at 31 December 1988**

<table>
<thead>
<tr>
<th>Nationality of Firms</th>
<th>Works</th>
<th>%</th>
<th>Supplies</th>
<th>%</th>
<th>Technical Assistance</th>
<th>%</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>91.7</td>
<td>7.2</td>
<td>101.7</td>
<td>18.6</td>
<td>87.4</td>
<td>21.4</td>
<td>280.7</td>
<td>12.6</td>
</tr>
<tr>
<td>France</td>
<td>287.3</td>
<td>22.6</td>
<td>129.7</td>
<td>23.7</td>
<td>75.8</td>
<td>18.5</td>
<td>492.8</td>
<td>22.1</td>
</tr>
<tr>
<td>Italy</td>
<td>140.7</td>
<td>11.1</td>
<td>76.1</td>
<td>13.9</td>
<td>49.6</td>
<td>12.1</td>
<td>266.4</td>
<td>12.0</td>
</tr>
<tr>
<td>UK</td>
<td>56.0</td>
<td>4.4</td>
<td>112.6</td>
<td>20.6</td>
<td>63.6</td>
<td>15.6</td>
<td>232.3</td>
<td>10.5</td>
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<tr>
<td>EC Total</td>
<td>1270.2</td>
<td>100</td>
<td>547.6</td>
<td>100</td>
<td>409.0</td>
<td>100</td>
<td>226.8</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nationality of Firms</th>
<th>Works</th>
<th>%</th>
<th>Supplies</th>
<th>%</th>
<th>Technical Assistance</th>
<th>%</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>86.6</td>
<td>7.9</td>
<td>121.3</td>
<td>18.8</td>
<td>103.3</td>
<td>22.2</td>
<td>311.1</td>
<td>14.1</td>
</tr>
<tr>
<td>France</td>
<td>248.3</td>
<td>22.6</td>
<td>128.0</td>
<td>19.8</td>
<td>93.2</td>
<td>20.0</td>
<td>469.5</td>
<td>21.2</td>
</tr>
<tr>
<td>Italy</td>
<td>102.1</td>
<td>9.3</td>
<td>66.2</td>
<td>10.2</td>
<td>45.2</td>
<td>9.7</td>
<td>213.5</td>
<td>9.7</td>
</tr>
<tr>
<td>UK</td>
<td>84.7</td>
<td>7.7</td>
<td>155.9</td>
<td>24.1</td>
<td>74.7</td>
<td>16.1</td>
<td>315.3</td>
<td>14.3</td>
</tr>
<tr>
<td>EC Total</td>
<td>1099.5</td>
<td>100</td>
<td>646.3</td>
<td>100</td>
<td>465.6</td>
<td>100</td>
<td>2211.3</td>
<td>100</td>
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<th>Nationality of Firms</th>
<th>Works</th>
<th>%</th>
<th>Supplies</th>
<th>%</th>
<th>Technical Assistance</th>
<th>%</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>14.8</td>
<td>10.1</td>
<td>2.6</td>
<td>3.9</td>
<td>22.5</td>
<td>12.8</td>
<td>39.9</td>
<td>10.2</td>
</tr>
<tr>
<td>France</td>
<td>2.0</td>
<td>1.4</td>
<td>14.1</td>
<td>20.9</td>
<td>24.8</td>
<td>14.1</td>
<td>40.8</td>
<td>10.5</td>
</tr>
<tr>
<td>Italy</td>
<td>38.2</td>
<td>26.1</td>
<td>2.3</td>
<td>3.5</td>
<td>17.9</td>
<td>10.2</td>
<td>58.4</td>
<td>15.0</td>
</tr>
<tr>
<td>UK</td>
<td>12.5</td>
<td>8.5</td>
<td>13.8</td>
<td>20.6</td>
<td>33.4</td>
<td>19.0</td>
<td>59.7</td>
<td>15.3</td>
</tr>
<tr>
<td>EC Total</td>
<td>146.6</td>
<td>100</td>
<td>67.2</td>
<td>100</td>
<td>175.2</td>
<td>100</td>
<td>389.1</td>
<td>100</td>
</tr>
</tbody>
</table>


**Conclusion**

This chapter has focused on reciprocal UK and EC influences over the Lomé years. It has shown how the European Commission held sway over British aid policy but only where it enjoyed a comparative advantage, whether through its operational networks or its role as a policy coordinator. The Commission’s influence undoubtedly increased over time as it grew in self-confidence and began pushing for greater policy coherence, most notably via the Maastricht Treaty. The UK for its part was influential in helping to frame the first Lomé Convention, in pushing new aid evaluation procedures and in lobbying for human rights conditionality. As a rule, Britain enjoyed more influence where it had other member states on board and where it was “on the same page as the
The British were less persuasive where their arguments were not believed (the mantra “trade not aid” was viewed as an excuse to give less aid) and where they were ideologically isolated (as with structural adjustment).87

So clearly there were reciprocal influences and there was not a dialogue de sourds between the UK and the European Commission. While the British did sometimes have to shout long and hard in order to be heard, they were not losing out on the European aid scene, as their rhetoric on the “stitching up” of contracts and the Commission’s lack of responsiveness sometimes suggested. As Dieter Frisch put it, “We should distinguish [foreign policy] from an area like development cooperation [where] … the British had an interest in playing the game”.88 It follows that the UK’s status as an awkward partner cannot be traced back to its early experiences of European aid. The roots of Britain’s semi-detached attitude towards Europe must lie elsewhere, probably in trade, agriculture and socio-judicial questions that infringe UK sovereignty.

The election of a Labour government in 1997 did not lead to any dramatic change in the UK’s broadly constructive stance on European aid. Thus, while Clare Short as Secretary of State for International Development was scathing about the wastefulness and lack of poverty focus of much European assistance, she remained engaged and was soon seeking to increase UK influence over EU aid policy by forging an alliance with three other European Development Ministers (from Germany, Holland and Norway).89 The new government also set up the Department for International Development (DFID) as a separate Ministry and charged it with drawing up an institutional strategy paper for maximising British influence within the EU and other international organisations. The DFID explicitly recognised the value of working through such bodies, stressing in its first White Paper on international development that “We must not overstate what we can do by ourselves. We must not understate what we can do with others”.90

86. Interview, M. Lake.
88. Interview, D. Frisch.
89. The so-called Utstein Group later evolved into the Nordic Plus group of like-minded donors.
THE NEW CONTEXT OF RELATIONS
BETWEEN NORTH AND SOUTH,
AND BETWEEN THE EEC AND DEVELOPING COUNTRIES
FROM THE 1960S TO THE 1980S

by Giuliano Garavini

Introduction

The European Economic Community (EEC) and the Global South – here I will use the terms Global South and Third World as synonyms – both had their roots in the same era of decolonisation, an era marked by a process of decolonisation that was developing with increasing speed by the middle of the 1950s. The very fact that the EEC and the Global South emerged more or less at the same time does raise more than one argument regarding the nature of the special link between the two.

In the case of the Global South, while the Cold War was certainly instrumental in generating the need for a coalition of weaker nations able to promote peace against the threat of nuclear Mutually Assured Destruction, it is quite obvious that only the end of European colonial empires allowed for the possibility of autonomous action by the newly independent countries in the international arena.

In the case of the EEC the link with decolonisation is possibly less straightforward, but hardly less stringent. We now know that even well into the 1950s European colonial powers had no clear intention of renouncing the strategic importance of their empires from a cultural, political and even from an economic point of view. This is well demonstrated by the most recent literature that takes very seriously the effort to revive European colonial empires in the 1950s; an effort mainly undertaken by France and Great Britain and defined by scholars as “post-imperial reflex.” ¹ Jean Monnet himself recalled how Louis Armand –

one of the “three wise men” charged, after the failure of the European Defence Community in 1954, with re-launching a common European initiative through a joint atomic energy project – provocatively proposed the erection of a statue honoring Nasser as “the federator of Europe.” Having dealt a mortal blow to the imperial dreams of France and the United Kingdom in 1956, the Egyptian leader had also cleared the path for a new French commitment in Europe.

This chapter will focus on how the two international actors interacted, from the beginning of the institutionalisation of Third World cooperation in 1961 – year of creation of the Non Aligned Movement – to the crisis of the Third World with the failure of global North-South negotiations at the Cancun Summit in 1981.

I. THE DEVELOPMENT DECADE (1960-1969)

Nobody could predict whether the newly independent nations that became members of the UN – spread out across Asia, Africa, and Latin America; millions of peoples with different religions, languages, and traditions – would be willing to find common interests or had the capacity for coordinated action. There was indeed a very real possibility that, once liberated from European colonial domination, these peoples would simply find themselves subject to a new form of imperial tutelage by the two emergent superpowers, the United States and the Soviet Union, each endowed with competing global ideologies, ambitions and military might.

In 1933, in his last letter from jail to his daughter Indira Gandhi, Jawaharlal Nehru wrote that “thought, in order to justify itself, must lead to action.” It should come as no surprise if, among the elites of the new nations torn between Wilson and Lenin, the virtues of free-market liberal democracy and the imperatives of social revolution under a planned economy, the practical need to make giant leaps forward through industrialisation and higher prices for raw materials initially prevailed over protracted theoretical debates regarding the appropriate form of government. The titanic task of achieving development would be accomplished both by exploiting the military and economic assistance

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of any nation willing to provide it, and through a coordinated effort to reform
the international trade system in their own favour.

The Third World was very soon to become the main arena for the competing
visions of modernity and models of internationalism. But Third World countries
did not simply choose between these competing versions of modernity, just as
they did not passively accept the logic of the Cold War as a fait accompli –
even though many of the developing countries were forced to endure some of
its devastating effects. As the most recent historiography on the Third World
has confirmed, developing nations often struggled, both individually and col-
lectively, to advance their own visions of modernisation, more often than not
characterized by high levels of state intervention and aspirations of fast-track
industrialisation, just as they fought to promote their own priorities in the
realm of human rights and international law.6

Development was the key economic issue of the 1960s. The First Development
Decade was launched by the United Nations in 1961 with the objective of achie-
v ing a minimum GDP growth rate of at least 5 per cent in each “developing”
nation. Development was also enshrined as an objective of Atlantic and Western
cooperation with the creation of the Organisation for Economic Cooperation and
Development (OECD) in 1961. Article 1 of its Charter read that the organisation
aimed: “to achieve the highest sustainable economic growth and employment
and a rising standard of living in Member Countries”.

For the West development was not only an economic but also a political
strategy. Externally it aimed at overcoming underdevelopment, and at the same
time, at blocking the expansion of internationale Communism in the newly inde-
pendent countries.8 But it also became a buzz-word for the Third World and
Non Aligned Movement that had progressively advanced their own conception
of economic development. The Third World as an economic project gave itself
a more institutional framework at the beginning of the 1960s, and particularly
in 1964 with the creation of the Group of G77 within the United Nations
Conference for Cooperation and Development (UNCTAD). Even the creation of
the Organisation of Petroleum Exporting Countries in 1960 in Baghdad can be

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7. www.oecd.org/document/7/0,3746,en_2649_201185_1915847_1_1_1_1,00.html
8. W. Rostow and M. Millikan, A Proposal: Key to an Effective Foreign Policy, New York, Harper
and Brothers, 1957. R.A. Packenham, Liberal America and the Third World, Princeton, NJ, Princeton
Relations between the EEC and Developing Countries

viewed as an episode in the effort to wage a common and coordinated battle by raw material producers to obtain a stronger role in the international economy. At the same time, it should be noted, the efforts to coalesce developing countries into a revolutionary political struggle against imperialism, an effort pursued up to the extreme sacrifice by Che Guevara under the slogan “one, two, many Vietnams,” proved short-lived and ended symbolically with his death in 1967 in Bolivia. By the time of the second UNCTAD conference in 1968 in New Delhi global political revolution was out, also undermined by the tensions between Soviet and Chinese Communism, while the need to reform the international economy to the advantage of the poorer countries was still in.

One of the main theoretical economic perspectives of Third World leaders struggling to escape the vicious circle of poverty and economic dependence of their countries, was provided by the first secretary general of UNCTAD: the Argentinean economist Raúl Prebisch. The theory that Prebisch and other mainly Latin-American economists started promoting with increasing success went by the name of “structuralism” or “dependency theory”. This was based on the idea that there was a growing and structural imbalance between the North, producer of manufactured goods whose prices were constantly increasing due to technological innovations and pressures from trade unions; and the South, producer of raw materials with declining prices and ever worsening incomes to be distributed among the booming urban population. This imbalance had to be overcome sooner rather than later if one wanted to avoid global revolution, possibly by resorting to a combination of reforms:

1. Preferential access for the manufactured goods of developing countries to the markets of industrialised countries, which would imply the creation of a Generalised System of Preferences (GSP);

2. Agreements to stabilise (or increase) the prices of raw materials to be negotiated under UN supervision;

3. An increase in development aid to foster industrialisation up to at least 1 per cent of the GDP of industrialized country;

4. Abolition of taxes on tropical products and of all barriers to agricultural trade.

Considering the measures above as a possible guideline for a common Third World action plan within UNCTAD, what was the image projected by the EC on the international arena and in particular within the UN in this period?

Even though the worst aspects of a potentially colonial legacy embodied by the idea of *Eurafrique* had been weakened with the signing of the Yaoundé Association in 1963, the EEC had not yet managed to offer an image significantly different from that of its colonial members. Indeed the EEC became one of the main polemical objectives of developing countries in the 1960s. These are only a few of the charges raised against it in the UN:\footnote{One inventory of such criticisms listed some forty-three possible offenses, along with their respective defences. The accusations ranged widely: that the Community constituted nothing more than the economic arm of NATO; that it was dominated by the church and the Catholic parties; that it widened regional disparities potentially generated by the Common Market; and that the CAP would impoverish small farmers to the advantage of large agribusiness. Historical Archives of the European Union (HAEU), CM 2-1962, 122, Note, “Criticisms of the Community by members of the United Nations,” November 8, 1961.}

1. Yaoundé was based on historical connections which perpetuated the dominance of the former colonial powers in Africa (for example through the system of “reverse preferences” or even of linguistic imperialism);

2. Yaoundé was aimed at splitting the world economy in three large macro economic areas: the Americas, dominated by the US; *Eurafrique*, dominated by the EEC; and Asia, dominated by Japan;

3. The Common Agricultural Policy (CAP) discriminated against the agricultural products of the Third World thus undermining one of the most important sources of income for those countries;

4. Western Europe had benefited from Marshall aid to rebuild its shattered economy after World War II, but now it did not recognise the need for a massive flow of aid to the really poor areas of the world.

Indeed the Community was made up of a number of countries mainly ruled up to the end of the 1960s by conservative governments that were primarily focused on improving the performance of the nationale economy and that had scant interest in the building of a new global relationship between North and South. The main political families in western Europe, Socialists and Christian Democrats, were both heavily suspicious of the neutrality of the Non Aligned Movement which many judged as “immoral”, and far more reliant on western economic cooperation also through aid than on supporting any scheme proposed by developing countries.\footnote{P. Van Kemseke, *Towards an Era of Development: The Globalisation of Socialism and Christian Democracy*, 1945-1965, Leuven, Leuven University Press, 2006, p. 262. In particular for the Christian Democracy see: W. Kaiser, *Christian Democracy and the Origins of European Union*, Cambridge, Cambridge University Press, 2007.} Arguably the Catholic Church, an organisation that at the beginning of the 1960s had clearly perceived the need to speak directly
to the new massively populated nations, was more open to requests coming from developing countries. To such a point that Pope Paul VI in the March 1967 Encyclical *Popolorum Progressio* explicitly came out in favour of an agreement on commodity prices.\(^\text{13}\)

II. THE DECADE OF THE NORTH-SOUTH DIALOGUE  

The end of the 1960s was characterised by political radicalisation in many Third World countries but, at the same time, by a radicalisation of public opinion in western European countries due to the impact of the 1968 social and political movements and to widespread opposition to the war in Vietnam.\(^\text{14}\)

It is important here to note that one of the main cultural innovations behind workers’ and students’ movements in western Europe consisted of a radical criticism of the priority attached to national allegiance and of the *realpolitik* and militarism of the ruling elite. A new idea was emerging, also due to innovation in media networks such as the introduction of satellite communications, that humanity was in some ways united by global common issues such as peace, the defence of environment, the fight against malnutrition and poverty.\(^\text{15}\) There was a widespread curiosity towards political experiments as well as the literature and art coming from Third World countries. “Thirdworldism”, vaguely defined, was in fact one of the main cultural trends of the post-1968 era. It affected not only large sections of the intellectual milieu in universities but also political elites. It was one of the components of a shift to the Left by the west European political establishment, which seemed to depart radically from the conservatism of the 1960s; a shift that clearly made an impression on the new President of the United States Richard Nixon. Nixon became increasingly concerned about the potential drift of the Europeans towards a “neutral” or, at any rate, a more autonomous position in international relations and aptly summarised the new political scenario to his assistant Henri Kissinger:

\(^\text{13}\) www.vatican.va/holy_father/paul_vi/encyclicals/documents/f_pvi_enc_26031967_popolorum_en.html
The way the Europeans are talking today, European unity will not be in our interest, certainly not from a political viewpoint or from an economic viewpoint. When we used to talk about European unity, we were thinking in terms of the men who would be at the top of Europe who would be in control. Those men were people that we could get along with. Today, however, when we talk of European unity, and when we look ahead, we have to recognise the stark fact that a united Europe will be led primarily by left-leaning or socialist heads of government. I say this despite the fact that Heath is still in power. Even in Britain and France we have situations where the media and the establishment strongly pull to the left at this point, and also where the media and the establishment take an increasingly anti-US attitude.  

The new idea behind the action of the G77 and Non Aligned Movement – increasingly acting together – had already been presented in the first International Conference on Human Rights in Tehran 1968: it was the idea that collective and economic rights, and in particular the right to sovereignty over natural resources should prevail over individual human rights.  

Not by chance the third UNCTAD in 1972 was held in Santiago Chile under the charismatic leadership of president Salvador Allende, the Socialist leader who had nationalised his country’s copper industry and who, in a now-famous speech at the UN General Assembly, had voiced the need for a reform of the international monetary system.

The request for sovereignty over natural resources and reform of the Bretton Woods institutions was reinforced by the participation of the oil producing countries in the struggle. Once the new Ghadafi leadership in Libya in 1969 opened the way for a more robust stance on the part of oil producing countries in the battle against oil multinationals, OPEC started acting in many ways as the spearhead of the Third World and of the demands of raw material producers – Algeria being the main link between oil producers and the rest of developing countries. This new climate within the Non Aligned Movement was soon noticed by diplomats in Venezuela, itself a Latin American country and an oil producing country. At the beginning of 1973, Venezuela – the largest oil producer in Latin America and a pivotal country in continental politics – was seriously considering membership in the Non Aligned Movement, believing that the Movement

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16. Foreign Relations of the United States (FRUS), Foreign Economic Policy, 1973-76, n. 31, draft memo from President Nixon to the President’s Assistant for National Security Affairs (Kissinger), March 10, 1973.

had shifted its emphasis from neutrality to economic concerns. The Foreign Ministry's newly elaborated position was that:

The era when the democratic governments of Venezuela were afraid of the idea of irritating the United States or conservative sectors of our own country are over … Right now it is important that the African and Asian countries recognise the liberating, nationalist and anti-neocolonialist content of our measures regarding oil, and that they be willing to align themselves with Venezuela in a united front of defense against the hegemonic forces that will try to deny us our right to set our own course.¹⁸

Possibly the highest peak of this radicalisation process was the approval during the sixth UN General Assembly in 1974, the first session being entirely dedicated to economic matters, of the declaration on the establishment of a New International Economic Order (NIEO). The NIEO also came with an “action plan” that had at its centre the project of creating a common fund for commodities, to be created with the contributions of both consuming countries and raw material producers, with the aim of structurally redistributing wealth from the industrialized to the developing countries.¹⁹

Then came the Charter of the Economic Rights and Duties of States, approved by a majority of the UN General Assembly on December 12, 1974. The first article of the Charter, in fact, declared: “Every State has the sovereign and inalienable right to choose its economic system as well as its political, social and cultural systems in accordance with the will of its people.” Among the other rights asserted in the Charter were the freedom to nationalise strategic sectors without penalty and the liberty of every state to manage its own commodities.

In fact, up to the very end of the 1970s the international debate within the UN system was dominated: by the Southern block, by the effort to reduce the role of the Bretton Woods institutions and to alter the power relations within them, by the need to defend the right to self-determination of smaller and poorer nations against the intrusions of more powerful countries or of enormously rich multinationals. This was the mindset behind the debate on a new Law of the Sea to protect the coast of each country from exploration by foreign governments and companies and of the battle for a New World Information Order (NWIO) to help establish autonomous media in the Global South.


There is more than one way in which this new climate impacted on a now much more open political leadership in the EEC which, it should be remembered, in 1969 had just approved the first procedures for European Political Cooperation (EPC) and had approved the first enlargement to the UK, Denmark and Ireland, thus rendering the EEC the largest trading block in the world and potentially one of the strongest actors in international institutions such as the IMF, the World Bank and the UN.20

Here I will only take the opportunity to list some of the initiatives that seemed to demonstrate the new diplomatic attention of EEC countries towards the Third World:

– In 1971 the EEC was the first entity to approve its Generalized System of Preferences;

– In the Paris Summit of 1972 the EEC proclaimed itself a “privileged partner” of developing countries and, also under the impulse of the then president of the European Commission Sicco Mansholt, opened the way to a global cooperation and development policy with the aim of overcoming the regional concentration on Africa;21

– The signing of the Lomé Convention in February 1975 with the introduction of a new mechanism, the Stabex, which in many ways responded to the request coming from the Third World for a stabilisation of the income from raw materials exports;22

– The launching in Paris of the North-South Dialogue – Conference for International Economic Cooperation (CIEC) held from December 1975 to June 1977 – in which the EEC participated as a single actor and during which the questions of oil, development, international debt and reform of international economic institutions were all discussed together and linked one to the other.23

In all the initiatives described above the Community participated as a single actor and was expected by the developing countries to do so. And the drive towards a more important role for the EEC in external affairs seemed to be confirmed by the successful battle by the EEC to be accepted as a member of the G7, first launched in the Rambouillet conference of 1975. As a result of this battle the president of the European Commission Roy Jenkins was admitted for the first time to the G7 held in London in 1977.  

But did this mean that the EEC was definitively affirming itself as an international actor, one with particularly strong relations with developing counties? Certainly this process was favoured by the fact that, contrary to the majority of its members, the EEC itself had no direct colonial past to be ashamed of and could indeed be considered a positive model of regional and peaceful integration. Also, it is true that a more positive attitude towards the Global South was precisely one of the requests coming from European Socialists under the leadership of Willy Brandt and one of the possible grounds for consensus among different European political families – relations with the US and the Soviet Union remaining, on the contrary, far more controversial.

However, the limits to coherent international action of the Community were particularly evident in certain dossiers such as the Euro-Arab dialogue where the EEC never managed to become a credible interlocutor because it could not directly deal with the crucial Arab-Israeli issue. Also these limits appeared to be difficult to overcome in the dialogue with oil producing countries: the efforts by single European countries to establish preferential links with oil producers or to protect the oil multinationals established in their territory, eventually prevailed over the possibility of a common energy policy, one which would have assured secure oil and gas imports at reasonable prices, in exchange for industrial cooperation with, and some degree of political appeasement of, OPEC members.

III. THE GLOBALISATION ERA AFTER 1981

The two years between 1979 and 1980 were literally filled with events that pointed in the direction of the weakening and, eventually, the failure of cooperation between the countries of the Global South.

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25. Willy Brandt was elected President of the Socialist International in 1976.
The second “oil shock” in 1979 resulted in an increase in the prices of crude oil from 13 $ per barrel to 40 $ per barrel and was favoured by the instability generated by the Islamic revolution in Iran. This second increase in oil prices after 1973 was not accompanied, as in the case of the first oil shock, by a financial effort from the OPEC towards the rest of the developing world. Rather it was followed by a war between Iraq and Iran, two founders of OPEC and also two developing countries with a key role in the G77.

The Soviet invasion of Afghanistan, itself a poor country and member of the Non Aligned Movement, led to serious tensions between those governments in the Movement that remained pro-Soviet and the more critical ones that embraced a pro-Western stance. The suicidal gamble of a military mission in Afghanistan had been foreseen by the Soviet Foreign Minister Gromyko in March 1979: “All that we have done in recent years with such effort in terms of Détente in international relations, arms reductions, and much more – all that would be overthrown. China, of course, will receive a nice gift. All the nonaligned countries will be against us”.

Finally, the new monetary policy in the US and the raising of interest rates by the Federal Reserve Bank led to dollar revaluation and with it to a massive worsening of the debt of developing countries with private banks. Debt increases, coupled with slow growth in the industrialized countries due to the new deflationary US monetary policy, had devastating effects on the economies of most developing countries by depriving them of markets for exports and leading them into financial dependence on Wall Street and Washington-based institutions.

The weakening of the Global South alliance led to the weakening of the New International Economic Order project and to the emergence of what the historian Mark Mazower has defined as the “Real New International Economic Order”. This can be considered to have been inaugurated with the failure of the last North-South summit in Cancun. The summit had been organized by the Mexican President López Portillo, the Canadian Prime Minister Pierre Trudeau, and the Austrian President Bruno Kreisky with the firm intention of reviving the

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North-South dialogue at the highest levels and of discussing the future concrete reforms inspired by the Brandt Commission. All of the world’s most powerful leaders were present at the seaside resort meeting, twenty-two heads of state or government in total, including Reagan and Thatcher. Mitterrand with his cries against “international economic Darwinism” and his call for expansion in international aid and commodity agreements was, with Trudeau, the only hope for the success of global negotiations. But France’s position was not a majority one among industrialised countries, many of which by then shared the World Bank’s new position that developing countries should open up and help themselves and that decreasing trade barriers and open capital markets would be the best means to favour global growth. The primary roadblock was Reagan, not only for his personal ideological aversion to the United Nations, but because solutions on commodities or questions of international debt would be expensive for, and call into question the centrality of, the international economic institutions based in Washington, in which the United States had a much stronger position than in other international forums.

The Real New International Economic Order was characterised by: a new role for Washington-based international economic institutions based on the newly elaborated policy of “structural adjustment”, the marginalisation of the UN, a greater role for financial markets based on the need of developing countries to attract international capital and accept in exchange liberalisation of trade in goods and services. Within the new neoliberal economic order countries had to compete for financial resources one against the other, or otherwise be condemned to lag behind and be marginalized in the international economy.

The very same EEC faced harsh internal divisions at the end of the 1970s, first and foremost the one between Mitterrand’s France and Thatcher’s Great Britain. But it also had to face a serious economic crisis due to slow growth, unemployment and the need to restructure its industries. This is not the place to dwell on the progressive departure from Keynesian economics and towards a greater reliance on the idea of market liberalisation. However, it is important to note that this new internal intellectual challenge against the role of the state and regulation also brought with it a strong reaction against the Thirworldism of the previous decade. This challenge was based on the idea that poverty was not the industrialized countries’ fault but simply the result of corruption and

30. Interview with Henri Nau (Senior Staff Member of the NSC in the White House responsible for Economic Affairs from 1981-3). Available online at: www.g7.utoronto.ca/oralhistory/nau040507.html.
bad economic choices in the developing world. A sign of these new times was the 1983 publication of the French writer Pascal Bruckner’s *The Tears of the White Man* – which equated European compassion with contempt, derided the notion of decolonisation as the liberation of a mythical form of new man, and denounced the unjust and antidemocratic regimes of the Third World — enjoyed spectacular public success.31

Faced with momentous challenges – the disappearance of the Third World and the appearance of aggressive Newly Industrialized Countries (NICs) – the EEC started to concentrate on its regional dimension to the detriment of its effort to be perceived as a global actor. It began concentrating on the potential for expansion to Southern Europe (Portugal and Spain) and to the possible economic stimulus offered by the internal market through liberalisation of capital movements and a decreased role of the state in industry and services. The shift in emphasis from international economic cooperation to internal liberalisation and regional expansion, went in parallel with a shift of paradigm according to which conditional aid and the spreading of international regulation coming from the Bretton Woods institutions became a priority of aid and cooperation policies. In many ways private capital and investment seemed to be able to substitute themselves for the state in development policies.

Is it possible to draw any conclusions from this story?

A general remark is certainly that isolation does not seem a real possibility for European countries, not only due to their past colonial links but because of dependence on imports of raw materials, exports of manufactured goods, as well as due to immigration coming mostly from former colonies in the Global South. Secondly it could be argued that the failure of international economic cooperation, embodied by the failure of the North-South dialogue in 1981, and the reliance on policies conceived by the Bretton Woods institutions have certainly been a way to cope with the aggressive trade and financial globalisation of the 1980s,32 but they have in many ways increased the doubts of countries of the Global South regarding the ambiguous role of the European Union as an agent of international capitalism and liberalisation.33

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WHAT IS DISTINCTIVE
ABOUT EUROPEAN DEVELOPMENT AID:
TAKING ACCOUNT OF NEW PARADIGMS (1975-1995)
by Philippe HUGON

Introduction

As a young student in 1958 I attended a talk in Rome by the Italian Foreign Minister on European aid following the Treaty of Rome. He began his talk by quoting Confucius: “What have you got against me? I have given you nothing”. I have always found that, in the words of the African proverb, “The hand that gives is superior to the hand that receives”. I shall speak as a university researcher who experienced the 1975-1995 period and analysed what was happening with European aid from the outside.

The creation of the European Economic Community (EEC) coincided with the period of decolonisation. There were always links between developments in Europe and colonisation. It was the rifts between European powers that encouraged a process of colonial expansion which increased tensions between colonising countries. The process of decolonisation took place at the same time as the Common Market was being formed, in 1957, and some of the countries which had lost their empire were building up the European project.

Association of the overseas countries and territories enshrined in the Treaty of Rome concerned eighteen entities which were all French-speaking, except for Somalia. The Yaoundé Convention (1963) meant that decolonisation, imperial preferences and post-colonial links could be managed at European level. For the founders, solidarity with the South and more specifically with Africa was at the heart of the European identity. Aid was one of Europe's fundamental values and, as Willy Brandt said, “development policy is the policy of peace in the 20th century”.

However, right from the start the Member States of the European Community, which later became the European Union, disagreed on many issues such as the preferential partners, the sharing of the aid “burden”, political neutrality, conditionality and the balance between aid and trade. France was in favour of a post-colonial Eurafrique, while Germany and the Netherlands wanted to extend
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their preferential relations with the developing world. In forming the Franco-
African Community, and retaining sovereign monetary, military and political
functions, France maintained preferential relations with African countries, while
other European countries developed more normal links with Africa.

France played a central role in establishing the system of development aid,
by prioritising personnel networks and the politics of influence over “market
forces”, by supporting aid, and by helping to stabilise commodity prices while
other countries focused on trade. The EDF was originally designed along
the lines of the FIDES. At first, the French overseas administrators played a
leading role in the European Commission and in the Ministry of Cooperation
by adopting a political approach rather than an economic approach. When
Britain joined the European Community on 22 January 1972, after France’s
veto at the time of General de Gaulle, that only reinforced the position in
favour of trade.

The period which we are discussing here starts with the Lomé I Convention
in 1975, and ends with the Maastricht Treaty and Lomé IV bis in the mid-1990s.
The end of the Thirty Glorious Years in the mid-1970s was marked by major
changes in European aid in a context of internal enlargement and diversification
of partners. This was due both to the changes in the international context, in
Europe and in the ACP countries, and to the changes to development paradigms.
Europe gradually abandoned its strong policy in relation to Africa.

The first part of this chapter explores the evolution of aid in context: from the
time of Lomé I to the Maastricht Treaty and the WTO; the second part presents
the new paradigms of development and of European aid. The chapter ends by
taking stock of what was achieved over this twenty year period.

I. THE CHANGING CONTEXT
FROM LOMÉ I (1975) TO LOMÉ IV BIS (1995)

The evolution of policies in support of development is influenced by the
weight of history, political choices, compromises, power relations, historical
accidents and external events. The stated principles and goals differ from what
is done in practice. The end of the Thirty Glorious Years in the mid-1970s was
marked by major changes in European aid in the context of Europe’s internal
enlargement, the opening-up to the global economy, and the diversification of
partners in the South. The Lomé Convention of 28 February 1975 was signed
by nine European countries and 46 ACP countries. The EDF had a budget of
3 billion ecus over five years. The mid-1990s brought the Maastricht Treaty (1993), and Lomé IV bis (1995) was signed by 65 ACP countries.

The context of the various Lomé conventions was one of significant transformation due to the changing global context, in Europe and the ACP countries, and modifications to development paradigms.¹

A. CHANGES IN THE GLOBAL CONTEXT

The global context changed radically in the two decades from the end of the New International Economic Order (1974) and the oil shocks up to the establishment of the WTO (1995).

Trade liberalisation and multilateralism were reflected in the principle of reciprocity, implying a significant liberalisation of foreign trade while maintaining special, differential treatment recognised by GATT Article XXIV.

The financial globalisation which resulted in particular from the move to abolish the gold exchange standard, exchange rate flexibility and liberalisation of the capital markets brought the “three Ds”: disintermediation via securitisation, deregulation and departmenting of the financial markets. This led to the growing financialisation of global and European capitalism.

The world was obviously transformed by the collapse of the Berlin Wall in 1989, the rise of the new industrial countries later known as emerging countries, and the creation of a system leading to multipolarity. The end of the Cold War and of a bipolar world with countries bidding for aid led to a downgrading of the geopolitical role of aid.

B. CHANGES IN THE EUROPEAN CONTEXT

The European context also saw fundamental changes. Europe was enlarged from nine members (1973) to ten (1981), twelve (1986) and fifteen (1995). The collapse of the Berlin Wall (1989) caused a shift in Europe’s centre of gravity towards the North and East, and led to funding for Central and Eastern Europe, partly at the expense of southern countries.

At the Commission, DG Trade grew in importance, putting the emphasis on the role of the market and competition. Apart from the principles mentioned, European development aid policy also brought DG Development into conflict with DG Trade, the Commission and the Parliament, as is evident from the debates on adjustment.\(^2\)

At the end of the period, the Maastricht Treaty (1993) established the Common Foreign and Security Policy (CFSP). The Member States retained the right to decide foreign policy and defence policy, but with some modifications: the principle of subsidiarity was introduced with an element of supranationality; the stated objectives of integration into the global economy, sustainable development and poverty reduction became to some extent conflicting goals. Monetary coordination was extended with the creation of the European monetary system in 1979 and the ECU unit of account, the predecessor to the euro.

**C. CHANGES CONCERNING THE ACP COUNTRIES**

The ACP (African, Caribbean and Pacific) countries became Europe’s partners. The ACP group was formed by the Georgetown agreement involving 46 states in 1975, which became 65 in 1990. The Lomé Conventions were thus extended to include English, Spanish and Portuguese speakers. The number of preferential partners for European aid was greatly increased. The ACP group became disparate and during those twenty years tended to experience economic stagnation, financial deficits and trade marginalisation.

After benefiting from the commodity boom in 1974 and in 1980, the ACP countries suffered deteriorating terms of trade up to 1995. They had access to international liquidity during the 1970s in anticipation of a lasting increase in commodity prices. They were then caught up in permanent debt by borrowing to pay the interest. The ACP debts, which came to less than $ 50 billion in 1975, had reached $ 95 billion by 1982 and $ 222 billion in 1995. The burden of multilateral debt incapable of being rescheduled was constantly growing.

In this generally rather unfavourable context, the ACP countries suffered economic stagnation and marginalisation, losing market share compared to other developing countries. The great majority of ACP economies continued to be based on cash crops, specialising in primary products.

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This led to essential economic policy reforms at the instigation of the Bretton Woods institutions; the aim was to manage the transition from administered, protected economies and post-colonial state capitalism to liberalised, open economies which would face the erosion of preferential treatment and confront global competition. The priority concerned debt management and financial balancing which, in the great majority of cases, was achieved at the expense of economic growth, leading to a “downward adjustment”, at least in the medium term.

II. CHANGES IN EUROPEAN AID, EUROPE/ACP RELATIONS AND DEVELOPMENT PARADIGMS

A. THE FOUNDATIONS OF THE ORIGINAL LOMÉ MODEL

The original institutional model for Lomé was based on political dialogue. Its institutional framework was unique in that it was permanent (Council of Ministers, Committee of Ambassadors, ACP-Europe joint assembly).

The principles underlying the original character of European aid concerned:
– the right to development taking account of asymmetries; the aim was to compensate for international asymmetries and structural handicaps;
– the ACP’s autonomy over control of expenditure;
– the non-reciprocity of trade preferences with non-reciprocal liberalisation, access to EDF aid programmes, and the principle of the contractual nature of Lomé;
– stabilising mechanisms and mechanisms to compensate for instability with the establishment of Stabex for agricultural products and Sysmin for mineral products;
– the complementarity between aid and trade;
– the absence of conditionality, with political neutrality;
– preferential relations between the EU and the ACP states;

There was in fact a formalistic approach, some marginalisation of the ACP-EU framework in the policy pursued by the EU, a dialogue between unequal partners and asymmetrical relations in terms of knowledge, power and assets.

**B. THE MAIN CHANGES TO THE MODEL**

During these twenty years, there were some profound changes concerning Lomé, such as:

- the shift from the right to development to normalisation of the rules;
- diversification of the EU’s partners (neighbourhood policies, Mediterranean, agreements with Asia and Latin America) and differentiation of aid processes between North Africa (Barcelona 1995) and the ACP countries;
- erosion of the trade preferences and multilateralism, with growing emphasis on the benefits of openness and liberalisation and the debate on regionalism and its compatibility with the WTO (Article XXIV, WTO compatible);
- the growing role of new players from the private sector or civil society;
- support for regionalisation in liaison with the free trade areas recognised by the WTO.

These changes were manifested in the changing priorities of the aid programmes. Lomé I (EDF budget of 3 billion ecus, 1975-1979) and Lomé II (EDF budget of 4.5 billion ecus, 1980-1985) focused on infrastructure. Lomé III (EDF budget of 7.4 billion ecus, 1985-1990) highlighted rural development, food security, and macro and sectoral adjustment. Lomé IV (EDF budget of 10.8 billion ecus, 1990-1995) put the emphasis on support for the private sector and the market; conditions were introduced concerning democracy, the rule of law, and human rights; also the criterion of aid selectivity, switching from needs to merit, on the assumption that aid effectiveness depends on good governance (Burnside and Dollar, 1997).

**C. CHANGES IN DEVELOPMENT PARADIGMS**

The obvious question is whether there was a major change in development paradigms or whether there was continuity with only minor modifications to the

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aid and development paradigm. The changes were gradual. However, the most important change was the acceptance of the principle of adjustment. Conversely, the EU defended a specific, original position on the social dimension of adjustment, and put forward the aims of regional integration and food security. It enjoyed comparative advantage in relation to other bilateral or multilateral lenders in both regionalism and the coordination of national policies or common agricultural policies.

The dominant view for a long time favoured state capitalism with aid granted to governments, conceived in terms of development projects, support for the creation of regional markets, backing for regional organisations and a recognition that an asymmetrical North/South world needed to be evened out through the use of stabilising mechanisms and trade preferences. There was little sign of issues concerning the environment, peace and security. Monetary relations were either considered too sensitive (in the case of the Franc Zone) or were deemed to be distinguishable from trade relations. This European consensus gradually gave way to the hegemony of the Bretton Woods institutions and a multilateral consensus.

The acceptance of adjustment by Lomé IV (1990) resulted from the priority accorded to debt management and financial balancing. It led to adjustment in line with the global market, conditionality, targeted macroeconomic budgetary aid paid out quickly (Stabex and Sysmin funds, structural adjustment loans, and counterpart funds partly replacing project aid).

In fact, apart from personal positions and strong resistance from DG Development, the Bretton Woods institutions and rapprochement with the “Washington Consensus” predominated; eligibility for aid was subject to being on track in the negotiations with the institutions. An aid oligopoly was set up, with a leader (Coussy, 2011).

Thus, we can talk about changes in the paradigm between 1975 and 1995 leading to the end of the “three Ps” (partnership, political parity, participation), making way for the “three Cs” of Maastricht (coherence, coordination, complementarity).5 The aim of stabilisation and the creation of competitive advantages gave way to the aim of integrating the ACP countries into the world economy (Article 130u of the Maastricht Treaty). European aid progressively tried to manage the transition from post-colonial administered economies to market economies open to international competition. The emphasis was on

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in institutional questions, democracy, good governance and human rights, and the possibility of democratic conditionality. The use of the English language gradually became the norm, with the terms governance, civil society, appropriation, adjustment, and conditionality.

III. WHAT WAS ACHIEVED IN THESE TWENTY YEARS OF EUROPEAN AID?

What criteria and indicators can be used to gauge the effectiveness of European aid? Should it be judged in the light of the results compared to the objectives? Should we take account of the changing context and the size of the constraints?

The stated goals were to stimulate economic growth, combat poverty, reduce the vulnerability of economies in an unstable environment, secure financial flows and foster regional integration. What happened in practice, that is, the undeclared goals, often involved expanding areas of influence, forming strategic alliances, gaining access to resources or finding markets.

There has been a vast amount of research on the effectiveness of European aid, starting with the Green Paper (1997) which preceded the Cotonou agreement. The research and empirical surveys produce widely differing results. Some emphasise the counter-productive nature of aid and the key issue of the lack of governance; others, in contrast, stress the European liberal trend that favoured trade rather than aid, the low level of flows preventing a big push, and the escape from the poverty traps that a Marshall Plan would have made possible; conversely, yet others stress the role of political stability, security, conflict prevention or financial reforms, the effects of which took a long time to be felt.

A. A MIXED ECONOMIC RECORD FOR THE ACP COUNTRIES

Without establishing whether these results are attributable partly to European aid, it is evident that – leaving aside the variations between countries – the ACP


states were marginalised over this twenty year period. In 1975 they represented 69% of European aid, compared to 36% in 1997. The proportion of EU imports from non-Community countries coming from the ACP declined from 6.7% in 1976 to 2.8% in 1994. In 1995, Africa accounted for 6% of EU imports and 8% of total exports. The least advanced countries in Africa saw their share of FDI decline from 6% in 1985 to 4% in 1995. In 1975, Africa represented 3% of world trade, but that was down to just 1.5% in 1995. There was also relative economic stagnation and a different economic trajectory in ACP countries compared to other developing countries and advanced countries. Africa’s average per capita income declined from 14% of developed country incomes in 1975 to 7% in 1995, and by the end of the period the income ratio was down to 2%. The asymmetries with Europe therefore increased.

ACP exports remained heavily dependent on European markets. The impact of the Lomé preferences on ACP exports of tropical products was small, or even negligible. However, we must not underestimate the role of cash crops – sugar (Mauritius), beef (Botswana) and horticultural products (Kenya) – in the development of more upmarket goods and export diversification. But overall, these countries had an unfavourable position in world value chains and engaged in “impoverishing specialisation” (Bhagwati, 1996).

In the absence of a flying goose among European investors, the ACP countries continued to base their economies on cash crops and become less competitive. Europe, unlike East Asia, was unable to act as the centre, with growth spreading by contagion to the African periphery as a result of FDI, technology transfers, and the opening-up of trade in high-value-added, processed products. There was very little in the way of competitive advantage achieved by combining territorial advantages based on factor endowments, transfers of elements of competitiveness by subsidiaries of firms, and advantages created by pro-active policies as part of a strategic vision.

B. WHAT ARE THE EXPLANATORY FACTORS?

On the European side, there was the erosion and narrowness of the preferential margins, the restrictive role of the rules of origin, the burden of non-tariff barriers (environmental, social, phytosanitary) and the redirection of trade and financial flows to the markets of the East and the emerging countries – need I point out that the annual funding which the EDF allocated to agriculture represented 1/100 of the CAP (€ 55 billion), whereas the CAP had perverse effects on the sustainable agriculture of the ACP countries? There was often a lack of coordination and coherence between Community policies or sectoral policies
and development aid policy. The European lobbies played a role particularly in the sphere of food (such as the standards for chocolate without cocoa butter). In general, European aid played a minor role as a catalyst for development and structural reforms permitting the transition from cash crop economies to innovative economies.

On the ACP side, a number of explanatory factors can be put forward, such as the size of cash crop economies, corruption, the failure to build competitive advantage in a context of deteriorating terms of trade, the accumulation of debts, and downward adjustment, but also delay in implementing institutional reforms and financial consolidation.

The asymmetrical relations between Europe and the ACP countries often led to mimicry. The European model was often taken as a model by the countries receiving aid (Organisation of African Unity, regional organisations), both in its institutions and in its sequences, progressing from free trade areas to union and integration. Yet the path to European integration was specific to a historical context, and involved trial and error, with progress and setbacks.

C. THE DEBATE ON THE EVALUATION OF AID

This twenty year period was marked by numerous debates. The main ones concerned *the aid disease*, aid fatigue, tied aid, the “patrimonialism” and clientelism of aid, questions of aid coherence and coordination, complementarity and subsidiarity, and the respective roles of bilateral and multilateral aid as opposed to European bilateral/multilateral aid.

At first, aid was viewed as the whole package of transfers of technical skills and financial resources which could reduce the development gap while ensuring continued influence over the regions. It was a question of a two-pronged approach involving financial aid and support for governments. The three tasks which Musgrave (1989) delegated to the state at national level (producing public goods, stabilising flows and redistributing incomes) were transferred to the international level by the functions of aid. Gradually, as we have seen, the question of debt and financial balancing predominated over aid arrangements. The institutional questions concerned both the disbursement of the funds and control over their use; these questions seemed central in view of the malfunctions and the “evaporating funds”. Some people have emphasised the cumbersome nature of the procedures and the priority accorded to available instruments over the
problems encountered (Naudet 1999). Others have decried the patrimonialism and clientelism of aid. Aid intended to secure flows in the long term, with control and establishment of a contractual basis, often focused on promoting short-term interests. Patrick Guillaumont (1999) drew attention to the way in which the instability and vulnerability of poor countries impaired the effectiveness of aid. Other priorities emerged in terms of humanitarian aid and emergency assistance, security and peace, and the supply of global or regional public goods.

**Conclusion**

What happened after Lomé?

Continuation of the trends apparent over twenty years led to the Cotonou agreements, as a result of the Green Paper. The stated principles concerned free trade, the political dimension, plurality of players, support for the private sector, priority for competitiveness, the role of the institutional environment and support for regional integration.

The question of long-term development gradually gave way to other paradigms and priorities, such as emergency humanitarian aid, adaptation to globalisation, peace and security, support for fragile States (conflict prevention, management of post-conflict situations) and sustainable development with an emphasis on the environment.

In the wake of Cotonou, the Economic Partnership Agreements created numerous opportunities concerning regional integration, and the need for fiscal transition, but they led many LDCs to prefer the short-term advantages of “everything but arms” (EBA), and in practice, a degree of regional disintegration. They have largely been a failure, mainly because of the ultraliberal positions of DG Trade and the lack of regard for the changes of context which cast doubt on the Washington Consensus.

Today, the situation is very different with the geopolitical reclassification of the ACP countries, and the revival of growth in Africa. True, the EU and its Member States continue to account for almost half of ACP trade. They are

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still the ACP states’ main financiers and represent more than 50% of official development aid, but today the countries of the South account for over 40% of trade with the ACP countries. The new partners, notably the emerging countries, have to some extent taken the place of Europe in terms of commercially and financially driven flows of aid and geostrategic interests. Africa is perhaps becoming one of the new frontiers of the world economy in view of its resources and its markets.

Africa is coveted by “the advanced first world” and increasingly by the second, emerging world for its natural resources and minerals, its emerging markets and the alliances which represent 54 States in international negotiations and organisations. It has diversified its partners, achieved a return to growth overall, and is undergoing geopolitical reclassification.

What can past experience teach us for future action?

We need to look beyond the fears emanating from the South in terms of pressure of migration, the influence of religion, and failure to respect environmental, social or phytosanitary standards. Instead, we need to manage the interdependencies at the level of energy and regional public goods.

Complex and complicated relations with the former colonies must give way to joint evaluation and allow us to move on from the post-colonial debate to a post-post-colonial debate. Vertical aid relations must give way to horizontal cooperation, the management of global public goods, common responses to the challenges and management of the interdependencies concerning energy, migration, the environment, security and technology.

Today the crisis in Europe and the European states is centre stage. To a significant extent, it is the Angolan oil group Sonangol that is helping to fund Portugal’s debt. The EU is facing an identity crisis and is having difficulty in defining and implementing a strategic vision in its relations with the South, whereas that vision was at the heart of the European project.

In the light of this assessment, the lesson for today is that aid can accompany internal initiatives, it can sometimes act as a catalyst, but it cannot take the place of the internal development process and it presupposes endogenous efforts.

The geographical and sectoral priorities must meet a number of criteria: the fragility and vulnerability of countries and their population, regional proximity and common strategic interests, and the response to challenges linked to geographical proximity. By its very nature, the EU has a specific role to play in supporting regional integration, and the coordination of aid provided by the
Member States. It needs to reinvent a new, inspiring vocabulary and be in step with new regional and global challenges and threats.\textsuperscript{11}

In the face of the Washington consensus rivalled by the Beijing consensus, could we see the re-emergence of a Brussels consensus indicating a return to an original European development aid model?

THE ROLE OF FRANCE AND THE FRENCH IN EUROPEAN DEVELOPMENT COOPERATION POLICY
by Dieter Frisch

Introduction

From the start, we must avoid a possible misunderstanding: we must not confuse France’s role with that of the French nationals who are European commissioners and officials. While it is normal for a Member State’s representatives – ministers, ambassadors, experts in a Council of Ministers’ task force or on the EDF committee – primarily to defend national interests (albeit without losing sight of the common interest), European commissioners and officials are required by the Treaty and by their status as European “civil servants”, to perform their duties purely with the interests of the European Union in mind. Of course, they can usefully apply their national experience and awareness, but they must use them solely in the service of Europe.

In my presentation I shall therefore distinguish between the two types of role, starting with the role performed by France.

I. THE ROLE OF FRANCE

The organisers of this symposium were right to distinguish between two quite separate aid periods, 1957-1975 and 1975-1995, because the role played by France changed radically from one period to the next.

The first period, up to the first Lomé Convention (1975), was undeniably dominated by France. Its Euro-African geopolitical vision was already expressed in the act that initiated the European project, the declaration made on 9 May 1950 by the French Foreign Affairs Minister, Robert Schuman, in which the future Europe was encouraged to pursue the attainment of one of its essential tasks: the development of the African continent. True to this vision, it was France that
instigated the entire “development cooperation” element of European policy, by insisting, in May 1956, that its partners in the Treaty of Rome negotiations must agree to association with the future European Economic Community (EEC) for France’s overseas territories. Together with the Netherlands, Germany – which had lost its colonial possessions at the end of World War I – was strongly opposed to the French demand, which amounted to making the EEC take on a colonial heritage. Chancellor Adenauer would even have offered a significant fixed sum to get rid of this problem. But all in vain: with Belgium’s support, France managed to get its point of view accepted.

Association of the overseas countries and territories dependent on France and Belgium, plus those dependent on Italy and the Netherlands, thus became the subject of “Part 4” of the Treaty of Rome (which still persists as “Part 4” of the Lisbon Treaty, with dependent territories such as New Caledonia, French Polynesia, the British Virgin Islands… and, curiously, Greenland, the only country to become an overseas territory after having been an integral part of a Member State, namely Denmark). Association was the result of a political compromise: renunciation of the “colonial pact” in return for sharing the burden. The concession which the former colonial powers had to make to the other Member States involved abandoning their virtual monopoly over economic and commercial relations with their overseas territories: according to the principle of non-discrimination, they either had to give up the preferential commercial treatment which they enjoyed or extend it to the other Member States. In reality, owing to the local presence of their firms and an efficient colonial administration, this loss of monopoly had few practical implications, at least initially. In return for this concession, the six founder countries agreed to share the burden of financing the development of the overseas territories. This gave rise to the European Development Fund for the overseas countries and territories (FEDOM), the precursor of the European Development Fund (EDF).

Grudgingly accepted – because it was imposed by France – this association carried from the start the seeds of discontent and frustration, particularly for the Germans and the Dutch. Use of the term “association” for the relationship with dependent territories – as opposed to association based on Article 238 (now Article 217 TFEU), which concerns relations with sovereign third countries – was a contributory factor in temporarily discrediting European development cooperation policy, when it later became established with independent countries. We shall see that English-speaking developing countries categorically rejected the term “association” whereas French-speaking developing countries were quite happy with it.
Most of the “associated” countries gained independence in the early 1960s. Except for Guinea (which joined the club in 1975), the newly independent states – 18 African countries, all French-speaking except Somalia – expressed the desire to negotiate an association agreement with the EEC in order to consolidate their preferential position in relation to the Community. This led to the conclusion of the first Yaoundé Convention (1965-1970), officially called the “Convention of Association of the African States and Madagascar associated with the Community” (so they were doubly “associated”!). This association was designed as a global approach covering not only economic relations, notably trade rules – based on the principle of free trade in both directions, but with numerous exceptions on the part of the associated states – but also substantial financial and technical cooperation under the second EDF. The new feature consisted of the common institutions in which all the partners were represented on a basis of equality.

The transition to a second 5-year period – Yaoundé II, 1970-1975 – encountered considerable problems. Germany and the Netherlands, in particular, were becoming ever less interested in association. In economic terms, it produced hardly any benefits for them, especially as most of the contracts financed by the EDF went to businesses from the old colonial powers, i.e. mainly France. Politically, Yaoundé gave rise to growing criticism, except among the associated States: “neo-colonialism”, “discrimination against those who are not members of the club”, “Yaoundé divides Africa and hampers pan-African efforts”. In the Commission, too, people gradually became convinced that this very limited regional policy on association did not in the long run correspond in any way to the Community’s potential role in development policy.

France alone clung doggedly to its “French-speaking association”. However, to ease the pressure from those in favour of a policy of openness – led by Germany and the Netherlands – France had to agree to the conclusion of cooperation agreements, which were in fact preferential trade agreements: in 1966 with Nigeria (Lagos agreement), then in 1969 with the three East African States, Kenya, Uganda and Tanzania (Arusha Agreement). But these modest overtures did not restore calm.

With the impending expiry of Yaoundé and Arusha (1975), two political tendencies emerged, heralding major changes. The first, inspired by France, advocated maintaining and extending an association policy confined to the former colonies at regional level. The other, led by Germany and the Netherlands, wanted to get rid of the Yaoundé policy and replace it with a global develop-

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2. The Lagos agreement never entered into force because of the Biafran war.
The Commission intervened in this conflict between “regionalism” and “globalism” in July 1971 with the publication of its first “Memorandum on a Community policy for development cooperation”. In that memorandum, it expressed the opinion that the existing development policy measures no longer corresponded to the Community’s growing international importance, notably in view of the forthcoming first enlargement, and that, while maintaining and extending the association policy, it was also necessary to offer the developing countries practical cooperation options, particularly with regard to trade policy and commodities, but also in the financial and technical spheres.

With its memorandum and the discussions which it triggered, the Commission opened the way to the decisive approach defined at the Paris summit conference in October 1972, attended by the heads of state and government of the six Member States plus those of the accession candidates. The Paris final communiqué resolved the conflicting views in a constructive way: it stressed the “essential importance” attached to the policy of association and to existing or future agreements with the countries of the Mediterranean basin. At the same time, the Community institutions and the Member States were invited “progressively to adopt an overall policy of development cooperation on a world-wide scale”. This laid the foundations for a structure which would preserve and extend what had been achieved while gradually taking measures in favour of previously neglected developing countries.

While this was not the outcome that France would have wished, it had nevertheless avoided replacing the “regional” approach with a “world-wide” policy which, in view of the situation of the EEC at the time, would have entailed a great risk of scattering available resources thinly across a large number of countries, achieving no real impact. It was largely because of the insistence of France, supported in that regard by the Commission, that the regional element was saved, and not only consolidated but also enlarged, and that Africa has remained to this day the centre of gravity of European development cooperation policy.

Whereas France had originally dictated to its partners the approach to adopt, and while it continued to play a decisive role in the period of the two Yaoundé conventions, its leadership was increasingly challenged by those in favour of openness from the 1970s onwards. The first enlargement, when Britain, Ireland and Denmark joined the Community (1973), and the opening of the negotiations that led to the Lomé Convention (1975), were to herald the end of France’s leading role. Although, as we shall see, the role of certain Europeans who were French nationals was still decisive for the subsequent development of European policy, France’s role was now reduced to following a politically inevitable path which it took without any enthusiasm. That does not mean that
France was resigned to doing nothing. Instead, it endeavoured to salvage what it could from the original French-speaking association.

You will remember that Protocol No 22 to the United Kingdom’s Act of Accession to the EEC offered twenty independent Commonwealth countries in Africa, the Caribbean and the Pacific three options for arranging their relations with the future enlarged Community: 1. Negotiate a new EEC association agreement jointly with the Yaoundé countries; 2. Conclude an Arusha-type agreement; 3. Conclude trade agreements.

The second and third solutions were not very attractive because they did not include financial aid. But even the first solution attracted strong criticism from many English-speaking countries. They interpreted the offer as an invitation to join the Yaoundé Convention “as it stands”, which they would not consider under any circumstances. They demanded proper negotiations which they intended to exploit to secure some substantial modifications.

The Commission and the other advocates of a broader revision of European cooperation policy were very open to the idea of large-scale negotiations, with a thorough review of the Yaoundé policy, negotiations in which the only prerequisite would be to preserve what the “old” associated countries had gained and to treat the “newcomers” on a basis of equality.

Conversely, others clung to Yaoundé and wanted that association model to be preserved in full. In effect, they were offering a kind of “Yaoundé III” to those who were willing to join. It was the president of Senegal, Léopold Sédar Senghor, who was the leading spokesman of a group of conservative countries. Although he knew that the trade rules whereby most of the French-speaking countries granted preferences to France, and, by extension, to the Europe of Six, was the main stumbling block for the Commonwealth countries that did not have this type of “reverse” preferences, Senghor called them the glue that held the association together, and insisted that they stay.

A rift was beginning to open up. Already, parallel negotiations were looming on the horizon, with a coalition in favour of Yaoundé and a coalition against: it would mean two separate agreements which would assuredly lead to deadlock.

It is hard to say whether France played an active role in this dangerous manoeuvre which, instead of bridging the frontiers which were the legacy of colonisation, would have increased the divisions between French- and English-speakers in Africa. In any case, the French allowed Senghor to wage his campaign, whereas they could probably have prevented that.

It is the Commission that deserves merit for having shown the way out of this crisis, led by the French Commissioner Jean-François Deniau. First, through his
chef de cabinet, Jean Chapperon, he authorised me to announce at a decisive meeting in February 1973 in Accra, that Europe was not demanding “reverse” preferences from its future partners (the English-speaking countries were at first incredulous, then – after I had confirmed it – genuinely surprised). In April 1973, the Commission presented its proposals in the form of a document known as the “Deniau memorandum”, which opened the way to the large-scale negotiations which culminated in February 1975 with the signing of the “ACP-EEC Lomé Convention” (the term “association” had been dropped!) by 46 African, Caribbean and Pacific States and by the Community and its nine Member States.

It is interesting that all the independent countries of sub-Saharan Africa (except South Africa, with its apartheid regime) were invited to join in these negotiations. That was a deliberate move aimed at demonstrating a willingness to open up beyond the old colonial links. Thus, the African states in “Lomé” included Ethiopia, Sudan, Liberia, Guinea (Conakry), Guinea-Bissau and Equatorial Guinea.

There is much less to be said about France’s role in the second period under review, from 1975 to 1995. Having overcome its initial reticence, France loyally played the Lomé game. It showed solidarity in contributing the same percentage as Germany to the financing of the 4th EDF, that of Lomé I, though the volume had more than tripled from 900 million to 3 000 million units of account since Yaoundé II. It was France that made sure that Lomé concerned itself in one way or another with the instability of the commodity markets. Since price stabilisation appeared technically and politically impossible, the Commission proposed and secured the creation of a system to stabilise export earnings, known as “Stabex”, a minor revolution at the time. It was also very largely thanks to France’s vigilance that Africa today is still a central concern of European development cooperation policy.

If France’s influence over European policy did not reach its full potential, it was partly because French cooperation policy itself was not always conspicuous by its coherence and credibility: powers were fragmented between the Élysée, “rue Monsieur” (the Ministry of Cooperation), Quai d’Orsay, Rivoli/Bercy, AFD etc. Sometimes a minister was in charge (but never with full responsibility), sometimes a deputy minister, sometimes a secretary of state. In that regard, the British – with a well-organised, coherent national policy on development cooperation – were more successful in influencing European cooperation policy, and I am pleased to say that their influence was positive.

That said, I feel that France acquired a taste for what gradually became “a global European policy on world-wide development cooperation”; especially
once it began to feel cramped by its own policy limited to cooperation with its own “backyard” or “core aid recipient” countries. First, perhaps as a result of Lomé, France discovered that there were other countries of economic and political interest in sub-Saharan Africa, beyond the “core” countries. It was actively involved in Europe’s Mediterranean policy, and willingly played a part in the extension of European cooperation to include the developing countries of Asia and Latin America.

To conclude this section on France’s role: France, somewhat in spite of itself, was indeed the originator of the edifice of European development cooperation policy, which has never stopped growing. By forcing its partners to agree to the association of the overseas territories, France laid the foundations for the Yaoundé conventions. It was the malaise that gradually emerged in the face of the geographically narrow framework of Yaoundé that generated the creative tension which opened the way to Lomé. For its part, Lomé led to the first real discussion on a coherent Mediterranean policy, culminating in far-reaching cooperation agreements from the mid-1970s. This exclusive concentration on the African continent gave rise to questions, perhaps a feeling of discrimination, on the part of the other two developing continents, Asia and Latin America. In response, Europe began establishing cooperation links and concluding agreements with numerous Asian and Latin-American countries. The 1976 Community budget records an initial, very modest amount (20 million units of account) under this heading.

Goodness knows what would have become of European cooperation policy without the “historical accident” of the association of overseas countries and territories. In retrospect, we must be grateful to France for having put this cuckoo’s egg into the nest of a nascent Europe!

II. THE ROLE OF THE FRENCH

Let us now turn to the people, the European commissioners and officials of French nationality, to examine their role in the construction of European policy on development cooperation.

At first sight it is surprising. Here, too, it is worth noting the break between the two pre-Lomé and post-Lomé periods; the first was marked by a very strong role played by France’s overseas heirs, the second by a new generation of Frenchmen driven by a desire for openness and reform in cooperation policy, and with the means to achieve that.
For a long time, in fact until 1984, the development portfolio was in the hands of a French commissioner. That is not surprising if we realise that, even though the president of the Commission has the right to allocate responsibilities among its members, the commissioners’ portfolios often reflect certain political or economic priorities of their country of origin. In the case of development, it was also true that the other nationalities were not, at first, very interested in this responsibility. The first two commissioners, Robert Lemaignen (1958-1962) and Henri Rochereau (1962-1970), the former connected with business circles with African interests, the latter a former Gaullist minister, managed their portfolio diligently without making any permanent impression. The third, Jean-François Deniau (1970-1973), wrapped up in his work as the commissioner in charge of the first enlargement, left his “development” portfolio very largely to his chef de cabinet, Jean Chapperon. He nevertheless became the commissioner for the transition to Lomé (“Deniau memorandum”), even though it was his successor, Claude Cheysson, who really got to grips with the matter.

At administrative level, at DG VIII in those days, during the period from 1958 to 1975 we find that European officials of French nationality, most of them from the French overseas service, played a dominant role, though it did decline towards the end of this period.

As former colonial administrators, they were practically the only ones with local knowledge, able to contribute practical experience, used to dealing with the Africans, confident that they knew what had to be done and how to approach it. Though their active presence was very valuable, it also brought the risk of perpetuating a paternalistic style, whereas it was necessary to adapt to the new context of independence.

The only colleagues who could also contribute African experience were the Belgians and a few Luxembourgers who had served in the Congo. But compared to the French, they were a small minority.

We, the “young men” of the day, of other nationalities, were entering unknown territory and bringing nothing with us but our education; we benefited from the experience of our French colleagues but were therefore very heavily dependent on it. As we gained our own experience, frustrations were to become apparent. We wanted to rationalise the process of deciding priorities and selecting projects, a process hitherto characterised by discretionary pragmatism or even simply the intuition of our French colleagues.

That is the context surrounding the “Jacques Ferrandi case”, of which much has been spoken and written. A typical product of the French overseas service, a former Director General of Economic Services in French West Africa,
Dieter Frisch

De cabinet of the first French commissioners and then Director of the EDF at DG VIII, Ferrandi was a powerful man who cultivated his network of contacts with African political elites and knew how to secure the loyalty of his teams, taking all nationalities together.

True, his taste for the symbols of power (red carpet, motor cycle escorts, decorations, photos with inscriptions by heads of state etc.) could be held against him.

But what is rarely mentioned is the sense of honour and loyalty that were characteristics of the Corsican Jacques Ferrandi. I can testify that he never forgot the trust that the German Director General, Heinrich Hendus, placed in him, in appointing him “EDF director” by merging two pre-existing directorates, knowing that he was thus giving him considerable power. Ferrandi respected Hendus and never betrayed his trust. In the many years that I worked closely with them as assistant to the director general, I can remember only one serious incident between these two men (and it concerned the technical solution to the question of the water supply for the town of Dakar), but it was soon resolved. I therefore strongly contest this caricature of loyalty and fidelity which has presented Ferrandi as the omnipotent boss thirsting for power.

As Director of the EDF, he preferred to follow his intuition rather than discuss priorities on the basis of economic research, or even rates of return. “In Africa, everything is a priority”, he liked to answer to anyone who tried to understand why a particular road had to be financed but not a particular hospital; or why it was necessary to help finance a particular economically dubious railway with the argument “if this project goes ahead, there is no question of it being done without the EDF”. Although Ferrandi probably often saw things correctly in making his decisions, his mistrust of the technical and economic research done by “development experts” and his empiricism were likely to irritate young officials seeking a more “rational” approach to the development issue. There were rumbles of protest…

In July 1974, they took the form of a document submitted to Ferrandi by a small, informal think tank comprising officials of various nationalities on the EDF staff, including some Frenchmen. This document set out a frankly critical analysis of the “projects” department and questioned the management of the EDF. It went on to develop proposals for making that management more coherent, transparent and predictable, and advocated cautious devolution of decision-making power. Jacques Ferrandi responded by inviting the protestors to lunch to explain his vision of Africa and cooperation with the associated states. Despite a good meal, the guests left dissatisfied as the talk was all about a conservative approach. All the same, the think tank had the satisfaction of
The Role of France and the French

seeing some of its ideas appear in “Lomé I” in 1975, particularly in relation to the planning of the EDF’s financial and technical cooperation.

During this first period, French interests and the dominant role of European officials who were French nationals coincided so closely that the observer could easily confuse them (as many writers did). Yet the strong position of Jacques Ferrandi and his colleagues from the French overseas service certainly did not mean that they were following instructions from Paris. In reality, the feeling of power and responsibility within DG VIII was accompanied by a desire for autonomy in relation to Paris. Our French colleagues certainly felt that they were acting in the common interest of Europe, to the point where Ferrandi was convinced that the only genuinely European policies from the initial years of creation of the Community were agricultural policy and development cooperation policy. It matters little if he considerably over-estimated the role of the latter. But his decidedly subjective appraisal is credible and testifies to his commitment to Europe.

Following the Paris summit (1972), major changes set in. The first enlargement (1973), with the arrival of the British in particular, ushered in a very broad geographical openness to development cooperation, an open approach desired and prepared by the Commission and the “globalist” Member States. At European level, the main player in this movement was a French commissioner, Claude Cheysson (1973-1981). Not well-known before he arrived in Brussels, a graduate of the École Polytechnique and the École Nationale d’Administration, a technocrat and diplomat who became a politician on the European scene, Cheysson was the man for major changes. Open, dynamic, a man of action (some would say hyperactive), anglophile (with fluent English), an impulsive decision-maker (people feared his sudden decisions), a tireless traveller, Cheysson aimed to reform and open up not just the geographical framework and the set of European cooperation policy instruments, but above all to reform the way of doing things, the style: he was determined to end the paternalism of the “Ferrandi period”, however benevolent and honest it was, and replace it with a transfer of accountability to our development partners. As regards the management of the EDF, the idea that “We know what is good for you” gave way to the famous: “It’s your money! You will use it best according to your own priorities. We are here to give you technical advice if needed.” For Ferrandi, that was intolerable.

So it was a French commissioner who ended the reign of a senior French official. We shall never know whose side the French Government was on. Apparently, it just let things happen. All the better for the independence of the French players on the European scene!
Jacques Ferrandi left, taking early retirement in 1976, disappointed, wounded, bruised. In my view, it is the bitterness of this proud Corsican, when diminished by age, that explains some of the statements that appeared in later interviews, statements that Ferrandi would never have made in calmer moments, I am sure.

Cheysson was the French commissioner who inaugurated the new era, the age of “Lomé” and the conventions that came after it, while France, in its bilateral policy, tended to keep within its traditional preserve, opening it up very cautiously and as little as possible to newcomers.

If we are looking for points of reference, we could say that 1975 really marks the start of a more coherent, more rational and more ambitious policy on cooperation between Europe and the developing world. And Lomé acted as the catalyst and the pioneer.

The progressive Claude Cheysson, champion of laissez-faire (“It’s your money”) was followed in 1981 by Edgard Pisani (1981-1984), the last French national to be appointed as development commissioner. It is hard to imagine two more different temperaments: a former minister under General de Gaulle turned socialist, Pisani got to the bottom of development issues, without rushing, taking time to reflect. He was the development thinker, the imaginative visionary (though always realistic) who was determined to tackle the “real issues”: rural development, food security, control of desertification; he dreamt of a “well in every village”. Above all, he wanted action to be the outcome of an in-depth dialogue with partner countries. The era of laissez-faire was followed by the period of “policy dialogue” and mutual commitments. This more demanding approach (sometimes wrongly likened to the imposition of conditions) was met with reticence among our partners in the Lomé III negotiations in 1983-1984. Claude Cheysson, who had become the Minister for External Relations (France was president of the Council during the critical phase of the negotiations), took the side of the ACP countries. One witness remembers an acrimonious argument, in the presence of the ACP ministers, between the Council president, Claude Cheysson, and the development commissioner, Edgard Pisani, on this concept of “policy dialogue”. But in the main, Pisani’s tenacity won the day: Lomé III changed the quality of our relationship with developing partners; while the “paternalism of yesteryear” had given way to the almost total transfer of responsibility to our partners, we were now sharing that responsibility with them via a dialogue which enabled both parties to put their ideas on the table and arrive at mutually acceptable agreements, in the form of cooperation programmes founded on mutual commitments. In fact, a genuinely “adult” partnership, free from any complexes.
The differences of stance and approach between such figures as Cheysson and Pisani, of the same nationality and members of the same party, clearly show the important personal role of the European players in positions of control, and especially their independence in relation to the governments of their countries of origin.

At the end of 1984, Edgard Pisani left, and that meant the departure of the last French development commissioner following the successful negotiation of Lomé III, a convention which comprised some real innovations. From 1985 (the first “Delors commission”) the “development” portfolio passed to other nationalities in the following order: Italian, Spanish, Portuguese, Danish, Belgian, and currently Latvian.

It is true that Claude Cheysson returned, to everyone’s surprise, in 1985 for a final four-year term. As the two external portfolios had already been allocated to the Belgian Willy de Clercq (external relations and trade policy) and the Italian Lorenzo Natali (development), President Delors gave way to Cheysson’s insistence and created a third external portfolio, which meant taking some of the powers from the “development” portfolio (and DG Development). Ever since, the Commission has had difficulty in ensuring a rational, coherent approach in a sphere of policy divided for purely circumstantial reasons. Cheysson, who built up a global development policy on a European scale, was therefore also the one who started to dismantle that policy, just to satisfy his own professional interests. I think that he sincerely regretted that decision subsequently.

Was it purely by chance that there were no longer any French nationals among the commissioners responsible for development, or was that due to France’s loss of interest in European cooperation policy? I do not know the answer.

It remains to be seen what role French European officials played after Jacques Ferrandi left. Most of the colleagues from the old French overseas service reached retirement age or left early, overtaken by too many major changes. I can remember only one who successfully “converted” to the new context, learning English and speaking it correctly, accepting the changes of method (out of loyalty rather than conviction): André Auclert, who left in 1989 as Deputy Director General of DG Development.

But for a long time, development cooperation continued to benefit from the assistance of excellent French colleagues, true professionals; among the senior officials I would mention Philippe Soubestre and Bernard Petit. As director general (1982-1993), I was privileged to work in full agreement with French deputy directors general, who were loyal at all times.

Unfortunately, there is now a lack of Frenchmen among the higher echelons here too. We must hope that there are some young ones who will make their way up.
DISCUSSION

Moderator: Laure QUENNOUËLLE-CORRE

From the floor

Did the financial aid benefit the countries which received it? Was it useful? What role did women play in the development policies initiated by the EEC?

Dieter Frisch

Regarding the first question, I do not have any figures. I can simply say that if we look closely, for as long as we have been financing projects, the results have been highly visible. So whenever we funded a road, the road was there; if we funded a hospital, the hospital was there. It is not right to say that, as it was a European firm that built this road, the obvious conclusion is that the money came back to Europe: in one sense, that is true but in reality the hospital that we financed is not in Europe but in the country in question, so even if part of the money comes back because of the work of the firm that is building something, the asset produced or the infrastructure created is still in that country. Very often, that is not clearly understood. Nowadays, we are moving increasingly towards forms of aid in which we finance budgets on a sectoral basis, or even more generally. Here, too, we can say that this money goes to the countries, and what comes back tends to be the consultants’ fees or payment for technical assistance etc., but I do not think that we can just glibly say that the money does not go to those countries. What is done is done in those countries, even if foreign firms contribute.

You ask if the assistance and aid were useful; there is a lot of literature on the usefulness or otherwise of aid. I came to the conclusion that aid is useful and remains useful in so far as it is used to support a good policy. In a country which does not manage its own resources well, foreign aid cannot bring fundamental change. The aid is always a support, an addition to something else, and in so far as the policy is good, the aid is useful. Otherwise, it is effectively money down the drain to a large extent.

Regarding the role of women, I am not particularly competent to say. We have tried to involve women at decision-making and management levels, at least in
our own organisations. When Europeans talk about the role of women in development, I sometimes say to them: “but in Africa, at least in West Africa, the women often play a more important role than in Europe”, at least in the economy.

**Philippe Hugon**

These are fairly fundamental questions and it would take a long time to answer them. We can say that, all the same, there was a significant increase during the EDF funding period, up from more than three billion ecus to over ten billion by the end of the period, and that, overall, the European Union, through its Member States and through the Commission, nevertheless played a key role in world aid. After that, you have problems with the effectiveness of aid. It is easier to see the results of a project which was the first of its kind. When we focus on structural adjustment and questions arise more at the level of the budgets, we may find that, in terms of results, it is better to set aside budgetary questions and to try to see whether or not particular standards of health and education or various other goals have or have not been achieved.

I would simply say that, from the point of view of aid evaluation, aid can never be a substitute for the work of project developers. It can play a role in securing flows and in supporting endogenous dynamics. It can never be a permanent substitute.

We also have another very complicated problem, the problem of intertemporal effects. For example, we can have a discussion on the measures taken from the 1990s onwards, which were policies of financial restraint. Did they not help all the same, in the end, to ensure that financial situations did not deteriorate too far, even if the economic situation got worse, and so, after a certain amount of time, were there not some positive effects emerging? We also have this question which is very difficult to settle because most of the tests, particularly econometric tests, have trouble taking account of these intertemporal effects.

**From the floor**

Thank you for these clear explanations about the period of European development aid. During that period, we see that French aid exceeded the volume of European aid, and so the subject of complementarity was indeed extremely important, I imagine, for European players. In that connection, I would like to know how Brussels viewed technical assistance, particularly French technical assistance, which was the main element of French bilateral aid to the African countries. Also, another rather original instrument: how did Brussels view the
Franc Zone, a subject which is still topical. In relation to the first round-table debate, I would like to know what the attitude of Guinea Conakry was at the time of Sékou Touré towards the policy of association following independence.

From the floor

I would like to concentrate on two points. The first concerns current development aid issues. Listening to the various panellists, in the “scientific” introduction I heard Mr Gérard Bossuat use the word “mystery” three times. And when we look at the process of development aid, there is a great deal of mystery. What would you say about that? My second question is this: should we not look at the question of institutional texts? The various partners involved, who are politicians who – mentioning no names – are no longer up to date because the trend is towards the participation of civil society, public-private partnership, giving a dominant role to other people to deal with other subjects such as water, agriculture, etc. What does Africa need today? What goals do we need to consider for the future, the key issues in 2020 and 2015, as opposed to the millennium goals? What is the real development issue today?

From the floor

I really liked the distinction that Mr Frisch made between France’s policy and that of the French. From the point of view of French politics, you asked yourself what was behind France’s policy. I was a bit surprised that there was no reference to the ideas of General de Gaulle, on what was to become cooperation policy. At a press conference in 1963 he talked for a long time about what was to become cooperation policy, and expressed four ideas that I felt presaged the developments that you then described in what became French policy. The first idea was that the foundation of French policy had to be solidarity and economic benefits. I would like to point out that, as regards solidarity, the question of commodity price stabilisation was addressed in the early 1960s, notably in a very interesting report where we can certainly see the influence of General de Gaulle.

The second idea was to respect state sovereignty. General de Gaulle did not want aid to be an instrument of the Cold War, and we had to help even those countries that had a communist system; that was a very new idea. Moreover, General de Gaulle believed that, though Africa had to be the priority, other countries must be included, and that was done subsequently; the continent that he viewed as very important was Latin America. Finally, the fourth key point in
his press conference was that cooperation policy must fundamentally become a European policy. It has often been said that General de Gaulle was not in favour of Europe, but in fact he was very strongly in favour of a European policy on this, and afterwards it did indeed become a European policy. Listening to you, I was very struck by the frequent discrepancy between the position taken by Mr Ferrandi and that of the head of State.

Gordon D. Cumming

I shall comment on some of these questions. Regarding the Franc Zone, I think that the Thatcher government did not like the Franc Zone; the British viewed it as protectionist, and Conservative administrations sided with the World Bank, making an enemy of France in that respect. I also think that the devaluation of the Franc Zone was not really a matter of choice. It was done because the World Bank was no longer willing to follow France in that sphere.

Why were women not involved in European development policy? We must remember that the concept of gender was a latecomer to the aid debate, appearing during the 1980s: it is more of an Anglo-Saxon and Nordic concept. Even today, I would say that the idea of women being involved in development is not really debated in French aid circles, not even in French NGOs.

I have one comment on the amounts of aid granted. I would say that, in France and Britain, there was the issue of the return on aid. In fact, this question is the reason why everyone in Britain agreed with this system, because this money was coming back, because there were so many contracts, because the trade was advantageous, otherwise the British would have had far more negative things to say. But one thing was clear, namely that there was a different perspective on aid. The British thought that European aid was not effective. They started to publish their own evaluations and distribute them among their European partners partly to encourage transparency and partly to say that they regarded European aid as not very transparent.

Giuliano Garavini

In fact, I have only one general remark hoping it can answer some of the things you have asked. I recently read a book by the American economist Dani Rodrik who wrote this book called “The paradox of globalisation”, which I think is one of the best essays written to date on the question of economic globalisation. What he says is that up to the 1980s, the world economy worked according to the rules set up at Bretton Woods, which meant opening but at the same time
left quite a lot of freedom in terms of political choices to the nation states. So you could be a communist country, a social democratic country, have a lot of investment in welfare state and so on and so forth. After the 1980s we live in an era we could define as an era of hyper-globalisation, which is a new form of world economy, that has much more impact on the internal choices of the single countries. And in this era of hyper-globalisation, a lot of countries have profited from the expansion of global finance and trade, first of all countries such as China, India, Brazil. But the majority, in numerical terms, have not profited from the era of hyper-globalisation. So how does this link to the question of aid? Aid in itself, it’s a bad thing, because if you need aid, this means that structurally there is a lot of imbalance in the world economy. The thing that is worrying these days is that even though most of the largest economies continue to grow, there is always much more aid that is needed to counter growing poverty in large parts of the world. But the aid is always given on conditional terms and carries with it political dependency.

**Philippe Hugon**

I would like to comment on the question concerning the Franc Zone. It must be said that all the currency areas have gone, the Sterling Area, the Escudo Area, despite some attempts, but the Franc Zone is still there. That has always been one of the special features of relations with France as opposed to the other Member States. Sometimes it has caused tension or incomprehension. We just need to remember that, historically, when the Franc Zone was created, the agreements between the French Treasury and the African central banks were regarded as fiscal agreements, not monetary agreements, so France still had sovereignty over their management.

That being so, it still remains the unspoken element of the monetary question in everything to do with the policy on cooperation and aid, since the issue is handled in terms of trade preference, but the question of the exchange rate is not tackled directly in competitiveness issues. That leads us to another question, namely how is the currency treated in aid policies when it was obviously central to the question of optimising product value or the question of exchange rate competitiveness.

**Dieter Frisch**

To answer the first questioner, I would say that the fact that, alongside European aid, there were Member States’ programmes which sometimes exceeded the
volume of the European programme, is a natural argument in favour of close coordination. It is not a matter of one or two countries deciding what Brussels does, the important thing is to get round the table much more systematically to share out the roles and gradually achieve a certain division of labour. We have been talking about it for a long time, but progress is very slow. We are still just talking about joint programming in Brussels. Joint programming is very much desired but extremely hard to do because there are many problems along the way.

At first, French assistance was a bit invasive because it was in all the ministries etc. at the time of independence. I think that the situation has since been normalised. I have nothing special to say about the way French assistance works today. The Franc Zone is a question between France and the member countries. The African countries must themselves know where their interest lies. As an observer, I thought that it tended to foster stability for them, but it is for them to weigh up the pros and cons.

After its initial departure (relations between de Gaulle and Sékou Touré), Guinea Conakry rejoined the Club with Lomé I in 1975 and was treated from then on as one of the ACP countries. We set up a delegation. We experienced entirely normal cooperation.

Regarding the question from our Ivorian colleague, I would just say that in my view the main thing is that Africa’s resources should be properly managed for its own development. I believe that, in so far as countries have resources, and many of them have substantial resources, those countries should be ready to use those resources in the service of their national development. Unfortunately, when you look at the correlation between endowment in resources and development, it is rarely positive. That I find worrying. It is not for nothing that, after leaving the Commission, I became one of the founders of Transparency International.

I was pleased to learn about the statement by General de Gaulle, which I had missed. I did not go back that far into the past. Solidarity is good, but we should also be aware that, from the point of view of the majorities that we need to support our policy, the solidarity argument is unfortunately not enough. We also need to be able to talk about mutual interests, and we are entitled to do so. This cooperation is also in our interest – stability in our neighbourhood, access to commodities, control of immigration via development, etc. There is no point in saying that it is just a matter of solidarity or humanitarian aid.

During the Cold War, it was a bit extreme but we had to respect the sovereignty of regimes that many of us would have preferred not to have to work
Today, if Mengistu’s Ethiopia were to apply to join Lomé, it wouldn’t be allowed in. We can no longer compare the situation today with the conditions under which we were working up to the end of the Cold War.

Guia Migani

The Treaty of Rome was signed before Guinea’s independence. Guinea became independent in 1958, but the Treaty of Rome came into force on 1 January 1958 and everything to do with launching the EDF took another year. So from the moment that Sékou Touré’s Guinea failed to indicate that it wanted to continue to be associated with the EEC, that avoided difficult discussions among the Six. In 1959-1961, Guinea was very pro-communist, so there was no question of joining a western club. Moreover, Guinea was very much at the head of the battle for pan-Africanism, so it was out of the question to join an agreement that divided Africa. With Lomé I, Guinea joined in.

From the floor

Listening to Mr Frisch in particular, I wondered whether, in the face of the Member States’ problems in divesting themselves of their colonial past, the Commission had not ultimately offered an alternative, particularly for the French who wanted it, to introduce a new type of relationship between European aid and Africa, by adding solidarity, ownership, etc. Somewhere down the line, Cheysson tried and was more successful in achieving what Jean-Pierre Cot, the Cooperation Minister, failed to do with just a few months’ experience. Through all the Lomé agreements, etc., the Commission constantly advocated a cooperation policy which no longer merely defended national economic interests but was a policy of solidarity and genuine development; but do you not think that it fought an uphill battle to establish that policy, and that it was ineffective in doing so precisely because the individual Member States weakened the Commission, because they did not want to let go off their powers by introducing multiple controls?

From the floor

In the end there is culture and culture. I would like to know what Europe’s vision is for Africa? As everyone knows, the world will have a population of 9 billion in 2050. As you know there are food crops and there are crops producing energy. What will the strategic and economic choices be?
From the floor

I had the privilege of directing the institutional reform programmes for the African Union, and I also worked for 25 years in France at the RATP and at the National Family Allowance Fund. I am a bit disappointed by what I have heard this morning about the effectiveness of aid. I would say that the aid was very effective, for both the giver and the receiver. In so far as the giver did a good job, according to what I have heard this morning about the history of development aid, I think that he got his money back. Can he say now that development aid was not effective? As for the recipient, how many intellectuals were there in the Republic of Congo, in Zaire, in 1957-1958? I am French, it is true, but in my country of origin, Benin, we welcomed intellectuals in an attempt to train other colonised countries. How many intellectuals? How many schools? Then from 1960 to 1970, what happened in terms of education, health and infrastructure? We cannot say that aid was ineffective. I would like us to think about what has been said in this room, i.e. take it from 1960 to the present day.

My second question might concern the discussion in the third round table, but I shall mention it all the same, on account of the current crisis we are experiencing, now that China has become powerful; should we not establish new aid models so that, in the coming ten years, new indicators will tell us what will be effective and efficient?

Dieter Frisch

As regards Member States wanting increasing control over the Commission, in my time I did not have the impression that the Commission lost any autonomy in relation to the Member States. And that is perhaps the underlying idea behind this debate, namely that the Member States, be it France or Britain, pushed Europe or the Commission into doing a particular thing. I have some confidence in “ourselves” and in what we did. If, throughout this period, you look at the Commission’s role, the Commission’s initiatives were very often decisive, in contrast to today when the Commission is using the Green Paper method to consult everyone — and I agree, it’s very democratic — but you also consult the Member States before taking an initiative. We are in a situation where the Commission no longer takes the liberty as it used to do of stating, on its own initiative, what it thinks Europe should do. The 1971 memorandum was the first initiative of that type. Deniau’s memorandum was a paper which went against the opinion of some people, including his fellow nationals. Cheysson went farther. So I would be more inclined to say that the Commission had taken
on a degree of autonomy that was quite sufficient. I think it is quite right that Member States should supervise us and look at what we are doing.

With regard to Africa, it is a big subject. I consider that some people, a little unthinkingly, regard Africa as the granary of the world. For the time being, I see it as a net importer. Africa must concern itself with its own food supply first. I consider this whole trend towards biofuels to be wrong in general, not only in Africa. I believe that to feed 9 billion or more people on the planet will require a 70% increase in food production to meet the needs of that population. I think it is worth mobilising all of our agricultural potential. I even see the European Common Agricultural Policy – which we have always viewed as at odds with development policy – in a new light now that we know what world we are heading for. So I am against these biofuels and I am against land-grabbing in Africa to produce them, I do not know who for, but evidently not for the Africans.

From the floor

You have talked a lot about aid and development, but when you say “aid” it is not really aid, it is cooperation, because you say “aid” while the donor country also benefits. The problem of Africa is also a problem concerning the African people. It is for African men and women to take on the task of developing their own countries. Mr Frisch talked about agriculture of all kinds; the African countries need to be self-sufficient in agriculture. We do not need to plant rice, because people in our countries eat millet and sorghum, etc., not rice. We are not Chinese. Another issue for the Africans is giving women some say; African women are the only ones who can tackle the challenges, because men are always doing stupid things.
QUESTIONING THE EUROPEAN APPROACH TO DEVELOPMENT (1995-2010)
Introduction

It may seem counter-intuitive to conceive of trade policy as development policy. At least, if you have a commercial view of trade in which the aim is to accumulate wealth by means of trade surpluses. It was this very view which, in 17th century France, at the height of Colbertism, led Richelieu to create the first colonial companies, and it still persists. It is true that trade negotiations always concern access to markets, but trade is not seen as a zero sum game: from the 18th century onwards, with Adam Smith’s theory of absolute advantage,1 then in the early 19th century with David Ricardo’s theory of comparative advantage,2 economists have commended specialised economies and international trade for the mutual benefit of the participants. From there it was only a small step to make international trade an engine of economic development, a step which economists and politicians were quick to take.

Trade for peace-making purposes thus succeeded trade for social purposes. In 1748, in De l’Esprit des lois, Montesquieu stressed that “wherever there are gentle ways there is commerce; and wherever there is commerce there are gentle ways”3. If one of the aims of development policy is to propagate “gentle ways”, then trade policy can contribute. Moreover, Millennium Goal No 8 is: “Develop further an open, rule-based, predictable, non-discriminatory trading and financial system” as an instrument of a global partnership for development.

The European Community itself was founded on the idea that peace, and economic reconstruction and development, had to be achieved by means of real solidarity in the commercial sphere. By pooling coal and steel production, then extending sectoral integration to the entire economy, the founding fathers

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3. Montesquieu (Charles-Louis de Secondat, known as), De l’Esprit des lois, Barrilhot et Fils, Geneva, 1749, Book XX, chapter II.
of Europe wanted to make any war between European countries not merely unthinkable but materially impossible. Then, when a reconciled and finally united Europe wanted to take its place on the international stage, it did so by means of its commercial policy, the spearhead of its foreign policy. In fact, while foreign policy and defence policy remained the individual prerogatives of the Member States, commercial policy was a genuine common policy. In the World Trade Organisation (WTO), the European Union speaks with a single voice; that is not so in the United Nations or in the other global forums concerned with economic and political governance.

For these organisational reasons, the European Union has taken an extensive view of the content and goals of its commercial policy. In particular, the granting of preferential tariffs and the promise of greater commercial integration formed one of the main vectors of the European Community’s development policy. However, those preferences were eroded over time, and were called into question by the creation of the WTO and the revival of the principle of non-discrimination. The European Union therefore had to rethink the connection between commercial and development policy, and set aside unilateral tariff preferences in favour of mutual regional trade agreements. However, the 2008 crisis and its geopolitical consequences, including the accelerating transfer of supply and demand to emerging countries, undermined the European idea of development, prompting Europe to rethink aid for trade and the role of public policy.

I. EROSION OF THE COMMUNITY TARIFF PREFERENCES

For historical reasons, European countries tried to maintain preferential trade relations with a number of developing countries. When the commercial policy became a Community policy, that took the form of a system of common tariff preferences. Although it was at odds with the principle of non-discrimination forming the basis of the multilateral trade system, these preferences were tolerated in order to aid development. However, the creation of the WTO changed the picture: the Community preferences were gradually eroded and were called into question both by the doctrine and by the courts.

6. Qualified majority voting prevents one Member State from blocking the decision-making process.
A. FROM THE PRINCIPLE OF NON-DISCRIMINATION TO THE SYSTEM OF TARIFF PREFERENCES

1. GATT and the Principle of Non-Discrimination

The 1947 General Agreement on Tariffs and Trade (GATT), which forms the basis of the post-war multilateral trade system, is based on the principle of non-discrimination. That principle has two pillars: the most favoured nation clause (Art. I of GATT) and national treatment (Art. III of GATT). Under the first clause, a country cannot discriminate between imported products of different origins; under the second, a country cannot discriminate between its own products and imports (once the customs duties have been paid). In other words, similar products must be treated in the same way, whether they are imported or not, and whatever their origin – as long as they come from a GATT signatory country, of course.

The underlying idea is to allow free rein to comparative advantages and not to distort competition between trading partners. If this principle is respected and quantitative restrictions on trade are prohibited (Art. XI of GATT), the only variable left is customs duties, which must be gradually reduced during rounds of multilateral negotiations (the GATT rounds). However, the GATT does provide for a number of exceptions to the principle of non-discrimination, including general exceptions under Article XX concerning the environment, public health, national security, etc. and those under Article XXIV concerning regional trade agreements (customs union, free trade area, and provisional agreement on the creation of a customs union or free trade area), which are subject to certain implementing conditions.

For the United States, it was also a question of gaining access to the markets of the former colonies of the European powers, and respecting the terms of the President’s negotiating mandate conferred by Congress: to negotiate trade agreements on a basis of reciprocity. Yet reciprocal concessions cannot be guaranteed unless every new concession to a third party is immediately extended to the parties to the original agreement: that is guaranteed by the most favoured nation clause.
2. The Return of Preferences in Favour of Development

Very soon, however, the principle of non-discrimination was undermined by the GATT’s contracting parties. For example, the exception in Article XXIV on regional agreements was loosely interpreted to allow, for instance, European integration in a Cold War context dominated by geopolitical considerations. While customs duties were gradually reduced, new barriers (known as “non-tariff barriers”) appeared which, in the absence of any consensus on amending the GATT, were dealt with in multilateral agreements which were only binding on their signatories. Thus, in the 1970s, “GATT à la carte” gradually became the rule.

Coincidentally, some voices were raised in favour of revising the GATT to take better account of the specific needs of developing countries. In 1954 the idea of special, differential treatment was introduced in Article XVIII on state aid for economic development, and in particular on balance of payments considerations. In 1965, Part IV of the GATT was added, concerning trade and development, finally setting aside the principle of non-discrimination in respect of relations between developed and developing countries. Since then, all agreements concluded via multilateral trade negotiations have recognised and developed the concept of special, differential treatment in favour of developing countries; this concept was the subject of special negotiations in the latest round of multilateral negotiations launched in Doha in 2001.

Moreover, the idea of granting preferential customs duties to developing countries, to give them access to the markets of developed countries, steadily gained ground. Inspired directly by the economic theory of infant industries, tariff preferences were supposed to enable the industries of developing countries to adapt to the requirements of international competition: on the one hand, those industries gained preferential access to the markets of the wealthiest countries via customs duties which were lower than those imposed on their competitors from developed countries; on the other hand, the national market was still protected in the absence of reciprocal tariff concessions. These two effects combined were to enable businesses in developing countries to really “take off”, i.e. to achieve a critical mass permitting competitiveness gains, and to acquire the means to withstand international competition.

The GATT contracting parties thus decided, at first temporarily (decision of 25 June 1971) and then permanently (decision of 28 November 1979, known as the “enabling clause”), to adopt a derogation from the most favoured nation clause in order to establish generalised systems of preferences (GSPs) in favour
of developing countries. In 1971, the European Community notified the creation of a GSP under the GATT, followed by the United States in 1974; today, almost twenty GSPs have been notified. These systems later became more complex, introducing various levels of preferences. For example, under the 1975 Lomé agreement – the first in a series – the European Community granted additional preferences to the African, Caribbean and Pacific (ACP) countries; those preferences were amended by the Cotonou agreement in 2000. Since 2006, a special regime has also been reserved for developing countries that respect certain international agreements, notably concerning the environment and labour rights (GSP+), and for the least developed countries (LDCs – Everything but Arms, 2001).

B. THE CREATION OF THE WTO AND THE QUESTIONING OF TARIFF PREFERENCES

1. Creation of the WTO and the Change in the Multilateral Situation

The creation of the WTO at the conclusion of the Uruguay Round (1986-1994) fundamentally altered the international trade deal and its governance. The tariff preferences and other exceptions to the principle of non-discrimination, granted unilaterally and sometimes without strict compliance with the law, were now to be closely scrutinised for at least three reasons.

First, the WTO agreement extended multilateral discipline to new areas such as textiles and agriculture, which form the bulk of developing country exports and are therefore sectors which may or may not be subject to tariff preferences. Before the WTO agreement on textiles and clothing, for example, bilateral negotiation of import quotas was the rule: it was only after 1995 that clothing and textiles were gradually integrated into the 1994 GATT rules. So long as

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7. GATT, decision of 25 June 1971, Generalised system of preferences, document L/3545, authorising the establishment of a “system of generalised, non-reciprocal and non-discriminatory preferences beneficial to the developing countries”; GATT, decision of 28 November 1979, Differential and more favourable treatment, reciprocity and fuller participation of developing countries, document L/4903, authorising “preferential tariff treatment accorded by developed contracting parties to products originating in developing countries in accordance with the Generalised System of Preferences”; “differential and more favourable treatment […] concerning non-tariff measures”; “regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs and […] for the mutual reduction or elimination of non-tariff measures, on products imported from one another”; and “special treatment of the least developed among the developing countries in the context of any general or specific measures in favour of developing countries”.
there was no multilateral discipline, no GATT contracting party could contest these preferences.

Next, the WTO Memorandum of Understanding on the rules and procedures governing the settlement of disputes considerably reinforced the judicial character of the multilateral trade system. True, the 1947 GATT provided for a dispute settlement procedure with the possibility of sanctions, but its judgments were essentially “diplomatic”, i.e. subject to the good will of the parties: the rule of consensus prevailed, and any GATT contracting party could block the procedure at the start of the dispute, when the report by the special group was adopted, or at the time of the sanctions.\(^8\) In fact, in almost 50 years of the GATT, it had never been possible to impose sanctions.\(^9\) The WTO overturned the rules by making it automatic to set up a special group, and to adopt its report or impose sanctions unless there was a consensus to the contrary. In return, an appeal body was set up and rules were laid down on the length of procedures. This reinforcement of the judicial character of dispute settlement gave developing countries fairer access to the WTO judge, and no subject – even as politically sensitive as tariff preferences – was now immune to legal action.

Finally, the WTO established a more universal multilateral trade system, with 153 members today, compared to 23 contracting parties at the start of GATT. Developing countries in particular form a large majority of the WTO members, so that the potential conflict between the multilateral rules and systems of preferences has become more glaring. Those who did not enjoy preferences but could not complain under GATT can now do so under the WTO. As the WTO became universal, the scope for any discrimination diminished and the risk of disputes involving developing countries increased.

2. The Triple Question mark Over Preferences

In this context, tariff preferences were questioned on three accounts: mechanical, legal and ideological.

First, there was the mechanical questioning of tariff preferences: between the creation of the GATT (1947) and that of the WTO (1994), the average value of

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9. Only once were sanctions approved without being implemented: United States – Restrictions on Dairy Products, BISD 1S/31, 32, 62, 2S/28, 3S/46, 4S/31.
customs tariffs dropped from 38% to 4%.\textsuperscript{10} In other words, during the rounds of multilateral negotiations and tariff reductions, the advantage conferred by the tariff preferences was eroded. The GATT’s success was also combined with a proliferation of differential treatments granted to developing countries separately from the preferences, notably under bilateral and regional trade agreements. The exception provided for by development economists in the 1970s was no longer so exceptional, as all the GATT contracting parties were also members of one or more regional trade agreements.

Next, as a logical consequence of the reinforced judicial nature of the WTO and increased access to dispute settlement for a greater number of developing countries, the system of tariff preferences became the subject of complaints and judicial condemnation. Barely a year after the establishment of the WTO, the famous “banana war” began, weakening the European Union’s system of preferences. The 1971 and 1979 decisions had in fact authorised developed countries to introduce “non-reciprocal, non-discriminatory preferences beneficial to developing countries”. However, developing countries did not all enjoy the same preferences. In the banana case, the European Union, which gave preference to its ACP partners, was found guilty on several occasions during the fifteen-year legal battle (1996-2010).\textsuperscript{11} In another case which ran from 2003 to 2004, India challenged the legality of the European Union’s “special incentive arrangements”, and in particular the scheme encouraging efforts to combat drug trafficking, which had the result of granting some countries tariff reductions in excess of those under the general system of preferences.\textsuperscript{12} At first, the special group found in India’s favour and ruled that the European GSP was contrary to GATT Article I, and that it was not justified under the 1979 enabling clause, rejecting any form of differentiation between developing countries under GSPs.\textsuperscript{13} Later, however, the appeal body reversed that judgment and interpreted the enabling clause as permitting such differentiation provided it was based on objective criteria intended as a positive response to the specific need for development, funding and trade of a developing country or group of developing countries. While the decision of the appeal body in the European GSP case thus opened the way to differentiation between developing countries

\textsuperscript{10} WTO website, www.wto.org.
\textsuperscript{11} European Communities – Regime for the importation, sale and distribution of bananas, WT/DS27.
\textsuperscript{12} European Communities – Conditions for the granting of tariff preferences to developing countries, WT/DS246.
\textsuperscript{13} European Communities – Conditions for the granting of tariff preferences to developing countries, WT/DS246/R 1 December 2003.
under the system of preferences, it has yet to be determined what criteria might satisfy the objectivity test mentioned by the appeal body.

In the end, tariff preferences were called into question as economic thinking changed and began highlighting their perverse effects. Developed countries in particular have long excluded from preferential treatment any product that they considered “sensitive” (if not openly, then sometimes by playing the rules of origin card), particularly in agriculture, with the following consequences:

- less diversification of production in developing countries;
- concentration of activity on segments in the production chain where value added is lowest – notably because of tariff escalation;
- specialisation in sectors neglected by developed countries (on account of profitability, natural resources or climate: exotic products and commodities).

The systems of tariff preferences also had a ratchet effect: the countries enjoying preferences based their competitiveness on price, and became dependent on the granting of those preferences for their exports. Thus, Ozden and Reinhardt have talked about the real “perversity” of trade preferences.\textsuperscript{14} Moreover, the unilateral preferences granted by the developed countries did not encourage the beneficiary countries to make tariff concessions themselves, yet it is the countries with liberalised trade that reap the benefits of growth. Unsurprisingly, the countries that were the main beneficiaries of the preferences achieved the weakest growth; the countries which had their preferences withdrawn achieved stronger growth following that withdrawal, as they had to make the effort to adapt their production structure to the demands of international competition.\textsuperscript{15} The preferences also overturned the logic and balance of multilateral trade negotiations: dependent on the unilateral concessions by developed countries (preferences), developing countries were in a weak position in the GATT negotiations, and later those of the WTO. Finally, tariff preferences distorted trade in a manner that was prejudicial to developing countries and to the development of South-South trade.


\textsuperscript{15} Idem, p. 5 \textit{et seq}. The authors cite the example of Chile and South Korea, which, at the end of the 1980s, ceased to enjoy the benefits of the American GSP, one temporarily (political sanctions) and the other permanently (wealth threshold); they immediately took action following this suspension, implementing reforms designed to liberalise their economies.
II. THE NEW EUROPEAN VISION OF TRADE-RELATED DEVELOPMENT

The condemnation of the European Union in the banana case sounded the death knell of the system of preferences established in the 1970s. The Cotonou Agreement (2000), which replaced the Lomé Convention, provided for transition to a new form of trade cooperation based on economic partnership agreements: regionalism and reciprocity thus gave way to unilateral preferences, at the same time as the Union adopted a more integrated vision of commercial and development policies.

A. REGIONAL INTEGRATION, THE NEW INSTRUMENT OF PREFERENCE

1. Regionalism and the Return of Reciprocity

The European Union system of tariff preferences, inherited from the 1970s, was based on the idea of asymmetrically open markets, meant to enable the infant industries of developing countries to develop and substitute domestic products for imports while retaining preferential access to the markets of their more advanced trading partners. However, practical experience demonstrated the limits of that approach (see section above). So, apart from its condemnation by the WTO dispute settlement body, the European Union had sound reasons to change the paradigm of its commercial policy in relation to developing countries. The Cotonou agreement (2000) enshrined that change by specifying that, by 2008, the preferences granted to ACP countries would be withdrawn in favour of new economic partnership agreements (EPAs) based on reciprocity: to avoid the perverse effects of the preferences, developing countries undertook to lower their customs barriers; and in order to avoid the effects of trade distortion prejudicial to South-South trade, barriers between developing country signatories to the same agreement were likewise lifted. This therefore meant real regional integration with its vertical and horizontal dimensions. In legal terms, the European Union took its system of preferences out of the framework of the 1979 enabling clause and placed it in the framework allowing for exceptions under GATT Article XXIV (and Article V of the General Agreement on Trade in Services – GATS), in conformity with WTO law. In order to allow time for negotiating the EPAs (2000-2008), the European Union secured from the WTO members an exemption for its ACP regime at the ministerial conference in Doha in 2001. Since then, a full agreement has been signed with the
Caribbean countries (2009), and other interim agreements have been concluded with African partners.\textsuperscript{16} Other agreements are still being negotiated.

In the 2006 Global Europe report, the European Commission recognised that its commercial policy had been dictated mainly by political considerations (neighbourhood and development policy) and advocated a return to economic factors as the main criteria for negotiating regional trade agreements.\textsuperscript{17} After that, the Union began negotiations with some major emerging countries such as India: the ACP countries were therefore no longer the only ones that concerned the Union, even if the EPAs had a more advanced development dimension than the trade agreements negotiated with other partners. In every case, regionalism and reciprocity became the pillars of European commercial policy, while also shaping European development aspect policy.

\section*{2. Relics of the System of Preferences}

The change in the paradigm of EU trade policy did not affect some relics of the system of unilateral preferences. That is true in particular of preferences in favour of least developed countries (LDCs): although they represent a form of discrimination against other developing countries, they are permitted by the 1979 enabling clause and are based on objective, transparent criteria (the United Nations definition based on per capita wealth). In 2001, the European Union thus decided to abolish customs duties on all imports of products originating from the LDCs except for arms and munitions: this was the “Everything but Arms” initiative, which benefited 48 countries around the world.

As for the GSP, similarly permitted by the 1979 enabling clause, the European Union intends to reduce the number of beneficiaries significantly by 2014 by excluding high-income countries (with a per capita GNP of more than $12,270), upper middle income countries (with a per capita GNP between $3,976 and $12,270), the countries enjoying more advantageous preferences under free trade agreements, and the overseas countries and territories.

Finally, unilateral preferences did not disappear altogether from the multilateral regime imposed on the European Union and on the other WTO members. Thus, almost a hundred provisions in WTO agreements specify an SDT [special and differential treatment] in favour of developing countries, and the LDCs in

\footnotesize 16. This concerned agreements concluded individually with Botswana, Swaziland, Lesotho, Mozambique, Cameroon and Ivory Coast.

particular. One part of the Doha agenda for development was also devoted to this SDT, which aims to expand trade options for developing countries, safeguard interests and serve special development needs, increase the flexibility of developing countries’ commitments, extend transitional periods, and reinforce technical assistance. Various ideas were also put forward during these negotiations and in the G20 on these economies granting access to LDC imports free of customs duties and quotas.

B. BEYOND PREFERENCES,
A QUITE DISTINCT IDEA OF DEVELOPMENT

1. From Tariff Preferences to Collective Preferences

The switch to EPAs meant a real change in the paradigm of EU commercial policy towards developing countries. The idea of regionalism, as opposed to simple preferences, enabled the European Union to go much farther than merely reducing tariff barriers. Following the reduction in customs tariffs which resulted, in particular, from the trade negotiations, the main impediments to trade were non-tariff barriers: imposing one’s environmental standards, health standards, or technical and other standards on one’s main trading partners became more important than duty-free access. This triggered a rush to gain influence on the part of the great trading powers, including the United States and the European Union, with developing countries as the main battleground. Apart from commercial considerations, there is genuinely a particular development vision that the European Union is trying to impose via its trade preferences, be they unilateral (GSPs) or reciprocal (EPAs and other regional trade agreements): sustainable development which respects good governance, the environment and the fundamental rights of labour, in particular. Trade preferences are now granted in exchange for the adoption of the European Union’s “collective preferences”.

As a result of this change of paradigm, the GSP is gradually giving way to a new GSP+. From the early years of this century, the European Union had added to the GSP various “special incentive arrangements” for the protection of the environment, for the protection of labour rights or to combat drug production and trafficking, accompanied by additional preferences. The new GSP which entered into force in 2006 reinforced this positive conditionality: now, in order

18. O. Cattaneo, “Quelles ambitions pour la politique commercial...”, op. cit.
to qualify for additional preferences (GSP+), candidate countries must have ratified and effectively implemented no fewer than 14 international agreements on basic human rights and labour rights, and 11 agreements on the protection of the environment and good governance (including efforts to combat drug trafficking, money laundering and corruption).

While this system seems less discretionary, more certain and more predictable than that of the United States, it nevertheless attracts criticism, as is evident from the various complaints made to the WTO by certain developing countries which feel that this positive conditionality is detrimental to them. The new GSP+ is also restrictive and liable to entail substantial costs in countries which have to implement all the international agreements listed.

2. Aid for Trade and Reconciliation with Traditional Aid Policy

Apart from the question of non-tariff barriers, it became apparent that opening up markets by a (unilateral or reciprocal) reduction in customs duties was not enough to create new trade and export opportunities for developing countries. From 2001, the concepts of technical assistance and reinforcing potential for trade appeared on the Doha development agenda. At the WTO ministerial conference in Hong Kong, in 2005, a global aid for trade initiative emerged, establishing a new relationship between trade policies and development aid. The idea is to reinforce developing countries’ potential for trade by tackling the obstacles facing businesses not only externally (barriers at the frontiers and beyond the frontiers of trading partners), but also internally (domestic constraints hampering supply and export): in the absence of infrastructure and institutions or appropriate policies (e.g. certification laboratories, roads, port/airport infrastructures, efficient customs services, etc.), it is in fact impossible for developing countries to make use of the opportunities created by the tariff preferences and other concessions granted in multilateral or regional trade negotiations.

In 2009, aid for trade represented $40 billion, divided between technical assistance for regulation and trade policy (4%), boosting productive capacity (43%), and trade-related infrastructure projects (53%). Policies on adjustment to an open economy were also set up to attenuate the effects of import shocks. This aid is growing rapidly, its value having risen by 65% since 2005.20

Aid for trade reconciles commercial policies and development aid, and establishes commercial integration as a development vehicle. It also has significant implications for the European Union and its members: in fact, while commercial policy is a matter for the Union, the member countries have retained their own development policies and agencies. Reconciliation is therefore not merely theoretical but applied in practice, restoring a national instrument of commercial policy. For example, in 2002, the French Development Agency (Agence Française de Développement: AFD) acting jointly with the Directorate General of the Treasury and Economic Policy (DGTE) of the French Ministry of Economic Affairs, Industry and Employment, created a trade capacity building programme (PRCC) dedicated to promoting trade with developing countries, especially the LDCs, and integrating them into the world trade system. While some projects were clearly inspired by the concept of preferences, in the case of certain countries with which France had strong historical links and certain sectors which were granted quotas (e.g. support for the textile industry in Cambodia and Madagascar), the PRCC was also a symbol of the changed trade policy paradigm, aimed at the spread of certain regulations and standards of particular importance for France (e.g. the promotion of rubber certification in Cambodia and geographical descriptions in Cambodia and Laos). Thus, European Union members now likewise have the means to promote this idea of development which reflects their collective preferences, in the same way as the Union.

III. TOWARDS A NEW QUESTIONING OF THE EUROPEAN IDEA OF DEVELOPMENT?

The creation of the WTO radically altered the relationship between trade policy and development, with the transition from a system of unilateral preferences to a system of mutual concessions granted under regional trade agreements. With the widespread reduction in customs tariffs and the growing importance of non-tariff barriers, the Union also used its commercial policy to promote a particular idea of development, introducing trade integration conditions such as regulatory convergence, good governance, and respect for the environment and labour rights. At the same time, the establishment of aid for trade gave a new role to national aid agencies in the commercial sphere, and they are also

helping to promote the collective preferences and the idea of development shared by EU members.

However, the rise of this new vision of development aid faltered on account of major geopolitical upheaval accelerated by the 2008 crisis: on the one hand, some emerging countries such as China have a bigger role on the global commercial and political stage, but do not share the European Union’s idea of development; on the other hand, fiscal reality and the debt crisis have reduced the means for projecting the power of the Union and its members. Overall, we need to consider these new challenges, particularly by turning to new players, such as private enterprises, to promote certain collective preferences and the European idea of development.

A. THE 2008 CRISIS AND THE GREAT GEOPOLITICAL UPHAEVAL

1. Transfer of Supply and Demand to Emerging Countries

The 2008 crisis did not fundamentally change the main trends in the global economy, but it did speed things up: China has gradually made its mark as a global superpower in terms of trade, followed by other emerging countries such as India and Brazil; the mounting deficits in the United States and Europe led to a debt crisis as well as the collapse of the financial markets and trade. For the first time since the depression of the 1930s, global economic output (gross domestic product – GDP) fell by 2.2% in 2009, with a decline of 3.3% in the rich countries, while the growth rate slowed from +5.6% in 2008 to 1.2% in 2009. Net flows of private capital were down by almost 70% against the historically high level of 2007. World trade contracted by 12%, the biggest fall in trade volumes ever recorded. Another 30 million people became unemployed, making a total of 200 million out of work, and extreme poverty affected an additional 64 million people by the end of 2009.

This contraction of the global economy benefited China, which still recorded strong growth (around 10%) and a current account surplus on the balance of payments (+10%) during and after the crisis. After having declined automatically as a result of the crisis, global imbalances became even more marked after the return to global growth. For example, in 2011 France’s trade deficit with China

exceeded €27 billion.\textsuperscript{25} While the United States and Europe still accounted for 56% of African exports in 2009, the figure had been 67% in 2000; Asia’s share increased from 17 to 22% over the same period.\textsuperscript{26} China thus became a significant partner for Africa from the point of view of trade and development aid: China’s foreign direct investment (FDI) in Africa has grown by an average of 46% per annum during the past decade; the amount of Chinese finance for infrastructure in Africa rose from $1 billion in 2001 to $7.5 billion in 2006. However, Africa’s exports to China are still highly concentrated in geographical terms (six countries represent 60% of Chinese imports: South Africa, Egypt, Nigeria, Algeria, Morocco and Benin) and in terms of sectors (70% crude oil and 15% commodities); Africa’s trade deficit with China amounted to $10 billion in 2008.\textsuperscript{27}

2. A Contradictory View of Development

Since the 2008 crisis, China has been a key driver of growth for the global economy and a source of trade opportunities for the other developing countries, but some writers have wondered about the impact on development of the transfer of supply and demand to the emerging countries.\textsuperscript{28} For example, analysis of cassava exports from Thailand or timber from Gabon reveals a number of simultaneous phenomena: the decline in exports to the European Union was offset by strong growth of exports to China; on the other hand, this transfer of demand from Europe to China was accompanied by a fall in the added value of export products to the detriment of local processing industries. In other words, while the European Union imported processed products (manufactured in Thailand and Gabon), China is content to import huge quantities of commodities for processing in China. While the volume of exports rises, benefiting the commodity producers, processing firms are affected and so are the development prospects of countries trying to move up the value chain. It also seems that Chinese importers pay little attention to environmental standards and respect for

\textsuperscript{25} See the trade statistics at www.insee.fr.
\textsuperscript{26} Global Economic..., op. cit.
labour rights, unlike European importers, and therefore threaten the sustainable
development of these countries supplying commodities.  

The development vision promoted by the European Union (good governance,
respect for environmental and health standards, etc.) via its policy of trade
preferences therefore faces a new threat. China’s concurrent vision is largely
self-centred: importing commodities for processing in China, leaving other
developing countries at the bottom of the development league. This predatory
attitude is not surprising in view of China’s level of development: as stated in the
introduction, the objective of the colonial powers was also commercial at first.
China is not yet ready to take on the role assigned to the great powers, despite its
economic weight, whereas the United States and the European Union no longer
have the resources to fulfil their ambition. Similarly, when the world turned to
the United States in 1919, the US Senate rejected the Society of Nations, and it
took the new world power a further 30 years to be converted to multilateralism
in 1945. China will probably move faster, but still needs to manage its own
development problems before embracing collective preferences similar to those
of the richest countries today. Meanwhile, there is once again a question mark
over the instruments of EU commercial and development policy: aid for trade,
handed out by the Union and its members with the aim of developing production
chains and ensuring conformity with European standards, is bound to produce
a smaller return on investment if demand shifts to China, where there is little
appetite for finished products conforming to these high standards.

The conflict between these two visions of development is clearly apparent in
Gabon. After coming to power in 2009, President Ali Bongo stipulated compul-
sory local processing for exported timber (up to 80% of exports in 2012) in
order to create jobs and facilitate the industrialisation of the production chain.
This policy was contrary to the interests of China, which imports 60% of Gabon
rough timber. Conversely, it does to some extent promote the development vision
of the European Union, which mainly imports processed timber. Thus, in July
2011 the visit by the French Prime Minister to Gabon led to the signing of an
AFD financing agreement totalling €1.5 million to set up an agency to assist in
the industrialisation of the Gabon timber sector. The conflict between the Chinese
and European views on trade and development policy is therefore obvious.

29. Raphaël Kaplinsky, Anne Terheggen & Julia Tijaja, “What Happens When the Market Shifts
to China? The Gabon Timber and Thai Cassava Value Chains”, in Olivier Cattaneo, Gary Gereffi &
1. From Predatory Enterprise to Development Vector

If the European vision of development through trade is threatened by the shift in geopolitical and economic balances, and particularly the debt crisis, which is liable to affect aid as a whole, how can we rethink the promotion of the collective preferences of the European Union and its members in developing countries? How can we promote good governance and sustainable development in other ways, instead of via traditional trade preferences? Multinational companies, long seen as predatory in developing countries, exploiting scarce resources without substantial spin-offs for the local population (justifying nationalisation or policies to promote local dimension), could be the answer, as it seems that the global value chains which organise production and distribution for multinationals could become “development chains” if the public and private agendas were better geared towards greater convergence.

Trade policy needs to be adapted to the changes which have affected international trade for the past two decades. While developing countries had long been restricted to the role of importing manufactured goods and services, and exporting products which had undergone little or no processing (minerals or agricultural commodities), the spread of global value chains and the relocation of entire segments of production from rich countries to the developing world has changed the game: that is obvious for China, India, Brazil and the other emerging countries, but it concerns all developing countries. At first, the jobs relocated were only basic (low level of skills required and low value added), but the growing sophistication of intermediate products and services traded over the past decade, and the need to adjust production to the requirements and tastes of consumers in emerging countries, prompted multinationals to relocate new jobs previously reserved for the rich countries, from innovation to marketing. Consequently, there has been a change in the type of transfer by multinationals to developing countries: initially confined to FDI and direct job creation, these transfers now concern technology, expertise and other less tangible resources.

Via global value chains, multinationals have thus become important vehicles of “aid” for trade, helping to provide technical assistance and to build capacity for trade in developing countries. The third Global Review of Aid for Trade, which took place in Geneva in July 2011, highlighted this new role of the private sector in building the trade potential of developing countries.
In particular, a number of firms presented case studies showing the type of transfers made to developing countries. They can be divided into several categories: building up human capabilities by training and skills transfer; reinforcing productive capacity by the dissemination of technologies, expertise and finance for projects or infrastructure; integrating into global production chains by aligning to the standards of importing companies, which guarantee local producers a market and income in the case of quality products; facilitating trade via projects to improve logistical and transport chains or passage through customs.

Of course, multinationals still aim to maximise their profit, and, in that sense, this is not really “aid”. However, it seems that the public and private agendas could converge. For example, the French presidency of the G20 resulted in the preparation of an action plan on the volatility of food prices and agricultural prices, which was approved by G20 member countries immediately on conclusion of the consultations with international organisations and various private players in the sector: during these consultations, it became spontaneously apparent that the public and private agendas converged, and that a mutually agreed text serving the interests of developing countries could be adopted. The private sector also undertook to assist in implementing this action plan.

2. Rethinking Aid for Trade and the Role of Public Policies

So there is potentially a convergence between promotion of the European idea of development through trade policy and the global production strategy of multinationals. That convergence only seems to exist in so far as multinationals are subject to domestic pressure in favour of respect for certain principles of good governance and protection of the environment and labour rights: in the absence of such pressure, firms are still largely predatory and do less to promote development. Firms therefore transmit the collective preferences of their country of origin, responding to what consumers want. There are some lessons to be drawn from this for the design and implementation of aid for trade and for the role of public policy in the broad sense.

First, it is right that public policy should support rather than replace private initiative. Many mistakes have been made in promoting developing country exports, as is evident from the survival rates of export firms and other “discoveries” (new export products) made possible by official support. To some extent, industrial policy applied at domestic level was transposed to other countries to select products with high export potential, sometimes irrespective of international demand. Aid for trade, particularly European aid, has also favoured conformity with the importing country’s standards, without guaranteeing a market: the cost of conforming to European standards and adopting the European register of geographical descriptions may thus be very high in relation to the impact on trade. Conversely, a move such as the Global Food Safety Initiative, involving more than 650 private players in the global agri-food production and distribution chain in 70 countries, provides outlets for developing country producers who gain global certification, giving them access to a market worth over €2,000 billion. Developing country producers also receive technical assistance and training to enable them to gain this global certification.\(^{33}\)

Next, we need to expand the dialogue and cooperation with the private sector at all stages of aid for trade. When it comes to defining needs, private firms are better able to identify the main barriers to trade and investment; when it comes to preparing aid projects, private firms can judge the projects’ technical and commercial credibility; when it comes to implementing the projects, private firms are often the only ones with the necessary technical expertise; when it comes to evaluating the projects, trading firms can judge the impact of the projects on their business. Thus, expanding the dialogue and public-private partnership should help to increase the effectiveness of aid – a goal which is all the more justified at a time of tight budgetary constraints.

Finally, the role of public policy could be to ensure that multinationals abide by its goals. For example, the United Nations has developed a Global Compact whereby firms undertake to adhere to ten universally accepted principles concerning human rights, the environment, labour standards and the battle against corruption.\(^{34}\) Other principles concerning responsible investment have been developed with the aim of coordinating public and private agendas.\(^{35}\) Finally, a number of rules, such as those concerning the transparency of public contracts or competition, permit better control of business activities. It is not a question of erecting new barriers to trade, but of ensuring that public and private objec-

\(^{33}\) See the presentation of the initiative at: www.mygfsi.com.
\(^{34}\) Global Pact website accessible at: www.unglobalcompact.org.
\(^{35}\) See in particular: www.unpri.org.
tives converge towards more effective promotion of sustainable development. Moreover, that aim will be achieved only in so far as the firms themselves help to devise the public agenda and the principles which ensure that it is implemented. Thus, innovative public-private partnerships in aid for trade have made it possible to promote road safety, for example, or to facilitate trade (customs clearance) in Africa.36

Conclusion

For a long time, Europe’s commercial policy promoted primarily political objectives, which included development to guarantee stability beyond its frontiers. The tariff preferences granted unilaterally to developing country partners were the main instrument of that policy, but were called into question following the creation of the WTO in 1995. Condemned by the WTO Dispute Settlement Body for discrimination, the European Union had to introduce reciprocity in its trade preferences and switch to the regional integration model. Following a period marked by enthusiasm, however, this model revealed its limits, particularly as developing country partners of the European Union lacked the resources to conform to very complex Community regulations. The development of aid for trade in the early 2000s did push back those limits to some extent. However, the promotion of the European vision of development through trade encountered new obstacles: the budgetary and debt crisis, which has severely restricted aid ambitions since 2008; and the emergence of new trading powers which, like China, do not share the same collective preferences as the European Union, and whose dynamic markets are attracting numerous partners in the South.

European trade policy, as a strong weapon in the promotion of sustainable development, therefore requires a rethink. It is no longer merely a question of offering developing countries greater access to the European market, but of integrating them into global value chains where European and developing countries become partners, united in global competition in the face of emerging countries. In this context, partnership with the private sector will be crucial, and it seems that the segmentation of global production permits a greater convergence of public and private interests. In particular, facilitating that segmentation amounts to creating links between economies by developing infrastructure, and logistical and transport services, and by reforming border formalities. Closer cooperation with the private sector should also make it easier to tackle non-tariff barriers

36. See the practical examples of Total and Unilever in O. Cattaneo, B. Hoekman & S. Jackson, The role of international..., op. cit.
and promote certain European collective preferences. It should likewise make it possible to increase the effectiveness of aid at a time of severe budgetary constraint. It is not states that engage in trade, but businesses. If trade is to promote development, then the role of public policy must be to support private initiative while making sure that it is responsible. The European Union is more dependent than ever on its partners in development for preserving and promoting what it has achieved. But countries will not be able to attain this objective on their own. The reinforcement of global value chains is an opportunity in so far as the European Union and its public and private partners, in Europe and in developing countries, succeed in creating genuine development chains.
Having once been a great European colonial power, France was able to shape the development policy set up in 1958 within the framework of the European Community. As its global influence has declined, France has seen its development policy “normalised” since the end of the 1990s. To what extent are these efforts, which aim at making this policy more transparent, easy to understand and effective, part of a movement towards Europeanisation? France’s growing involvement in European aid, which increased from 19% to 23.1% of its official development aid (ODA) between 2002 and 2008, and represented 56.85% of its multilateral aid in 2008, means that France inevitably comes up against the European dynamic, its logic and its debates.

This article will try to answer the following questions:

Can we identify any “pressure to adapt”, exerted by the European project on French development policy? To what extent might this Europeanisation represent a resource in fostering national reforms?

Who are the “facilitators” and “veto players” in this Europeanisation process?

How far will the hybridisation of the French model of development cooperation policy go? What institutional, strategic and normative adjustments to the policy are apparent? To what extent is the French “national viewpoint” putting up resistance?

This empirical study in the field of public policy will make some reference to theoretical approaches (New Public Management, Two-Level Bargaining Game). The variables for analysis, which come under neo-institutionalist theory, will mainly be political debates, the sectoral or geographical focus of aid, legal


2. However, in 2010, French aid via European channels represented 20.71% of total French aid and 51.88% of its multilateral aid.


texts, institutional provisions, and investment in personnel. The comparative method will be applied to the sectoral and geographical focus of French and European aid, in order to reveal convergences and divergences.

I. FRANCE’S DECLINING INFLUENCE OVER EUROPEAN DEVELOPMENT POLICY

France’s ability to use European development policy as a “power multiplier” and an instrument of “reincarnation” gradually declined between 1958 and the start of the new millennium.

A. 1958 TO THE MID-1970S

As a declining colonial power in the late 1950s, France managed to share the financial burden of Africa’s development with its European partners in exchange for opening up its empire to European products. The legal regime of association established under Articles 130 ff. of the EEC Treaty borrows very heavily from France’s colonial policy in its provisions on trade (system of preferences) and finance (European Development Fund). Some focal points of European aid (rural development, infrastructure and food aid) correspond to the sectors given priority by France.

With the end of the French Community in 1961, a large number of colonial administrators looking for a new job were employed in the European Commission: until 1984, all European development commissioners were French; the Directorate General for Development was also dominated by the French, and the director general of the European Development Fund (EDF) between 1962 and 1975, Jacques Ferrandi, was also French. So French firms were in a good position to take advantage of the funding handed out by the EDF.

8. D. Frisch, La politique de développement..., op. cit.
When Britain joined the European Community in 1973, that threatened French dominance. British staff were installed at the Directorate General for Development; development cooperation practices were put on a rational, professional footing: planning, a greater drive for effectiveness, review of allocation criteria. The Lomé agreements between the European Community and the African, Caribbean and Pacific countries (ACP) likewise benefited the former British colonies, where France did not have such an established network as in French-speaking Africa. The result was an asymmetrical reduction in the influence hitherto exerted by France over European development policy.

However, French influence did not disappear: there were no changes in the system of trade preferences and EDF funding; moreover, at the Paris Summit in 1972, France successfully advocated extending European cooperation to include third countries in the Mediterranean basin.

B. 1984 ONWARDS

France lost its monopoly over the appointment of development commissioners. Having become a more modest sponsor, it accepted the dominant view of the international financial institutions in 1994 and agreed to devaluation of the CFA franc.\footnote{Béatrice Hibou, “Politique économique de la France en zone franc”, \textit{Politique africaine}, No 58, 1995.} When the euro was introduced, the support of the CFA franc did not become a matter for the Community but remained the responsibility of the French Treasury. Under pressure from Germany, but also from new Member States such as Spain and Portugal, European aid was redeployed to Asia and Latin America, beyond the areas of France’s preferential influence, and focused on new themes (human rights, the environment, the battle against drugs, etc.) Thus, aid for the ACP countries, which had made up 67% of total European aid in 1986-1990, dropped to 29% of that total between 1996 and 1998. Finally, against the backdrop of the creation of the World Trade Organisation in 1995, trade preferences were contested and a “free trade co-regionalism” became the rule.\footnote{Frank Petiteville, “La coopération économique de l’UE. Entre globalisation et politisation”, \textit{Revue française de science politique}, vol. 51, June 2001.}

While France played a key role in December 2005 in the adoption of a European Union strategy for Africa, which receives half of the additional funds committed for development, it is no longer able to shape European development cooperation policy.
II. FRENCH DEVELOPMENT AID, BETWEEN NORMALISATION AND EUROPEANISATION

Influenced by factors which were not specifically European, the exit from the “colonial pact” is nevertheless best understood in terms of the system of reference and operating methods of public policy that came after the “European neo-liberal turning point”\(^\text{11}\).

A. NORMALISATION OF FRENCH DEVELOPMENT COOPERATION POLICY SINCE THE 1950s

Before the 1998 reform, French development cooperation policy, moulded by colonial history, had little concern for transparency and economic efficiency.

It is true that, in 1946, the French Overseas Ministry replaced the Ministry of the Colonies. In 1961, in the context of decolonisation, the Ministry of Cooperation was instructed to use grants to develop not only economic and cultural cooperation but also military and strategic cooperation in the “core” aid recipient countries, i.e. most of the former colonies. The Foreign Affairs Ministry also handed out grants in countries outside the “core”. The Ministry of Finance granted loans via the Caisse centrale de coopération économique [Central Economic Cooperation Fund], the successor to the Caisse centrale de la France libre [Central Fund of Free France] established in 1941; it managed the financial protocols for debt relief and held the French chair in international financial institutions. Coordination between the various players involved in French cooperation was weak; the Élysée frequently intervened in the rather unclear doctrine underpinning this policy.\(^\text{12}\)

When the Left took over in 1981, that did little to change the picture. Jean-Pierre Cot, a minister with a third world approach, resigned in 1982, owing to his opposition to President Mitterrand, who was still steeped in his own past experience as a former French Overseas Minister in the Fourth Republic.\(^\text{13}\)

With the end of the Cold War, a reform to end \textit{Françafrique} was undertaken in the context of the \textit{cohabitation} that began in 1997. The aim was to make


\[^{12}\text{André Lewin, “Les acteurs de la politique africaine de la France”, \textit{Géopolitique africaine}, No 4, Autumn 2001.}\]

\[^{13}\text{Philippe Marchesin, “Mitterrand l’Africain”, \textit{Politique africaine}, No 58, 1995.}\]
French aid more coherent and effective. The main element of the 1998 reform was the integration of the Ministry of Cooperation into the Ministry of Foreign Affairs, where it became the Directorate General of International Cooperation and Development (DGCID).

B. SIGNS OF EUROPEANISATION OF FRENCH DEVELOPMENT COOPERATION POLICY

Some institutional and strategic adjustments to French development cooperation policy, which had been under discussion for many years in successive reports, were finally implemented from the late 1990s. Do they point to the impact of the “European neo-liberal turning point” on French development policy, and hence to an incremental Europeanisation of French development aid?

The European Commission supported this process of Europeanisation and can be said to have facilitated it. Making use of “multi-level” governance, it took on board international work that had been conducted on aid, particularly within the OECD/DAC, and used this as a way of strengthening the Community dimension of European development policy, while also taking it upon itself to promote and later control the EU’s international commitments. Indeed, the Commission “may take any useful initiative to promote coordination [of policies]” between the Union and the Member States, including in international organisations and during international conferences (Article 210 TFEU). Producing regular communications and reports on coherence in favour of development, aid effectiveness, the monitoring of the Millennium Development Goals and the implementation of the European development consensus, among other things, it coordinates research and organises working groups which all aim at greater convergence and harmonisation of Member States’ development policies.

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16. The unifying role of the European Community is recognised by the OECD DAC, which presents the unifying activities of the European Community as a strong point in the added value of Community aid (DAC, 2007).
17. For example, it mapped European aid to encourage a better division of labour between European sponsors. It supported a revision of the financial rules to promote co-financing.
Europeanisation of French Development Cooperation Policy?

C. ELEMENTS OF CONVERGENCE BETWEEN FRENCH AND EUROPEAN AID

First, the criteria for the allocation of French aid are steadily converging with those of the European Community. Alonside efforts to combat poverty and inequality, French aid now aims to promote global public goods (health, security, migration, cultural diversity), and to tackle transversal issues (democratic governance, sustainable development, and gender), all themes included in European aid priorities. As a result, aid was redirected beyond French-speaking Africa. A Priority Solidarity Zone (ZSP), defined in 1999, initially benefited 61 countries, then 54 from 2002 onwards.

Table 1
Change in French International Contributions

<table>
<thead>
<tr>
<th>Organisations</th>
<th>2009</th>
<th>Share of the total</th>
<th>2010</th>
<th>Share of the total</th>
<th>2011</th>
<th>Share of the total</th>
<th>2012</th>
<th>Share of the total</th>
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<tbody>
<tr>
<td>European Union</td>
<td></td>
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<td></td>
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<tr>
<td>Of which EDF</td>
<td>2.1</td>
<td>0.8</td>
<td>2.0</td>
<td>0.9</td>
<td>1.8</td>
<td>0.7</td>
<td>1.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Of which Community budget (share of ODA)</td>
<td>1.2</td>
<td>52%</td>
<td>1.1</td>
<td>51%</td>
<td>1.1</td>
<td>n.a.</td>
<td>1.1</td>
<td>n.a.</td>
</tr>
<tr>
<td>Other organisations and funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which World Bank</td>
<td>1.9</td>
<td>48%</td>
<td>1.9</td>
<td>0.5</td>
<td>0.4</td>
<td>49%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Of which Global Fund to fight AIDS, tuberculosis and malaria</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Of which African Development Bank and ADF</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total multilateral aid</td>
<td>4.0</td>
<td>100%</td>
<td>3.9</td>
<td>100%</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

CP, in € billion
n.a.: no data


19. As well as promoting the Millennium Development Goals, the EU promotes human rights, fundamental freedoms, peace, democracy, good governance, gender equality, the rule of law, solidarity and justice. Cf. European Consensus on Development, 2006.
Next, to enhance French involvement in the definition of new European strategies, the French institutional set-up changed: in 2004 a second development adviser's post was created at France Permanent Representation to the European Union, in addition to the post of Africa adviser, which had previously been the only one to deal with all the European development issues. And from 2005 an office was set up under the sub-directorate of Development Strategies, specifically devoted to monitoring European development policy and programmes.

In addition, French cooperation became more sensitive to questions of coherence in favour of development, a subject strongly supported by the European Commission. The first thing that the reform of French cooperation achieved was institutional separation between military aspects and other aspects of French cooperation handled by the DGCID. The Secretary of State responsible for cooperation is also consulted on any decision that could affect the development of countries with which France cooperates. The interministerial committee on international cooperation and development (CICID), which meets periodically
under the chairmanship of the prime minister, is another body which defines coherent positions. The conference on strategic orientation and programming (COSP), set up in 2004, coordinates the work of all the ministries concerning development. France will stress all these efforts to ensure more coherent development policies in its replies to the European Commission, which was instructed to assess the progress made by Member States in this area.20 Better still, France is proud to have been the originator of the EU-Africa partnership adopted in 2004 in the cotton sector, which, by supporting the entire cotton industry in Africa, ensures coherence between the EU’s trade policy and its development policy. That partnership aims to offer the ACP countries fairer trading conditions (duty-free import of cotton from the least developed countries, reduction in subsidies for European cotton exports, technical assistance to support the exports of the ACP countries); it also aims to support ACP cotton producers (by developing innovative institutions, policies and investment in this sector); finally, it should help to reduce the vulnerability of incomes due to price volatility (via access to risk management mechanisms and the development of those mechanisms in international financial institutions). Finally, during its presidency of the European Union in the second half of 2008, France supported efforts to achieve coherence between policies on migration, climate change and energy, and European development policy.21

D. INSTITUTIONAL, NORMATIVE AND STRATEGIC ADJUSTMENTS

France also embarked on institutional, normative and strategic adjustments to its policy which converge with European work on aid effectiveness.

1. The 1998 Conversion of the French Development Fund into the French Development Agency (AFD)

Following the integration of the Ministry of Cooperation into the Ministry of Foreign Affairs, this conversion can be interpreted in the light of the European


New Public Management movement. Developed in the 1990s, this movement led to a proliferation of agencies, often in the new Member States. Hybrid entities, part public part private, with some autonomy in relation to state control and a legitimacy based on the technical expertise of their staff, these agencies were often formed to overcome the inflexibility of national bureaucracies and to ensure the effective implementation of a policy in its European and international environment.\textsuperscript{22} The AFD took advantage of the abolition of the Ministry of Cooperation to secure its place as the institution with the greatest technical competence in the development sphere. Under the joint control of the Ministry of Foreign Affairs and the Ministry of Finance (then also the Ministry of the Interior and the Budget), the AFD became the “key operator” in the implementation of French development aid. Like other European agencies, it is steeped in a liberal reference system of aid effectiveness and selectivity, and it promotes cooperation through a combination of loans and grants, extended to include global public goods and emerging countries, thus going beyond the historical criteria of French aid.

2. Action Plan on Aid Effectiveness at the End of 2006

France adopted an action plan on aid effectiveness in line with the May 2005 agreement of the EU Council, which accepted the Paris Declaration on Aid Effectiveness,\textsuperscript{23} adding four extra commitments by the EU.\textsuperscript{24} The June 2009 CICID also asked for finalisation of aid outcome indicators, published in French strategy and budget documents, submitted to Parliament, and to annual monitoring by the CICID.

In 2011, a framework document on French development cooperation policy,\textsuperscript{25} also aimed to reinforce the strategic dimension and effectiveness of French aid.


\textsuperscript{23} The Paris declaration on aid effectiveness aims to promote ownership (by the partner countries), alignment (with the partner countries’ priorities), harmonisation (of fund allocation procedures between donors), results-oriented aid management, and mutual accountability between donors and recipients; www.oecd.org.

\textsuperscript{24} The additional commitments made by the EU are: 1. To ensure European coordination ahead of any capacity reinforcement project, 2. To channel half of the aid through partner country channels, 3. To avoid setting up new project management units, 4. To halve uncoordinated missions.

\textsuperscript{25} Directorate General of Globalisation, Development and Partnership, Stratégie 2011, Coopération française au développement, une vision française, framework document, 72 p.
In accordance with the commitments made in May 2005 at the EU Council meeting whereby, up to 2010, between 0.51 and 0.56% of the Member States’ GNP would be devoted to financing development, increasing to 0.7% by 2015, France endeavoured to make its ODA more predictable. During the French presidency of the EU, in December 2008, Nicolas Sarkozy reiterated his commitment to development funding. In addition, for the first time, France adopted a triennial ODA budget covering the period 2007-2011. Not only did that secure France’s development funding commitments, it also brought the French programming cycle into line with the European cycle. In 2010, French ODA came to 0.50% of GNP, just below the Community target of 0.51%, as a result of debt cancellation and loan development.  

Table 2

<table>
<thead>
<tr>
<th>Main types of development aid activities</th>
<th>2010 (a)</th>
<th>2011 (b)</th>
<th>2012 (c)</th>
<th>2013 (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilateral aid</td>
<td>5 879</td>
<td>5 916</td>
<td>6 935</td>
<td>6 572</td>
</tr>
<tr>
<td>Technical cooperation (1)</td>
<td>2 035</td>
<td>1 696</td>
<td>1 696</td>
<td>1 688</td>
</tr>
<tr>
<td>Project aid</td>
<td>1 720</td>
<td>2 217</td>
<td>2 473</td>
<td>2 686</td>
</tr>
<tr>
<td>Programme aid</td>
<td>355</td>
<td>224</td>
<td>529</td>
<td>218</td>
</tr>
<tr>
<td>Debt cancellation and refinancing</td>
<td>1 059</td>
<td>1 054</td>
<td>1 476</td>
<td>1 220</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>710</td>
<td>725</td>
<td>761</td>
<td>760</td>
</tr>
<tr>
<td><strong>Multilateral aid</strong></td>
<td>3 872</td>
<td>3 501</td>
<td>3 526</td>
<td>3 595</td>
</tr>
<tr>
<td>European aid</td>
<td>2 009</td>
<td>1 759</td>
<td>1 868</td>
<td>1 912</td>
</tr>
<tr>
<td>Of which EDF</td>
<td>909</td>
<td>688</td>
<td>797</td>
<td>841</td>
</tr>
<tr>
<td>Of which Community budget</td>
<td>1 100</td>
<td>1 071</td>
<td>1 071</td>
<td>1 071</td>
</tr>
<tr>
<td>Multilateral aid (outside EU)</td>
<td>1 863</td>
<td>1 742</td>
<td>1 658</td>
<td>1 683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9 751</td>
<td>9 417</td>
<td>10 461</td>
<td>10 167</td>
</tr>
</tbody>
</table>

(a) Implementation 2010: France’s final ODA figures for 2010 were submitted to the OECD-DAC at the end of August 2011 and reviewed at the end of September 2011.
(b) Implementation forecasts for 2011.
(c) Forecasts associated with the draft finance law for 2012.
Source: MINEFI – DG Treasury (September 2011).

26. However, the French ODA/GNP ratio could fall to 0.35% between 2012 and 2015, and discussions have started on defining the development indicator.
In accordance with the April 2006 Council conclusions aimed at developing common joint programming frameworks for European aid, France agreed to aim at closer coordination between its national programming and that of its European partners in a number of pilot ACP countries.

Above all, following the code of conduct on the division of labour between European donors, adopted by the Council in May 2007, and the conclusions of the CICID on 5 June 2009 which set France on the road towards the sectoral and geographical concentration of French aid, four sectoral priorities were defined which largely coincide with the priorities of the European consensus27. The 2011 framework document concentrates French aid on shared, sustainable growth, the battle against poverty and inequality, the preservation of global public goods, stability and the rule of law, priorities which appear in the November 2010 Commission Green Paper and in the communication from the Commission in October 2011.28 The geographical concentration envisaged in the 2011 French framework document, which replaces the priority solidarity zone, leads to the establishment of differential partnerships in the three groups of countries, and also converges with that of the EU.29

– Sub-Saharan Africa (over 60% of aid), Mediterranean basin (20%)
– Countries in crisis (10%)
– Emerging countries (10%)

27. Namely: health, education and vocational training, agriculture and food security, sustainable development and climate; finally, support for growth. The European Consensus for Development promotes the MDGs, human rights, fundamental freedoms, peace, democracy, good governance, gender equality, the rule of law, solidarity and justice. Cf. European Consensus for Development, 2006. The Commission communication of October 2011 envisages “differentiated development partnerships” according to the country’s needs, its ability to generate financial resources, its commitments and results, and the potential impact of EU aid.


29. The European Consensus for Development states that (§ 10) “Development aid will continue to support poor people in all developing countries, including both low-income and middle-income countries (MICs). The EU will continue to prioritise support to the least developed and other low-income countries (LICs).”
At the May 2008 Council, France also joined a “fast track” initiative aimed at speeding up the implementation of the European code of conduct recommendations.

Finally, and most importantly, France signalled her readiness to integrate European thinking into the definition of French development policy by signing the December 2005 European Consensus for Development, which, for the first time, defined common objectives and action principles for the Union and the Member States in the conduct of their development policy. Lastly, at the end of 2010 it published for the first time a French strategy for European development policy, in which it noted the importance of this European policy and expressed its desire to influence future developments.

III. SIGNS OF RESISTANCE TO THE EUROPEANISATION OF FRENCH DEVELOPMENT COOPERATION POLICY

As a rule, European pressure – particularly pressure from the Commission in favour of the Europeanisation of French policy – only has an impact in so far as it represents a political resource for national authorities wishing to rationalise French aid.

Thus, following on from the 1998 reform, the General Public Policy Review launched in 2007 and intended to enhance the effectiveness of French public policies coincided with the principles defined in the European code on the division of labour among donors. The aim announced by the Minister for Foreign


and European Affairs was in fact to modulate the French presence in the world according to French interests and changes in the international context. The Europeanisation of French development policy can therefore be mobilised in the service of a policy of staff cuts in the French diplomatic service.

Chart 2
Changes in Bilateral Aid in ODA since 1990

Apart from this particular configuration, the “national angle” on French development cooperation policy remains resistant to pressure for Europeanisation. It is true that the conclusions adopted in the EU Council, like the joint declaration in the form of the European Consensus for Development, have a political value

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34. In the end, only around 30 embassies were to retain an “exceptional format”; around 100 would be devoted to priority missions, the others contenting themselves with providing a French diplomatic presence.
rather than any legally binding force. In particular, France believes that it has a specific role to play in defending Africa’s interests (Africa’s share of EU aid dropped from 44% in 2005 to 37% in 2009), as well as such themes as cultural diversity, which get less EU support. Moreover, at the ambassadors’ conference in September 2011, Henri de Raincourt announced that he wanted to increase the share of bilateral French aid compared to French aid routed through multilateral channels from the current 60% to 65% by 2013.

Chart 3
Forecasted Share of Total ODA represented by Bilateral Aid in 2013

A. FRANCE HAS NOT RENOUNCED ITS “BOTTOM-UP” INFLUENCE ON EUROPEAN DEVELOPMENT POLICY

One of the aims of the French strategy for European development policy is to increase French influence over decisions by the EU Council and in management committees. One way to increase French influence is to step up the French presence in European development cooperation bodies, particularly by seconding national experts to those bodies.35

Closer coordination among French development cooperation players, who will become increasingly aware of the European dimension of this policy, should also enhance France’s ability to influence European decisions on development. In that respect, the strategic piloting of the AFD should be strengthened by the creation in November 2009 of a strategic orientation board (COS), chaired by the Secretary of State responsible for cooperation. Ultimately, the AFD might be able to give up its autonomous representatives and work under the direct control of Ambassadors.

B. FRENCH DEVELOPMENT POLICY CONTINUES TO BE INSTITUTIONALLY PART OF FRENCH FOREIGN POLICY, AND IS LIABLE TO BECOME ONLY A MINOR ASPECT OF IT

The 1998 integration of the Ministry of Cooperation into the Foreign Affairs Ministry expressed the idea set out in the White Paper on French foreign policy36 that “French official development aid is a separate component of France’s foreign policy, which must help to achieve its great objectives: encouraging balanced globalisation, strengthening peace and security by combating poverty and under-development, and supporting our strategies for securing influence”.

The diversity of players responsible for aid leads to multiple sectoral goals hampering France’s development policy.37 Even if the State secretary responsible for Cooperation is consulted on any policy that has an impact on development, he has no mandate enabling him to ensure that development concerns prevail.

35. The allocation of technical assistants to governments receiving European budgetary support should, for example, offset the disadvantages due to the untying of aid by steering calls for tenders towards European operators (rather than Chinese), and French (rather than European).
Similarly, the mandate of the CICID and the COS (strategic orientation board) are confined to the coordination of policies which interact with development policy. The Secretariat General of European Affairs (SGAE) coordinates French positions vis-à-vis the European Union, but without specifically taking account of development goals.

More recently, in February 2009, in accordance with the conclusions of the Council on the Modernisation of Public Policy, a new Directorate General of Globalisation, Development and Partnerships (DGMDP or DGM) was formed, incorporating the old DGCID and the Directorate of Economic and Financial Affairs, as well as the sub-Division of Economic Affairs within the Directorate of the United Nations and International Organisations. The above changes confirm the institutional integration of development policy into French foreign policy.

C. A DIVERGENT VIEW OF DEVELOPMENT POLICY GOALS

1. The Goal of Coherence

These reorganisations reflect an approach that is fundamentally at odds with European work on the coherence of development policies. For France, the aim of coherence between national policies and development cooperation policy is in fact confined to the coordination of national policies without any specific support for development concerns. France’s understanding of coherence is thus in line with the Whole of Government Approach, stressing the interactions between development policy and other spheres such as security or governance policy.38

In its relations with the European Union, without clearly repudiating the objective of coherence in favour of development, France has helped to limit its scope: in 2006, it backed a very broad concept of coherence in favour of development, aimed at classing twelve political sectors as coherent with development policy, and thus preventing the discussions from concentrating on such subjects as trade and agriculture. The new provisions of the Lisbon Treaty suggest that the Whole of the Union Approach derived from the Whole of Government Approach, supported by France, finally prevailed. Article 208 TFEU stipulates that “Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the

Union’s external action”, which include “to preserve peace, prevent conflicts and strengthen international security.” [Article 21(c) TEU].

2. The Objective of Aid Effectiveness

On themes concerning aid effectiveness, such as the implementation of the European code of conduct on the division of labour among European donors, France – in common with its European partners – is rarely disposed to enter into “delegated cooperation”, or to withdraw from a sector or country in favour of a European partner, if it considers that prejudicial to its interests and visibility in the developing world. Thus, France has played a role in ensuring that the European code of conduct has no binding legal force, leaving Member States free to evaluate their added value themselves, and that the division of labour among European donors is subject to the principle of reciprocity in the case of withdrawal from countries or sectors. The recent geographical concentration envisaged by the June 2009 CICID means that sub-Saharan Africa can continue to receive 60% of the bilateral aid budget, thus bringing France back to its “core” countries, where its networks are well established.

France is equally circumspect about the idea of European joint programming. Since 2005 the establishment of framework partnership documents in France, which has enabled it to assert the rigour of its programming, has also limited its ability to become integrated into joint European programming.

On the issue of aid funding, France advocates financing the EDF out of the Community budget, which would mean a reduction in France’s contribution to European spending in favour of core countries (Nigeria, Senegal, Cameroon, etc.). However, it proposes compensating for that reduction by increasing its bilateral aid, which is more visible to its ACP partners.

D. DIPLOMATIC POSTS AND AFD, OPPOSED TO GREATER EUROPEANISATION OF DEVELOPMENT POLICY

Two types of institutions act as “veto players”, stoutly defending France’s international influence.

39. France contributed 19.55% to the 10th EDF compared to 15.9% to the European budget.
Europeanisation of French Development Cooperation Policy?

Diplomatic posts, fighting for their survival or at least for their staffing level (draft finance law for 2010) are usually very reluctant to implement the European code of conduct on the division of labour.

The French Development Agency (AFD) is likewise strongly opposed to reinforcement of the Community dimension of development policy, doubtless because it is the AFD that has gained the most from the reform of French aid since 1998. Criticising the technocracy, and sometimes the incompetence, of the European Commission and the EuropeAid Office, it advocates a more liberal, pragmatic approach, respecting the added value of the various European players involved in development. The AFD would like the EU Council, an intergovernmental political body – whose compromises might be less of a constraint than the aims stipulated by national authorities – to define annual guidelines on development cooperation and it proposes that these objectives be monitored via the open coordination method. The “competitive cooperation” that this method implies should serve to establish the AFD’s position in the networks of European development agencies and operators.

Conclusion

Analysis of the cross-influences between French and European aid would doubtless require more detailed research which is beyond the scope of this article, but it would probably identify, in addition to the convergences, the causal links between the two policies. Up to now, it seems that, after having largely shaped European development cooperation policy in the 1950s, France is seeing a limited Europeanisation of the reference systems and operating methods of its development cooperation policy.

In terms of ideas, there have been only a few adjustments: the adoption of the liberal ideology of effectiveness, which is not specifically European, but which is supported and amplified by the European Union, can be seen as an indicator of the Europeanisation of French development policy. The adoption of the

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European Consensus for Development and a French strategy for the European development policy bear witness to a Europeanisation of French ideas.

However, development aid – which is vital to France’s existence on the international scene – will continue to pursue a number of objectives (trade, influence) in addition to the development of partner countries. The adoption in the Lisbon Treaty of concepts linked to the Whole of the Union Approach represents a success for France.

French interests have begun altering the geographical focus of their activities in order to gain access to the overall market in European aid contracts. However, since France’s presence in the “core” countries is a decisive factor in the value-added of French aid, the geographical concentration of European aid brings France back to the countries with which it has a special relationship.

The French institutions (France Permanent Representation to the EU, DGCID, later the DGM) have adapted to take better account of European development cooperation policy and gain more influence over it. However, diplomatic posts, fearing staff cuts, and the AFD, which has gained powers, autonomy and prestige since the 1998 reform, are more reticent about any transfer of powers to the Union.

Thus, since 1958, there has been little inclination to extend the process of Europeanising French development cooperation policy.
FRANCE, EUROPE AND DEVELOPMENT AID
by Bernard PETIT

Introduction

In what are deemed to be troubled times for Europe, it is important to be aware of Europe's leading role in expressing solidarity on a global scale. First, because development cooperation is the sphere which best symbolises the founding values of the European project: respect for others, commitment, and solidarity. Next, because globalisation has inevitably brought developing countries and Europe closer together: their welfare and ours, their stability and ours, their future and ours, are increasingly closely linked.

The challenges facing Europe in today's world are too great and too complex for any individual Member State to address them on its own. Europe has no choice but to pursue a coherent, concerted, coordinated policy based on shared values and a common development vision.

And France has certainly realised that, as is clear from a document produced in 2010 by the Ministry of Foreign Affairs entitled “What should Europe's policy be on development?”: “France is convinced that European action on development is appropriate and beneficial, so it has chosen to design its development aid policy within a European framework and has always worked to affirm the Union's competence in this field”.

That is quite a statement! I am not sure that it was always like that. For a long time, France exhibited some mistrust, a certain lack of interest in Community policy. That changed some years ago. Probably because of the awareness that it is no longer possible nowadays to influence global policies or the international debate without a strong, coordinated Europe. Probably also because over a quarter of French aid is nowadays channelled through Europe. So the French authorities certainly thought it desirable to take a more active part in defining European policy and influencing it from the inside.

Looking back, I think the defining feature of this 1995-2010 period was that it was the culmination of a debate which led to development becoming a really central focus. And all long-term responses to the challenges of globalisation hinge on that central point. Today, development is the best structural response to
questions such as migration, security, protection of the earth’s natural resources, and quite simply international stability.

Development has become a fundamentally political issue.

Awareness of the long term has prevailed.

I have the feeling that it is this political dimension which, at European level, lies behind the three major events that characterised this period (even if I can only give you an outline):

– the Cotonou Agreement
– the European Consensus
– the Lisbon Treaty.

I. THE COTONOU AGREEMENT

Concluded on the night of 3 February 2000, it was the culmination of a long process, which had begun in 1996 with the publication of the Commission’s Green Paper on EU-ACP relations, then continued via the wide-ranging debate which it triggered, and ended with the negotiations proper, which were protracted and difficult. Protracted and difficult because the mixed results of 25 years of cooperation, the international upheavals and the scale of the poverty-related challenge necessitated a fundamental review of cooperation goals, instruments and practice.

Without going into all the details of that agreement, I would like to mention three radical innovations.

First, the reinforcement of the political dimension of partnership: foreign aid cannot have a significant impact without a stable political environment, underpinned by respect for human rights, the rule of law, democratic principles and good governance (including the fight against corruption).

Next, the involvement of new players in the partnership: one major lesson of the debate on the Green Paper concerned the considerable benefits of involving civil society in the development process. That is, after all, an essential element in the consolidation of democratic processes. An ambitious partnership should go beyond relations between public authorities. It is in that spirit that Cotonou has included some particularly innovative provisions based on informing and
consulting civil society, institutional support for civil society, and the direct access which it now has to EU resources.

Finally, the commitment to a new approach to trade cooperation: this was the most difficult, most controversial part of the negotiations and what followed.

The negotiators began with three findings:

1. For thirty years, ACP countries enjoyed unilateral trade preferences vis-à-vis the Community market; the preferences were eroded and did not promote production, diversification, or export expansion. On the contrary, the ACP countries lost market share in Europe in favour of their Asian and Latin American competitors, who did not enjoy the same preferences.

2. Poverty has increased, particularly in Africa.

3. Trade preference schemes were no longer compatible with WTO rules.

The only way to preserve the benefits achieved and at the same time create a stable, predictable environment, capable of encouraging economic operators and potential investors, seemed to be to negotiate economic partnership agreements (EPAs) which aim at gradual trade liberalisation on a reciprocal but asymmetrical basis.

France, the biggest EDF contributor (25%), with a vital interest in the African continent, naturally played a very active part throughout these negotiations.

Today, there are 145 countries receiving EU aid, in addition to Member States’ bilateral arrangements. But the Cotonou agreement is clearly the point of reference, because it is the most thoroughly thought-out and sophisticated example of European development policy, and the only example in the world of a cooperation agreement negotiated between a group of industrialised countries and a group of developing countries.

II. THE EUROPEAN CONSENSUS

This is a real revolution in European development policy.

The European consensus was a historic decision taken on 20 December 2005 by the heads of State or Government, the Parliament and the Commission. For the first time in 50 years of cooperation, the consensus united the Member States and the Commission around a common vision of development, a vision based on common values, principles and goals and considerably augmented resources. It was high time!
Europe has long been the world’s biggest donor (55-60% of ODA). Europe is the main trading partner of poor countries, and imports more agricultural products from developing countries than the United States, Japan and Canada combined.

However, this had never given it the ability to exert influence, or the role and the visibility which it should have had in the development sphere. For too long, Europe left others across the Atlantic to define policy and engage in diplomacy, and contented itself with paying for the consequences: Europe the cash dispenser!

Outside the Community microcosm, when people asked you: “So what exactly is European development policy?” one had to admit that it did not exist. There was a French development policy, a British policy, the Commission’s policy, etc., but no European policy.

It was time to legitimise a statistical reality by turning it into a political project. That is what the European consensus does. It comprises two parts:

– The first part forms the framework of shared values, goals and principles, methods and resources within which Member States and the Commission implement their development policies. The central aim is poverty reduction. The principles are based on the concepts of ownership, partnership, alignment, political dialogue and coherence. As regards resources, the consensus confirms the commitment by the heads of State or Government to devote 0.7% of national income to official aid by 2015.

– The second part of the consensus sets out guidelines for the implementation of development policy at Community level by the Commission, which is acknowledged as having a number of comparative advantages in certain areas: support for economic and institutional reforms, infrastructure, regional integration, agriculture, environment, etc.

France played a key role in the consensus negotiations. I remember that, on the day I found myself presenting the Commission’s proposal to the relevant Council group, on that very day seven Member States (the Scandinavians, the Dutch and the British, in particular) had just sent a joint letter to the commissioner in charge of development saying that what they wanted to discuss was guidelines for the Commission, and certainly not guidelines that would apply equally to the bilateral policies of Member States.

Thanks to France as well as the new Member States, the Commission’s proposal was eventually accepted.
Translating this European vision into reality will probably involve some considerable challenges. But the consensus has fundamentally transformed the way of working at European level. In the past, when the Commission presented a proposal to the Council of Ministers, the conclusions adopted by the Council applied to the Commission, and the Commission alone, and related to the resources that it managed. Today, they are also binding on the bilateral policies of Member States.

In fact, it all comes down to political will.

The consensus implies changing cultures and behaviours which understandably still gives rise to resistance from within the system. We all tend to think, at times, that we are better than our neighbour, and as such we are not particularly inclined to base our action on a European vision. But the momentum is there.

And those who, from time to time, still tend to hold back should think about this very wise African proverb: “He who paddles against the current makes the crocodile laugh”.

III. THE LISBON TREATY

Entering into force on 1 December 2009, the Lisbon Treaty – in addition to the new rules which it introduces on the internal functioning of the Union – contains some particularly innovative provisions on external affairs. It aims to make the Union an influential player on the international scene, a strong, ambitious player, speaking with one voice. Some recent examples cast doubt on the feasibility of such an ambition. People can judge for themselves. But that is not the point. The intention here is to assess the impact of the treaty on European development policy.

In that respect, the treaty probably contains some useful provisions, such as those establishing the central goal of eradicating poverty, or those on coherence, complementarity and coordination.

But it is essentially at an institutional level that the treaty is innovative, creating this person with a dual role, at one and the same time, High representative of the Union for External Relations, assisted by an external diplomatic service, and Vice-President of the Commission in charge of External Relations.

France argued that this external service (which does not come under the Commission) should be in charge of allocating aid per country and of strategic programming, under the authority of the High Representative. France got its
way, since that is what will happen. I respect that position, but I do not agree with it. Of course, development is an essential element of the common foreign and security policy, but development can only be approached according to a long-term vision. That is not true of foreign policy, which often requires action in the short term, in the face of crisis situations.

Mixing the two or, to be more precise, making development subordinate to – or an instrument of – foreign policy goals is not a good idea.

Regardless of the appeasing statements by a number of well-meaning figures, I am still afraid that development policy will be instrumentalised. We shall soon see how this will all come about and whether “diplomats” and “developers” will have the intelligence to work together in pursuit of the same goal: combating poverty. But there is still considerable tension between them.

We have made mistakes in the past, and doubtless we shall continue to make mistakes from time to time. No one person has the solution to development; everyone knows that! And Voltaire was well aware of that, writing 250 years ago, thinking of us, thinking of you: “We are liable to make mistakes in what we do. In the morning we make plans, and the rest of the time we do foolish things.”
DISCUSSION
Moderator: Philippe MAZUEL

From the floor

I was very interested in your last remark, namely that we must not instrument-
alise development policy, but when we look at the Cotonou agreement there are one or two points that bother me, or one in particular, the one about emi-
gration, and especially the obligation on the ACP countries to accept migrants and potentially to expel them. The other point is very brief as well, it is the question of security, which also arises here in this Cotonou agreement. As you like interesting ways of putting things, I forgot just now to say: “The sum total of poverty is not abundance”.

Bernard Petit

There are some provisions included in Cotonou for the first time, but not the ones you have just mentioned. Read the agreement again. The provisions on migration in the Cotonou agreement essentially allow for the possibility of creating, in countries which are sources of immigration (especially West Africa), centres offering all the information necessary for people wishing to immigrate in the normal, organised, legal way so that, when they enter a country, they have all the information on what will happen, thus giving them the possibility of working in certain countries.

The other provision is the one that concerned Libya in particular, in relation to Italy (this is not in the Cotonou agreement): the Libyans were asked to make sure that there were no illegal transfers of migrants from black Africa to Europe, and particularly Italy.

There is no provision on security in the Cotonou agreement. Even so, I said that development policy is essential to meet the challenges of globalisation, and particularly the challenge concerning security.
Dieter Frisch

Bernard Petit and I have long been so much in agreement that I cannot contradict anything he says. I would simply like to clarify one point. When I attended a conference at a German university some time ago, rather like Bernard Petit, a member of the public said “But under these conditions (it was before the ratification) it might be necessary to block the ratification of the Lisbon Treaty”. I said: “Thankfully, no, because that is not what we mean”. As Europeans engaged in the integration process, we must be satisfied that there has been some progress in the field of foreign policy and security. So it is a good thing that this section was added, spelling it out beyond Maastricht. The only issue (and it is important) concerns the demarcation of this new area, which has its raison d’être and which means a step forward, compared to development policy. And on this point I think that Bernard Petit is quite right. It seems to me that we have forgotten that development policy must be an active supplement to the other dimensions of external action (and the treaty does not contradict that). The Lisbon Treaty does not make the other dimensions subordinate to the Common Foreign and Security Policy, the umbrella term is “external action”, and that external action covers the foreign and security policy, trade policy and development cooperation policy. I fear that we are heading in the direction of making more and more use of resources actually intended for long-term development, and using them instead for crisis prevention or crisis management, i.e. to meet the everyday needs of the foreign and security policy. Yesterday I read that we have allocated a new tranche of 50 million to AMISOM, the organisation comprising African Union troops in Somalia. I am certainly not against that. The European Union, aiming to have an external policy, must be capable of doing that, but it should not take the money from the European Development Fund. These amounts cannot even be declared to the OECD because they do not meet the definition of official development aid.

From the floor

I would like to go back to the last part of the presentation by Mr Olivier Cattaneo, which ended by alluding to large companies and the private sector. Last week, in Busan, at the forum on aid effectiveness, Hillary Clinton pointed out that 50 years ago aid made up 60% of the resources of underdeveloped countries, whereas now the figure is just 13%. This shows that the private sector now plays a major role in development. If you want to put it another way, without the private sector, development is not possible, even communist China has understood that. But I must immediately add that if we want the wealth
created by businesses to trigger development, i.e. to be distributed among the population, the country must be governed by the rule of law. We increasingly see that – without painting an idealised picture, because there are villains everywhere – large companies in some countries convey the rule of law because they have rules that are known and respected. They pay their staff regularly. Their schools and hospitals are often the benchmark and model for the population. If we want aid to be effective, we need to involve the private sector at a very early stage, when the aid is first thought of.

And I would like to add to what Corinne Balleix said about French policy. You know that the French Government has understood that perfectly well for more than five years, since the private sector is represented on the AFD management board, and that is an extremely important step. I ask myself: would it be possible to organise this type of consultation at European level?

**From the floor**

I have listened very closely to the whole debate about the efforts made by European States to help African continent escape from its poverty, since that has been the aim of all those states. But for decades we have seen the result. Poverty is still there. So the question I ask you is this: would it not simply be possible to abolish poverty since you are not succeeding with your current approach? In conclusion, the reason why I make this comparison is that, you know, humanity has suffered another scourge in the past, and that was slavery. Slavery was abolished, and today humanity can proudly say that we have more or less overcome that scourge. This second scourge, poverty, is worse than slavery in my view. Should we not simply abolish it?

**From the floor**

I would like to speak mainly about the economic partnership agreements, but also about ourselves as migrants. My first question is this: about two years ago a lot was going on with your agreements, which had to be ratified, in any case according to the European Union, via Mr Louis Michel, who went on a pilgrimage to African states to get them to ratify these agreements. As a member of civil society, I can remember that we spoke out against these agreements. But nothing was done, the agreements were passed and implemented on all sides, giving Europe’s preference to European farmers and not African farmers.

As for us as migrants, nowadays much has been written about the role of the transfer of funds by migrants. There is a whole literature on the subject.
Everyone nowadays agrees that the contribution, at least at the financial level, made by migrants from African countries is very significant in terms of Gross Domestic Product, but how come these migrants are now being excluded on all sides? Partly in our country, in the adopted country where we live, but also in our countries of origin. How is it that today, when we talk about knowledge transfer, and the brain drain, we do not welcome these migrants, we do not offer them opportunities both here and in their country of origin?

From the floor

I would like to add something and make four points aimed at disputing the assertion that European cooperation had an influence on French cooperation. The concept of an agency rather than a fund was in fact largely inspired by the Canadian, Swedish and German experience, not European experience. Regarding aid effectiveness, with all the work that has been done at the OECD, I would simply point out for the record that the leading figure was actually a Frenchman, a member of this department, a financial adviser and currently the ambassador to Chad, and I think that, regarding the work done on the aid effectiveness pyramid that led to the Paris Declaration, there was quite a strong French influence and not an international influence via Europe.

On predictability, once again what I say is based on considerable experience since we had medium-term guidelines as long ago as the 1980s, and I would even say that the derogations from the 1959 organic law allowed us to think in multiannual terms when financing French aid. Moreover, we reintroduced that device with what we call the framework partnership documents. So the multiannual approach to aid is in fact shared by all European partners, and I dispute that it came from Brussels.

Finally, just for the record, the CICID is explicitly mentioned in a very famous report which was never published but which is very famous all the same: the report by Stéphane Hessel, which was commissioned in 1990 and drew upon the experience of coordinating aid between 1981-1983, and hence upon the experience of Jean-Pierre Cot. I don’t want to enter into an argument, I would simply say that there are two things. The first is that Brussels and Paris influenced one another on certain matters. The second is a minor comment, namely that the Europeanisation of French aid is still giving rise to debate if you look at the parliamentary papers or if you meet French members of parliament: they still regularly ask whether it is legitimate to transfer a proportion of our aid via international institutions but also via European institutions. So opinions are certainly divided in France, at a political level.
Olivier Cattaneo

Regarding the consultation of the private sector at a very early stage, I agree entirely with what you say. I just want to give you the example of what we did this year at the French G20, for instance regarding agriculture. We got together with firms during the negotiations. It emerged that the private sector’s priorities were totally compatible with those of the public sector. In preparing our own papers we fixed upon the same priorities. So the action plan adopted by the Government and the G20 members already reflected the views of both sides.

It was not enough. Afterwards, we asked the private sector to show us how private firms were already helping to achieve these goals which were to be adopted by the G20 members. Once again they gave us 54 articles on this subject. Phase 3 (implementation) is the one where we told them how we could establish a formal public/private dialogue for implementing the G20 action plan. We are currently negotiating with the next presidency (Mexican presidency) to ensure that this dialogue is not just confined to the declaration but actually turns into something, a way of conducting public policy and aid policy in the future.

Bernard Petit

The private sector cannot be on any Commission management board, but has long been consulted at a very early stage in the definition of policies and in the debate on the Green Paper. Before Cotonou, the private sector was constantly consulted. Today, the European Investment Bank is the main secular arm implementing investment with the private sector where you have to have a dialogue, but in the “new policy” as well (whenever there is a new commissioner, there is a new policy, that is called the agenda for change), there is a very strong emphasis on the private sector being able to act in countries where there is the rule of law, a stable, sound environment etc.

Just a word about Hillary Clinton. I was in Busan, I heard her. She is absolutely right. For the Americans it is easy to say that official aid represents only 13% and the private sector 70%, because the Americans are second to last in the world in the ranking of official aid donations as a percentage of their income. Yet Hillary Clinton still said: “we are the best”.

I told you that I was thinking about the EPAs; in my view there is no alternative solution. I don’t know of one. If you do, then you must put it on the table, because the system of preferences as it stands is, by definition, open to everyone and so there is no mechanism protecting a number of the existing benefits enjoyed by
the ACP countries. I don’t know of any. That said, there is a way of negotiating the EPAs, a way of negotiating with all stakeholders in civil society. I have told you what I think and that we were wrong to hand over the negotiations to the Directorate General for Trade. I shall tell you a little story. At the time when we negotiated Cotonou and we launched the EPAs, I had a directorate comprising five divisions. One of them was the Trade Division, and whenever a European decision was taken internally, the people in that Trade Division tried to work out how it would affect the ACP countries, in order to protect them and to take various measures. One day, my commissioner called me. He was Danish and he said to me, “Bernard, this division is being transferred to the Directorate General for Trade”. I replied, “No, we must not do that, it’s a mistake, etc.”. He said, “You mustn’t be obstinate, protecting your big directorate and your staff like that.” I answered, “It’s not to protect my staff. These people protect the interests of the developing countries. At DG Trade they will be protecting the interests of the European Union”. Unfortunately, they were transferred to DG Trade and protected the interests of the European Union.

Philippe Mazuel

On the question of migrants, I think you are saying that the transfers of funds are very substantial, so you are asking about the future of these people both in Europe and in their country of origin. But I think that there is also an underlying question: you are asking how these people, who are significant economic players, are involved in deciding and designing policy.

Issiaka Mandé

I think that varies between countries. The country which should be congratulated from that point of view, which is really ahead of all other countries, is Mali, which is very good at involving Malian migrants from the Paris region in development work. It is an electorate with influence. That is not so yet in Burkina.

The Malian investment code does not differentiate between native Malians and those who have adopted another nationality. Malians are always Malians, so they have the same rights as Malian nationals. At some level there could be an idea there that should be looked at more closely.

Regarding the transfer of migrants’ resources, at first the literature claimed that this involved what was effectively spending on luxury items. We have now moved beyond that stage. From time to time there are still people who have
grand weddings in the Comoros, but that is very unusual for migrants. The money really goes on development. Money transferred by women is genuinely spent by families on such things as health and children’s education. The 2004 UNFPA report is extremely informative on that.

Yes, the migrants are from here and from over there. The International Organisation for Migration (IOM) has set up programmes whereby the experience or capital which these migrants have accumulated elsewhere is put to good use in their original communities.

One final point about this programme: it is also the programme concerned with the mobility of the highly skilled; a good example is the Top Ten programme, which enables teachers of African origin to go and teach in the universities of their country of origin. That is funded entirely by the IOM with support from the United Nations Programme for Development. There might be scope for expanding that, but the transfer of money is obviously something that fascinates everyone because there is more money to mobilise elsewhere. The IMF makes that its hobby horse, the World Bank makes it its hobby horse, but we know no more than that. The surveys are not yet sufficiently reliable, otherwise we would say: “Yes, the GDP is very substantial”. In the case of Burkina, I read that the transfer of resources by migrants is what made the difference in terms of growth in the 2010 and 2011 budgets. I don’t know what figures people are using, but it is still true that the volumes are constantly expanding. To take this into account, it is probably necessary to channel this money into specific programmes, i.e. to insist on greater use of the banking system in the country. This means that there must be benefits for people transferring their money through official channels, otherwise they will continue to carry it in a suitcase. We also need to reduce the cost of transfers.

I believe that people have begun thinking about this, even in the French Ministry of Foreign Affairs, with an immigration and development programme which is even more interesting than the migration and co-development aspect. I do not know what has been co-developed, but it is always the case that linguistic shortcomings conceal things which are not very interesting.

We can also talk about the issue at the level of health care staff. This has been well documented by the WHO. In effect, it is said that: “Yes, there are as many Beninese doctors in the Paris region as there are in Benin, as many Nigerien doctors in the United States as in Niger, etc.”. Beyond that, perhaps we need to channel this expertise to make it available to the country.
From the floor

Just to pick up on this last point, particularly the brain drain in the medical sector. A large number of people move around in connection with the WHO and the GATT, particularly in the case of services. I think that there have been many fairly intelligent initiatives recently. To give you one example, the Netherlands is short of nurses and has to bring them in from outside, but Dutch cooperation is going to finance the training of these nurses in the Philippines, i.e. where there will not be the problem of a developing country using its resources to train doctors and nurses who then leave and go to a rich country, since the rich country itself helps to train these people who subsequently move on. I think that there is really something to be done here, aid initiatives which can be intelligent, to enable the movement of persons under optimum conditions.

Corinne Balleix

Regarding the 1998 regime, I ended by saying that there were some additional points to be made, stressing that there were certain limits to this Europeanisation of French policy. In fact, when I referred to the French Development Agency I was not specifically referring to any particular experience. I was linking it to the New Public Management model which may have influenced the Canadian model, with this succession of stages, cascading from international to European level, and the European level adopting some international approaches and then promoting them at the French level. As regards aid predictability and coordination with a view to coherent development policies, I also agree with you.

Before 1997-1998, efforts were being made in this area, but institutional changes only took place as from 1997-1998.

Next, of course there are cross influences, and I think that is where we should really be going between the French level, the international level and the European level concerning development policy.

I could have added something about the Europeanisation process; it seems that the important thing is that, in the end, Europeanisation can exist when it is useful to people involved in French development aid. In particular, I am thinking of the RGPP [the French state’s programme for revising public policy], the division or sharing of labour among donors can be an argument to justify and legitimise the concentration of French aid, and also to justify job losses. France is likewise resisting Europeanisation because it considers that it has certain messages of its own to give, e.g. the specific features of its development
cooperation policy, such as the promotion of cultural cooperation or the specific support that it wants for Africa. These are things that it considers it can really do.

France also wants to ensure permanent, constant visibility, including within development aid. For example, in the division of labour France is sometimes reticent about delegating certain forms of cooperation to other donors, particularly if that is going to be detrimental to its own visibility. France played a key role in the adoption of the code of conduct on the division of labour to ensure that the value added by each donor in a sector or in a geographical area was evaluated by the donor concerned, and that if development activities are delegated, there is an element of reciprocity in that delegation. The purpose of all that is to preserve the visibility of French aid.

I would also like to draw attention to the idea of the coherence of policies in favour of development. In the European debate, the aim was to prevent other public policies (such as agricultural or commercial policy) from having a negative impact on development cooperation policy: European action would not be “coherent” if it allowed aid policy to be diminished by interference from other public policies. In its relations with European institutions, France presented the reform of French aid in 1997-1998 as a contribution towards coherent policies in favour of development. Yet that reform allowed for the emergence of institutions designed more to coordinate aid policy with other national public policies, rather than specifically promote development cooperation policy ahead of other public policies. For France, the aim is therefore not to promote the coherence of policies in favour of development, which would amount to artificially isolating aid policy from its political, strategic or commercial environment, but simply to coordinate the various dimensions of French foreign policy. The White Paper on France’s foreign policy clearly affirms, moreover, that development aid is only one of the components of France’s external action. In that respect, France adheres to the concept of the Whole of Government Approach, discussed, for instance, in the OECD/DAC.

In addition, particularly in the Lisbon Treaty, France played a role in promoting at European level the idea that development policy is just one aspect of the Union’s external policy: this is the Whole of the Union Approach, a Europeanised version of the Whole of Government Approach. The European debate on coherence in favour of development has changed considerably since the adoption of the Lisbon Treaty. It is no longer a question of protecting European aid from interference by other public policies, but of looking for synergies in favour of development between various public policies (migration-development, environment-development). However, for some NGOs there is a risk that funds
originally intended for development may be used for other purposes (combating climate change or illegal immigration), unconnected with development.

**Philippe Mazuel**

As to the last and perhaps most difficult question about abolishing poverty, I am not sure that anyone has the answer to that. In any case, it proves that there is still much to be done and major challenges to be tackled, and thank you for this parallel between the abolition of slavery and the abolition of poverty.

**From the floor**

My question is for Mr Olivier Cattaneo and Mr Issiaka Mandé, who touched on the problem that I want to raise. I would first like to thank you for the quality of your presentation, which was clear and interesting. My question echoes what you said about China, particularly the example of unprocessed timber sent to China. By operating in this way, isn’t China in fact reproducing the old colonial type of trade, with the South supplying only commodities and the North supplying manufactured products? China is acting like a new Northern country; isn’t it preventing the development of countries in the South, isn’t it now tending to strangle the infant industries of the least developed countries?

**Olivier Cattaneo**

I agree entirely with your remarks, and I think that if we were to draw a cartoon in a newspaper showing a development ladder with the developed countries at the top and the least developed countries at the bottom, there would be a very fat China climbing the ladder and breaking all the rungs behind it, preventing the others from coming up. The caption I would put under this cartoon would be something like what you are saying. Unfortunately, I think it is true.

Once again, I don’t think it will always be like that. There has to be a transition in China, but today we are in fact seeing that the values endorsed by European multinationals are unfortunately not those of Chinese multinationals. There has been a great deal of research on this subject recently, particularly by the World Bank. We can see that, depending on the value chain applicable to the developing country and the nature of the target market (an emerging country market or a market in a developed country), the prospects for local industries of rising within the value chain are totally different. Many studies confirm what you say.
Issiaka Mandé

I would say that China is doing business. It says so very clearly. It is establishing a win-win strategy. If you want to win, you must know how to negotiate. I think that is the big problem for many African partners. They do not yet know how to negotiate. The crux of the problem, as a friend of mine told me: when he was a student in Geneva and there were WTO negotiations (at the time of the GATT), the French took over one wing of a hotel, the Americans took the other and the people from Burkina negotiated to share with them because they did not have enough money. That is a problem. The other problem is the ability to negotiate. That is also something that can be learnt, and I think that we still have a great deal to do in terms of African schools of diplomacy, and “knowledgeable experts”, as we say. It is not the Ministry of Foreign Affairs that is supposed to negotiate certain contracts, since they do not understand everything. There are specialists in the Trade Ministry. We have to realise that people are doing business, and that does not involve sentiment, it does have a particular ideological hue.

All that is set aside for effective negotiation. The Ivorians tried it when they said to themselves: “Yes, we shall abandon France, we shall negotiate with the South Africans”. They found out that the black South African business leaders were much tougher than the French business leaders. I think it is much more at that level.

Turning now to the issue of development, China is in fact an emerging country. It is not just China, we are responsible too. When I go shopping I am pleased to be able to buy a glass for one dollar, but in the end a one-dollar glass still poses problems. The cost must be paid for. And some of those who have been ripped off the most are the Africans. On the other hand I think that we can see the macro level, but you have to look at the populations, that is where the big problem is. The Gabon fisherman who has to face competition from the Chinese trader, that is what causes problems for the Gabonese people. The man from Senegal who has to compete with the Chinese businessman, who is both a wholesaler and a semi-wholesaler and who then goes into the street to sell as a retailer like him ... that is a problem. I think that this is the level where the emphasis should be, but otherwise Africans still have much to learn about the art of negotiation.
Philippe Mazuel

Thank you very much to our four contributors, who have raised many points. Before the break, I would like to remind you that we have a forthcoming round table when we have the honour of welcoming His Excellency Mr Tertiuz Zongo, former Prime Minister of Burkina Faso, who left office in April. He held this high office for four years. Also attending the round table will be Mr Omar Kabbaj, a former minister and adviser to His Majesty the King of Morocco, and former President of the African Development Bank, Mr Philippe de Fontaine Vive, first Vice-President of the European Investment Bank, and Mr Dov Zerah, Director General of the AFD. Mr Bernard Petit and Mr Dieter Frisch will also attend this round table, representing the European Commission.
TOWARDS NEW HORIZONS
Our final session is devoted to Europe’s new horizons concerning development aid. There were two key events in 2011: the G20 Development Working Group and, as already mentioned, the High Level Forum on Aid Effectiveness, which took place in Busan. In the light of these events, it is interesting to see how European development or cooperation policy should be positioned. The final Declaration of the High Level Forum contained two conclusions which I consider important. The first is that, to make aid more effective, it is vital to revert to an essential principle of the Paris declaration, the “principle of alignment” of donors on the development strategy of beneficiary countries, in order to enable them to acquire ownership of their policy; ownership is considered a pre-condition for an effective policy. To that end, we need to implement a conditionality based on policy results and not on policy instruments. That proposal has long been promoted by Europe, which tried it out on its own budgetary aid, and Bernard Petit, who is here today, has done much to promote it. A second important conclusion of the Busan final declaration is the recognition that emerging countries are donors, providing aid while they are still developing countries, and that consequently, when they contribute to development aid, they are not obliged to accept all western donor principles. They will only do so on a voluntary basis. It was fairly difficult for the United States to accept that part of the resolution, which will have to be taken on board by European policy-makers.

Europe has itself defined its policy for the coming years in two Commission communications dating from 2011: one is general and the other relates specifically to budgetary development aid. Three key ideas emerge from these documents. The first idea is that the primary goal of Europe’s development aid in the coming years will be poverty reduction, alongside the goal of establishing democracy in beneficiary countries in order to safeguard human rights and foster good governance. The second idea is that it will be necessary to conclude multiple partnerships, particularly with the new emerging countries and civil society. The third idea in these documents is that Europe is not only an aid donor, but pursues a whole range of policies that also affect the development
of countries receiving aid, so it will be extremely important in the future to coordinate those policies with development aid policy.

Taking account of both the Busan Forum conclusions and those of the European Commission’s communications, I suggest that this panel should try to answer three types of questions, although of course they are free to mention others. The first question is how to reconcile the desire for democracy and good governance with the stated aim of alignment and respect for the sovereignty of countries receiving aid. I ask this question because Europe wants to develop its budgetary aid, which should logically be subject to conditions relating to results, as stated by Bernard Petit in the previous session. But at the same time, Europe states that there will be criteria governing eligibility for this budgetary aid, and the overall economic policy of a country forms part of that, as Europe has to ensure not only budgetary transparency, which seems perfectly reasonable for budgetary aid, but also the quality of macroeconomic policy, social policy, industrial policy, etc. So in the end, it covers all the economic policy decisions concerned. I think there is a problem of consistency with the “principle of alignment” here.

My second question is how should European aid be combined with other aid? First, with bilateral aid from European countries. Bernard Petit told us that there is now a consensus between Europe and the EU Member States on development aid objectives. That is important, but in practice, when it comes to the development projects to be conducted in a particular country, does Europe act to supplement bilateral aid or, conversely, does it try to act as the leader? What happens in practice, on the ground? There is also the question of cooperation with other multilateral donors, notably the World Bank. In the 1990s, Europe went its own way, strongly criticising the structural adjustment policies imposed on Africa. I get the impression that we are now seeing Europe largely falling into line with the World Bank’s view. In the current context of the financial crisis affecting developed countries, and its impact on developing countries, should Europe propose original solutions or concur with the World Bank’s proposals? Moreover, should the intervention by emerging countries, and particularly China, cause Europe to modify its own intervention principles or continue going its own sweet way, while leaving China to act alongside it? How do we combine European aid with aid from the new donors?

My third question is this: Europe says that it wants consistent policies, knowing that aid policy is only one of the measures affecting developing countries. Will the Lisbon Treaty actually be implemented to ensure proper consistency? As an outside observer, I see some contradictions. For example, Europe favours the regional integration of the countries of the South, considering it important
to create large internal markets, but at the same time it has signed EPAs with a
country belonging to a union: I am thinking of Ivory Coast in the West African
Monetary Union. Similarly, the common agricultural policy already mentioned
this afternoon is sometimes at odds with development aid policy. For example,
Mali and Burkina Faso are currently trying – together with other Sahel countries –
to get compensation from the WTO for subsidies that industrialised countries
grant to their cotton producers. What is Europe’s position on this? Will it support
African countries in the WTO?

I think that the people around this table know much more about all these
questions than I do, and perhaps they may have some answers. In a meeting like
this, I think it is best for the people from the countries of the South to speak first,
because after all those countries are the ones most concerned with development
aid. At many meetings on development aid, we hear mainly from the donors, and
that is surprising. So today, I am going to call on Mr Tertius Zongo to speak first,
because he represents a least developed country (LDC), and we know that those
are the countries for which development aid is most important. Even though
official development aid only accounts for 13% of international development
funding, as Hillary Clinton said at the Busan Forum, development aid is still a
major issue for the LDCs. I will ask Mr Omar Kabbaj to speak next. As adviser
to the King of Morocco, he represents a middle income country. After that, I
shall call on the donors to speak, and finally the European representatives will
be able to give us their own ideas on future European policy.

Tertius Zongo

Thank you, I think that the way in which Ms Guillaumont introduced her
panel is in line with our basic intentions but, that said, I would like to congra-
tulate the organisers of this meeting because when I saw the list of speakers I
was pleased to see that they were a mixed group of researchers, i.e. academics
and practitioners. That is somewhat unusual. We often think of academics shut
away in their ivory towers, not thinking that anyone outside can contribute
much, while those outside think that academics are in a world of their own. I
also appreciate the approach proposed by the organisers, enabling us to have
our say first. That is why, in my presentation, I am going to tell you a bit about
the history of aid to ensure a better understanding of the various viewpoints
and to answer the questions which have been raised.

You know that nowadays we talk about aid effectiveness, but that is not a
new subject. So why do we talk about aid effectiveness? The question can be
basically summed up as follows: what is the purpose of aid? What is the justifi-
cation for aid? And on the first panel this morning there was the question: how do we assess its effectiveness, and in what way is it effective? Briefly, looking back over the years, there have been three main lines of thinking about aid. First, in the beginning, the justification had much more to do with solidarity. It was a question of emphasising the ethics of things, the ethical imperative of solidarity which is the reason why the rich nations should help people in developing countries.

After that, there was a much greater focus on political motives based on historical links between the old colonial powers and the newly independent territories, the Cold War and the battle between the two ideological blocs. How to keep all the developing countries attached to a bloc? That was the objective.

Later, there were other justifications. There were economic and financial reasons justifying aid, but also reasons no-one talks about much, namely motives based on aid’s potential contribution to stability, security and peace.

What do the developed nations say to themselves? If we help those who are struggling, the decline in world poverty will open up new markets, which will in turn benefit our businesses. That is an economic and financial motive. Second, if we leave them in this state of poverty, the corollary is not obvious, but poverty and destitution create terrorism and insecurity. And one of the speeches by the former President of the World Bank, James Wolfensohn, alludes to that. Basically, he said that the world is currently devoting $900 billion to military expenditure and only $60 billion to development aid; if those figures were reversed, we would probably have far less poverty, insecurity and terrorism. It is true that terrorism sometimes has complex ideological and political causes, but mass poverty also fosters a climate of social and economic insecurity, and anger, in which ideas propagated by terrorists spread very easily. The aid objectives therefore have underlying motives, concerning stability, peace and security.

Aid also takes various forms. Aid has been delivered in various ways depending on its justification and purpose, ranging from humanitarian aid – which was based primarily on the principle of solidarity – to aid in its current forms.

Some panellists mentioned project aid; after that we saw a switch towards programme aid, and as Ms Guillaumont said, there has been a qualitative change towards sectoral and global budgetary aid. But how can we assess the effectiveness of aid today? In reality, when we look at developed countries, I do not mean that they are becoming weary, but there is a sort of impatience when faced with the results. Looking back at how the Marshall Plan worked, how it rescued Europe from its difficulties, when the same donors give money to developing countries today they wonder why they are giving it to countries that are incapable
of overcoming their problems. So the key question today is a question of time: how long does it take to produce results, and what results do we want to see?

On that basis, we can very quickly discuss aid effectiveness. I feel that donor countries say to themselves that to get results in practice within a particular time scale, we have to impose conditions: I will give you aid, but you must do this and that. The issue concerning conditions relates to something which seems obvious. If you meet these conditions your position will change. In reality, however, it is not always obvious. The conditions may be met but the position does not change because, as I said, the first condition is the country’s desire to overcome its problems. How do the people in charge organise themselves to get out of their situation? It is not a question of telling them what they must do to achieve that, but of assisting them. However, it must be said that attitudes have changed a great deal. Today everyone agrees, and I think it is an important step, that we need to focus more on results, results that have a positive impact on people’s living conditions.

That is a point that I might dwell on, perhaps. Also, I think that we need to look at recent lessons, because there has been renewed attention to the question of aid. Look at the various conferences that have taken place, the conference on the Millennium Development Goals at Deauville, the Monterrey Conference on Financing, the conferences in Paris, Busan, and South Korea on aid effectiveness, and in Marrakech on harmonisation, etc.

The first point is to welcome these many conferences bringing people together for their mutual benefit. The second point is that, at these meetings, there was a strong desire to ensure that aid is effective. Now how do we measure effectiveness? That’s another question. We shall doubtless address that in the discussions.

The third point, which I find just as important when we are talking about aid, concerns the players. Looking back into the past, who was involved? The government and the donors. Nowadays, in the debate on aid, we increasingly have governments, donors, civil society, the private sector and parliaments. The players have become more diverse, and that is a strength. Regarding the donors, Ms Guillaumont pointed out that – as the Busan experience proved – you have some emerging countries such as China and India which were not involved in these large forums, and which came and imposed a number of conditions in order to be involved in the conclusions of this meeting on aid effectiveness. So we have some new players here, even in terms of technical and financial partners. The other point concerning the partners is that countries which used to be solely aid beneficiaries are now donor countries, so they understand both sides of the
question. The other key point is the introduction of globalising strategies in the pursuit of aid effectiveness. They amount to saying: “Let’s boost capacity and support national development policies”, i.e.: how can we support the countries themselves so that they bring about their own development?

These questions of perspective lead us to consider the environment in which these economies develop. How do we take that into account? And what is the immediate environment? It is the economic crisis, the debt crisis. In that situation, what are the prospects for cooperation? The immediate political environment concerns events in North Africa and the Middle East. How do we incorporate those as essential elements when we want to talk about the aid prospects? Recent factors concern climate change, what are we doing about that? In Africa, the recent factors also include population issues that we must not ignore. What are we doing? These are very young populations; what are the development cooperation strategies in the face of youth unemployment?

I would like to mention a few points made by the European Commission on the purpose of aid, which remind us that aid means helping to make the economic environment more favourable to economic activity, i.e. aid is only a stimulus, it is not a magic ingredient that brings about development. The important thing is for the countries themselves to understand the essential points, it is for them to reconcile short-, medium- and long-term concerns via a shared vision, an inclusive approach that involves ordinary people in devising a genuine national development strategy.

Now, together with this view of development, we have to move towards new partnerships to meet the enormous needs. However, I think the first point here must be respect for the commitments given. As Ms Guillaumont said, when we are considering the question of harmonisation and alignment, we have to ask how far we have got. We took stock of the situation in Busan. Only one of the thirteen indicators defined has been respected.

And when we review the causes of the failure to abide by the commitments, it is not the fault of the developing countries. If we consider the commitment concerning alignment with national systems, we hear donors say that they want alignment, but when we look at the facts there is no-one willing to do it. However, I must acknowledge that the European Union has made a major effort on this front.

When we say: “Ensure that there is a division of labour, so that everyone does what they are best at”, we realise that everyone wants to do what they
want, not what they can do with others to produce results. So let us first respect existing commitments.

The second point is that we realise that we need to look for other funding sources, and I think that France is making progress here with the tax on airline tickets and many other new funding instruments that need to be introduced, because traditional development aid is not enough nowadays.

The third point concerns strengthening human and institutional capabilities. We must also agree to encourage South-South cooperation. What is that? Today we have the China-Africa and India-Africa summits that we should view as offering potential for change and development, instead of resisting them. We have other summits that enable South-South cooperation to find ways of achieving development, and we need to encourage them. We must move towards greater involvement of civil society and the private sector. In that regard, I welcome the statement by Mr Olivier Cattaneo pointing out that we need more private sector participation to boost development.

Today, when you have discussions with partners, they rightly talk to you about accountability. But who should our governments be accountable to? Are we accountable to the donors? No, we must be accountable to our people, and our parliaments, but we must respect our commitments to our partners. That means that we must succeed in developing local capacity so that the population can take part in defining, implementing and monitoring the policies. At that level, I would like to encourage the French Development Agency to continue its involvement in financing decentralisation and strengthening local authorities. It is a route to good governance which will enable everyone to play their part.

Another point that the donors rightly like to mention concerns ensuring that the funds they provide are well spent. We have said that official development aid cannot, in itself, bring about a country’s development, we need public spending that is efficient overall. We need to ensure that aid is not just a transfer of money, but forms part of a more comprehensive programme that includes the strengthening of capability, managed by the country itself to the satisfaction of all parties. Nor must we put the sole emphasis on spending, there must also be a focus on revenue. Improving the use of revenue is the best way of achieving greater independence and accountability. There can be no effective development aid policy which will help our countries out of poverty and dependence without an accompanying trade policy.

When we talk about development aid, it is common to find that people only look at money transfers for carrying out projects, but the European Commission
reminds us that the purpose of aid is to improve the economic environment, to
make it more favourable to economic activity. So if economic activity improves,
you produce more. So we need to ensure access to the markets. However: go
to Geneva and see what happens in the trade negotiations.

All the countries that were in the same position as the African countries
50 years ago, such as South Korea and China, and which are now developed,
managed to link development aid to trade policy. We can only talk about develop-
ment if development aid permits an increase in the countries’ supply capability,
and if the question of market access is treated more fairly.

Of course, we must set a number of priorities. I can see some, such as food
self-sufficiency. Food security must be one of the key points in the coming years.
Then there are questions concerning education and health. Regarding education
policies, I don’t see them in their current form, I want to see an education that
brings about a change of mentality, a change of behaviour, because today, when
we see our young people leaving school, especially in our French-speaking
area, you get the feeling that school inculcates an institutional attitude rather
than entrepreneurship, i.e. a tendency to take a job as an employee rather than
be self-employed.

We need to change behaviour. And we must invest in that change in behaviour
for the years ahead. Questions concerning water, sanitation and security are
still priority issues.

I shall stop there and answer a question from Ms Guillaumont. It is indeed
quite obvious that questions of democracy are becoming increasingly impor-
tant in the dialogue on aid policy, and that is the point that I am answering.
How do we stop these totally natural and sensible requirements becoming
political conditions? If you look at the European Union, in the new definitions,
the agreements under discussion are to be renamed and become good gover-
nance agreements. I believe the best way of introducing political conditions
is to permit the participation of civil society, the private sector, in devising
and monitoring policies, but also in strengthening the role of Parliament in
supervising the government’s activities. I don’t see how Europe can monitor
political conditionality on the ground. Instead, I see that the further we go
towards participative democracy by strengthening the ability of the players to
bring pressure and to insist on transparency, the more effective we shall be on
the ground. Let us enable countries to take charge for themselves rather than
being submitted to the imposition of political conditions which will create
problems in varying degrees, because they do not bring the necessary endo-
genous structural reforms.
Omar Kabbaj

First, like the other speakers, I would like to thank the IGPDE and the AFD for organising this symposium. As we are celebrating the 70th anniversary of the AFD, and we have unfortunately not talked a lot about the AFD today, I would like to say how I have been associated with this organisation for six years, and with Ms Guillaumont, who has been there much longer. I have witnessed amazing progress in those six years, not just in terms of volume and the quality of the institution’s human resources, but also its geographical influence, which is much greater than it was a few years ago. I just wanted to make that point.

I would like to begin by saying that this meeting is taking place at a crucial time for the world and for official development aid. Yesterday and today we have seen the threat of a ratings agency downgrade for the European Community and the EIB, and tomorrow that may apply to other multilateral institutions. So I find it difficult in this situation to envisage the future that we on this panel would like to see.

I would also like to draw attention to Professor Bossuat’s reference to the Marshall Plan this morning. I think the Marshall Plan represented more than 5 or 6% of US GDP over several years, whereas official development aid currently averages less than 0.4% of donor countries’ GDP. What does the future hold, in view of the situation I just mentioned? It is unfortunate, but we have to live with it.

We have talked a lot about ACP countries but not other regions of the world, and particularly the Mediterranean region. As Tertius Zongo talked a bit more about sub-Saharan Africa, I propose to confine myself to the Mediterranean region, where significant changes are in progress, taking my own country, Morocco, as an example. The problems of these countries are similar, and the European Community has always treated them in the same way, with the same type of agreements, often using Morocco as a model or guinea pig.

Relations with the European Union are currently excellent, with an Advanced Status regime which is the highest level before full membership; that has been the case since 2008, but relations have not always been at that level. As Morocco gained independence back in 1955, it did not qualify for the association agreements offered to overseas territories. In 1963, it made a strong political gesture and applied for full accession to the European Economic Community. There was no response to that application, and it was only three years later, in 1966, that negotiations began. The negotiations were launched a few days after the first Russian submarine entered the Mediterranean (as stated by our ambassador in Brussels at the time). That was perhaps an historical secret that served as a
wake-up call for the Community. But the negotiations were very soon disrupted by France’s empty chair policy at the time, and were not concluded until 1969, six years after the original application. So relations have not always been as excellent as they are now.

This first agreement was an association agreement, as they were known at the time, and was extended to Tunisia, Egypt and other countries in the region. It was essentially a trade agreement, and although it made some tariff concessions it was confined to certain products and was littered with restrictions concerning quotas and dates, etc. In 1976, a cooperation agreement (by contrast to the first agreement of 1969 which was merely commercial) had introduced a clause that was favourable to Morocco in that it granted access for Moroccan industrial products, except agri-industrial products, free of duty and without restriction.

Immediately after the agreement was concluded, textile imports were stopped altogether because there was a crisis at the time in France and in other countries; the ban even covered products which had already been shipped.

I wanted to give this historical account to supplement what was said this morning about the history of relations between countries. I should stress that this type of agreement, which applied to almost all countries in the region, did not include any Stabex formula or any system of generalised preferences benefiting other countries, by definition.

Since then, more recent agreements have included useful financial arrangements, such as compensation for fishing in Moroccan territorial waters, the neighbourhood facilities, EIB funding via the FEMIP, for which I thank my friend Fontaine Vive. Since the beginning of the 2000s, Morocco has embarked on a massive reform programme with a view to preserving the macroeconomic framework and launching major development programmes in all economic sectors. The Moroccan INDH (national human development initiative) programme has also brought social benefits.

What might we be able to do now to improve these relations still further? I believe that trade is vital. It is absolutely essential to be able to improve on the trade that we have. For example, in the last agreement Morocco offered duty-free access for all European industrial products; that will be fully effective from next year. So we have been cutting customs duties every year for the past five years.

There will be zero duty on industrial products next year. Yet the European Union is maintaining restrictions on agri-industrial products and still applying set dates for agricultural products, such as tomatoes. There are many things that
we ought to look at. I think that would enable us to achieve a more balanced relationship.

There is another possibility, along the lines of what the IMF does, since it is currently considering the matter: we might restore some kind of facilities compensating for imbalances in current market prices. To give you an example, Morocco’s energy imports, taking all forms together, are equivalent to 200% of its total exports of phosphates and derivatives. Twice as much is spent on energy imports. It would help if the European Union could do a little bit towards resolving these problems, not to mention wheat that is imported mainly from Europe, and sugar, too.

My other suggestion concerns cooperation with emerging countries, which is also in line with what the EU wants, because there is some sympathy for Morocco in the Gulf states, for example, where we could establish bilateral or trilateral relations. We can also envisage some form of cooperation on site; that already exists between the Mediterranean region – particularly Morocco and sub-Saharan Africa – and the European Union. Obviously, there is the tax on financial transactions; perhaps the EU might be able to exert more pressure to get that implemented. As a member of the UN Secretary General’s Committee on Water, perhaps the EU could secure an increase in the funding for water and sanitation, because not only is it a problem that is becoming very serious at global level, but also the Mediterranean region has the lowest water coefficient in the world. It is a region where it is absolutely vital to do something about that. We must also establish strong links with the private sector and civil society; that could replace actual aid to some extent.

That is more or less what I wanted to say. To answer one of the questions from Sylviane Guillaumont, on relations between the EU and multilateral organisations, particularly the World Bank and the IMF, I think – and I am very sorry to tell my friend Bernard Petit – when it is said that the World Bank and the IMF are bad and all the others are good, I do not agree. First, I will pick up on what he said himself, namely that the countries which say these things in the European Union go to the IMF to say that the problems absolutely must be resolved. And that is not only true for our regions. It is true for Greece, etc. I don’t want to become an advocate for the IMF; but there is the borrowing requirement. It’s what we’re doing with Greece now. At the time, I heard a lot of ministers saying to Fund officials: “But why do you want to fix my deficit at 10%, it’s a matter of sovereignty”. Now that is finished, no-one says that any more. Everyone understands that budget deficits are bad, but at the time that was the general view. The IMF approached Philippe de Fontaine Vive to ask how much the Paris Club was going to contribute. He went and asked the banks how
much they were going to give, even though there was not much bank lending in sub-Saharan Africa.

There was no debt reduction, there was not as yet any Baker plan, or Brady plan, etc. They turned up with a report on the balance of payments, saying to the minister: “I am quite happy for you to do 10%, but explain to me how you are going to do it, bearing in mind the resources that you have, including internal resources.” Perhaps it’s a question of arithmetic, perhaps it’s stupid, but they had no choice and there were performance criteria every quarter. It is what is happening now with Greece. And these figures are linked to performance criteria: if you miss the target, even by €1,000, you cannot withdraw any resources from the Fund.

I believe in cooperation between donors. I have always believed in it, and that is what is happening now in all countries. All the agencies of the European Union, the World Bank, the IMF, etc. are everywhere and work in harmony. Of course, they need countries to cooperate, and, as Tertius Zongo said, we must try to find some way of reconciling the desire for governance with respect for sovereignty. It isn’t easy. As for me, I am in favour of international cooperation.

Philippe de Fontaine Vive

I am going to try to speak first [before answering Ms Guillaumont’s questions], and that will be all the easier in that I agree entirely with what the last two speakers said before me. We can continue the dialogue on a consensual basis. I would like to start by thanking the organisers and wishing the French Development Agency a happy anniversary. It is a pleasure to be back among friends in this room where at times we hold meetings of the Paris Club, so we are effectively in the bad guys’ camp, and where at other times we support the Paris Declaration and the French Development Agency, so (even though what we are doing is in fact the same) we find ourselves in the camp of those who give aid. The second reason to thank you for inviting me today is that, even if we still need to keep an eye on our mobile mail, it is good to think about something other than the financial crisis and our rating downgrades. When we are referring to development aid issues, we also need to bear in mind this general backdrop. Money is scarce, it is becoming ever more so. I don’t want to put a damper on everyone’s hopes, but in the end the coming decade looks set to be particularly difficult, so it would be better to have an agenda on which we more or less agree so that we can make progress instead of arguing with one another.

When you propose “more Europe” as the new perspective, the new horizon (because that is the title of this panel), that pleases me, and it also surprises
me, for two reasons. The first is something to do with what I have heard today: it is as if Europe were somewhere else, as if there were France and the French, and Europe. As if Europe existed separately from France, Germany, Britain and the other Member States. All the same, that is extraordinary now that there is a Community instrument with its own well-understood logic. But Europe does not exist separately from the 27 Member States¹. Let us just be a little careful in how we present things. There are, of course, in Europe, politicians who will have their say. People who embody the Commission’s pioneering spirit, and people with more specific jobs, like the European Investment Bank. To put it simply, the EIB has the same relationship to its subjects and to the High Representative of the European Union as the French Development Agency has to the French Government. That is the parallel that we must bear in mind.

We are Europe’s banker, geared particularly to the duty of solidarity with the rest of the world, but that is not all we are. So there are some of your questions, Ms Guillaumont, that I would like to refer to those who know more about politics than me, even if tomorrow, when I catch the plane to Tunis to meet the current prime minister and his successor in a few days, I shall need to talk about politics a little all the same, because we cannot make good policies without good finance. Greece is there to remind us of that, and perhaps other countries, too.

The second reason why I was a bit surprised when we mentioned Europe as a new perspective for French cooperation policy was because they have been coexisting for 53 years, so it is a bit surprising. It is what I said to myself, even though I am obviously well acquainted with Dov Zerah and the French Development Agency, when I read the latest parliamentary report on the French Development Agency written by Mr Christian Cambon and Mr André Vantomme, an excellent, informative report, but which say: “the French Development Agency is the secular arm of French diplomacy, the AFD is a bit of everything, people often call French cooperation a sort of Swiss army knife”. A nice tribute to the fact that one can do anything at the AFD, which is very good. I would prefer the next parliamentary report to be able to talk about a French standard bearer for European cooperation. That would please me more, i.e. that Europe is becoming an integral part of French policy, and not something outside it. I have read as far as Annex VII of that report, and if you go to Annex VII you will see the letter of assignment issued by the French Prime Minister for the Director General of the French Development Agency, i.e. Mr Fillon, dated 21 September 2010 and, to my great surprise, there is no mention of Europe. Yet we hear the current French President often talking about Europe

¹. 28 from 1st July 2013, Ed.
nowadays. You will hear that on television this evening, I think, or tomorrow. Surprisingly, when he signed the triennial letter of assignment for the director general of the French Development Agency, there was no mention of Europe at all. I am counting on Dov to ensure that in the next letter of assignment Europe has a vital role, because in my opinion Europe represents three perspectives on its own, to answer some of Ms Guillaumont’s questions.

The first perspective is the Union. Today, we cannot achieve anything so long as we remain scattered as we are at present. The statistics show that aid from Europeans represents 55% or even more of global official aid, yet the reality seen from Burkina Faso, from Morocco and from elsewhere is that Europe is absent, because Europe is not an entity, Europe is scattered, Europe has its own little programme and that is what you were referring to just now. France has its programme, Germany has its programme, the EIB has its programme, etc. And what is more, as if we were not scattered enough, totalling thirty altogether (the 27 Member States plus the various financial institutions), we go and spend the money by entrusting it to New York, Washington, or Geneva, international organisations, etc. In all, there is nothing visible about what the EU does. We must do something, we have made a start because it is good to say what needs doing, but we still need to set an example. So, we decided to trust the French Development Agency, i.e. the AFD, and its German counterpart, the KFW; we concluded an agreement of mutual trust because our ultimate aim is that when we go to a non-European country, our teams work together and avoid duplicating or triplicating procedures, meetings with ministers, technical analyses, tenders. All that bureaucracy so that we appear as a European face, sometimes in the form of the head of the AFD, at other times the KFW or the EIB, and anyone else who wants to join in. That is essential.

Your second question, Ms Guillaumont, still to do with the European Union perspective: where does the European Commission want to position itself? I must admit I shall listen with interest to our two friends from the European Commission; as for me, I don’t know, but I work with them every day. They are undecided between two models, depending on the general directorate, the time and the people concerned: they may take the Union approach that I have just mentioned, namely that the High Representative decides on policy while the handling of the money is delegated to key operators such as the AFD in France, or the KFW in Germany, i.e. people who know how to set up projects. This is a possible model for Europe but it is not the one that exists today. In the second model, the European Commission wants not only to coordinate the policies of the Member States but also wants a level playing field which means that they can choose as operator the World Bank or a UN Agency, and not only an EU Agency.
I don’t like this second approach, but it is somewhat similar to what we have at present. Which model will Brussels choose? The model combining good coordination with delegation, or the model which invites bids in the name of a level playing field?

Second perspective: we must be efficient. As previous speakers have already talked about this, I shall be much briefer on this aspect. But public money is a scarce resource. Our taxpayers have less and less to devote to public policies. So we who control this public money must consistently strive to ensure maximum efficiency, and I would reiterate what General de Gaulle said, some years ago, though in much briefer terms. To fulfil this duty of solidarity, he set up the Caisse centrale de coopération économique, i.e. instead of scattering donations in a rather haphazard way, he wanted to create an instrument that would ensure a rational approach; today, that has been renamed the French Development Agency. The six European countries that signed the Treaty of Rome in 1958 did the same thing. Instead of saying to themselves that they would scatter the donations around in the form of structural or other funds, they set up the European Investment Bank, and when giving aid to third parties they required them demonstrate a professional approach. So this question of effectiveness is not new, and today, when public money is increasingly scarce, we owe it to everyone to be as economical as possible with the cost of our aid measures. We must ensure that as much as possible of the money entrusted to us reaches the beneficiary countries, and doesn’t go on administration costs within our organisation; that is a real risk that applies to everyone.

The third European perspective was mentioned by Omar Kabbaj, namely the need to innovate. We have our customary bilateral, international cooperation, that exists and is important. For some things, it is irreplaceable. But I would say that it is largely outdated in the modern world, which is not only multilateral but is also much less hierarchical. You can see it in French society. We can see it in European society, where private foundations have gained an importance that they never used to have. Relations with local authorities, that Omar Kabbaj talked about, have become important.

Bernard Petit mentioned an innovation that also concerned direct funding for associations which are viable and more efficient than government agencies for small projects in the field. These are all new ideas that need to be developed, I feel, and the same applies to public-private partnerships, but we need to help the governments of developing countries to stand up to the big international groups with whom they cannot negotiate intelligently because they do not have the resources. And that is why, to take the example of the Mediterranean, we decided to give the Mediterranean countries temporary
access – for a year or 18 months – to the logistics at our disposal in Europe, at the EIB, on public-private partnerships, to enable them to negotiate better with big international groups.

And the capital? Loans are not the only way. I have hardly heard about anything else except loans and guarantees. There has to be money that can take risks, that can be invested in developing countries. We need equity, to use the English word. Be it in microfinance for small projects or in much more significant investments, even though Europe is currently beset by a crisis, we must use our financial clout to encourage those who are willing to take risks in developing countries to actually take those risks; that is the way to speed up development. I shall finish there.

Dov Zerah

We are celebrating our 70th anniversary. 18 months after his Appeal, General de Gaulle realised that, as he wanted to establish a state, at a time when some parts of France’s empire had already been recovered, he needed a central bank and a Treasury department. Since the Banque de France was in Paris and its doors were closed, and the Treasury department – which at that time was called the Directorate General of Public Funds – was in Vichy, he set up the Caisse centrale de la France libre in London on 2 December 1941. I should also say that, in our business culture, we are genetically resistant to poverty and willing to fight for development. Things have changed, and today we are an agency. But the aim here is not to talk about the AFD.

The first directors of the Agency were convinced Europeans, particularly in the case of our founder, Pierre Denis, who was one of Jean Monnet’s fellow travellers. From the start, the Agency was resolutely and deliberately European. I must say that there are at least three points which need to be stressed concerning the European Union.

First, European aid and cooperation formed one of the first common policies. That was established in the 1960s, at the same time as the common agricultural policy and the common commercial policy. Development aid policy was the first to be established, before regional policy, and before all the other common policies that only appeared in the early 1990s, when the single European market was created.

The second fundamental point, which must never be forgotten, is that the policy was based on partnership with the ACP countries, via the Yaoundé and Lomé conventions. That point is important. The conventions created a number
of mechanisms which we would still do well to take as a model today: I am referring to Stabex and Sysmin.

I would like to draw attention to the reform which took place in the 2000s, when the European Commission decided to allot funds to Community donors. We, the French Development Agency, and the KFW, are the two bilateral banks that received the most from that allocation arrangement. Since 2008, the Commission has allotted €120 million to the AFD. It is very simple: the Commission knows the areas in which we have skills and expertise. Traditionally, that means agricultural development, for example. So we have numerous allocations of funds from the European Commission, e.g. for the management of irrigation zones in Senegal or Mali. But the opposite is also true. We also hand over funds to the European Commission for collective management, because in a country such as Haiti, for example, following the terrible earthquake, bilateral cooperation, however extensive, cannot do everything on its own. It is therefore vital to pool resources and entrust them to multilateral institutions such as the Commission or the World Bank.

Finally, I must mention our agreement on the mutual recognition of procedures between the KFW, the Agency and the EIB. I would like to cite a very simple example, to make it easier to understand the mechanism. The large city of Tunis needs an urban transport network. We set up a dossier with all that entails and submit it to the KFW and the EIB, which accept it. From then on, we are the project leader even if we have contributed the smallest amount of funding. The European Commission joins us in that via the Neighbourhood Investment Facility. And then crucially, on 10 December 2010, we signed a single document with the Tunisian authorities in Tunis. There were four of us signing one document, and I think that, in terms of effectiveness, that is a vital point for future progress.

On conditionality, I shall keep it simple at the risk of being a bit provocative and distancing myself from my friend, Tertius Zongo. It is not possible to do without economic and political conditionality any longer. Today, our fellow citizens expect us to be accountable for what we do, why we do it, how we do it, what we cannot do; we can no longer close our eyes to a number of economic and political practices. The only way is a multilateral approach; there must be Europe and only Europe. It is thanks to Europe that these political and economic conditions can be imposed.

That was the reason for forming the Paris Club in the 1950s. It was formed to prevent the bilateral management of a country’s debt from forcing the country to agree to a number of conditions. We could not have done what was done in
Ivory Coast and Libya without the UN Security Council resolutions. We must be clear today, and recent events demonstrate that. We may criticise global governance, we may think that it is not progressing far or fast enough. But if there is one sphere in which global governance has proved effective in recent weeks, it is in crisis management in certain countries.

The international community took prompt action to draw up a number of lists, sanctions, and measures, and those are all key elements. And we need more of Europe here. When I was a young financial attaché in Brussels in 1984-1986, with a seat on the Development Committee and all the ACP bodies, there were ten of us; it was easy to create an identity when there were ten of us round the table, but with twenty-seven it is more complicated. On the EIB board of directors it is hard to agree on common positions when there are twenty-seven of us round the table. All the same, we need more of Europe when it comes to these economic and political conditions.

On the emerging countries, I understand that, during the day, there have been some adverse comments about China. That is wrong, and I will tell you why. Today, sub-Saharan Africa has a population of 850 million, and in 2050 the figure will be 1.8 to 2 billion. Sub-Saharan Africa is the continent which will see the biggest population growth. If we cannot achieve the economic development of sub-Saharan Africa in forty years, there is no need to have long discussions on the potential consequences or collateral effects in Europe. There is an urgent need for all European countries to ensure that economic development takes place in sub-Saharan Africa, and the Chinese are welcome.

Of course, we may not be pleased that they have attached a particular condition to a commercial loan. We may be unhappy that they have won a tender without meeting all the criteria. That is possible, it is not untrue, but they are making major efforts to change. Three weeks ago I had lengthy talks in Beijing with the Chinese Finance Minister. They are aware that their brand image in Africa is not good, and they want to work with us, the French, with us, the Europeans, and that is a fundamentally positive and important point. We shall need the Indians, Brazilians, South Africans who also want to invest in the development of sub-Saharan Africa. We need them all, and we have to proceed in accordance with the Paris Declaration, which set out the principles to ensure that we maximise efficiency.

Just before I finish, I am going to talk about one of my pet subjects: cotton. In June 2002 I wrote an article in Le Monde calling attention to US subsidies. During the first decade of this century, US production increased by 40%, Chinese production by 60% and Indian production by 100%. Over the same period,
production in sub-Saharan Africa was halved. We can find all the explanations we want in the subsidies, especially the subsidies that the Chinese and Indians can grant because they still have developing country status, which means that their subsidies do not attract as much criticism as those granted by other economic groups.

I would simply say: the Americans, Chinese, Indians or Europeans – and especially the latter, for reasons concerning land use planning in Spain and Greece – grant subsidies to their cotton growers, and why shouldn’t they, but there must be compensation for the Africans. It is vital. We cannot stress the merits of international trade and increasing globalisation while leaving at risk a sector so crucial to economic activity in certain regions of sub-Saharan Africa, just because there are subsidies that distort markets and prices.

To conclude, I would say that wanting “more Europe” does not mean that European aid should be reduced to its Community form. No, European aid must acquire an identity, and today that identity might perhaps entail closer partnership with the EIB or with bilateral agencies such as the AFD or the KFW. The bilateral players are essential because they have extensive experience and great legitimacy on a number of subjects. More Europe means better Europe in harmonious interaction between the European Commission and the bilateral donors.

Dieter Frisch

I would like to say that we are not spokesmen for the current Union. We no longer have the influence that we may once have had. We have opinions on what happens and on what could happen. We are all free agents, otherwise Bernard Petit could not have said certain things, and neither could I. I would like to take the opportunity to say that I am pleased it was possible to include the subject of France/Europe/Africa/development cooperation on the agenda, despite the letter of assignment by Mr Fillon, which does not mention Europe, though it is in fact there. I am surprised at the attention which this subject has attracted, and at the number of people who have spent a day with us on these topics.

In the end, there is so much to be said. When I see the term “new horizons”, I say: let us continue down the road that we have taken, innovating, going farther and adapting to changing circumstances without imagining – as politicians sometimes do – that we always need to break off and start from scratch again, heading for something new. If we look at successive conventions, we see that we no longer recognise that conventions such as Lomé I and Cotonou are more or less about the same thing, or about the same group of countries, because
things have changed so much during the negotiations. For my part, I want that to be the case in the future, that those who are currently in charge take the time to assess what has been done, and what is not working, so that they put things right and make progress.

As regards the route already mapped out by the 2005 consensus, mentioned by Bernard Petit, this consensus on the broad outline of a common policy, i.e. the Member States plus the Community, I would like that route to be followed in practice. That means the code of conduct which the ministers approved a year or two later, when they said: “we are now going to coordinate our policies and progress towards a genuine division of labour”. There is a huge amount to be done here. We certainly need to start with the Community framework. We don’t need to get everyone round the table straightaway, that will never work. There are already enough of us in the current European Union to make it very difficult to arrange coordination and a division of labour, but we need to start here, as the Commission does not claim any leadership in that respect. Its role is to act as a stimulus, but if anyone else has any good ideas, they’re always welcome.

There is no need for anyone to have a monopoly. Nor do I think that there is a need for more centralisation in the management of public funds. When I was young, we managed around 5 to 7% of all the aid provided by the Member States. Today it is around 20%, and I always felt that 20% was about the critical mass needed for the Commission to be a genuine actor, but instruments should simply be coordinated rather than centralised for the remainder of the aid budget. Because if the Commission reaches the limit of its management capability and hands out money from the budget or the Community EDF to other multilateral agencies, as is unfortunately the case, then I think we have taken the wrong road. The Commission is not there to manage a transit budget where money comes in and goes out again to the FAO, the UNDP, etc., which are certainly not more efficient than us.

On the question of conditionality, I shall actually refer to China. I was a bit surprised at what Dov Zerah said, at the end, about the fact that we cannot do without conditionality, whereas I am highly critical of the concept of conditionality today. But I don’t know whether we are talking about the same thing. I think that if we are, then we should be more in agreement, because the conditionality which was applied as a policy of conditions imposed on countries to make them carry out a particular type of structural reforms, say under the Washington consensus, that conditionality never worked. The World Bank has long since recognised that a structural reform that is not discussed, desired, owned and accepted by the country in question is not sustainable, and cannot last. So we wanted to avoid that sort of conditionality and replace it with the
concept of dialogue, and reciprocal commitments. A country respects a reciprocal commitment not because we force it to do so but because it is convinced that it is the way to go. I accept conditionality in a single, very specific case, i.e. for countries which, wishing to join the European Union, have to pay the price for joining the club. I don’t hesitate to use the term in that case.

In relations with third countries, I would be very hesitant. I still believe that we need to do a lot of talking, to convince people. If we do not succeed, we must ultimately suspend a particular form of cooperation or involve private channels or civil society. We cannot be obliged to cooperate with a country that manages its own resources badly. But I doubt whether we can oblige a country to do this or that.

To have the Chinese on board and to do something together, we certainly must not try to impose conditions, especially not political conditions. We cannot think that the Chinese are going to play ball with us on human rights or democracy. That is totally inconceivable. On the other hand, we can imagine that they will agree with us on a concept of good management and desire for development. That is a concept that I would try to discuss if I were still working. I think that we must try to put an end to a competition that could become really unproductive, where we have the impression that if we try to hold the least discussion on a sensitive issue, good management or the choice of priorities, human rights or democracy, the partner countries can say: “We’ll try the Chinese, they do not ask so many awkward questions”. We really need to find common ground here, but let us stay at a level where we can hope that the Chinese are ready to work with us, and avoid areas where they are not at ease with the new order.

Bernard Petit

Three brief comments. The first is that the debate has lately centred on the role of the European Commission as a donor. Of course, it is a major donor, $10 billion or €9 billion a year, that is a huge amount. It is one of the biggest donors in the world, but I think that Europe’s main role is not that. Its main role is to use its power of initiative under the treaty, and its ability to initiate policy. To initiate policy in order to create a federation of Member States, but in the right way. Not to take away power. A federation of Member States around common goals and visions. The best example that I have of that is the Accra meeting on aid effectiveness following the Paris Declaration. On the proposal of the Commission, the Europeans adopted a very ambitious position for Accra and defended it to the last day, the last night, even reopening the document which you had all approved. That is the Commission’s main role, to initiate policy. Of
course, to do that the Commission should be a centre of excellence for global
and sectoral policies, and I fear that it is no longer always the case today, with
a number of restructurings that have taken place. It is always difficult for an old
hand to criticise the new generation, so I don’t want to criticise.

Second point: I shall be very brief, because I agree entirely with Dieter on
political conditionality. There is a fundamental difference between political
conditionality and political dialogue. Cotonou has already introduced some
important innovations concerning political dialogue, but dialogue is not the same
as sanctions. Conditionality implies sanctions. Dialogue implies mutual com-
mittments, and an entire procedure defined in Cotonou, involving consultation
and discussion before cooperation is perhaps suspended. I would add that there
is nevertheless a negative correlation between the concept of conditionality and
the Accra or Paris principles that everyone is so keen on, concerning alignment
and ownership. How can a country own its development policy, as is said in
the Paris or Accra declaration, if the donors impose a number of conditions
on its economic policy which naturally influence the country’s strategy? If we
are serious, we must stop talking about ownership. That is a different debate. I
would rather replace this concept of economic policy conditionality decided in
advance with a conditionality based on results, and that is what the Commission
tried to do with its MDG Contract concept. The Commission spent € 1.8 billion
on this in about ten countries. The concept involved telling a country: “you will
have a minimum amount of budgetary aid every year for six years, and beyond
that minimum, the aid will be adjusted according to the results achieved on the
basis of indicators that we are going to decide jointly.”

A final comment on the division of labour and aid effectiveness. I think that
there is a huge gulf between rhetoric and action. The Paris or Accra rhetoric is
relevant. The European code of conduct on the division of labour is relevant,
but it is not what happens on the ground. I shall just give you one example that
has always struck me. In Kenya, eighteen months ago there were twenty donors
rushing to buy medicines. They bought them through thirteen different central
buying offices, and not the Kenyan one. That is aid effectiveness! In fact, I feel
that we have embarked on a process of making aid into a technocratic routine.
Bureaucracy has won the day, leaving no room for political inspiration. I feel
that the world is changing unbelievably fast, that the private sector, the various
players are adapting equally fast to that change, and that in contrast, in the case
of development aid, it is business as usual.
Sylviane Guillaumont Jeanneney

We have come to the end. It remains for me to thank all the members of the panel, because I think that it has been very interesting, and I thank them for trying to answer some of my questions.
CONCLUSION
by Laure Quenouëlle-Corre

The aim of this symposium was to assess the influence of France and other countries on European development aid policy over the past fifty years; it follows on from a symposium organised by Gérard Bossuat and Marie-Thérèse Bitsch on a similar subject. It has been successful in several ways, because much progress has been made in our research. First, the three major phases of European aid have been explained and discussed in line with the changing global context and with the changing power ratios between Member States and aid recipient countries. Second, the importance of people and institutions within the European Commission has been highlighted by many speakers. Finally, the ways in which French and European aid have influenced one another were discussed at length, revealing the breaks and continuities over the medium term.

I. A REFINED CHRONOLOGY
OF EUROPEAN DEVELOPMENT AID POLICY

The division into three periods which has punctuated this symposium – the beginnings of aid, the extension of the European approach, and then the rethinking of that approach – has proved fruitful because, while it was fairly familiar, new research exploring points of view from outside France and the EEC have refined that division and put it into perspective. In his introduction, Gérard Bossuat first drew attention to the ambiguities of development aid motives: humanitarian considerations often conceal an underlying political or commercial agenda. After France’s exclusive domination of development aid policy up to the mid-1960s, the independence of African countries and the growing assertiveness of the European Commission had an impact on Euro-African relations without leading to any contestation of French dominance (Guia Migani).

In the second phase, the expansion of the European Community – and particularly the United Kingdom’s entry – led to the signing of the Lomé I agreements

in 1975, extending European aid to former British colonies in sub-Saharan Africa, the Caribbean and the Pacific. The expansion marked the start of a decline in French influence, countered by the British, who questioned the effectiveness of aid and the amount of Member States’ contributions. However, Gordon Cumming shed new light on this point by accurately analysing the influence of Britain’s position on the European Commission’s stance – and vice versa. These mutual influences varied greatly from one decade to the next, depending on the changing national and international political context. The 1970s also saw the rising power of new players among the emerging countries and the start of the North-South dialogue. Taking account of those factors, the European Community tried to secure its place as the partner of aid recipient countries (Giuliano Garavini). But in the following decade, the question mark over the earlier development model and the switch to a neo-liberal trade order changed things. While the new aid paradigms established by the Washington consensus (US Treasury, World Bank and IMF) in the late 1980s were taken on board by the Commission, there was an added social dimension concerning structural adjustment (Philippe Hugon).

Finally, the third phase centred on the 2000 Cotonou agreements and the emergence, in 2005, of a European Consensus around the same development vision, which Member States also endorsed in their bilateral policy (Bernard Petit). Then there is the question of the autonomy of European development aid policy and its long-term vision, when it becomes a part of the Union’s foreign policy. Alongside this timid reform, various factors are contributing to a reduction in the European Union’s importance on the international scene: first, the creation of the WTO in 1995 and the review of tariff preferences changed the very idea of development, putting more emphasis on trade policy as a development tool (Olivier Cattaneo). Second, the start of the 21st century saw the entry of new players other than public institutions; the sudden rise of civil society first played an increasing role in the public debate on aid, but the main factor is the advent of private businesses with which public institutions now want to cooperate in the field.

II. PEOPLE AND INSTITUTIONS

In the history of European development aid, the socio-administrative dimension largely reflects changing power relations between recipient countries and Member States. If there is a key question that arises when we study the way development aid is implemented at European level – amount, criteria, choice
of beneficiary countries, etc. – it concerns the decision-making process within a complex institution, with its mysterious procedures that outside observers sometimes cannot fathom. This book identifies and describes the entity which, over the years, devised, negotiated and implemented European aid policy: the Directorate General of Cooperation, and later Development – DG VIII. This was where a European consensus on development was gradually forged, a vision quite different from the positions of the Member States. Unlike the Member States’ representations, which are there to defend their national interests, DG VIII gradually became an autonomous entity dealing with aid questions. The expertise of its staff was supplemented by the ability of its officials to detach themselves from their national origins and become Europeans, seeking a consensus, it is true, but serving the interests of beneficiary countries or those of the European Community rather than their own country. However, like any administrative institution, it had to defend its territory, e.g. against the Directorate General for Trade, which ended up taking over the Trade division of DG VIII – and hence Europe’s trade policy in relation to the countries receiving aid.

At DG VIII, there were some key people behind the European aid project, and various speakers have shown how this human factor was always crucial. When the Common Market was launched, it was Jacques Ferrandi who imposed the French colonial administrative model in the name of an association which France insisted on at the time of the Treaty of Rome negotiations, as Véronique Dimier described. When the former colonial administrator wanted to devise a less technocratic and more pragmatic approach than that of the World Bank, he continued in practice the relationship of interdependence between France and the African leaders, a relationship singularly lacking in transparency. Later, his successors, the German Dieter Frisch and the Frenchman Bernard Petit, both demonstrated their ability to transcend national divisions and work out compromises acceptable to everyone. The strength of their convictions and their personality were undeniably factors in their attempts to modify the European position, e.g. on the transparency of relations with beneficiary countries or the political and social “sustainability” of structural adjustment in the 1990s.

Finally, thanks to the action of certain European Commissioners (Jean-François Deniau, Claude Cheysson, Edgard Pisani), the French played a considerable role at the political level of the Commission. While French influence declined as the EEC was enlarged and more powerful new players came on to the international scene, France remained a driving force behind the implementation of aid policy. That is probably one factor favouring continuity over the half century considered.
III. FRENCH AID, EUROPEAN AID, BREAKS AND CONTINUITIES

Apart from the contrasting pattern of the European Community’s influence over development aid, the first point to note is the constant maintenance of a high level of European aid, as demonstrated by François Pacquement. Conversely, in qualitative and geographical terms, European aid objectives have changed since the early days: in the beginning, aid was largely based on geopolitical considerations and financial wheeler-dealing. Later, in the 1970s, more specific goals were defined, linked to poverty reduction and the aim of aid effectiveness. Following the Lomé III agreements, a more political dimension gained prominence (human rights, governance), then the humanitarian dimension emerged, together with the underlying question of migration. In addition there was strong criticism of tied aid and the lack of coherence and coordination in national and European aid. Aid effectiveness has been a constant topic for thirty years. Apart from that, progress in terms of goals has been significant.

But historians are interested above all in the question of the possible existence of a European idea or doctrine on aid. Did Europe genuinely exist on the development aid scene? This assertion of European identity on the international scene was evident in the 1970s with Lomé I, but largely failed from the 1990s owing to the dominance of the Bretton Woods institutions in defining the new aid paradigms. Possible differences between the European position and that of the IMF or the World Bank in defining ODA criteria would probably be worth examining in more detail.

However, research has shown that the Commission sometimes managed to influence the position of its Member States, such as the United Kingdom; it did not adopt the British hard line on the economic and financial reforms of structural adjustment in the 1990s. It also exerted considerable influence over the French position on aid allocation criteria and action in favour of aid effectiveness, as Corinne Balleix clearly demonstrated. Conversely, she recounted France’s ability to resist the Europeanisation of its policy. And while a quarter of French aid is currently channelled via Europe, France continues to act in its own specific way in particular by maintaining the Franc Zone and keeping up the flows of aid to sub-Saharan Africa, and also through the dynamism of the French Development Agency. From that point of view, there are long-term trends underlying French aid. Finally, while continuing to prefer bilateral aid, France intends to have a say in the development aid debate, within the EU or in the international institutions where it has positioned its experts (World Bank, IMF, WTO).
IV. TOWARDS NEW HORIZONS

The fourth part of this symposium looked at the future, and the topics raised by the donors and beneficiaries of aid are worth taking up. Here, too, there was a constant concern with aid effectiveness (Tertius Zongo), the need for innovation and coordination between international actors (Omar Kabbaj), and equally the pursuit of partnerships with new emerging countries and between bilateral agencies (Dov Zerah), and the maintenance of a united European perspective (Philippe de Fontaine Vive). As for political aid conditionality, at a time when China has become a development player, that remains a matter of debate between donors.

To sum up, the history of development aid reflects the political, economic and social changes in the world and contributes to an understanding of those changes.
NOTES ON THE AUTHORS

BALLEIX (Corinne)

Corinne Balleix is attached to the Conseil d’État, as Rapporteur at the National Asylum Court. At present she is working on asylum and immigration in Europe. As a part-time lecturer, she runs a seminar on European development aid at the Paris Institut d’Études Politiques (IEP). She is also involved in the Masters Degree in Development Studies at the Institut d’Étude du Développement Économique et Social (IEDES) at the University of Paris I, and in the Certificate of Sustainable Development (in-service training) of the IEP of Aix-en-Provence. Specialising in European public policies, she runs courses on European questions for the Masters in Public Affairs at IEP Paris. She has worked as an officer at France Permanent Representation to the European Union in Brussels. In December 2010 she published a book on L’aide européenne au développement (La Documentation française) and in 1999 another one on La France et la Banque centrale européenne (PUF). She has a doctorate in political sciences from the University of Paris II-Panthéon-Assas.

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Gérard Bossuat is emeritus professor of contemporary history at the University of Cergy-Pontoise, Jean Monnet chair ad personam in the history of European integration. He created the Masters Degrees in History and Management of the Cultural Heritage (DESS) at Paris I Panthéon-Sorbonne, and European Studies and International Relations at the University of Cergy-Pontoise. He is a member of the editorial board of the Revue de l’histoire de l’intégration européenne and Matériaux pour l’histoire de notre temps (BDIC), of the boards of directors of the Jean Monnet Foundation for Europe (Lausanne) and the Jean Monnet Association (Paris), and of the Scientific Council of the Pierre Mendès-France Institute (Paris). Author of La France, l’aide américaine et la construction européenne, 1945-1954, (Comité pour l’histoire économique et financière de la France, 1992) and a number of works or articles on the Fourth Republic, European integration and relations between the United States and Europe, Gérard Bossuat recently published a professional biography of Émile Noël, premier secrétaire général de la Commission européenne (Bruylant, De Boeck, 2011). His latest book concerns La France et la construction de l’unité européenne, de 1919 à nos jours (Armand Colin). He is an associate member of the UMR IRICE (Paris I, Paris IV, CNRS).
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Olivier Cattaneo is a New York attorney. He is a lecturer and research associate with the Groupe d’économie mondiale of the Paris Institut d’Études Politiques (IEP). He has worked as an expert in trade and development policy for the OECD, the AFD and the World Bank. He has also worked at the National Assembly and at the Ministries of Labour and Health, and more recently at the Ministry of Agriculture in connection with the French presidency of the G20. With a doctorate in international law from the Geneva Institut Universitaire des Hautes Études Internationales (IUHEI), he has degrees from the Paris IEP and from Georgetown University, and is a World Fellow of Yale University. He is the author of numerous publications on trade and development, including a recent publication with Gary Gereffi and Cornelia Staritz, *Global Value Chains in a Postcrisis World*, World Bank, 2010.

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Philippe de Fontaine Vive is first Vice-President of the European Investment Bank, having been appointed in 2003. He is in charge of innovation, corporate accountability and relations with civil society, as well as activities in France and in the Mediterranean partner countries. He pursued his career at the French Treasury where he last held the post of Head of Public Finances and the Economy. He has also been Deputy Director in charge of State Shareholdings, Deputy Director for Debt, Development and Emerging Markets, Head of the Transport and Urban Planning Office, International Affairs Adviser to the Minister for Economic and Financial Affairs and Head of the Damages Insurance Office. Vice-Chairman of the Paris Club (1996-2000) and Secretary General of the management board of the Economic and Social Development Fund (ESDF) between 1995 and 1996, Philippe de Fontaine Vive was Alternate Director of the World Bank (1990-1992) and a member of the supervisory board of the AFD (1996-2000). He graduated from the Paris Institut d’Études Politiques, with a degree in econometrics and is a former student of the École Nationale d’Administration.

FRISCH (Dieter)

With degrees in economics from Bonn University and in modern languages from Heidelberg University, Dieter Frisch served at the European Commission from 1958 to 1993, during which time he spent 24 years in various jobs relating to development cooperation policy. Director General of development from 1982 to 1993, he negotiated the Lomé III and IV Conventions. He is the author of numerous articles and in particular of a pamphlet on La politique de développement de l’Union européenne : un regard personnel sur 50 ans de coopération internationale, ECDPM, 2008. He is on the board of governors of the European Centre for Development Policy Management (ECDPM, Maastricht) and chairs the planning committee. Dieter Frisch is also a co-founder of Transparency International and is a member of its advisory board and special adviser on European affairs.

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Giuliano Garavini is a post-doctoral researcher in international history at Padova University. He is the author of Dopo gli imperi. L’integrazione europea nello scontro Nord-Sud, Le Monnier, Florence, 2009, published in 2012 by the Oxford University Press under the title: After Empires: European Integration,
Decolonization and the Challenge from the Global South (1957-1986). Giuliano Garavini is working on a book about the 1973 oil shock and coordinating a three-year research project (FIRB), funded by the Italian Ministry of Education, on the subject of conflict between oil and renewable energy in the 1970s and 1980s.

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Omar Kabbaj has been an Adviser to King Mohammed VI since 2006. He is a member of the UN Secretary-General’s Advisory Board on Water and Sanitation (UNSGAB) and of the board of directors of the French Development Agency (AFD). He has served successively as Head of the Ore Marketing Service at the directorate of shareholdings (1963-1966), attached to the credit control department and then Head of the Finance Department at the National Economic Development Bank (BNDE, 1966-1970), Managing Director of the Tadla National Sugar Company (SUNAT, 1970-1974), Managing Director of the
Sebou National Cane Sugar Company (SUNACAS) and assistant to the Minister for Trade, Industry, Mines and the Merchant Navy (1974-1977). Chief of Staff to the Finance Minister (1977-1979), he later joined the board of directors of the World Bank group. In 1980, he became a member of the executive board of the IMF, representing Morocco, Algeria, Tunisia, Iran, Ghana, Oman and Afghanistan. In 1993 he was appointed as Minister with special responsibility for economic incentives, reporting to the Prime Minister. Elected in 1995 as President of the African Development Bank (AfDB), he was re-elected in 2000, and later appointed Honorary President. A graduate of the Toulouse Business School, he was awarded the Order of the Throne (Ouissam El Arch). The US House of Representatives passed a motion congratulating him and encouraging him in his work as head of the African Development Bank (AfDB).

MANDÉ (Issiaka)

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François Pacquement heads up the strategy and history unit at the AFD. He has worked in development aid for various institutions, notably at the French Treasury, the Ministry of Foreign Affairs and the European Commission. At the AFD, he has worked in the field and at head office, being involved in both operational duties and analytical and strategic functions. A lecturer at Paris I Sorbonne (UFR politics), he is the author of publications on the introduction to development aid and its history, such as: “Financement international du développement – Repères”, Afrique contemporaine, 2011/2 (No 236); “Belles histoires de l’aide – introduction thématic au dossier sur l’histoire de l’aide”, Afrique contemporaine, 2011/2 (No 236); “How development assistance from France and the United Kingdom Has Evolved: Fifty Years on from Decolonisation”, Revue internationale de politique de développement, 2010/1; “Building global policies: development assistance, a source of inspiration?”, Idées pour le débat, IDDRI SciencesPo, 2010/10 (No 05); Mieux gérer la mondialisation ? L’aide au développement, with Aurélien Lechevallier and Jennifer Moreau, éditions Ellipses, 2007.
PETIT (Bernard)

Bernard Petit is an Honorary Director General of the European Commission, a consultant for the Bill and Melinda Gates Foundation, Chairman of the board of directors of the Tuberculosis Vaccine Initiative Foundation (TBVI) and a member of the board of directors of the Fondation pour les Études et Recherches sur le Développement International (FERDI). He worked at the European Commission for 37 years (1971-2008), dealing exclusively with development questions. His duties included working as Director of Global and Sectoral policies, responsibility for various divisions dealing in particular with funding, planning, macroeconomic policy, fiscal support and forecasting. In charge of the “Task force”, he was responsible for negotiating the Cotonou agreement (1998-2000) and was the chief negotiator of the first revision of that agreement (2004-2005). He was a Deputy Director General at the Directorate General of Development until December 2008. Bernard Petit holds a doctorate in European law from the University of Paris I Panthéon-Sorbonne, a degree from the European Communities Research Centre of the Paris Faculty of Law and a degree from the Marseille Business School. He is a chevalier de l’Ordre national du mérite [Knight of the National Order of Merit].

QUENNOUËLLE-CORRE (Laure)

Laure Quennouëlle-Corre is a research director at the CNRS-CRH (Centre de recherches historiques). She teaches economic history at the Faculty of Economics of the University of Paris I Panthéon Sorbonne. Specialising in contemporary financial history, she is more particularly concerned with financial markets, financial regulation and the role of the Ministry for the Economy and Finance in economic life. She co-organises a seminar on the history of that ministry. She is a graduate of the IEP and has a doctorate in history.

ZERAH (Dov)

Dov Zerah has been Director General of the French Development Agency (AFD) from June 2010 to May 2013. A former student of the École Nationale d’Administration (1980), he began his career at the French Treasury, where he became Deputy Director in 1991. In 1993, after having been Head of the Cabinet to the Minister for Cooperation, he joined the AFD as Deputy Director. From 1995 to 1997, he was Head of the Cabinet to the Minister for the Environment before becoming Chef de Cabinet to the European Commissioner Edith Cresson until 1999. From 1999 to 2002, Mr Zerah was Chairman of DAGRIS
(Development of the Agro-Industries of the South) and the Cotton Company (COPACO). He was appointed Director of Monnaies et médailles (Mint and Medals) in 2002 before becoming a counsellor at the Cour des Comptes (Court of Auditors) in 2007.

**ZONGO (Tertius)**

Tertius Zongo is the founder and Director of Skylimit Consulting Group. He was Prime Minister of Burkina Faso from June 2007 to April 2011. He was Ambassador to Washington (2002-2007), Minister for the Budget and the Plan, then Minister of Economic and Financial Affairs (1995-2000), Head of the Multilateral Cooperation Department, and then Director General of Cooperation at the Ministry of Economic and Financial Affairs (1988-1995). Former Secretary General of the Chamber of Commerce, Industry and Small Businesses of Burkina Faso and former Director General of the National Cereals Office, he was Governor of the World Bank and the IMF and Director of the Central Bank of West African States (BCEAO) and the West African Development Bank (BOAD). With a Master's degree in economics and business management from Dakar University and a DESS degree in business administration from the IAE, Nantes, Tertius Zongo is a “Grand Officer” of the National Order of Burkina Faso and has an honorary doctorate from Florida LOGOS Christian University. He has contributed to the production of *Perspectives économiques en Afrique : 2002-2003* (African Development Bank and the OECD), *The Macro-economic Management of Foreign Aid: Opportunities and Pitfalls* (IMF, 2006), *Budget Support as more effective Aid: Recent experiences and emerging lessons* (World Bank, 2006).
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O
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<td>AASM</td>
<td>Associated African States and Madagascar</td>
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<td>ACF</td>
<td>Aid and Cooperation Fund</td>
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<td>ACP</td>
<td>African Caribbean Pacific</td>
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<tr>
<td>ADF</td>
<td>African Development Fund</td>
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<tr>
<td>AFD</td>
<td>Agence Française de Développement (French Development Agency)</td>
</tr>
<tr>
<td>AMISOM</td>
<td>African Union Mission in Somalia</td>
</tr>
<tr>
<td>AOF</td>
<td>Afrique Occidentale Française (French West Africa)</td>
</tr>
<tr>
<td>ASMM</td>
<td>African States, Madagascar and Mauritius</td>
</tr>
<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
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<tr>
<td>CCCE</td>
<td>Caisse Centrale de Coopération Économique (Central Economic Cooperation Fund)</td>
</tr>
<tr>
<td>CCFL</td>
<td>Caisse Centrale de la France Libre (Central Fund of Free France)</td>
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<tr>
<td>CET</td>
<td>Common External Tariff</td>
</tr>
<tr>
<td>CFSP</td>
<td>Common Foreign and Security policy</td>
</tr>
<tr>
<td>CICID</td>
<td>Comité Interministériel de la Coopération Internationale et du Développement (Interministerial Committee on International Cooperation and Development)</td>
</tr>
<tr>
<td>CIEC</td>
<td>Conference on International Economic Cooperation</td>
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<tr>
<td>COS</td>
<td>Conseil d’Orientation Stratégique, AFD (Strategic Orientation board)</td>
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<tr>
<td>COSP</td>
<td>Conference on Strategic Direction and Planning</td>
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<tr>
<td>DAC</td>
<td>Development Assistance Committee (OECD)</td>
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<tr>
<td>DC</td>
<td>Developing country</td>
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<tr>
<td>DEVCO</td>
<td>See DG VIII</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td>DG VIII</td>
<td>Directorate General of Overseas Development, later Development Aid, then Development, and currently Directorate General of Development and Cooperation EuropeAid (DEVCO)</td>
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List of main Abbreviations used

DGCID  Direction Générale de la Coopération Internationale et du Développement, MAE (Directorate general of International Cooperation and Development)

DGM  Direction Générale de la Mondialisation (Directorate General of Globalisation)

DGMDP  Direction Générale de la Mondialisation, du Développement et des Partenariats, MAE (Directorate General of Globalisation, Development and Partnerships)

DGTPE  Direction Générale du Trésor et de la Politique Économique (Directorate General of the Treasury and Political Economy)

DRC  Democratic Republic of Congo

EAC  European Association for Cooperation

EAMA  Europe, Middle East and Africa

EBA  Everything but Arms

ECA  Economic Commission for Africa (UN)

ECHO  European Community Humanitarian Office

EDF  European Development Fund

EDF-OCT  European Development Fund for OCTs

EC  European Community (from 1st January, 1987)

EEC  European Economic Community (until 31st December, 1986)

EIB  European Investment Bank

END  Expert National Détaché (Seconded National Expert)

EPA  Economic Partnership Agreement

EPC  European Political Cooperation

EU  European Union

EuropeAid  See DG VIII

FAC  Fonds d’Aide et de Coopération (Cooperation and Aid Fund)

FAO  Food and Agriculture Organisation (UN)

FCO  Foreign and Commonwealth Office

FDI  Foreign direct investment

FEDOM  Fonds Européen de Développement pour les pays d’Outre-Mer (European Development Fund for the Overseas countries and Territories)

FEMIP  Facility for Euro-Mediterranean Investment and Partnership
List of main Abbreviations used

FIDES Fonds d’Investissement pour le Développement Économique et Social (Investment Fund for Economic and Social Development)

FOM France d’Outre-Mer (French overseas territories)

G20 Group of 20

G7 Group of 7

G77 Group of 77

GATS General Agreement on Trade in Services

GATT General Agreement on Tariffs and Trade

GDP Gross Domestic Product

GNI Gross National Income

GNP Gross National Product

GSP Generalised Scheme of Preferences or Generalised System of Preferences

IMF International Monetary Fund

IMO International Migration Organisation

INDH Initiative Nationale pour le Développement Humain (National Initiative for Human Development)

KFW Kreditanstalt für Wiederaufbau (bank for reconstruction)

LDC Least Developed Countries

LIC Low Income Country

MAE Ministère des Affaires Étrangères (French Ministry of Foreign Affairs)

MDGs Millennium Development Goals

MIC Middle Income Country

MTR Middle Term Review

NGO Non-Governmental Organisation

NIEO New International Economic Order

NIP National Indicative Programme

NSC National Security Council (USA)

NWIO New World Information Order

OAMCE Organisation Africaine et Malgache de Coopération Économique (African and Malagasy Economic Cooperation Organisation)

OAU Organisation of African Unity

OCT Overseas Countries and Territories

ODA Official Development Assistance [or Aid]

ODA Overseas Development Administration (British overseas development department)
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<tr>
<td>ODI</td>
<td>Overseas Development Institute</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OEEC</td>
<td>Organisation for European Economic Cooperation</td>
</tr>
<tr>
<td>OMC</td>
<td>Open Method of Coordination</td>
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<tr>
<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
</tr>
<tr>
<td>PRCC</td>
<td>Programme de Renforcement des Capacités Commerciales (Programme for strengthening commercial capacity)</td>
</tr>
<tr>
<td>RGPP</td>
<td>Révision Générale des Politiques Publiques (General Review of Public Policies)</td>
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<tr>
<td>S&amp;D/SDT</td>
<td>Special and Differential Treatment</td>
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<tr>
<td>SAF</td>
<td>Structural Adjustment Facility</td>
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<tr>
<td>SGAE</td>
<td>Secrétariat Général des Affaires Européennes (Secretariat General of European Affairs)</td>
</tr>
<tr>
<td>Stabex</td>
<td>System for stabilisation of export earnings</td>
</tr>
<tr>
<td>Sysmin</td>
<td>System for stabilisation of mineral export earnings</td>
</tr>
<tr>
<td>TFEU</td>
<td>Treaty on the Functioning of the European Union</td>
</tr>
<tr>
<td>TOM</td>
<td>Territoires d’Outre-Mer (Overseas Territories)</td>
</tr>
<tr>
<td>UKREP</td>
<td>United Kingdom Permanent Representation to the EEC/EC/EU</td>
</tr>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UN</td>
<td>United Nations</td>
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<td>WHO</td>
<td>World Health Organisation</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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<td>ZSP</td>
<td>Zone de Solidarité Prioritaire (France’s aid priority zone)</td>
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