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The European Union and the Third World

Martin Holland

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List of Abbreviations

ACP	African, Caribbean and Pacific countries
ALA	Asia–Latin American (Committee)
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
ASEM	Asia–Europe Meeting
CAP	Common Agricultural Policy
CEEC	Central and Eastern European Countries
CFSP	Common Foreign and Security Policy
CIS	Confederation of Independent States
COREPER	Committee of Permanent Representatives
DAC	Development Assistance Committee (of the OECD)
DGI	Directorate General for External Economic Relations
DGVIII	Directorate General for Development
EAMA	Associated African States and Madagascar
EBA	Everything but Arms
EC	European Community
ECHO	European Community Humanitarian Office
EDF	European Development Fund
EEC	European Economic Community
EIB	European Investment Bank
EMU	Economic and Monetary Union
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
EUA	European Units of Account
Eurodad	European Network on Debt and Development
FDI	Foreign Direct Investment
FIC	Forum Island Countries
FRY	Former Republic of Yugoslavia
FTA	Free Trade Areas
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
GSP	Generalized System of Preferences

G7	Group of Seven
HDI	Human Development Index
HIC	High-Income Country
HIPC	Highly Indebted Poor Countries
IGC	Inter-Governmental Conference
IMF	International Monetary Fund
LDC	Least Developed Country
LIC	Low-Income Country
LMIC	Lower Middle-Income Country
Maghreb	Countries of Algeria, Morocco and Touisia
Mashrek	Countries of Egypt, Jordan, Lebanon and Syria
MERCOSUR	Mercado Común del Sur
MFA	Multi-fibre Agreement
MFN	Most Favoured Nation
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organization
NICs	Newly Industrialized Countries
NIS	Newly Independent States (of the former USSR)
OCT	French Overseas Collectivities and Territories
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
QMV	Qualified Majority Voting
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SCR	Service Commun Relex ('Joint Service for the Management of Community Aid to Non-Member Countries')
SEM	Single European Market
STABEX	Stabilization of Export Earnings Scheme
SYSMIN	Stabilization Scheme for Mineral Products
TEU	Treaty on European Union
UK	United Kingdom
UMIC	Upper Middle-Income Country
UN	United Nations
UNDP	United Nations Development Programme
WTO	World Trade Organization
ZANU-PF	Zimbabwe African National Union–Patriotic Front

Preface

This has been without any doubt a difficult book to write. Not only is the topic vast and complex, the parameters within which the EU has operated its policy with the Developing or Third World have undergone radical and seemingly continual reform in recent years. This text incorporates all these significant changes, including a full analysis of the Cotonou Partnership Agreement of June 2000 and the 'Everything but Arms' initiative of March 2001. Hopefully, the analysis will remain both provocative and relevant for years to come even if the policy details continue to change in the future. The analysis poses a number of simple but related questions. First, can the EU demonstrate a distinct development policy separate and superior to that of the Member States? Second, how far have traditional development policy assumptions been replaced by a global liberalized agenda based on free trade? Third, how successfully has the EU linked development policy with its foreign policy activities under CFSP? And lastly, what is the impact of external relations – particularly development policy – on the integration process *per se*?

The conceptualization as well as writing of this book has spanned several years and locations. My gratitude and appreciation go to Heribert Weiland and other colleagues at the Arnold Bergstraesser Institut, University of Freiburg, Germany, and to the Alexander von Humboldt Foundation for their continuing fellowship support; to Apirat Petchsiri and the graduate students of the European Union Studies Programme at Chulalongkorn University, Bangkok, Thailand; and to my colleagues at the Centre for Research on Europe at the University of Canterbury, New Zealand. Special thanks goes to the Rockefeller Foundation for the award of a Bellagio residency fellowship which enabled me to complete the first draft of this manuscript while at the indescribably wonderful Villa Serbelloni on Lake Como Italy in the summer of 2000. Lastly, I hope this book goes some way to repay the debt I owe to my

wife, Ann Marie: the completion of this manuscript would not have been possible without her love, support, understanding and patience.

Villa Serbelloni MARTIN HOLLAND

Author's note

Throughout this book, it can safely be assumed that one Euro equals one Ecu and/or EUA.

For

Ann Marie
who makes me complete

Introduction: Setting the Context

Europe's formal relations with the developing world are as old as the European Community (EC) itself. However, the shape and the content of those relations have altered significantly since the signing of the Treaty of Rome in 1957. Successive enlargements, differential rates of global development, the collapse of communist ideology in Central and Eastern Europe and the reorganization of international trade under the auspices of the World Trade Organization (WTO) have all contributed to redefining the European Union's (EU) external relations with the Third World. These changes were nowhere more dramatically portrayed than in the Lomé Convention (1975–2000). The Convention – linking the EU with the African, Caribbean and Pacific (ACP) developing countries – was considered the hallmark of the EU's policy with the Third World, yet it failed to meet the needs and expectations of the new millennium and underwent a comprehensive and critical review from 1997 onwards. The new century also witnessed parallel revisions undertaken in Europe's relations with Latin America, Asia and elsewhere. This text examines these changes and identifies common themes as well as contrasting examples. Most significantly, the argument presents development policy within the wider context of Europe's integration process and suggests that theories of integration are the appropriate tools for understanding not just Europe's internal politics, but its external relations as well.

In order to contextualize development policy, the EU's engagement with the Third World is best described as a policy patchwork. In addition to the ACP states, it incorporates Latin America, China, India, most of Asia and arguably North Africa. Europe has negotiated framework cooperation agreements with some 15 Asian and Latin American countries; has similar agreements with three regional groupings (the Association of South

East Asian Nations (ASEAN), Andean Pact and Central America); began the Asia–Europe Meeting (ASEM) process; operates cooperation or association agreements with the Maghreb and Mashrek states as well as with four other Mediterranean countries; and, lastly, also has special relationships with a multitude of member state overseas departments and territories. However, by far the most structured and important historical relationship has been the Lomé Convention, which in June 2000 was superseded by the Cotonou Agreement and now embraces almost all the developing countries of the Caribbean, Pacific and sub-Saharan Africa.

Consequently, Europe's traditional view of development has been specific but comparatively limited. The developing world was defined as principally those former member state colonies in Africa, the Caribbean and the Pacific and dealt with under the Lomé framework; only this relationship was historical, institutionalized, comprehensive and based on the principle of non-reciprocity. In contrast, relations with the Indian sub-continent, Asia and Latin America have been comparatively new, *ad hoc*, fragmented and generally more limited in scope. Such a dichotomy (based on past practice rather than development criteria) was always difficult to sustain, and has become increasingly indefensible. The collapse of communism in Central and Eastern Europe further complicated what was already an untenable position: throughout the 1990s development aid was increasingly shifted in favour of these emerging democratic European states. Clearly, Europe's old definitions of development needs were proving to be hopelessly inadequate, raising more issues than they solved.

A more inclusive definition of the developing world was needed for the EU that recognized regional disparities and sought a common approach to common problems. Geography and history were no longer an acceptable or sufficient rationale. Consequently, from 1997 onwards the EU fundamentally reviewed its network of relations with regions of its traditional partners in the developing world (ACP, Asia, Latin America) in an attempt to produce a new policy paradigm that was consistent, comprehensive and common in origin, approach and criteria. Formally, and if somewhat belatedly, this motivation was founded in the treaty obligations agreed to at Maastricht. Article 130u of the Treaty on European Union states:

> Community policy in the sphere of development co-operation, which shall be complementary to the policies pursued by the Member States, shall foster:
> – the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
> – the smooth and gradual integration of the developing countries into the world economy;
> – the campaign against poverty in the developing countries.

Thus the trinity of coordination, coherence and complementarity governing the EU's external policies was extended to development. Europe's relations with the developing world came under greater scrutiny and past practice was challenged both externally and internally. It has become increasingly unfashionable for states and other international actors to follow traditional development strategies because of their modest successes over the past half century. More immediately, priority has been given to the transitional economies of the states of Central and Eastern Europe at the expense of the non-European developing world. For the European Union, charity has increasingly appeared to begin closer to home.

Where is the developing world?

From the EU's perspective, determining what constitutes the Third World has been complicated rather than simplified by its past reliance on the Lomé Convention as the principal line of demarcation. But the Lomé framework, whilst extensive, never provided a comprehensive approach towards the developing world and one of its greatest weaknesses was its somewhat idiosyncratic and incremental nature. For example, consider the following comparison of two countries at the end of the 1990s. Both share a European colonial legacy; they have comparably poor per capita GDPs (Gross Domestic Product); display similar low literacy and life expectancy levels; and the external trade patterns for both are based on a limited range of primary products. Both, clearly, are developing countries, arguably amongst the least developed. In this example, however, only one, Angola, was a member of the Lomé Convention, the

EU's then preferred framework for relations with the developing world. The other, Cambodia, remained outside. Similar parallels can be made between Nigeria (a comparatively affluent Lomé state) and India, a developing country outside the Convention, or between Dominica and Vietnam. Out of the 48 least developed countries in the world as listed by the United Nations, 9 were excluded from the fourth Lomé Convention that only expired in 2000.

These illustrations symbolize a central problem – the patchwork nature of the EU's development policy. A consistent and comprehensive approach has been absent: incrementalism and adhocery spiced with pragmatism and post-colonial *Angst* has resulted in Europe's fragmented and increasing complexity of relations with the countries of Africa, Asia, the Caribbean, Latin America and the Pacific Island states. More vociferous critics argue that such a status quo is indefensible. The question is whether this geographical diversity requires policy pluralism, or is a simple coherent global approach more appropriate and ultimately more effective in realizing development goals?

Defining the 'Third World' has always been problematic. Even the term itself raises political sensitivities. What criteria should be applied: ideology; poverty; geography; economic performance; aid; or exclusion from the global economy? Obviously, reliance on just a single criterion is inadequate. However, each, at some time, has been utilized as the demarcation between the 'First' and 'Third' World. Analysis as recent as 1990 defined the Third World as 'non-European, non-communist and poor' (O'Neill and Vincent, 1990, p. ix). The tumultuous international events of the 1990s overturned not just communism, but also the simplicity of ideology as a definitional development criterion. The former stability of global political geography has dissipated to such an extent that the traditional usage of the term 'developing country' is no longer a clearly delineated concept. The variety of nomenclature is revealing: the 'Third World', 'Developing World', 'the South', 'under-developed', 'non-industrialized' or even 'Other World' have all been applied to the same general category of countries, albeit each with specific inclusions and exclusions. To further complicate matters, just after the birth of the European Community in the late 1950s there were just 83 member countries in the United Nations. By 1989 this had risen to 156 members and by 1996 to 185. Faced with more than one hundred 'new' nations, old designations have seemed increasingly redundant.

At one level it is argued that the Third World can be defined most simply by identifying geographically what constitutes the First and Second/transitional Worlds – definition by exclusion of the 'other'. If we accept this proposition the Third World is composed of all states other than those of Western, Central and Eastern Europe, Russia and the Confederation of Independent States (CIS), Japan, Australasia and North America, mirroring a broad North–South divide (the antipodes excepted). Such simplicity sits uneasily with the reality of crudely defining the economies of Brazil, Singapore, Venezuela, United Arab Emirates, Kuwait or even South Africa as simply developing.

An alternative strategy is to work from the bottom up. The OECD-defined 48 Least Developed Countries (LDCs) obviously fit the rubric; so too do all the 77 ACP (African, Caribbean and Pacific) full member states of the 2000 Cotonou Partnership Agreement, the successor to the previous Lomé Conventions. Once the arithmetic approaches three figures, choices become open to interpretation. What of the states on Europe's southern border? Do, perhaps, the 'economies in transition' of Eastern Europe, or those developing countries on the Mediterranean rim qualify? Further afield, is it valid to classify Latin America, China, India and the vast majority of Asia as an undifferentiated Third World category?

What criteria, then, can Europe use to distinguish between the complex and differentiated categories of the developed and developing world? Certainly a crude dichotomy is unsatisfactory. Perhaps statistics provide a reliable guide to this definitional problem? If so, whose statistics should be used: the OECD, the World Bank, the European Community or the third countries themselves?

The World Bank's *World Development Report 1997* uses 1995 GNP per capita statistics as the main criterion to establish four basic categories of development (covering 210 'countries'). These are (note strange gap between US$3020 and US$3036!):

- Low-income (US$765 or less)
- Lower-middle-income (US$766–3020)
- Upper-middle-income (US$3036–9385)
- High-income (US$ 9386 and above).

The analysis identified 63 low-income economies, 65 lower-middle-income, 30 upper-middle-income and the remaining 52 as high-income economies. The *Report* goes on to state that low- and middle-income economies 'are sometimes referred to as developing economies'; but whilst the 'use of the term is convenient . . . Classification by income does not necessarily reflect development status'(!) (pp. 264–5). Defining the Third World from these World Bank categories is also complicated by geography. For example, 16 lower-middle-income and 7 low-income countries are from Central and Eastern Europe and Russia – economies in transition certainly, but not normally seen as part of the Third World.

In the OECD 1996 Development Assistance Committee's report *Development Cooperation* a different but related methodology is adopted. Focusing on just those developing countries that were ODA (Official Development Aid) recipients, five categories were identified, again using the criterion of per capita GNP (although based on 1992 data):

- Least Developed Countries (LDCs)
- Low-Income Countries (LICs) (less than $675)
- Lower Middle-Income Countries (LMICs) ($676–$2695)
- Upper Middle-Income Countries (UMICs) ($2696–$8355)
- High-Income Countries (HICs) (greater than $8355).

Forty-eight LDCs, 16 LICs, 65 LMICs, 32 UMICs and 6 HICs (see OECD, p. A101) were identified. Two additional categories were used to distinguish between aid to 14 countries and territories in transition (CEECs: Central and Eastern European Countries and NICs: Newly Independent States of the Former Soviet Union) and 6 states designated 'more advanced developing countries' (such as Kuwait, Singapore or the United Arab Emirates). However, nine CEEC/NIS states were still defined as either LIC or LMIC states – traditional Third World categories – blurring the usefulness of the index for defining development status.

The Human Development Index (HDI) offers yet another perspective. This United Nations Development Programme (UNDP) approach supplements indices that focus crudely on GNP bases. It employs indicators based on the criteria of longevity (life expectancy), educational level and income per head: whilst still imperfect, many argue that it gives a better assessment of 'development' as opposed to poverty. The 1999 HDI Report rank-ordered 174 countries and produced some surprising results. For example, the ACP country of Barbados ranked number 30 above EU candidate countries Malta (32), Slovenia (33), Czech Republic (36) and Poland (44)! In fact, five Caribbean ACP States were ranked in the top 50 places. Less surprisingly, every country ranked below 150 was an ACP member (http://www.undp.org/hdro/HDI.html).

Faced with this ambiguity, in this study a precise GNP per capita definition of the Third World is avoided in favour of an essentially geographically based interpretation that reflects the reality and actual practice of the EU's development relations. Marginal countries that are excluded from this study are those that fall into either the World Bank 'higher income' bracket or the OECD 'more advanced developing countries' classification. Most significantly, none of the CEEC/NIS states are included here. This is despite the fact that a number meet the GNP per capita criterion and, as is argued elsewhere in this text, during the 1990s these new states took the lion's share of aid. Indeed, the priority given to their reconstruction highlighted the problems within the EU's fragmented approach to global development *per se*.

Context

It has become commonplace to draw attention to the complications introduced by the pillared approach to post-Maastricht EU policy-making. The Treaty on European Union's (TEU) intergovernmental compromise, which introduced the idea of policy pillars that distinguish between competences and decision-making methods according to policy sector, has undoubtedly exacerbated rather than reduced the ability for the EU to act as a single actor. The cordoning and sanitization of 'foreign policy' as a pillar II intergovernmental competence under the Common Foreign and Security Policy (CFSP) has excessively narrowed the domain for EU foreign policy action. Almost in every instance, pillar I *communautaire* competences are required to implement CFSP in practice. This consequence is nowhere more clearly evident than in relations with the developing world,

TABLE I.1 *Distribution of CFSP Joint Actions and Common Positions adopted, 1997–99*

Focus of CFSP action	*Total number of Common Positions/ Joint Actions*
Eastern Europe Ukraine, Russia, Belarus, Afghanistan, Albania, ex-Yugoslavia/Balkans	64 (43 of which were directed at the Balkans/FRY)
ACP countries Ethiopia, Rwanda/Great Lakes, Africa, Congo, Sierra Leone, Angola, Nigeria	29
Non-ACP developing countries Libya, Indonesia, East Timor, Middle East, North Korea, Iraq, Cuba, Myanmar	14
Thematic issues Nuclear non-proliferation, anti-personnel mines, weapons of dual purpose, biological weapons	22

Source: *European Foreign Affairs Review* (1998, 1999, 2000).

which illustrate both the impracticality of this segmentation, as well as the policy contradictions that can result. Of course, this policy *apartheid* was necessary for reasons related to intra-European debates on integration and the price in terms of a diluted EU external presence was one a majority of member states were willing to pay. For third countries the notion that Europe's relations with the South (particular through Lomé) constitute something other than foreign policy is absurd. But it is an absurdity that the EU insists on preserving.

The CFSP – particularly joint actions and common positions – inevitably contaminates the purity of the TEU's policy pillars. But both the intergovernmental as well as pillar I trade relations between the EU and the developing world remain distinct from CFSP. The accompanying Table highlights how permeable the policy boundaries established under the TEU are. The range of CFSP joint actions, common positions and decisions with developing countries is high and has become the EU's major foreign policy focus outside the Balkans and Eastern Europe. In 1998, for example, Africa accounted for 6 of the 22 common positions taken by the EU, and Asia a further 5: three of the EU's 20 joint actions related to Africa (Allen and Smith, 1999, p. 89). But it is only these joint actions and common positions that are dealt with as foreign policy under pillar II procedures. The problems of coordination between CFSP objectives and those conducted by the EU under pillar I are dealt with elsewhere in this volume. Suffice it to say at this stage that the existence of the CFSP both complements and complicates EU development policy.

The collapse of the Berlin Wall (intriguingly exactly on the 101st anniversary of the birth of Jean Monnet) has done more to redefine the context of the EU's development policy than any other contemporary single event. The East, not the South, became the principal focus of EU development assistance throughout the 1990s. This new geopolitical context has also cast a shadow that extends significantly into the future in the form of enlargement. Arguably, by 2010 at the latest, the EU may have expanded to include perhaps as many as ten new members – the majority if not all of which will be comparatively poor by current EU standards despite the development assistance of the 1990s. Under these circumstances, the willingness or ability of the EU to continue with traditional development support has been questioned. Consequently, whilst at one level the negotiations for enlarging the EU appear to be a strictly intra-EU issue, the implications do set the context within which existing and future relations with the developing world are determined. Arguably, part of the explanation behind the EU's determination to redefine the basis of the Lomé Convention is suggested by the context of enlargement.

Similarly, Agenda 2000 and the related Inter-Governmental Conference (IGC) issues relating to institutional reform also impact upon the EU's development policy – albeit in an indirect way. The need to move beyond the constraints of consensus towards majority voting has implications for all external relations. In particular, the new emphasis on enhanced cooperation as a decision-making style could see the EU adopting differentiated layers of relationships with the developing world. No longer may it be necessary for the fifteen to find a consensus to formulate policy: an inner core group of states may prefer to extend their joint activity to introduce a more extensive collective European policy. Of course, no such policy can contradict the existing *acquis* but undoubtedly this flexibility can be regarded as a potential policy vanguard and as such it can implicitly set the future policy direction of the EU as a whole. Potentially, enhanced cooperation can create path-dependency by creating a new level of collective policy for the core group of states that can ultimately lead to a new collective future policy status quo for all member states. This tendency can be applied – at least in theory – to initiatives in development policy. As past enlargements have already shown, northern and southern EU states have different development policy perspectives and it seems quite possible that a Nordic dimension could use enhanced cooperation to advance collective development policy for a smaller number of states. This possibility at least does influence the context of EU decision-making. The former use of consensus as a policy brake, if not redundant as a threat, is no longer an absolute veto.

Turning from the internal European contexts that help to shape development perspectives, there are two important external arenas that constrain EU policy: the WTO and global debt-reduction initiatives. The failed 1999 Seattle WTO meeting illustrated both the inter-related nature of the EU and WTO agendas and the importance of incorporating development concerns as a central feature of global liberalization. Simply, whatever independent initiatives the EU may wish to make in development policy, these need to be both compatible with WTO rules and consistent with developing country aspirations. As the banana saga of the late 1990s illustrated, the global context of WTO institutions is a clear and legitimate constraint of EU policy formation. Similarly, the G7 initiative of 1998/9 on global debt reduction for categories of developing countries helped to shape the emergence of a common EU stance on the issue. Thus institutional frameworks outside those of the EU have had – and will continue to have – an impact of the direction and application of specifically EU development policy.

Other examples could be added to this list of external and internal agents – the global consensus on poverty, the environment and women's development in particular. However, the important point at least from the perspective of this text is that clearly context does matter. Despite being the world's largest trader and having experienced some 50 years of collective action the EU cannot act in a fully autonomous manner but is, like all international actors, constrained by a multiple series of contexts, both intra-European and global.

In summary, context matters. Europe's development policy does not operate in a vacuum – whether theoretical or empirical. Policy choices are constrained by the varied contexts (internal, external and global) within which the EU operates. This general conclusion has significant policy implications and this section has outlined a number of particular contexts that have influenced the EU's relationship with the developing world (such as CFSP, enlargement, Agenda 2000, the WTO and global debt initiatives).

Objectives and challenges: the focus of the study

The task of this text is to explore this mosaic of relations – historically, institutionally and in terms of contemporary policies – and to provide a comprehensive overview that both respects the uniqueness of each policy sector and demonstrates, where applicable, the commonalities of the EU's global relations with the developing world. This tension has been the hallmark of EU–Third World relations to date and recent reforms were in part designed to address the issue of differentiation.

An aspect of integration?

The primary focus is on the EU policy-making process. In particular, the link between internal EU integration and external relations is emphasized. The debates pertaining to a deeper Union and the integration process are not confined purely to Europe's own Single Market and Monetary Union programmes; they influence and direct the policies adopted towards the external world. At a simplistic theoretical level, this analysis suggests that there is a simple 'spillover' from the level of political and economic integration within the EU into the area of development policy. Collective external action is dependent on the political will of the EU's elite; without their agreement policy reformulation is impossible given its intergovernmental character. The purpose of this book is not to provide a detailed description of each EU–developing country bilateral relationship, or even to provide an exhaustive account of the various treaties and agreements. Rather, it provides a thematic analysis and overview that locates development policy in the wider integration debate. (See Chapter 9 for a fuller discussion of this theoretical application.) Where specific examples and cases are discussed in various chapters, these are by way of illustration of more general issues.

A case for subsidiarity?

A fundamental question posed in this analysis is to what extent should there be an EU development policy? What can the EU do better – in terms of development – than the member states? Can a more effective development policy be conducted bilaterally between member states and third countries directly than can be achieved 'collectively' at the EU level? Simply, but provocatively, is development policy a case for subsidiarity? The concept of subsidiarity introduced in the Maastricht Treaty has traditionally (and legally) been regarded as confined to discussions of intra-EU policy competences. Subsidiarity is interpreted legally as a requirement that EU policy only be implemented where there is a clear advantage over the bilateral implementation of that policy by individual member states. Brussels has to demonstrate that things can be done better collectively than by the individual governments acting separately. Within the EU's internal policies this concept has been problematic enough: in external relations, both intergovernmental and *communautaire*, the difficulties are magnified.

However, the principle (at least in a general if not precise legal sense) is relevant to the current external relations debate. The onus is on the EU to demonstrate that the EU is better in conducting and delivering development policy to the Third World than are the member states. If this cannot be demonstrated a renationalization of development policy could emerge, a tendency consistent with the general intergovernmental interpretation of subsidiarity. The challenge, then, is to what extent can the EU demonstrate both a *distinct* development role for itself as well as a *superior* one to that of the member states? Whilst development policy will continue to be an area of mixed competences and commitments between the member states and the EU, the recent trend has been towards increasing the role of the Union.

And yet to avoid duplication the EU needs to establish a distinct role in development policy separate from that already conducted by the member states. As one senior Commission official has suggested, there seems little point in Europe running a sixteenth programme for the sake of it. Member states can choose whether to commit their resources bilaterally or through the EU system: what clear advantages can the Community route offer? Historically, what has been lacking is any coherent and accepted yardstick that can determine what aspects of development cooperation are best done bilaterally by member states, and what are better done collectively at the Community level.

In some respects the EU makes a unique contribution to development aid. First, through the Lomé Convention the EU attempted to introduce a greater degree of equality into the development relationship than traditional bilateral arrangements. Second, largely thanks to pressure from the European Parliament, Europe initiated policy and debate on a number of development issues, such as women and development, reproductive healthcare, AIDS, the environment and development, and refugees. Third, a bottom-up philosophy tends to emphasize cooperation with NGOs as the appropriate deliverer of development assistance. Overall, it can be argued that collective EU development policy adds value if only by virtue of its scale of assistance, particularly in areas such as emergency food aid and through Lomé funds. However, in general in the past there has been a deafening silence in answer to the questions of Europe's distinctive development role and what policy elements are best coordinated at the EU level. Only in 2000 did the Commission finally begin to address this fundamental concern.

Whilst Treaty Article 130 lists distinctive features of EU development policy, currently these are not exclusive domains: however, it might provide a guide to the EU–member state division for future policy sectors. Many proposals to define and specify a distinct EU role have been tabled. For example, the EU could focus primarily on poverty alleviation (as required by the TEU). This radical approach would see EU assistance focus on the least developed countries, leaving bilateral member-state relations to cover the other developing countries. Such a division runs counter to the past twenty-five years of Lomé relations that have grouped all types of developing country together under a single convention. Any dismantling of the ACP framework would require significant member-state cooperation and goodwill in order to plug the resultant gaps. Obviously this touches on the central issue of the role of the Council. Intergovernmental agendas suggest that neither the extension of EU policy competences nor a redistribution of competences between the Union and its member states will be easily achieved. Others have called for the EU to act as the 'wholesaler' of development assistance (supporting the structure of development) with member states acting as 'retailers' in the local markets (actually implementing specific programmes on the ground). Another proposal emphasizes conditionality concerning 'democracy and the rule of law . . . human rights and fundamental freedoms' as a distinctive competence of EU policy. Thus whatever bilateral relations might exist would be governed by EU-level definitions of human rights and democratic conditionality. The operation of the European Community Humanitarian Office (ECHO) adds credence to Europe's civilian humanitarian identity. However, the current consensus is for parallel organizations to exist rather than to create an exclusive EU role. Rationalization rather than duplication may be to the greater benefit of developing countries in the post-Lomé world. These and other themes are explored in greater detail in the following chapters.

Optional or fundamental?

Confronting this fundamental question – does the EU need a development policy – is essential. Is any such policy merely an optional extension of the process of integration, like social or regional policy, or is it a core function, even perhaps a democratic obligation? We cannot take as given the necessity of a development policy beyond the technical framework established by the Common Commercial Policy. However, there are a number of altruistic as well as self-interested reasons that suggest that a development policy is not optional, but fundamental to the process of European integration and the EU's global role.

Included among these motivations based on self-interest is the desire to avoid destabilization caused by increased immigration and refugee crises. Whilst a Europe just for Europeans is not the policy of the EU, improving the living standards of the Third World may reduce the economic attraction of migration (both legal and illegal) to Western Europe. The maintenance of resource supplies remains a factor, although one that has diminished since the collapse of the Soviet Union. With the opening up of markets and resources in the former Soviet sphere of influence, the EU is no longer exclusively dependent on the developing countries for certain products and raw materials. A further motivation can be found in the EU's support for the exploitation of export markets and the general promotion of global free trade. As is discussed elsewhere in this book the EU is committed to integrating the Third World into the global trading system, but preferably on the basis of free trade despite the developing world's scepticism. Lastly, the EU has long held a desire to emerge as a global actor – both economic as well as political. The development agenda allows it to play such a political role through its economic power as the world's largest trader.

More altruistically, the EU's development policy expresses its belief in democracy. The pervasive application of conditionality concerning human rights, good governance and democracy should not be misinterpreted as the imposition of European values on reluctant developing states. Typically, developing countries welcome this conditionality as it can help them safeguard and extend democratic practices domestically. Similarly, EU policy encourages and supports regional integration in the developing world. Even under the past Lomé umbrella there were provisions for the promotion of regional integration projects, such as the Southern African Development Community (SADC) for example. Obviously, as the world's most advanced form of regional cooperation, the EU has a philosophical commitment to integration; however, it would be somewhat churlish to regard this as a selfish motivation. The rationale is primarily altruistic. Finally, there is the assumption (already touched on) that Europe's internal integration cannot be treated in splendid isolation but is inextricably linked with its external relations. What happens within the EU integration process has fundamental repercussions for the developing world – economically, socially and environmentally. The consequences of a failed Single Market, or Monetary Union would not be confined to Europe: they would impact directly on the fragile economies of the developing world. The development of the Third World is, therefore, inextricably linked to the internal success of European integration.

According to the European Union's official website, the union's purpose is to promote peace, establish a unified economic and monetary system, promote inclusion and combat discrimination, break down barriers to trade and borders, encourage technological and scientific developments, champion environmental protection, and, among others, promote goals like a competitive global market and social progress.Â In the post-World War II world, the European Union has sought to bolster the individual and collective economic and social well being of the countries involved, as well as establish a cohesive global marketplace that promotes trade and other social values.

The European Union has a number of relationships with nations that are not formally part of the Union. According to the European Union's official site, and a statement by Commissioner GÃ¼nter Verheugen, the aim is to have a ring of countries, sharing EU's democratic ideals and joining them in further integration without necessarily becoming full member states. YouTube Encyclopedic. 1/5.Â While it may be true in some cases, Europeâ€™s economic powerhouse Germany, is now the fourth strongest economy in the world, only a few places behind top ranked USA. Today weâ€™re going to compare the two, in this episode of the Infographics Show, US Economy vs German Economy. Donâ€™t forget to subscribe and click the bell button so that you can be part of our Notification Squad. The term "Third World" arose during the Cold War to define countries that remained non-aligned with either NATO or the Warsaw Pact. The United States, Canada, Japan, South Korea, Western European nations and their allies represented the First World, while the Soviet Union, China, Cuba, and their allies represented the Second World. This terminology provided a way of broadly categorizing the nations of the Earth into three groups based on political and economic divisions. Since the fall of the Soviet European Union (EU), international organization comprising 27 European countries and governing common economic, social, and security policies. The EU was created by the Maastricht Treaty, which entered into force on November 1, 1993. The EUâ€™s common currency is the euro. Learn more about the EU in this article.Â Author of Interests and Integration: Market Liberalization, Public Opinion, and the European Union. See Article History. Alternative Titles: EU, EuropÃ¤ische Union, Union EuropÃ©enne, Unione Europea. European Union; Beethoven, Ludwig von. The â€œOde to Joyâ€ from Ludwig von Beethoven's Symphony No. 9 is the anthem of the European Union.