

# THE COMMUNITY AND THE THIRD WORLD



  
Europe  
on the move



*'Development policy is a cornerstone of European integration. Today it is a manifestation of Europe's identity in the world at large and a major plank in the Community's external policies generally'. (Memorandum on Community development policy)*

*'We must increasingly open our markets to countries which have a vital need to export rather than increase their indebtedness. We must establish financial instruments to help adapt and modernize their economies'.*

*Jacques Delors,  
President of the  
Commission*

**N**ot many people now remember that the Community's development cooperation policy came into being at the same time as the Community itself!

The first European Development Fund was established in 1958, when the process of decolonialization was not yet over. At the time it covered only 18 African countries and Madagascar which, following their independence, signed the first and then the second Yaoundé Conventions. That was the start of it all.

Thirty years later the Community and its cooperation policy have grown in stature and scope.

In 1991 there are few developing countries which have not established special ties with the Community and even fewer which do not receive some form of Community aid.



**1** **2** *Emergency aid in Mozambique. In 1990 the Community spent ECU 115 million to bring help to stricken people in the Third World. This figure does not include the food aid that the Community regularly provides — aid to refugees in South East Asia.*

## FROM AFRICA TO THE PACIFIC

After the Yaoundé agreements came the four Lomé Conventions, named after the Togolese capital where they were signed in 1975, 1979, 1984 and 1989. These Conventions represent the most far-reaching and lasting North-South cooperation agreement ever signed, under which the 12 Member States of the Community have as their partners 69 **African, Caribbean and Pacific** countries.

In the **Mediterranean** region the first agreements, signed in the 1960s, were fairly limited in scope but from 1975 onwards agreements covering all aspects of cooperation were concluded with each of the southern Mediterranean countries — Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon.

In the 1980s the network of agreements was extended to **Asia and Latin America**. Some of these are bilateral, others regional: an approach which is highly favoured by the Community (for example with the Asean countries, the countries of the Andean Pact and of Central America).

Obviously these agreements are not all the same. The Lomé Convention, for example, is far more varied and complete than a framework cooperation agreement of the type concluded with, say, Brazil. The Community has, none the less, effectively established a policy based on contractual partnership covering the majority of the Third World, striving each year to extend and improve this policy.



## REFUGEES

There are 15 million refugees, 6.7 million of whom are in Asia and 4.5 million in Africa. The Community steps in everywhere to provide emergency aid, food aid and development support. It is a partner of prime importance for the Office of the United Nations High Commissioner for Refugees and for many non-governmental organizations.

## EUROPEAN SOLIDARITY

The Community has tried to establish a cooperation policy with its partners geared to their long-term development. But it can also intervene in emergencies and bring help throughout the world to the victims of all types of disasters (droughts, famines, natural disasters, conflicts, civil wars).

It has a special budget for emergency aid and large amounts of food aid at its disposal. It is not widely realized that in many cases it is the Community that steps in first in an emergency. It is also in charge of coordinating Member States' operations. The Community provides a significant proportion of the resources of many humanitarian organizations.

In 1990 alone the Community took action in more than 25 Third World countries, ranging from Liberia to Southern Africa, from Iran to Cambodia, from Lebanon to the countries affected by the Gulf conflict. But it has also come to the assistance of, for example, Romania and other Eastern European countries. In 1990 Community emergency aid, not counting food aid, amounted to nearly ECU 115 million, in addition to aid from the Member States which totalled approximately ECU 185 million.<sup>1</sup>

## DEVELOPING RURAL AREAS: A PRIORITY

When asked what should be done first to help the Third World, Europeans reply that the main priority is to combat hunger by promoting rural development. This is indeed the priority area of the Community's development cooperation policy since, clearly, Europe does not confine itself to short-term humanitarian operations. Most of its funding is allocated to projects or programmes designed to strengthen its partners' economies, make them less dependent and bring about lasting improvements to people's living standards.

These operations vary quite widely — they cover industrial production, transport, education, health and trade. But agricultural and rural development alone accounts for almost 50% of funding, 24% of which is earmarked for agricultural production as such — much more than other donors allocate (on average 11%).

The successive Lomé Conventions have given increasing emphasis to rural development. In practical terms this means that an ever-growing proportion of aid (60% to 90% of programmable funds) is

**Decisions should be made at Community level:** *According to an opinion carried out in the autumn of 1990 by Eurobarometer, 77% of Europeans believe that cooperation with the developing countries should be the responsibility of the Community and not the national governments.*



<sup>1</sup> ECU 1 = about UKL 0.69 or IRL 0.77 or USD 1.20.

*'A handful of small countries, with small markets, with limited economic potential are doomed, if they do not unite forces to play an active role in an ever more global economy'.*

*Abel Matutes, Member of the Commission*

targeted on this sector in most of the African, Caribbean and Pacific countries. Community aid programmes in Latin America and Asia are less varied as they basically consist of regional cooperation programmes; rural development projects, however, account for 80% of the total (1979-88).

The same priority is found in the Maghreb and Mashreq Mediterranean countries such as Jordan, Tunisia, Egypt and Morocco.

## LISTENING TO OUR PARTNERS

**Dialogue:** The Community does not set out to define its partners' needs, priorities or operating methods. The relations and the form of cooperation that it has established with them are based on negotiation when concluding agreements and on dialogue when it comes to carrying out operations. Joint institutions have been set up to this end under the Lomé Conventions and for the Mediterranean and other agreements. This ongoing dialogue, besides enabling priorities to be set by mutual agreement, has also made it possible for cooper-



*Market gardening in Senegal. The main priority of Community policy is to encourage rural development. Nearly 50% of all financing is allocated to this.*

*Water supplies in Burkina Faso.*

## PROMOTING REGIONAL INTEGRATION

In its relations with the Third World the Community attaches particular importance to factors likely to promote regional integration: cooperation agreements with a group of countries (Asean, Andean Pact, Central America, the Gulf countries and, of course, the ACP States), support for regional organizations, development projects with a regional dimension and so on. This approach is one of the main features of the Community's cooperation policy.

ation to evolve, to tackle new areas such as the environment, population, and culture and to establish new instruments, ranging from Stabex (stabilization of export earnings) to structural adjustment support measures or systems for promoting private enterprise.

**Experiment:** This, therefore, involves continual experimentation, a constant process of adapting to the results achieved and the difficulties encountered, and also to political, economic and social changes. The Community's development policy is not therefore — and never will be — 'complete'. It will undergo further changes — not least the changes arising from an increasing transfer of Member States' cooperation policies to the Community level as a result of the Single Act.

## A WIDE RANGE OF INSTRUMENTS

Some instruments were established by cooperation agreements, others by decision of the Community itself.

- Promotion of the developing countries' trade: Community system of generalized preferences, the trade provisions of agreements, trade promotion activities;
- emergency aid (all developing countries and other non-member countries);
- food aid (outside the developing world) to cope with emergency situations or food shortages;
- development finance:

European Development Fund (ACP countries): financing of projects or programmes,

financial protocols annexed to the agreements with the Mediterranean countries,

European Investment Bank: loans to the ACP and Mediterranean countries, financial aid to the countries of Latin America and Asia (rural development, regional integration and training),

support for joint ventures between European firms and firms from Latin America, Asia and the Mediterranean countries;



- support for non-governmental organizations;
- research and development programme (agriculture, health);
- special budgets for specific operations: environment, drug abuse control, AIDS, etc.

*Harvesting coffee in Zimbabwe. With time and experience, increasing attention has been given to rural development. Successive aid and development cooperation conventions (the 1975, 1979, 1984 and 1989 Lomé Conventions) are proof of the concern to help people to support themselves and improve their living environment.*



*'Industrialization — the complement of rural development — must be seen as a driving force in promoting economic change designed to ensure self-sustaining growth and meet people's basic needs'.*

*Manuel Marín,  
Vice-President  
of the Commission*

*Milk production aid in India. Since the beginning of the 1980s, development agreements have been extended to Asia and Latin America.*

## FACTS AND FIGURES

One hundred and seven Third World countries have concluded cooperation agreements with the Community. In 1989 development projects were under way in 92 countries.

EEC exports to the countries of the South are **20 %** higher than combined exports to the United States of America and Japan (1989).

The Community is the developing world's major trading partner: it absorbs **21.5 %** of its exports.

In 1988 development aid amounted to some USD 2.9 billion, accounting for **5.4 %** of total Community expenditure.

— Although the amount spent on development aid rose by **220 %** between 1978 and 1988 it is still fairly modest: **12 %** of global aid from the Member States (bilateral and multilateral aid).

— If all aid from the Community and the Member States is put together it accounts for **36 %** of world aid: the Twelve are the principal source of aid,

far outstripping the United States and Japan.

The principal beneficiary of Community aid is sub-Saharan African (**63 %**), followed by Southern Asia (12.3%), Latin America and the Caribbean (11.1%).

Despite this relative concentration of aid on black Africa, other main beneficiaries include India, Bangladesh, Egypt, Tunisia and Mexico.

Development projects account for **64 %** of this aid. The amount spent on food aid, though decreasing, represents **23 %**.

*'Real development should be based on respect for human rights and should be the fruit of participation by the people in all stages of development, which I shall call economic democracy'.*

*Manuel Marín,  
Vice-President  
of the Commission*



*Home for abandoned children in Madagascar. The Community is one of the principal partners of the Office of the United Nations High Commissioner for Refugees, and works with the main organizations which help refugees and the homeless*



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COMMISSION OFFICES

<b>Office in Ireland</b>	39 Molesworth Street, Dublin 2 — Tel. 71 22 44
<b>Office in England</b>	8 Storey's Gate, London SW1P 3AT — Tel. 222 81 22
<b>Office in Wales</b>	4 Cathedral Road, Cardiff CF1 9SG — Tel. 37 16 31
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<b>Office in Northern Ireland</b>	Windsor House, 9/15 Bedford Street, Belfast BT2 7EG — Tel. 24 07 08
<b>Information services in the USA</b>	2100 M Street, NW, Suite 707, Washington DC 20037 - USA Tel. (202) 862-9500 305 East 47th Street, 1 Dag Hammarskjöld Plaza, New York, NY 10017 - USA — Tel. (212) 371-3804

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