

# **A new step in the EU-ACP Relations:**

## *Towards Cotonou*

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## **LIST OF ACRONYMS**

AAMS	Associated African and Malagasy States
ACP	African, Caribbean and Pacific States
AIDS	Acquired Immune Deficiency Syndrome
CAP	Common Agricultural Policy
CEMAC	Communauté Economique et Monetaire de l’Afrique Centrale
DG	Directorate General
EC	European Communities
ECDPM	European Centre for Development Policy Management
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEC	European Economic Community
EPAs	Economic Partnership Agreements
EU	European Union
FTAs	Free Trade Agreements
GDP	Gross Domestic Product
GSP	Generalised System of Preferences

HIPC	Highly Indebted Poor Countries
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
IOs	International organisations
NGOs	Non-governmental organisations
OPEC	the Organisation of the Petroleum Exporting Countries
SADC	Southern African Development Community
SAPs	Structural Adjustment Programmes
STABEX	Stabilisation of Export Earnings
STP	São Tome and Principe
SYSMIN	System that guarantees export earnings from the minerals sector
WTO	World Trade Organisation



# 1 INTRODUCTION: THE EU-ACP RELATIONS AND THE COTONOU AGREEMENT

The European Union's development policy is the subject for this thesis. More precisely it deals with the EU's development policy toward the Third World, mainly African countries, but also Pacific and Caribbean countries, the so-called ACP group. These countries are all former colonies of some of EU's Member States, especially France and Great Britain, as we will see. EU's policy toward these countries goes back to the late 1950's (more on that below). But in this thesis I have chosen to focus on the Cotonou Agreement between the European Union and the ACP states, more precisely the process which led to this agreement.

The Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part and the European Community and its Member States of the other part, often referred to as the Cotonou Agreement<sup>1</sup>, was signed on June 23 2000 (Brown, 2002: 191). The Cotonou Agreement replaced the Lomé Convention (see below). As a headline of an article in ACP-EU Courier states, the signing of this new agreement marks "a new era of cooperation" (Karl, 2000a). In an interview with Kenneth Karl in ACP-EU Courier, Bernard Petit, director in European Commission declares that the Cotonou Agreement is something unique:

"The Cotonou Agreement is the only one of its kind in the world. I know of no other agreement which is as global as this and which is based on the three pillars of politics, trade and development between a group of industrialised countries and a group of developing countries. The conclusion of this Agreement shows that the will within the EU to set up a framework of privileged relations with the ACP group is indeed genuine." (Karl, 2000b)

The main objective of the Cotonou Agreement is to reduce and then eradicate poverty (the Cotonou Agreement, 2000: Art. 1)<sup>2</sup>. According to the agreement the partners are equal (ibid: Art. 2). The ACP States are supposed to define the development strategies

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<sup>1</sup> When referring to this agreement in this thesis, I will not use its full name, but refer to it as the "Cotonou Agreement." See one example above.

<sup>2</sup> I have chosen to refer to the articles in the Cotonou Agreement.

for their economies themselves; these states own the development strategies (ibid: Art. 2). Participation, dialogue and mutual obligations are fundamental principles, in addition to regionalisation (ibid: Art. 2). Peace-building and conflict prevention are other important features (ibid: Art. 11). Other important objectives are sustainable development and integration of the ACP countries into the world economy (ibid: Art. 19). I will present the content of the Cotonou Agreement in more detail in chapter four.

### **1.1 The EU's Development Policy**

The European Union is a very important actor in the development process today and about half of all public aid to the developing countries comes from the EU (The European Community's Development Policy- Statement by the Council and the Commission, <http://www.europa.eu.int>). And the EU is a very important trading partner for the developing countries (ibid). The EU is involved in all regions of the world (The European Community's Development policy- Statement by the Council and the Commission, <http://www.europa.eu.int>). The most important principle in EU's development policy is the principle of sustainable, equitable and participatory human and social development (ibid). The EU works to promote human rights, democracy, the rule of law and good governance (ibid). The most important objective is reducing and later, eradicating poverty (ibid). Other central elements of the development policy are the work to reduce inequality; supporting sustainable economic and social and environmental development and promoting the integration of the developing countries into the world economy (ibid).

The EU's development policy towards the Third World has long roots: The Treaty of Rome was signed in 1957, creating the European Economic Community, and contained articles about the colonies, or the Associates (Grilli, 1993: 7-9). Some of the Member States were colonial powers, especially France (ibid: 1). In the late 1950's and the beginning of the 1960's the process of decolonization started (ibid: 14). In 1963 the first formal treaty between the EC and the newly decolonized countries in Africa was signed and it was named the Yaoundé I Convention (ibid: 9). Yaoundé II was signed in 1969 (ibid: 9).

In 1973 the United Kingdom, a former colonial power, joined the European Community (Brown, 2002: 44). Two years later the Lomé Convention between the EC and the ACP States was signed in Lomé, Togo (ibid: 58). The Lomé Convention was renegotiated approximately every five or six years, in 1979, 1984, 1989 and 1995, introducing new trends like structural adjustment and political conditionality (Brown, 2002: 64, 69, 88 and 129). In 1996 the European Commission issued a Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century. Challenges and options for a new partnership (European Commission, 1996). It started a debate about the EU-ACP relations (European Commission, 1997: 6). The European Commission argues in the Green Paper that the world since the end of the Cold War has changed: Important factors are economic globalisation and interdependence, the technological innovation that spreads quickly, a demographic development characterised by strong population growth in sub-Saharan Africa and an expected decline in the global population growth and the development of a multipolar world (European Commission, 1996: 1-2). All these factors affect EU-ACP relations, according to the European Commission (European Commission, 1996: 1). The Green Paper also discusses different forms of cooperation (ibid: 44-45) and trading arrangements between the EU and the ACP group (ibid: 65-67). I will go into detail about the Green Paper in chapter 4. Negotiations about a new partnership agreement between the EU and the ACP Group began in September 1998 and the Partnership Agreement was signed in Benin's capital Cotonou on 23 June 2000 (Brown, 2002: 191). The agreement is often referred to as the Cotonou Agreement. Above I mentioned some of the objectives of the Cotonou Agreement. A new invention of this agreement is the regional economic partnership agreements which are being negotiated, which are supposed to enter into force by January 1 2008 (the Cotonou Agreement, 2000: Art. 37). This was only a short overview over EU-ACP relations. I will go into details in a later chapter.

## **1.2 Research question**

There are several aspects of this subject that can be studied and analysed in a thesis. This thesis will not focus much on the contents of the Cotonou Agreement, except for

chapter 4. The subject of this thesis is the process which led to the signing of the Cotonou Agreement. I will focus particularly on the EU's interests as well as asking whether there were any other alternatives to continued cooperation with the ACP countries. The background for such a focus is the process of reviewing these relations, which the EU started in the 1990s, in which the Green Paper is considered important.

The research question for this thesis is: *What were the driving forces for the EU in the process which led to the Cotonou Agreement?* The term driving forces can have a rather wide definition. But here I have chosen to focus on two aspects of it; interests and path dependence. Two questions are central in this thesis:

1. *Which interests were decisive for the EU in the process which led to the Cotonou Agreement?*
2. *Did the EU have any choice but to continue the relations with the ACP countries?*

Although the process of reviewing the development policy began in the early 1990s, I will focus on the period from 1996, the year the Green Paper was issued, until 2000, the year when the Cotonou Agreement was signed. Although the European Union consists of national states that protect their own national interests, the EU will be treated as one international actor with its own interests in this thesis.

Choosing such a subject and research question could be explained by pointing to the fact that the EU has developed into a global actor, being involved in all parts of the world (see above). As I have mentioned above, the EU is an important donor and trading partner for the developing countries. Development policy is a significant part of the EU's common foreign and security policy. Another reason for the choice of subject is the long tradition of relations between the EU and the ACP countries. These relations have now been further developed and altered, due to various events and developments internationally, such as the end of the Cold War. The Cotonou Agreement is also quite interesting in itself, mainly because it to a large extent represents something new and it is a very ambitious agreement, with not only ambitious objectives, but it launches cooperation on several different issues. The

agreement also has an invention, the Economic Partnership Agreements, which are being negotiated (see chapter 4).

There is also a belief here that the interests of the EU may have changed since the Lomé Convention. The international changes since the end of the Cold War may explain that. Not only economic issues, such as trade, and values, such as democracy are important. The concept of security has changed in recent years, and security issues have become more important in recent years and seem to have affected these relations and the contents of the agreement. And the EU might have found it difficult not to go on cooperating with the ACP states, for various reasons. In other words, several factors might have affected the EU's decision.

### **1.3 Theory**

In order to give a proper analysis and answers to the research question, it is necessary with theoretical perspectives as analytical tools or framework. In this case, in which I am asking about driving forces, which can have a rather wide definition; it is useful having more than one theoretical perspective. In order to study various aspects of this subject, using two theoretical perspectives is necessary. I have chosen to use two quite different theoretical perspectives as analytical tools in this thesis.

#### **1.3.1 Realism / Neo-realism and interests**

The first theoretical perspective is realism and neo-realism. Realist thinking has long roots in political science, back to Antiquity, with Thucydides as an important source (Donnelly, 2000: 23). Other famous realists are Machiavelli, Thomas Hobbes and Hans Morgenthau (ibid: 13). It is characterised not as a theory, but rather as an approach to international relations (ibid: 6). Realism pays much attention to human nature and its constraints on politics (ibid: 9). There is also a focus on the lack of an international government (ibid: 9). Realism is a state-centric perspective, which means that states are the dominant actors in the international system (ibid: 7; 8). States are motivated by national interest and survival (ibid: 7). Structural realism, or neo-realism emphasises international anarchy (ibid: 11). The leading neo-realist is Kenneth Waltz (ibid: 30). As realism, neo-realism focuses on national interests (Matlary, 2002: 6). But

in addition to security interests the neo-realists emphasise the economic interests of states (ibid: 15). Security interests and economic interests are factors that explain international relations (ibid: 15).

There is one particular aspect of this perspective that is interesting in this context; interests, which is a term usually associated with states. In chapter 2 I will present a definition of the term “interest” and a historical outline of the development of this concept. One type of interest is the “national interest”, which national states promote, or protect in their foreign policy (Matlary, 2002: 6). National interests comprise territorial security and economic security (Matlary, 2002: 6). In this thesis, in which the actor is not a national state, the term self-interest will be used instead of national interest. This is the traditional definition of interests.

However, this definition has been challenged. The result has been a new definition of the term “interests.” According to Matlary (Matlary, 2004: 146) there are three types of interests: Security, economic and the “new” type, value-based interests. Value-based interests are often about promoting certain norms and values, such as human rights (Matlary, 2002: 6). Value-based interests have become more important after the end of the Cold War (ibid: 7). It is on the agenda in international relations and issues like peace, democracy and human rights are more important issues today than previously (ibid: 9). Joseph S. Nye Jr. is another political scientist who has defined interests. He has classified interests into three groups; A, B and C interests: The A interests are about security and a state’s survival; the B interests are about economy and the C interests are common interests, or interests shared by all countries, such as environment (Matlary, 2002: 18; Nye, 1999: 26). This perspective will be used to find out which interests that have been most important to the EU in the process which led to the Cotonou Agreement, with a particular focus on economic, security and value-based interests in the analysis.

### **1.3.2 Path dependence**

The second theoretical perspective that will be used in this thesis has a different focus. This perspective is called path dependence. This perspective is used to describe political processes (Pierson, 2000: 251). The presentation and discussion of path

dependence will to a large extent be based on an article by Paul Pierson. Path dependence is defined as a “social process grounded in a dynamic of “increasing returns”” (Pierson, 2000: 251). It claims that when you have chosen a course of action, or a certain policy it will most likely be very hard to reverse it (ibid: 251). However, in chapter 2 there will be two other definitions of path dependence, as well as some critique.

Increasing returns is an example of path dependence (Pierson, 2000: 251). With each step along a path the more likely it is that the actor will continue down that path (ibid: 252). Increasing returns processes are unpredictable, inflexible and might be path inefficient, in addition to being characterised by nonergodicity (ibid: 253). Politics is conducive to increasing returns processes due to these four aspects of politics: 1) the importance of collective action in politics; 2) a high number of institutions in politics; 3) political authority can be used to increase power asymmetries and 4) politics is characterised by “complexity and opacity” (Pierson, 2000: 257).

Politics is characterised by “multiple equilibria, contingency, a critical role for timing and sequencing and inertia,” in cases marked by path dependence (Pierson, 2000: 263). This perspective will be used in order to find out if there were any other alternative than going on with the relations with the ACP countries.

## **1.4 Methodology**

The next step now is to present the methodology of this thesis. There are several possible ways of designing a thesis, such as a case study, experiments, survey, archival analysis and history (Yin, 1994: 6). This thesis is designed as a case study. There are several types of case studies, such as atheoretical case studies, interpretive case studies, hypothesis-generating case studies, theory-confirming case studies, theory-infirming case studies and deviant case studies (Collier, 1993: 107; Lijphart, 1971). A definition of what a case study is will be given in chapter 3.

This is an interpretive case study in which theoretical perspectives are the analytical framework. This case study has only one case. In other words, it is a single case study. It is also common to distinguish between qualitative and quantitative

methods, and between qualitative and quantitative data (Grønmo, 1996: 73-74). This is a qualitative analysis, in which I use qualitative data. I have performed one type of document analysis, qualitative content analysis. There are several sources of evidence, such as documentation, archival records, interviews, direct observations, participant-observation and physical artefacts (Yin, 1994: 79). However, documents are the most important sources in this thesis, and document analysis is therefore the method used here. I have particularly focussed on using quotations from various sources in the analysis. Two terms need to be commented upon in discussing methodology. These terms are validity and reliability. The first one, validity refers to the relevance of the data for the research question in the thesis (Hellevik, 1999: 183). The second term, reliability refers to how things are measured (ibid: 183). I will have a closer discussion on these issues in the chapter about methodology.

## **1.5 Structure of the thesis**

This thesis has six chapters in addition to this introductory chapter. Chapter 2 presents and discusses the two theoretical perspectives that will be used in the analysis. I will present and discuss realism and the neo-realistic perspective, before I present and discuss three different types of interests. Finally, there will be a presentation and discussion of the second perspective, path dependence. The third chapter is about methodology. As this thesis is a case study; I will define and introduce case studies, especially the relevant type of case study. Further, I will have a presentation of use of evidence and a discussion on validity and reliability. In chapter four I will present the history of the relations between the European Union and the ACP countries, from the beginning in late 1950s with associationism, then the two Yaoundé Conventions, the first Lomé Convention, the renegotiations, the Green Paper and the Cotonou Agreement itself, including the Economic Partnership Agreements. I will particularly focus on the changes that have been made during the years.

Due to the use of two different theoretical perspectives the analysis is divided into two parts. Chapter five provides the first part of the analysis, discussing different types of interests and the importance of these to the EU. Chapter six is the second part of the analysis, discussing a second aspect of the research question, of whether there



was any other alternative than going on with the relations, using path dependence as framework. The second analytical chapter ends with a short discussion on whether the relations between the EU and the ACP States are an example of a process of increasing returns. Finally, chapter seven provides the conclusion, answering the research question and the questions asked in the two analytical chapters. There will also be a short discussion on whether the theoretical tools have been sufficient. Could any other perspectives or theories have been useful in this context? The last part of the conclusion is a look at the EU-ACP relations in the past, present and in the future. In addition to these chapters, there will be one appendix, with a list of the six groups negotiating economic partnership agreements with the EU.

## **2 THEORETICAL PERSPECTIVES: REALISM/ NEO-REALISM, INTERESTS AND PATH DEPENDENCE**

### **2.1 Introduction**

This chapter deals with the theory and theoretical terms which will be the analytical framework in the analysis. The first theoretical perspective here is two theoretical groupings within international relations; realism and neo-realism. I will not deal with all aspects of realism and neo-realism, but rather give a short introduction. There is one aspect of realism/neo-realism that will be dealt with in particular and that is the term “interest.” I will present and discuss the traditional definition and history of the term interest, or national interest and then present and discuss newer definitions of interest, such as A, B and C interests and value-based interests. Later in this chapter I will present a very different theoretical perspective, namely path dependence, which has been used in economics and in recent years in political science (Pierson, 2000: 251). Finally, I will explain how to use the theoretical terms in the analysis.

### **2.2 Realism and Neo-realism**

Realism has long traditions in political science. It goes back to Thucydides in the Antiquity (Donnelly, 2000: 23). Other significant realists are Machiavelli, Thomas Hobbes and Hans Morgenthau (ibid: 13). Realism is not considered a theory, but rather an approach to or perspective on international relations (ibid: 6). There are several groupings of realism, like classical realism, which also is called biological realism and structural realism, or neo-realism (ibid: 11). Realism is characterised by its focus on human nature and its constraints on politics (ibid: 9). Human nature is marked by egoism and evil (ibid: 9-10). Realists also emphasise that there is no international government (ibid: 9), or in other words the international system is described as an anarchy (ibid: 10). States are the dominant actors in the international system (ibid: 7). They are considered rational actors, with a certain military capability which enables them to destroy other states (ibid: 7). National interests are the states’ basic motivation

(ibid: 7). Realists are sceptical towards international laws, institutions and ideals that may threaten nationalism (ibid: 8).

In the 1980s there was a new generation of realists, the so-called neo-realists (ibid: 30). Kenneth Waltz is often mentioned as the leading neo-realist, or as a representative of strong structural realism, with his book from 1979, *Theory of International Politics* (ibid: 16). Another leading neo-realist is Robert Gilpin, who has paid much attention to economic aspects of neo-realism (Matlary, 2002: 15). Structural realists or neo-realists put a strong focus on international anarchy (Donnelly, 2000: 11). According to neo-realists states are unitary rational actors concerned with improving their material welfare (ibid: 30). States are, as in realism considered the most important actors (Matlary, 2002: 15). As in realism, neo-realism argues that foreign policy is all about promoting national interests, which mainly means security (ibid: 6). But neo-realists also underline the importance of economic interests (ibid: 6). Security interests and economic interests are factors that explain international relations (ibid: 15).

Using realism in this case can be problematic. In my thesis the actor is not a single state, but the European Union, a regional organisation. There is little or nothing about that kind of actors in neo-realism. Today there are other actors than states participating in the international system, for example non-governmental organisations (NGOs) and there are more international and regional organisations, such as the EU today, than ever before, as we will see below.<sup>3</sup> To a larger extent than before the EU acts more like one actor in the international system, as one bloc. One example is in the World Trade Organisation (WTO) (The EU and the WTO, <http://europa.eu.int>). Another aspect is the question of what kind of actor the EU is. Is the EU an intergovernmental organisation, with national states negotiating and fighting for their own interests? Or is the EU a federalist superstate? Does that mean a theoretical perspective like neo-realism cannot be used in this context? Not necessarily. A central concept of neo-realism is “interest”, which will be defined and discussed below. The EU has its own interests and own ambitions. The EU has become an international

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<sup>3</sup> See 2.3.1 Value-based interests.

actor, and increasingly a global actor, which is involved in all parts of the world, not only the ACP states.

Neo-realism is just the starting point for this analysis. The term “interest” will be central in this chapter and in the analysis. National interests, or self-interests, are particularly important. However, in recent years, interest has been given new definitions and content. But first, I will look at the development of the term national interest.

### **2.2.1 Interests, national interests or self-interests**

What does the term “interest” mean? Its origin is Latin and it means: “It concerns, it makes a difference to, or is important with reference to, some person or thing” (Beard, 1934: 22). In realism, or neo-realism interests are usually linked to nations, or states, as we have seen above. The term “national interest” is a rather modern concept in diplomacy and it is a very common term (Beard, 1934: 4). Its origin is neither the Antiquity nor the Middle Ages: In Antiquity states and empires certainly pursued their interests, but it was not national interests and the Romans, for instance, found justification in “*utilitas rei publica*” or in “*reipublicæ ratio et utilitas*” (Beard, 1934: 4). After the collapse of the Roman Empire there were no national states (ibid: 5). But in the Middle Ages gradually small states were established, which were feudal principalities ruled by war lords, so there was still no national interest (ibid: 5). Eventually, these states developed into duchies, principalities and kingdoms (ibid: 5). Still there were no national interests; feudal principalities were merged into rising states and dynastic interest was the new concept (ibid: 8). By dynastic interest we mean expansion of territory, increase in personal property, “fortunate family alliances” and rivalries between individuals and between families (Beard, 1934: 8-9). Later it meant that the royal revenues were enlarged through “the enrichment of merchants and agriculturists” (Beard, 1934: 9). By the end of the 19<sup>th</sup> century the term dynastic interests were no longer used by diplomats (ibid: 9-10). A term which is related to dynastic interests is reason of the state, *raison d’etat*, or *staatsrason*; the roots of this term go back to Machiavelli (ibid: 14). Originally, it meant maintaining the present government in power, eliminating opposition at home, expanding territory and

influence abroad and “enriching the ruling class of the state” (Beard, 1934: 14). This could be done for instance by bribing, making intrigues, by making war or forming secret alliances (ibid: 14). One reason of the state was “the honour of the prince”, which later was changed into “national honour” (ibid: 16). Today, however, terms like dynastic interest, state reason, the honour of the prince and national honour are abandoned (ibid: 21).

National interest as a concept was established when the national state system developed and influence of popular political control increased; at the same time economic relations expanded (ibid: 21). According to Beard (Beard, 1934: 22), diplomacy began using the term national interest when the national commercial state emerged and during increasing republican control over national affairs. Further, Beard (Beard, 1934: 23) argues that national interest is a result of a compromise between dynastic interests and interests of the rising class power, and then by popular power. In England terms like “England’s interest”, “public interest” and “national interest” became common by the end of the 17<sup>th</sup> century and were frequently used by parliamentarians, publicists and by members of the ruling classes (Beard, 1934: 24).

Promotion of national interests has traditionally been the core of foreign policy: National interests are linked to territorial security and economic security; a state is supposed to protect its national interests (Matlary, 2002: 6). This is “realpolitik”, which is defined as traditional and territorially defined national interests, which are security policy and economic interests (Matlary, 2002: 10). Security interests means defence against invasion (ibid: 6), and one state did not interfere in other states’ wars if it did not threaten its own territory (ibid: 10). Altruism and action motivated by values should not be a part of international relations, according to realists (ibid: 10). Today, security does not only have a national basis, but it has a broader definition: It comprises regional and global security (ibid: 6).

Today it is common to talk about a concept of extended security and the so-called Copenhagen School, which has a wider definition of security than realism, with its focus on the state (Sjursen, 2004: 61). According to this school security is studied as a discourse in which some issues are “securitised,” which means that they become security issues, while other issues are “desecuritised,” which means they are no longer

security issues (ibid: 61). This school operates with five sectors in the study of security: The military sector, the environmental sector, the economic sector, the societal sector and the political sector, which all may be securitised (Sjursen, 2004: 61). There have been some changes in European thinking about security: There is no longer a focus just on military threat; there are other threats as well: Social and economic inequalities, terrorism, the spread of weapons of mass destruction, ethnic conflict, international crime and migration (ibid: 65). Another new trend is the way of handling security threats: Instead of the traditional military alliances and search for balances of military force, there is a development towards institutionalisation and legally-binding agreements (ibid: 66). Multilateral institutions have become much more important in increasing European security (ibid: 66).

Economic interests are most often based on natural resources or business and promoting its own industry; today, however, economic interests are no longer national only, due to globalisation (Matlary, 2002: 16).

There are other definitions of the term national interests: Joseph Nye, Jr. (Nye, 1999: 23) defines national interest (in democracies) as the priorities a state has in its relations with the rest of the world. It includes not only strategic interests, but also values like human rights and democracy (ibid: 23). National interests have also been defined as the preferences of decision-makers (Kratochwil, 1982: 5).

In this case, in which the EU is the main actor, national interest would not be the correct term. Self-interest (Donnelly, 2000: 9) is a more appropriate term. The EU is not a state or a nation, but can be considered as one actor in the international system, with its own interests. Both security and economy are important aspects here. These issues will be discussed below.

In this thesis the main focus is on the EU as an actor and the interests of the EU. I will focus exclusively on the EU's interests in this thesis.

### **2.2.2 EU's interests**

So what interests does the EU have? The EU certainly has economic interests: The EU acts as one bloc within the World Trade Organisation, as well as in other trade issues, and the EU has a common trade policy (The EU and the WTO, <http://europa.eu.int>).

And it is the DG Trade that defines the trade interests of the European Community (DG TRADE MISSION STATEMENT, <http://europa.eu.int>). Trade with developing countries is certainly an important aspect here, and both the Lomé Convention and the Cotonou Agreement are good examples of that.<sup>4</sup> The EU imports raw materials such as copper and aluminium (Brown, 2002: 51). Trade and trade-related areas, such as competition policy and trade and environment are also important parts of the Cotonou Agreement (the Cotonou Agreement, 2000: Art. 34-52). The EU may look upon the ACP states as potential markets for their own products. In this way, having close economic ties with the Third World is an expression of economic interest. Another aspect of EU's economic interests is their global ambitions. In 2000 Heads of State and Governments launched the so-called Lisbon Strategy, which is a series of reforms which shall make the EU "the most dynamic and competitive knowledge-based economy in the world" (A new start for the Lisbon Strategy, <http://europa.eu.int>).

Another aspect of self-interest is the fight for power or influence. According to realism, states, and other actors as well, compete against each other for power and influence (Donnelly, 2000: 7, 11). Probably the EU is competing with, for example, the United States in gaining influence within the international system, or the EU tries to balance the United States. Is there a competition between the EU and the United States in gaining influence in the world after the Cold War? Does the EU try to become a different kind of actor in the international system than the United States, for instance? Is the EU a civilian power as someone has argued? (Sjursen, 2004: 68) Iraq can be used as an illustration here: The EU agreed that disarmament of Iraq was necessary, but they wanted a peaceful solution which should be done in accordance with United Nations Security Council resolutions (Conclusions of the European Council, 17 February, 2003, <http://europa.eu.int>). To the EU the use of force was only acceptable as "a last resort." (Conclusions of the European Council, 17 February, 2003, <http://europa.eu.int>)

An important question is: What kind of influence does the EU want in developing countries? Conflicts and wars are also an aspect of security. Conflict

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<sup>4</sup> See chapter 4.

prevention and resolution are given a great deal of attention in the Cotonou Agreement (Cotonou Agreement, 2000: Art. 11).

### **2.3 New types and definitions of interests**

According to realists only material interests, which means security and economic interests, exist. However, in recent years the term interest has been given a new meaning; interests are not only material. Some has even questioned the concept of “national interest” (Nye, 1999: 22). Nye (Nye, 1999: 22) also asks whether interests can be defined in a conventional way in this information age. States are not to the same extent as before like the traditional realist model of billiard balls, due to the deregulated world, in which global markets and non-governmental actors play a greater role (ibid: 25). This makes it more difficult for political leaders to define priorities in foreign policy and define a state’s national interest (ibid: 25). According to Kratochwil (Kratochwil, 1982: 2) some believe the concept of national interest is a “myth” or it is a term without meaning. And the national interest can be seen as analytically unclear, but at the same time important, as decision makers use it (ibid: 2).

Interests have been classified into three groups, A, B and C: The A interests are linked to security and threats against a nation’s survival; the B interests are linked to threats to economic issues, but they do not threaten a nation’s survival and the C interests are common to all countries; it could be environmental problems, poverty or armed conflicts (Matlary, 2002: 18; Nye, 1999: 26). In recent years the C interests has dominated, and will continue to dominate the foreign policy agenda (Nye, 1999: 29). The end of the Cold War is probably the main reason, as the threats from that period have disappeared; another explanation could be the fact that C list issues are given much more attention today than earlier (Nye, 1999: 29). Especially humanitarian issues dominate, due to the information age (ibid: 33).

#### **2.3.1 Value-based interests**

According to Matlary (Matlary, 2002: 4) the foreign policy agenda has and is still changing. Today there are more common interests than before (ibid: 4). Matlary (Matlary, 2004: 146) has suggested there are three types of interests: security,



economic and value-based. Further, she argues that norms, like human rights can be more important today (ibid: 146). And other actors than states, such as non-governmental organisations (NGOs) participate in foreign policy making today (ibid: 146). She argues being rational can be defined as a political strategy to achieve a particular goal, which can be human rights, for instance (ibid: 146). Value-based interests are often linked to certain norms or values, like human rights, which an actor wants to promote Matlary, 2002: 6). The actor has a goal, which is a norm or a value and it is pursued in a strategic way and the actor has a plan on how to achieve that goal (Matlary, 2002: 6-7). Especially after the Cold War value-based interests have become important; foreign policy today includes value-based diplomacy (ibid: 7). Values have become more important in international relations, with much more focus on peace, democracy and human rights today than only a few years ago (ibid: 9). Value-based diplomacy comprises peace mediation, peacekeeping operations, aid and establishing democracy and human rights work, both bilaterally and multilaterally (ibid: 9).

What can explain the increasing importance of value-based diplomacy? As mentioned above, humanitarian issues receive more attention today than before. The role of the mass media is significant here. Matlary (Matlary, 2002) presents these reasons for the increasing importance of value-based diplomacy: There has been a growth in multilateral diplomacy, mainly through an increased number of international organisations (IOs), international agreements/conventions and regimes and international courts and tribunals (ibid: 21). New actors have emerged, like non-governmental organisations (NGOs), which have become more important as actors in international relations due to globalisation of the press and communication (ibid: 22-23). These new actors are both relevant and legitimate in the value-based diplomacy (ibid: 22). The role of the press is also important, as they tend to focus more on violations of human rights than national interests (ibid: 23).

There is a larger focus on values in international relations (Matlary, 2002: 29). In the post-war period international human rights have become better defined (ibid: 29-30). In recent years foreign policy has been justified in values (ibid: 30). Political rhetoric internationally is to a larger extent based on values such as human rights,

democracy and the rule of law (ibid: 30). Matlary (Matlary, 2002: 30) presents the hypothesis that value-based foreign policy is getting more important.

This new concept of interest is quite interesting as it provides us with another analytical tool and extends the analysis. However, there could have been more focus on why actors promote values, such as human rights and democracy. Do actors want other actors to become more like them? What are the motives for promoting such values? How important are self-interests here, or how much egoism is involved? Do value-based interests really contradict self-interests?

### **2.3.2 Value-based interests in the EU**

Does the EU have other interests than economic and security interests? The EU has established itself as an actor that promotes human rights and democracy (Sedelmaier, 2004: 128). There are a few examples of events or situations in which this role as promoter of human rights and democracy has become quite obvious. I will mention some of them here. The eastern enlargement is one example (ibid: 128). A second example is the statement made by the Berlin European Council during the Kosovo crisis; in this statement the EU makes it clear that it does not tolerate violations of human rights (Bulletin of the EU 3-1999: 1.40; Sedelmaier, 2004: 134). Further, the EU declares that it is “responsible for securing peace and cooperation in the region. This is the way to guarantee our fundamental European values, i.e. respect for human rights and the rights of minorities, international law, democratic institutions and the inviolability of borders.” (Bulletin of the EU 3-1999: 1.40; Sedelmaier, 2004: 134, emphasis added by Sedelmaier) The Cotonou Agreement, which is the subject of this thesis, is a third example. It declares that the partnership between the EU and ACP shall contribute to the promotion of human rights, democratisation processes, consolidation of the rule of law and good governance (Cotonou Agreement, 2000: Art. 9). Could we say that the EU wants the rest of the world to become more like Europe in values, such as democracy and human rights? Is it an exportation of certain values? The EU declares in the Green Paper that it has an interest in promoting values such as peace, solidarity and respect for democracy and civil and political rights (European Commission, 1996: 38).

An aspect of this issue is what kind of actor the EU is. Some have tried to define the EU as something different from a state. Some look upon “Europe as an ethical and responsible power” (Sjursen, 2004: 68). Sjursen (Sjursen, 2004, 68) refers to Francois Duchene, who in 1972 introduced the idea or perception of Europe as a “civilian power,” which means that the EU is a special international actor which contributes to creating stability by using economic and political means. Sjursen (Sjursen, 2004: 68) also refers to Manners, who has argued that the EU is a normative power in the world. He uses EU’s work to abolish death penalty as an example. In this material interests could not explain the EU’s effort, according to Manners (ibid: 68). The EU contributes to changing norms (ibid: 68).

## **2.4 Path dependence<sup>5</sup>**

Path dependence is a term which is used to describe political processes (Pierson, 2000: 251). In an article in *American Political Science Review* Paul Pierson (Pierson, 2000: 251) argues that path dependence is a “social process grounded in a dynamic of “increasing returns.”” Here, I will present two different definitions of path dependence. The first one is by William Sewell and the other one by Margaret Levi. According to this first definition, path dependence means:

“that what has happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time.” (Sewell, 1996: 262-263)

And this is the second definition of path dependence:

“Path dependence has to mean, if it is to mean anything, that once a country or region has started down a track, the costs of reversal are very high. There will be other choice points, but the entrenchments of certain institutional arrangements obstruct an easy reversal of the initial choice.” (Levi, 1997: 28)

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<sup>5</sup> A somewhat related, but not exactly the same term, is “forward linkage,” introduced by Leon N. Lindberg in 1970. It is defined as a sequence in which an actor that has made a commitment to participate in a common decision-making process, has launched a process which has led to a marked increase in institutional capacities or the scope of the system (Knudsen, 1987: 101). This term will, however, not be used in the analysis.

Further, Levi (Levi, 1997: 28) suggests that another metaphor would be more appropriate than a path, namely a tree. She uses the example of a climber who will continue to follow the same branch of a tree, despite the possibility of climbing other branches of the tree (ibid: 28).

Increasing returns is an example of path dependence and are also called self-reinforcing or positive feedback processes (Pierson, 2000: 251). With each move along a path the more likely it is that the actor will continue down that path; the reason for this is that there is an increase over time in the relative benefits of the current activity compared to other possible alternatives (ibid: 252). Increasing returns processes have a few characteristics: First, they are unpredictable, which means that there is no given outcome, because previous events to a strong degree affect the outcome and are “partly random.” (ibid: 253) Second, they are inflexible: Changing a path or entering another path is rather difficult; it is easier to change a path earlier in a process than at a later stage (ibid: 253). Third, nonergodicity is another characteristic of increasing returns processes; even small events in the beginning can affect future choices (ibid: 253). Finally, path inefficiency can be a problem (ibid: 253).

As Sewell (Sewell, 1996: 263) points out, “path dependence was initially formalized by economists”, but Pierson (Pierson, 2000: 257) argues that it can be used in the analysis of politics. Politics are conducive to increasing returns for four reasons, according to Pierson (Pierson, 2000: 257): First, collective action plays a central role in politics; second, there are many institutions in politics; third, it is possible to use political authority to increase power asymmetries and finally, politics are characterised by “complexity and opacity.” (Pierson, 2000: 257)

Politics are to a large extent characterised by collective action; decisions are taken collectively (ibid: 258). One principle of political life is to make conditions that are favourable to collective action (ibid: 258). The effectiveness of one’s actions depends much on other people’s action (ibid: 258). Coordination is necessary for political action (ibid: 258). Collective action processes are frequently subject to increasing returns, because adaptive expectations are quite common (ibid: 258). Adjustment of behaviour is necessary for actors, because of their expectations to other actors’ behaviour (ibid: 258).

Not only collective action is subject to increasing returns. Institutions are also subject to increasing returns (ibid: 259). It has been documented that institutions start self-reinforcing processes, which makes it more difficult to reverse a course (ibid: 259). According to Pierson (Pierson, 2000: 262) it is difficult to change public policies and formal institutions and they are supposed to be hard to change. There are two reasons for that: Those who have defined policies and have established institutions want to put limitations on what their successors can do (ibid: 262). And political actors will often have to impose restriction on what they themselves can do (ibid: 262).

Increasing returns processes also has an influence on power relations: A balanced conflict can be turned into a conflict where power is divided in an uneven way, so that open conflict is not necessary (ibid: 259). Increased power asymmetries can be the result of positive feedback over time (ibid: 259).

According to Pierson (Pierson, 2000: 260), learning in politics is considered hard and should not be expected to happen. Path dependence is common in politics (ibid: 260). Increasing returns processes are a central feature of politics (ibid: 260). There are psychological explanations to this phenomenon, according to Pierson (Pierson, 2000: 260): Politics are characterised by its complexity and opacity and the politicians are to a great extent biased (ibid: 260). Information is put into so-called mental maps: Positive information will probably be used, while negative information is removed (ibid: 260). Established ideologies and understandings of government are path dependent (ibid: 260). Collective action, institutional development, the exercise of authority and social interpretation are all characterised by positive feedback (ibid: 260).

In cases that are path dependent, politics will be characterised by: Multiple equilibria, contingency, a critical role for timing and sequencing and inertia (ibid: 263). Multiple equilibria mean that many outcomes are possible in case of a set of initial conditions that are conducive to increasing returns (ibid: 263). Contingency means this: If smaller events happen at the right time they can have large and lasting consequences (ibid: 263). Timing is very important in increasing returns processes. Earlier parts of a sequence have a larger impact than later parts (ibid: 263). Inertia means this: Positive feedback might cause single equilibrium if an increasing returns

process has been established (ibid: 263). According to Pierson (Pierson, 2000: 263), increasing returns processes are quite common in political life.

Path dependence and increasing returns are often used to explain policy stability (Pierson, 2000: 264). However, according to Wood (Wood, 2002: 375) increasing returns is not necessarily the best or only explanation for policy stability, but rather the interests of certain groups. Wood (Wood, 2002: 375) argues that efforts by political actors may ensure the continuation of a particular policy. This is one critique of path dependence. Further, Wood (Wood, 2002: 373) criticises path dependence for being deterministic. According to Wood (Wood, 2002: 372) there is a problem with path dependence explanations: Inertia is often exaggerated and there is little focus on the fact that there are changes in politics. He does not deny that increasing returns processes exist, but they do not necessarily lead to policy continuity and they are not sufficient to maintain policies or institutions (ibid: 374).

Within this theoretical perspective there is a strong focus on continuity, which seems to be taken for granted. But what if there is little or no continuity, or what if a certain policy is reversed? Another point here, when focusing on reversal, is the attention being paid to the costs of reversing a policy. Are the costs of reversing a policy the only reason why decision makers choose to continue a certain policy? And finally, why do the relative benefits of the current activity increase over time? It seems that there is a strong belief that continuing a certain policy necessarily is advantageous and is that always the case?

#### **2.4.1 Path dependence in the EU**

What about the EU and its development policy? Do path dependence and increasing returns processes characterise political life within the Union? What about the development policy of the EU? The development policy goes back to the 1950's and the Treaty of Rome. It has been changed and renegotiated several times, but there is a continuity here which is quite interesting. In the 1990's the EU launched a process of reviewing its development policy towards the ACP countries. A Green Paper was published and it initiated a debate about the future of the relations between the EU and the ACP. Several options were discussed. But they ended up with a solution similar to

the previous years, a global agreement, but with some changes. Would the costs of radically changing the relations, or reversing the relations be too high for the EU? Did the EU actually have any choice but to continue its relations with the ACP group?

## **2.5 Research question, theory and the analysis**

Just to repeat it, the research question asks about the driving forces for the EU in the process which led to the Cotonou Agreement. And there are two aspects of this; the interests and path dependence. In the first analytical chapter I will concentrate on three types of interests; economic interests, security interests and value-based interests. And in the second analytical chapter, in which path dependence is the theoretical framework, I will focus on whether there was any alternative than going on with the relations between the EU and the ACP States.

## **2.6 Summary**

This chapter has been a presentation and discussion on two rather different theoretical perspectives. The first one was realism/neo-realism, with its long traditions in political science. Realists underline the fact that human nature constrains politics and that there is no international government. The international system is anarchic. States are considered rational actors; they have a certain military capability and are motivated by national interest, which mainly means security. The neo-realists emphasise the international anarchy. In addition to security interests, the neo-realists also focus on economic interests. Using this perspective is considered a bit problematic, as the actor in this case is not a state, but the European Union. The term “interest” will be an important part of the analysis. As we have seen in this chapter there are several types and definitions of “interests”, such as economic interests, security interests and value-based interests.

The second theoretical perspective presented here was path dependence, traditionally used in economics, but also in the study of politics. Path dependence was defined by Pierson as a “social process grounded in a dynamic of increasing returns.” In addition to this definition I presented two other definitions of path dependence.

What happened at an earlier point in time will affect future events. And when an actor has launched a certain policy it will be difficult to reverse it due to high costs. Increasing returns is an example of path dependence. With each move down a path the more likely it is that the actor will continue down that path. Path dependence has been criticised, especially for being deterministic.



## 3 METHODOLOGY

### 3.1 Introduction

The methodology of a thesis depends on the research question. It is common to distinguish between quantitative and qualitative methods. In this thesis, in which I ask about the driving forces for the EU in the process towards the Cotonou Agreement, qualitative methods will be the most useful method. This chapter presents several ways of doing social science research, in particular the case study method, and it presents and discusses different sources of evidence. Finally, there is a discussion on validity and reliability.

### 3.2 Case studies

Social science research can be done in a number of ways, by conducting experiments, surveys, histories, analysing archival information, and finally, case studies (Yin, 1994: 1). This thesis is a case study. The case study method is frequently used in political science (ibid: 1). How is a case study defined? According to Robert K. Yin (Yin, 1994: 6) case studies can be used in order to answer how and why questions. Control over behavioural events is not necessary and they are studies of contemporary events (ibid: 6). This is one definition of a case study:

“A case study is an empirical inquiry that

- investigates a contemporary phenomenon within its real-life context, especially when
- the boundaries between phenomenon and context are not clearly evident.”

(Yin, 1994: 13)

Here is another definition of a case study:

“the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a *decision* or set of decisions: why they were taken, how they were implemented, and with what result.” (Schramm, 1971; Yin, 1994: 12, emphasis added)

There are several types of case studies, and Andersen (Andersen, 1997: 61; 94) distinguishes between unique cases and comparative case studies. This is one classification of case studies: Atheoretical, interpretive, hypothesis-generating, theory-confirming, theory-infirming and deviant case studies (Collier, 1993: 107; Lijphart, 1971). Andersen (Andersen, 1997) also distinguishes between six types of case studies: 1) Atheoretical case studies, which are mainly descriptive and do not aim to generalise (ibid: 64). Rather, the purpose is to present the social reality (ibid: 62); 2) theoretically interpretive case studies, of which the purpose is to use generalisations in order to throw light on special issues (ibid: 68); 3) case studies which aim to develop new theory (ibid: 73); 4) case studies which aim to develop new terms (ibid: 79); 5) case studies which aim to formulate new hypotheses (ibid: 82) and 6) case studies which test hypotheses (ibid 83).

### **3.3 The process towards the Cotonou Agreement as a case study**

The purpose of this thesis is to find the driving forces for the EU in the process which led to the Cotonou Agreement. It asks why the EU decided to continue these relations, or in other words, the background, the driving forces. This means that a case study is an appropriate design for this thesis, although it deals with a phenomenon that took place about ten years ago, which means it is not really a contemporary phenomenon. On the other hand, the decision the EU made about going on is quite important here, which is in line with Schramm's definition above.

As I mentioned in the introduction above, this is a qualitative study, not a quantitative study. The terms qualitative and quantitative say something about what type of data that is used in a thesis (Grønmo, 1996: 73). It is possible to combine these two methods. A qualitative study may have quantitative elements, or vice versa (ibid: 74). However, this thesis is qualitative only, using qualitative data; mostly documents. I have performed one type of document analysis; qualitative content analysis, in which quotations are systematised in order to throw light on various issues or research questions. And this type of analysis is a good way of studying various arguments,

opinions, attitudes or values (ibid: 79). In this thesis quotations are an important part of the analysis.

It is a unique, theoretically interpretive case study, in which established terms and theories will be used as analytical tools. Andersen (Andersen, 1997: 69) defines interpretive case studies as studies in which terms and theories are tools helping to structure empirical material. The analysis is divided into two parts. The first part of the analysis uses neo-realism and its different types of interests as analytical framework. The second part of the analysis uses path dependence as the analytical tool.

### **3.4 Use of evidence**

One important principle in doing case studies is using evidence from at least two or more sources (Yin, 1994: 78). Yin (Yin, 1994: 78) mentions six types of evidence: Documentation, archival records, interviews, direct observation, participant-observation, and physical artefacts. Not all of them are relevant in this thesis. Sources like physical artefacts, direct observation and participant observation were considered irrelevant for this purpose. Doing interviews was considered, but it would mean travelling abroad, and the benefits of doing interviews are limited in this case. Although I could have received additional information in interviews, much depends on the respondents' willingness to share information. Documents have been sufficient in this case.

Documents are the most important source of evidence in this case study. Examples of documents are letters, memoranda, communiqués, agendas, reports of events, administrative documents, formal studies or evaluations and newspaper articles (Yin, 1994: 81). Yin (Yin, 1994: 80) mentions these advantages of using documentation: One advantage is the documents' stability, which means that they can be examined several times; documents were not written for case studies, or they are "unobtrusive," which is another advantage; documents provide exact names, references and details and they usually cover a wide range of events and a long period of time, in addition to various settings. Further, Yin (Yin, 1994) mentions these disadvantages of using documentation: Getting access to the documents can be a

problem, because owners of the documents may not be willing to give access, or they will only give a limited access (ibid: 80). The owner of the documents will for example choose himself which documents the researcher get access to (ibid: 80). Another disadvantage is retrievability, which might be low (ibid: 80). The documents could also be strongly biased (80).

In this case the Internet has been the most useful source of evidence, and the EU's website in particular. Not all documents/sources were available electronically, but I found them in libraries. Most of the documents/sources come from the European Commission. The documents/sources are mainly:

- Communications, such as the guidelines for the negotiations
- Discussion papers, like the Green Paper
- Press releases
- Speeches
- Articles from ACP-EU Courier, especially one interview
- Negotiation memos.

The sources of evidence mentioned so far are primary sources, perhaps except from the articles in ACP-EU Courier, which is published by the European Commission. There is no use of secondary sources in the analysis. Secondary sources have only been used for chapter four. In analysing the documents I have particularly focussed on finding quotations as evidence.

### **3.5 Validity and reliability**

Validity says something about how relevant the data are for the research question in the thesis; it depends on what is being measured (Hellevik, 1999: 183). Reliability, on the other hand, refers to how things are being measured or the precision of the operations (ibid: 183).

One important question is to what extent the documents were relevant for the research questions. To what extent do the documents provide answers to the research question? Do the documents focus more on interests than with issues linked to path

dependence? The sources used in this thesis have mostly been relevant for the research question. The sources have been particularly useful and relevant for the first part of the analysis in particular. The sources have also been useful and relevant for the second part of the analysis, but to a smaller extent. However, the data could be considered valid in this case.

Another problem might be that the EU through these documents wants to present itself and its motives/interests in a more positive way than what is reality. The EU may want to give an impression that its motives or interests are mainly altruistic or noble. And the documents were not written for the purpose of a thesis, which means that the researcher has to be critical in studying the documents.

One problem of my sources of evidence is that they mainly come from the European Commission. It is not an ideal situation, which could affect reliability. As mentioned above, using multiple sources of evidence is an important principle in case studies, which increases reliability. Ideally, there should have been other sources in addition to those coming from the European Commission. It could be useful with documents that give information from another point of view. However, the European Commission is the EU institution that deals most with external relations and development, and the European Commission is a very important source in this case. It is natural that they provide most documentation. But I have used several documents, which is positive for reliability.

And their documents are mostly available. But getting access to documents might be a problem. By visiting the EU's website it is possible to find many documents, or references to documents. Some documents do not exist electronically. But there are for sure documents that are not accessible. Why is access to documents blocked? I sent an email to the Council of the European Union, requesting access to a document about the negotiations. More precisely, the document was an information note with draft negotiating directives for a new partnership agreement with the ACP countries, referring to a mandate authorising the European Commission to start negotiations on a new agreement. I was denied access. Partial access was also denied. The argument was that it could weaken the position of the EU in similar negotiations. The question is whether these documents could have given valuable information for

this thesis. They could also have been interesting because they come from another EU institution, not the European Commission.

## **4 FROM ASSOCIATIONISM TO ECONOMIC PARTNERSHIP AGREEMENTS**

### **4.1 Introduction**

This chapter presents the history of the relations between the EU and the ACP countries, beginning in the 1950s with the Treaty of Rome. It was further developed with two Yaoundé Conventions and in the 1970s it turned into the Lomé Convention, which was renegotiated several times. In the 1990s the EU started reviewing its relations with the ACP countries, and eventually the Cotonou Agreement was signed in 2000, followed by negotiations of Economic Partnership Agreements.

I will particularly focus on the contents of the various agreements and the changes that have been made through the years, especially changes made to the Lomé Convention. I have also chosen to pay particular attention to the process leading to the Cotonou Agreement, and specific attention to the Green Paper. The chapter ends with a look at the negotiations of the Economic Partnership Agreements.

### **4.2 The Treaty of Rome**

In 1957 the Treaty of Rome was signed, establishing the European Economic Community, consisting of six member states: France, West- Germany, Italy, Belgium, the Netherlands and Luxembourg (Grilli, 1993: 9). France was the largest colonial power of these countries (ibid: 1), with many colonies in Africa (ibid: 9). And France led an active policy towards its colonies in Africa, with a policy of association (ibid: 1). Associationism is a key word in describing the policy of EC towards the colonies. An association between the European Economic Community and the colonies in Africa was to be created, according to the Treaty of Rome (ibid: 8). Promoting the economic and social development of the colonies was an important objective (ibid: 8). Another objective was to develop close relations with the colonies and territories (ibid: 8). The most important elements of the association system were trade and aid (ibid: 8). Abolishment of duties on imports between the EC and the associates and between the

associates themselves was an important part of the Treaty (ibid: 8). Trade preferences were given to the colonies and territories (ibid: 11-12). A European Development Fund (EDF) was established in order to provide financial aid to the colonies (ibid: 8). Citizens from the EC countries and companies from the EC countries had the right to establish themselves in the associated territories and vice versa (ibid: 8-11). People from the territories and colonies had the right to apply for jobs in the EC countries and vice versa (ibid: 8).

### **4.3 Yaoundé I and II**

At the end of the 1950s a process of decolonisation started (Grilli, 1993: 14) During the 1960s many colonies became independent states, and the first country to become independent was the Gold Coast, or Ghana as it is called today (ibid: 14). Many of the newly independent states were EC-associated territories (ibid: 14). After gaining independence they were no longer restricted by the articles of Treaty of Rome, but still they wanted preferential access to EC markets and financial aid (ibid: 15). These countries were still dependent on the EC countries, as the EC countries were their most important markets and the EC countries were the biggest aid donors (ibid: 15). This led to the need of a new agreement between the new independent states and the EC.

The first Yaoundé Convention was signed in July 1963. It was a Convention of Association between the EC and the Associated African and Malagasy States (AAMS). AAMS consisted of Burundi, Cameroon, Central African Republic, Chad, Congo Brazzaville, Congo Leopoldville, Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo and Upper Volta (ibid: 19). Yaoundé I came into effect in 1964 and lasted until 1969 (ibid: 19).

As with the Treaty of Rome, the central elements of the Yaoundé Convention were trade and aid: Trade preferences were maintained, but now only bilaterally (ibid: 19). Free-trade areas were created between each of the AAMS and the EC, based on reciprocity (ibid: 19). Further, the new Convention called for reduction and later abolishment of trade obstacles between the AAMS and the EC (ibid: 19). Aid was given both multilaterally and bilaterally (ibid: 19-20). The European Development



Fund was further developed (ibid: 20). It was stated that the purposes were to develop the industries and diversify the economies of the associated states (ibid: 28). Yaoundé I also had an institutional dimension; three institutions were established: An Association Council, consisting of one representative from each of the six EC members and the 18 AAMS, had a supervisory function (ibid: 20). A Parliamentary Conference was established in order to create a dialogue between the EC and the AAMS (20-21). It was composed of members of the European Parliament and the national assemblies of the various AAMS (ibid: 21). There was also a Court of Arbitration which was supposed to resolve conflicts between the parties; it was led by a president and consisted of four judges (ibid: 20-21).

Yaoundé II replaced the first Yaoundé Convention. It was nearly identical to the first convention (ibid: 28). It lasted from 1969 till 1975, which was the year Lomé was signed (ibid: 28).

#### **4.4 Towards Lomé**

In 1963 the member states of the EC signed a Declaration of Intent, a declaration giving countries that had “production structures comparable to those of the Associates” a chance to become a part of the association (Grilli, 1993: 21). This declaration was strongly supported by Germany, Italy and the Netherlands, while France was more sceptical (ibid: 21).

Trade preferences were important to developing countries, and many of them worked to attain such preferences (ibid: 23). The EU responded by introducing the Generalized System of Preferences in 1971, in which trade preferences were given according to development level and in which the poorest countries received the biggest preferences (ibid: 23).

In 1973 the EC was enlarged for the first time: Three countries entered the EC: Denmark, Ireland and the United Kingdom, which had also been a colonial power (Brown, 2002: 44). However, there was a great challenge here and that was the British Commonwealth’s relationship to the EC (ibid: 44). Britain did not show any willingness to reduce the role of the Commonwealth, and that led to a French veto to

British membership in the EC in the early 1960s (ibid: 44). In 1970 Britain applied for membership again and Britain joined the EC in 1973, under a few conditions (ibid: 44). Britain was forced to accept the system of preferential association with various regions (ibid: 45). When Britain entered the EC, the Commonwealth countries were classified as either associable or non-associable, in accordance with the Declaration of Intent mentioned above (ibid: 45). The associable countries were former British colonies in Africa, Caribbean and the Pacific, while other countries within the Commonwealth, such as Hong Kong and Australia are all industrialised countries, and then non-associable (ibid: 45). The associable countries could choose between three types of agreement with the EC: First, one alternative was a joint or separate association agreement which would replace the Yaoundé Convention; second an association agreement or agreements in accordance with Art. 238 of the Treaty of Rome, and the last option was a trade agreement based on reciprocity in accordance with Art. 113 of the Treaty of Rome (ibid: 45).

The beginning of the 1970s was marked by a global economic crisis, in contrast to the period from the 1950s onwards that was characterised by great economic growth (ibid: 46). The early 1970s marked the end of this growth: The Bretton Woods system, which had regulated the post-war global economy, broke down (ibid: 46). The gold standard was abandoned (ibid: 46). Important key words to describe this period are overaccumulation of capital, speculative investment, stagflation and decline in industrial production (ibid: 46).

The early 1970s was clearly a difficult time for the developing countries too. These states, which were newly independent, were economically weak and did not have a strong position in the international system, in addition to political problems at home (ibid: 47). Financial crises and lack of revenue were among the problems these countries were facing (ibid: 47). The developing countries demanded a new international economic order and they clearly wanted a stronger international position, as well as more support (ibid: 46-47). At the United Nations Conference on Trade and Development the Third World presented these demands: 1) more influence in international institutions; 2) trade-related demands such as better market access and support for commodity prices; 3) it was important for the developing countries to

ensure the right to protect their economies; 4) they demanded an increase in transfer of technology and 5) a changed International Law of the Sea (ibid: 48).

If the Third World wanted more influence, then some of the countries were able to gain some influence for a while, due to the commodity crisis (ibid: 49). In the early 1970s commodity prices increased heavily, due to cuts in stocks, an increased demand and market speculation (ibid: 50). In 1973 there was a war in the Middle East and then OPEC, the organisation of petroleum exporting countries, imposed an embargo on oil exports which was targeted at the USA and Israel (ibid: 50). The oil prices increased heavily in 1973-74 (ibid: 50). It was a difficult time for European countries as they were dependent on imported oil and other raw materials (Grilli, 1993: 26).

In the beginning of the 1970s there was willingness within the EC to continue the relations with the developing countries (Brown, 2002: 51), and there are several factors that explain why: The commodity crisis and the crisis in the world economy are two reasons for this interest (ibid: 51). Other reasons are the demands for a new international economic order, which gave the developing countries some influence, and the fact that almost half of EC imports came from developing countries, mostly raw materials (ibid: 51).

#### **4.5 The negotiations**

In the beginning of the 1970s the Commission started working on formulating a policy in order to find an agreement that could replace the Yaoundé Convention (Brown, 2002: 52). In April 1973 the Deniau Memorandum was published (ibid: 53). According to this document the associative relationship was to be enlarged and deepened and this relationship would comprise the associates, the associable Commonwealth and sub-Saharan African countries “with comparable products and structure” (ibid: 53). Further, the so-called reverse preferences would be abolished (ibid: 53). It called for the establishment of a system that would stabilise the export earnings of the associates (ibid: 53). Equality was an important principle and the EC would not interfere in the associates’ policies (ibid: 53). Finally, it proposed an institutional structure (ibid: 53).

The ACP (African, Caribbean and Pacific countries) presented its demands in 1973, which were mostly related to trade: They demanded non-reciprocity, free market access, that export earnings are secured and transfer of technology, in addition to revision of rules of origin provision and rules that control movement of capital to ensure monetary independence (ibid: 55). Further, the ACP countries demanded that aid is separated from trade and that intra-African cooperation is protected (ibid: 55).

The real negotiations began with a ministerial conference in October 1973 (ibid: 56). The parties had already met in July in Brussels to present their positions (ibid: 56). Until spring 1974 the parties had only managed to agree on objectives of aid and trade cooperation (ibid: 56). Apart from that not much progress was being made and as a consequence the EC was invited by the ACP countries to a ministerial conference in Jamaica's capital Kingston in July 1974 (ibid: 56). Progress was certainly made in Kingston (ibid: 56). In Kingston, the EC and the ACP States agreed on non-reciprocity, a system that would stabilise export earnings, administration and coverage of aid and a chapter about industrial development (ibid: 57). The new convention was signed in Togo's capital Lomé on 28 February (ibid: 58).

#### **4.6 The Lomé Convention<sup>6</sup>**

Trade cooperation was important in the Lomé Convention and a central objective of the agreement was promotion of trade between the EC and the ACP countries: The parties wanted to increase the growth of trade of the ACP states and to give the ACP States better conditions of access to the EC market (Lomé Convention, 1975: Art. 1).<sup>7</sup> An important principle in this context was abolishment of customs duties and charges on products made in the ACP states (ibid: Art. 2). There would be no quantitative restrictions on imports of products made in the ACP states to the EC (ibid: Art. 3). Trade promotion activities were an important part in enabling the ACP States to

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<sup>6</sup> Its full name is *ACP-EEC CONVENTION SIGNED AT LOME on 28 February 1975*, but I will only refer to it as the "Lomé Convention."

<sup>7</sup> I have chosen to refer to the articles of the Convention.

participate in world trade (ibid: Art. 12). The ACP States were supposed to participate in fairs and exhibitions (ibid: Art. 13).

The Lomé Convention came up with an “invention”: Stabilisation of export earnings. The ACP countries, as exporters of raw materials, are particularly vulnerable due to price fluctuations; the quantity of the products can also cause instability in export earnings (ibid: Art. 16). This system, often called STABEX, would ensure that export earnings of the ACP States’ products are stabilised (ibid: Art. 16). The new system covered commodities such as groundnuts, cocoa, coffee, cotton, coconut products, palm, palm nut, kernel products, raw hides, skins and leather, wood products, bananas, tea, raw sisal and iron ore (ibid: Art. 17).

Industrial cooperation was important in the Lomé Convention, due to lack of industrial development in the ACP states: The parties agreed on the necessity of such cooperation and the central objective was “to promote the development and diversification of industry in the ACP states” (Lomé Convention, 1975: Art. 26). Creating new industrial relations between the EC and the ACP states was another objective, in addition to supporting the transfer of technology to the ACP states (ibid: Art. 26). The EC was supposed to support the development of infrastructure (ibid: Art. 28).

There was also a great focus on financial and technical cooperation, of which the objective was “to correct the structural imbalances in the various sectors of the ACP states’ economies” (Lomé Convention, 1975: Art. 40). Programmes and projects would be launched in order to develop the ACP states economically and socially (ibid: Art. 40). Development was defined as “greater wellbeing of the population, improvement of the economic situation of the state, local authorities and firms, and the introduction of structures and factors whereby such improvement can be continued and extended by their own means” (Lomé Convention, 1975: Art. 40). Special treatment would be given to the least developed countries and their needs when implementing the financial and technical cooperation (ibid: Art. 48). According to the Lomé Convention the parties would cooperate on implementing aid measures and the ACP states were supposed to play an active role in programming, preparations and execution of projects (ibid: Art. 50).

An important principle in the Lomé Convention was non-discrimination: On the one hand the ACP states could not discriminate citizens and companies from EC countries (ibid: Art. 62). Neither could the EU discriminate citizens and companies from ACP States (ibid: Art. 62).

As with the two Yaoundé Conventions, the Lomé Convention had an institutional dimension. Three institutions were established: The Council of Ministers, the Committee of Ambassadors and the Consultative Assembly (ibid: Art. 69). The Council of Ministers consisted of members of the Council of the European Communities and of members of the Commission of the European Communities and of a member of the Government of each of the ACP states (ibid: Art. 70). Among the tasks, the Council of Ministers was supposed to formulate “the broad outlines of the work” to be done in the context of the Convention; examining what has been achieved and was also given some decision-making power (Lomé Convention, 1975: Art. 74). The Committee of Ambassadors consisted of one representative of each member state of the EC and one representative of the Commission and one representative of each ACP state (ibid: Art. 76). Its role was mainly to assist the Council of Ministers in its work, while other tasks or duties for the Committee were to be decided by the Council of Ministers (ibid: Art. 77). The Consultative Assembly consisted of members of the Assembly of the EC and representatives appointed by each of the ACP states (ibid: Art. 80). The Lomé Convention was not very specific on the functions of this body.

Finally, the parties agreed that the projects and programmes should result in “growth of the national income of each ACP State; improvement of the standard of living and the social-cultural levels of populations and of the most underprivileged in particular; the establishment of more balanced economic relations between the ACP States and other countries, their greater participation in world trade in general, including, in particular, trade in manufactured products; improvement and control of the conditions of development, in particular physical factors and technical know-how: diversification and integration of the structure of the economy on both a sectoral and a geographical basis; regional co-operation between ACP States and, where appropriate, between ACP countries and other developing countries” (Lomé Convention, 1975: Art. 1, Annex IX, Protocol No. 2, Chapter 1).

## **4.7 The ACP group**

In 1975 the Georgetown Agreement was signed, establishing the ACP Group (Bretherton & Vogler, 1999: 115). The ACP Group is an international organisation, which means that the EU has no power to force the group to accept new members; neither can the ACP Group be dissolved by the EU (Bretherton & Vogler, 1999: 115). Currently the ACP Group consists of 79 member states (List of ACP Countries, <http://www.acp.int>). The organisation has four institutions: The Summit; the Council of Ministers; the Committee of Ambassadors and the Meeting of ACP Parliamentarians (ACP INSTITUTIONS, <http://www.acpsec.org>). The Summit of ACP Heads of State and Government is the organ of highest importance in the ACP and is responsible for defining the guidelines (ibid). Since 1997 there have been four summits, in Gabon, Dominican Republic and Fiji and Mozambique (ibid). The Council of Ministers make the decisions and implements guidelines defined by the Summit (ibid). There is also a Committee of Ambassadors, which is the second decision-making body and which assists the Council of Ministers, in addition to monitoring the implementation of the Cotonou Agreement (ibid). Finally, the fourth institution of the ACP Group is the Meeting of ACP Parliamentarians, or ACP members of the ACP-EU Joint Parliamentary Assembly, which has an advisory role (ibid).

## **4.8 The renegotiations**

### **4.8.1 From Lomé I to Lomé II**

The Lomé Convention was renegotiated every five years. As we will see, there have been quite a few changes to the Lomé Convention over the years, of which the most dramatic are the introduction of structural adjustment and political conditionality, with its strong focus on democracy and human rights. The first renegotiations began in the late 1970s, a period that was marked by recession (Brown, 2002: 64). And the work to introduce a new international economic order had not been successful (ibid: 64).

The ACP States were not satisfied with what they had achieved in the first Lomé Convention (ibid: 64), and as a consequence these were their most important

demands for Lomé II: Free access, without any restrictions, to the EC market for their products, including agricultural products; that the rules of origin were changed; abandonment of the safeguard clause for ACP products, that aid is paid out faster; more aid; an extension of STABEX to cover all exports from the ACP countries and finally a fund reserved for industrial cooperation (ibid: 64).

The EC, on the other hand, wanted to continue its relations with the ACP States, but the EC was not willing to concede much to the ACP States (ibid: 65). However, the EC had two proposals: The first proposal was to incorporate a human rights clause into the Lomé Convention (ibid: 65). Second, the EC proposed to establish a system similar to STABEX in the minerals sector, due to a decline in investments in this sector in Africa (ibid: 65).

#### **4.8.2 Lomé II- important changes**

There were not many new elements in Lomé II. The new convention introduced a system for the stabilisation of the minerals sector in ACP countries, called SYSMIN (ibid: 65). STABEX was extended (ibid: 66). The ACP would receive more aid (ibid: 66). There was also a greater focus on rural development, which led to the establishment of a Technical Centre for Agricultural and Rural Development (ibid: 66).

While succeeding in introducing SYSMIN into the Lomé Convention, the EU failed to incorporate the human rights clause into Lomé II, due to protests by the ACP countries, which feared that it would limit their sovereignty (ibid: 66). However, the ACP States could not be satisfied, as they did not get the changes they had hoped for (ibid: 67).

#### **4.8.3 New negotiations – Lomé III**

Again, the Lomé Convention was renegotiated. This period, the early 1980s was marked by recession, debt crisis and food crisis and famines in Africa (Brown, 2002: 67). In 1982 the EC Commission published the so-called Pisani Memorandum (ibid: 68). It was named after the Commissioner for Development, Edgard Pisani (ibid: 67).



By publishing this document the EC tried to reformulate its development policy, based on criticism against the Lomé Convention and aid projects which had not improved the conditions in the ACP countries (ibid: 68). Pisani argued in favour of programmes with a sectoral and regional focus, and for Africa he wanted more focus on rural development (ibid: 68). Pisani was somewhat sceptical towards aid conditionality, but supported a discussion, or a political dialogue, between the donor and the recipients (ibid: 68).

The negotiations for Lomé III began in October 1983 and Lomé III was signed in December 1984 (ibid: 69). In that period the ACP states had serious economic problems: The commodity prices were declining, their exports were declining while their debt was increasing (ibid: 69). As before previous negotiations, their demands were mostly related to trade, such as completely free market access; changed rules of origin; restrictions on safeguards; STABEX to be extended; compensation for reduced purchasing power; maintaining their trade preferences and “real joint management of Lomé aid” (ibid: 69). As with Lomé II, the ACP countries did not succeed (ibid: 69). The EC were, as before not willing to give concessions to the ACP States, but focussed instead on introducing policy dialogue (ibid: 69).

#### **4.8.4 Lomé III- what was new?**

The introduction of policy dialogue was the most important change of Lomé III, but the ACP countries were rather sceptical to this new element (ibid: 69). The purpose of such a dialogue was to ensure that cooperation and aid operation worked effectively (Brown, 2002: 69). Another change to the Lomé Convention was “more thematic aid actions” (ibid: 70). Rural and agricultural development, development of fisheries, industrial development, mining and energy, drought and desertification were given higher priority (ibid: 70). Again, STABEX was extended (ibid: 70).

In Lomé III the institutional dimension was given some attention. The ACP-EEC Council of Ministers was given a more important role (ibid: 70). Because of the new policy dialogue the Consultative Assembly got a new name, the ACP-EEC Joint Assembly (ibid: 70). There were only minor changes in the field of trade (ibid: 70). And in Lomé III there was a mention of human rights and that was something new

(ibid: 70). As we will see, it would play a greater role in the next renegotiations of the Lomé Convention.

#### **4.8.5 New trends in development policy- structural adjustment**

In the 1980s there were changes in the international aid regime (ibid: 73), and there was a serious debt crisis, which dominated the economies of the developing countries (ibid: 75-76). In the 1970s the developing countries were borrowing money from western banks, but later the interest rates increased; at the same time the commodity prices fell, due to reduced demand as consequences of recession (ibid: 76). The terms of trade for commodity exports got worse (ibid: 76). In 1979 the oil price increased, and the same year Mexico declared that it could not pay its debt (ibid: 76). This led to reluctance in the western part of the world to give more loans to developing countries (ibid: 76). Economic liberalism became the dominant trend internationally (ibid: 75).

While the Third World lost much of the influence they had gained during the commodity crisis, the donors were gaining more influence at the expense of the developing countries (ibid: 73). The donors, led by the World Bank and the International Monetary Fund (IMF), paid more attention to the economic management, governance and the political systems of the developing states (ibid: 73-74). These institutions had to handle debt repayment and make sure that the developing countries repaid their debt, as it was important to avoid a financial collapse (ibid: 77). The donors also had to handle structural economic imbalances in developing countries (ibid: 77). The donors demanded that the debtor countries implement so-called Structural Adjustment Programmes (SAPs) before they could receive new loans or before they were allowed to repay their debts later than originally agreed (ibid: 77).

In 1981 the World Bank published the so-called Berg Report which argued that the developing countries should reduce state intervention, denationalise industry and abandon protectionism (ibid: 77). Later, both the World Bank and IMF published the Washington Consensus, which was a presentation of their neoliberal policies: They called for “currency devaluation; public expenditure cuts; freeing of prices; positive interest rates and a squeeze on credit to combat inflation; import liberalisation; and privatization” (Brown, 2002: 77-78). They believed this would reduce consumption,

which again would make the developing countries less dependent on loans and that by encouraging them to increased exports, debt would be repaid (Brown, 2002: 78). However, during the 1980s the debt of the developing countries increased heavily (ibid: 81). In the 1990s the donors, led by the World Bank made an effort to reduce the debt, by launching the Highly Indebted Poor Country (HIPC) initiative (ibid: 82).

The Structural Adjustment Programmes have been criticised by NGOs, which have declared that they want adjustment that is more humane (ibid: 82). They have pointed at social problems, such as higher rates of unemployment, declining wages, reduced social welfare and an increase in food prices, which are caused by economic reforms (ibid: 82). This criticism led the donors to focus more on “the social dimensions of adjustment” (ibid: 83). In the beginning, the donors did not pay much attention to the institutional aspects of reform, but later they acknowledged that economic reforms are not sufficient; it was necessary to focus on the institutions in the developing countries as well (ibid: 83).

#### **4.8.6 Towards Lomé IV**

The concept of structural adjustment also made its way to the negotiations of a new Lomé Convention, which was negotiated in the late 1980s (Brown, 2002: 86). Before the negotiations started the EC Commission made it clear that they did not want to change much of the Convention, but they wanted to incorporate structural adjustment to the Lomé Convention (ibid: 87). It was important to maintain the basic structure of the Lomé Convention (ibid: 87).

The ACP countries demanded an abolishment of all trade barriers for their exports to the EU; less strict rules-of-origin criteria and safeguard provisions of Lomé; a less complex SYSMIN; an extension of STABEX and that their purchasing power is protected (ibid: 87). Further, the ACP States argued that population increases should be one factor that determines aid levels (ibid: 87). The ACP group accepted structural adjustment as a part of the Lomé Convention, but the EC had to be independent of the World Bank and IMF (ibid: 87-88). Finally, they demanded that the Commission worked to reduce their debt, and that the debt of the least developed countries would be cancelled (ibid: 88).

The negotiations began in October 1988 at a meeting of the ACP-EEC Council of Ministers in Luxembourg (ibid: 88). As usual, there was no fast progress, but eventually the parties reached an agreement (ibid: 88). In November 1989 the parties agreed upon a new convention, which was signed in Lomé, Togo, in December the same year (ibid: 88).

#### **4.8.7 Lomé IV: the changes**

There were several changes to the fourth Lomé Convention. First, there was an increase in the level of aid, about 40 per cent (ibid: 90). The rules on implementation of aid were changed (ibid: 90). More businesses and non-governmental actors (NGOs) could now receive aid (ibid: 90). Lomé IV also paid much more attention to human rights, which was exactly what the EC wanted (ibid: 91). Lomé IV stated that development “...entails respect for and promotion of all human rights” and “that development policy and cooperation are closely linked with the respect for and enjoyment of fundamental human rights” (Brown, 2002: 91). These are all human rights: “...non-discriminatory treatment, fundamental human rights; civil and political rights; and economic, social and cultural rights” (Brown, 2002: 91).

Environmental cooperation was now a part of the Lomé Convention. For example, transportation of toxic waste between the EC and the ACP countries was prohibited (ibid: 91). Lomé IV also contained articles on commodities, enterprise development and services (ibid: 91). In the field of trade there were no major changes, but duties on some products covered by CAP were either withdrawn or reduced (ibid: 91). And, as usual there was an extension of STABEX (ibid: 92).

The Lomé Conventions usually lasted for five years and then they were renegotiated, as we have seen. But with Lomé IV it was different: It was to last for ten years instead of five and the Financial Protocol and other articles as well, could be renegotiated twelve months before the first Financial Protocol expired in March 1995 (Brown, 2002: 92).

The most important change to the Lomé Convention was introducing adjustment. The EC wanted a somewhat different approach to adjustment than that of the World Bank and IMF; it was characterised as more “pragmatic” and

“differentiated” (Brown, 2002: 98). Avoiding additional social problems in the ACP countries was important to the EC (ibid: 98). The purpose of giving support to adjustment was to stimulate growth in GDP; increase employment rates; diversify the economies of the ACP States; develop private sector; “improve public sector management” and “improve balance of payments and foreign exchange performance” (Brown, 2002: 98). According to Lomé IV all ACP States could receive support for adjustment (ibid: 99).

#### **4.8.8 Another new trend: Political conditionality**

In the 1990s the major donors, like the United States, Britain, France, Germany and Japan, together with the World Bank and the European Union (EU) began focussing on the political systems of the recipient countries, by introducing conditionality (Brown, 2002: 116). Conditionality means that countries which show no willingness to introduce political reform will not receive aid from the donors (Brown, 2002: 116). There is a particular focus on improving governmental and administrative capacity, on promoting human rights and on promoting democracy (ibid: 116). Paying attention to governance was a response to the problems of adjustment: The World Bank was the leading actor here and acknowledged that focussing on market reforms is not enough and that good governance is important for development to be successful (ibid: 117). The donors had to acknowledge that the developing countries were not able to implement all parts of the Structural Adjustment Programmes due to poor administrative capacity (ibid: 118). As a consequence, various measures, such as “support for policy formulation, institutional strengthening, reform of the civil service and reform and privatisation of public enterprises, anti-corruption measures, improvement in accounting, accountability and transparency and strengthening the rule of law” were introduced (Brown, 2002: 118).

In the 1990s more attention was also being paid to human rights, both in foreign policy and in aid regime (ibid: 120). Most of the larger donors, like the EU, have warned that they will withhold aid in cases of violation of human rights (ibid: 120). When it comes to democracy, donors have paid more attention to elections and multi-party systems rather than democratic values, of which participation is considered

important (ibid: 121). The EU, however, has paid more attention to these democratic values (ibid: 121).

#### **4.8.9 The EU and political conditionality**

In November 1991 the Council of Ministers passed a resolution called *Human Rights, Democracy and Development*, which stated that the EC should emphasise democracy and human rights in its development policy, and in particular focussing on elections; democratic institutions, the rule of law and the legal systems and the civil society in the ACP States, in addition to more decentralisation of development cooperation (Brown, 2002: 125). And the resolution stated that aid could be withheld if there is evidence of violation of human rights and democratic processes are stopped (ibid: 125). The EU has withheld aid to several ACP states, based on Article 5 in Lomé IV (ibid: 126). The article 5 in Lomé IV stated that development cooperation “...entails respect for and promotion of all human rights” (Brown, 2002: 126).

#### **4.8.10 Towards a new development policy for the EU – Horizon 2000**

The process of changing the EU’s development policy in the 1990s is explained by these factors: Greater European integration, the end of the Cold War and the fact that the EU got more interests in other developing countries than the ACP Group and in Eastern Europe (Brown, 2002: 127). In 1992 the Commission published a document known as *Horizon 2000*, in which the EU stated it wanted a new development policy due to the international changes, such as the end of the Cold War (ibid: 127). According to this document, the most important objective of development policy is integrating the developing countries into the world economy (ibid: 127). Further, this document argued for more conditionality (ibid: 127). Inefficiency had been a problem in the development policy (ibid: 127). It also blamed the policies and structures in developing countries for the lack of success (ibid: 127). The document argued that countries like Japan and the USA could contribute more to aid programmes for Africa, so that the EU could give more aid to the relations with Latin-America and Asia (ibid:

128). And it suggested introducing a “uniform range of development policies for countries at different levels of development” (Brown, 2002: 128). The document also revealed a very positive attitude to multilateral trade liberalisation (ibid: 128).

#### **4.8.11 The mid-term review of Lomé IV**

As mentioned above, Lomé IV was supposed to last for ten years. However, the financial protocol had to be renegotiated (Brown, 2002: 128). But they ended up negotiating about other issues as well (ibid: 128). Due to changes and events in the recent years, it was necessary with a review of the entire Convention; it was claimed by the European Commission (ibid: 128-129). On the other hand, the ACP countries made it clear that they did not want a full renegotiation of the Lomé Convention (ibid: 129). In May 1994 the negotiations were opened at the ACP-EU ministerial meeting in Swaziland (ibid: 129). As usual there was not much progress being made in the beginning, but they managed to agree on a number of issues in late 1994 (ibid: 129). They agreed on trade issues in early 1995, while the most complicated issues were about aid (ibid: 129). In June 1995 the parties agreed upon a revised Lomé IV, which was signed in Mauritius in November the same year (ibid: 129).

In the revised Lomé IV there was a larger focus on human rights and democracy (ibid: 129). The article 5 states that respect for human rights, democratic principles and the rule of law are “essential” elements of the Convention (Brown, 2002: 130). In this case the parties agreed on a mechanism of suspension if there are any violations of human rights, democratic principles and the rule of law (ibid: 130). Promotion of decentralized cooperation was also important in the revised Lomé IV (ibid: 130). The EU had proposed an establishment of fund that should support “democratization and good government in the ACP states” (Brown, 2002: 130). The parties agreed on this fund (ibid: 130). The EU and the ACP States agreed on the importance of creating good conditions for developing a market economy and a private sector (ibid: 130).

The European Commission gained more influence on how the ACP transfers could be used (ibid: 133). There were only small changes to Lomé trade regulations, like improved market access with reduced tariffs (ibid: 134). The level of aid was also increased (ibid: 135).

## **4.9 Towards Cotonou:**

### **4.9.1 The Green Paper**

As I have shown above, the EU started a process of reformulating their development policy in the 1990s by publishing a document called Horizon 2000. This process continued when the European Commission published the so-called Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century. Challenges and options for a new partnership in 1996 (European Commission, 1996).

The starting point in the Green Paper is the global challenges that would affect the relations between the EU and the ACP countries. The Green Paper lists a number of factors: “Economic globalisation and interdependence, the ever faster spread of technological innovation, uneven demographic trends and the end of the Cold War and the emergence of a multipolar world” (European Commission, 1996: 1-2). The EU clearly states its intentions:

“In this new context, both for internal reasons and in order to respond to external demands, the European Union will affirm its political standing by adopting a more effective, more global common foreign policy. North-South relations will be one of the first strands of this policy: Europe can thus affirm its identity in adding a new dimension to the special relationship between the Union and ACP countries.” (European Commission, 1996: 3)

The Green Paper provides an assessment of the ACP-EU relations. It is obvious that the objectives of earlier conventions have not been achieved; or in other words, it has not been successful: The partnership has not worked very well (ibid: 12). The EU puts the blame on institutions and administrations in some ACP countries for the problematic economic and sectoral policy dialogue (ibid: 12). The positive effect of aid operations have been reduced due to problems of institutional and economic policy in many ACP countries (ibid: 13). Disagreement about political priorities has been a problem, which could explain inefficiency (ibid: 14). Trade preferences were central to the Lomé Convention, but in Green Paper there is a rather negative attitude to such



trade preferences, which probably will be abandoned, due to multilateral trade liberalisation (ibid: 16). Further, the EU argues that the trade preferences did not have a positive impact on export growth and diversification (ibid: 17). These problems led to the need to consider the following aspects of EU –ACP relations: “the foundations of future partnership, the EU’s priorities and resource allocation criteria, aid conditionality and selectiveness, capacity building and a new trade chapter” (European Commission, 1996: 18-19).

Chapter III of the Green Paper gives an assessment of socio-economic change in ACP states. It has not been satisfactory and Sub-Saharan Africa is mentioned as the region with most problems (ibid: 21). Lack of political stability is a problem in many ACP countries and some of these states could be characterised as “dysfunctional” (ibid: 25). Despite all the problems, Sub-Saharan Africa has experienced increased economic growth because prices on raw materials have increased (ibid: 31). In South Africa there has been a transition to democracy (ibid: 31). There have also been improvements in the franc Zone in West Africa, East Africa and in the Caribbean countries (ibid: 32).

Socio-political developments in the ACP States and political and economical changes internationally have created new development conditions (ibid: 33). The following factors are important for cooperation in the future: “Support for adjustment policies, the importance of credibility and good governance, the need for increasing attention to be paid to the environmental aspects of sustainable development, the need to adopt differentiated approaches, trade arrangements established in accordance with specific criteria and objectives, the importance of making progress in managing the external debt, the advantages of a cooperation policy which encompasses the whole of the sub-Saharan African regions, the particular difficulties of the Caribbean ACP countries and their trade strategies in a rapidly developing regional framework and problems peculiar to the small island economies of the Pacific” (European Commission, 1996: 33-35).

According to the Green Paper, the EU has for a long time been a major donor of development aid (ibid: 37). The relations with the ACP States are considered a part of an international strategy to reduce poverty (ibid: 37). But the EU claims it has

“objective interests” (European Commission, 1996: 37). And the EU claims it has “an interest in promoting peace and stability, more effective international cooperation to manage global threats, solidarity, economic development and mutual interest and the social and environmental aspects of development” (European Commission, 1996: 38).

The EU Commission argues strongly in favour of a strengthened partnership, despite the problems mentioned above (ibid: 39). It is considered the best type of cooperation (ibid: 39). The political dimension is important here and it must be strengthened (ibid: 39).

It is argued that more effort is needed in order to help the ACP states to open their markets for trade with the EU and other partners (ibid: 41). But in order to do that this cooperation framework must be changed in different ways: More differentiation is necessary (ibid: 41). The policy dialogue must be improved (ibid: 42). Cooperation could be improved in some fields, and the parties could start cooperation in new fields (ibid: 42). Finally, non-governmental actors should be more involved in development cooperation (ibid: 42).

Another issue was the future of the structure of the relations between the ACP and the EU. An important question is whether it should be maintained or not (ibid: 43). Or should it be extended? (ibid: 43) Four different options are discussed in the Green Paper: Having a global agreement like the Lomé Convention, but with differentiation; having a global agreement plus bilateral agreements; regional agreements and finally, a cooperation agreement with the least developed countries (ibid: 44-45).

Chapter V of the Green Paper deals with the alternatives for a new EU cooperation policy with the ACP states. The Green Paper suggests a reorganisation of the cooperation with the ACP to focus on three particular areas; the social and economic dimension; the institutional dimension and the public sector and finally, trade and investment (ibid: 48). In chapter VI financial and technical cooperation are discussed. One question is whether there should be a single source of funds or multiple smaller sources (ibid: 70). Another question is whether the level of aid should be given according to need or according to performance by the ACP States (ibid: 71). There is also a discussion on types of aid, like project aid or direct budget aid (ibid: 73-74). Another central question being discussed is whether there should be co-management,

EU-only management or autonomous management by the recipient countries (ibid: 76).

#### **4.9.2 The negotiations**

The Green Paper led to a debate about the future of the EU-ACP relations; the debate was mainly held as consultation forums organised by the European Commission in the Member States and in the ACP regions (European Commission, 1997: 6). Other actors participating were non-governmental organisations, the private sector, trade unions and development-studies centres (ibid: 6). The European Parliament and the Economic and Social Committee have also contributed to the debate and there have been some written contributions (ibid: 6). The debate demonstrated that the parties were determined to continue the relations (DRAFT SPEECH BY THE PRESIDENT OF THE COUNCIL AT THE SIGNING CEREMONY FOR THE ACP-EC PARTNERSHIP AGREEMENT (COTONOU, BENIN, 23 JUNE 2000), <http://ue.eu.int>).

The negotiations began in September 1998 (Towards a new long-term partnership agreement, <http://www.europa.eu.int>). The EU had some proposals based on these issues: The need to strengthen the political dimension of the ACP-EU relations, a larger focus on eradicating poverty, arrangements that will stimulate trade and investment, changing the financial cooperation and finally, differentiation as a principle of a new agreement (ibid). There were four negotiation groups: The Central Group dealt with political and institutional issues in addition to coordination, group 2 handled issues like private sector, investments and other development strategies (Ofoegbu, 1999). Group 3 dealt with issues such as economic and trade cooperation and finally, group 4 was responsible for financial cooperation (ibid). During the negotiations there were disagreements between the parties on issues such as good governance, the definition of the non-execution clause and the future trade regime (ibid). Trade-related issues were the biggest challenge in the negotiations (ibid).

The negotiations were completed in February 2000 (Morrissey, 2000). Originally, the new partnership agreement was to be signed in Fiji (ibid), but was eventually signed in Cotonou in Benin (the Cotonou Agreement, 2000). Its full name

*is Partnership Agreement Between the members of the African, Caribbean and Pacific Group of States of the one Part, and the European Community and its Member States, of the other part, signed in Cotonou, Benin on 23 June 2000 (ibid).*

#### **4.9.3 The Cotonou Agreement<sup>8</sup>**

Already in Article 1 the purpose of the agreement is declared: The central objective of the Cotonou Agreement is to further the economic, cultural and social development of the ACP states; it shall contribute to peace and security, and contribute to creating stability and a political environment based on democratic values (the Cotonou Agreement, 2000: Art. 1). Compared to the Yaoundé and Lomé Conventions, which focused mainly on trade and aid, the Cotonou Agreement has a rather strong political dimension, with a particular focus on policy dialogue (ibid: Art. 8). The Cotonou Agreement covers a wide range of issues, like migration, tourism, youth issues, cultural development, gender issues, environment and natural resources, fishery, food security, humanitarian and emergency assistance, to list some of them (ibid: Art. 13, 24, 26, 27, 31, 32, 53, 54 and 72). I will not go into further details about these issues.

In the Cotonou Agreement there is a large focus on reducing and eradicating poverty and at the same time the parties declare that development must be sustainable (ibid: Art. 1). Another important objective of the agreement is to integrate the ACP countries into the world economy (ibid: Art. 1).

In Article 2 the fundamental principles of the Agreement are presented: First, it is stated that the partners are equal; second, they make it clear that the ACP states themselves shall define or formulate the strategies for their own development; and third, the central governments are the main partners, but other kinds of actors are invited to take part in the project of development (ibid: Art. 2). Other important principles of the agreement are dialogue, mutual obligations and differentiation and regionalisation (ibid: Art. 2).

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<sup>8</sup> In this part I will refer to the articles or titles in the Cotonou Agreement.

Article 4 underlines what is mentioned above, the ACP ownership of the development strategies. It states that the ACP states are supposed to establish the cooperation programmes together with the EU (ibid: Art. 4). Here, the role of non-state actors is emphasised: Non-state actors have, according to the agreement the right to be informed and involved in consultation and implementation of projects and programmes; and receive financial as well as capacity-building support (ibid: Art. 4). Non-state actors are the private sector, economic and social partners and civil society (ibid: Art. 6).

The political dimension is strengthened in the Cotonou Agreement. The parties are supposed to have a political dialogue, in which issues like arms trade, extreme military expenditure, drugs and organised crime and ethnic, religious and racial discrimination will be discussed, in addition to an “assessment of the developments concerning human rights, democracy and the rule of law and good governance” (the Cotonou Agreement, 2000: Art. 8). Promotion of peace and prevention of violent conflicts will have a central role in the dialogue (ibid: Art. 8). The Cotonou Agreement pays much attention to peace-building policies, conflict prevention and resolution: The parties have committed themselves to a policy of peace building and conflict prevention and resolution, with support for mediation, negotiation and work for reconciliation (ibid: Art. 11).

There is a large focus on sustainable development in the Cotonou Agreement (ibid: Art. 9). The human person is in focus and in this context human rights is important: Respect for human rights and fundamental freedoms, which also means respect for fundamental social rights, democracy, the rule of law and transparent and accountable governance are underlined in Article 9 (ibid: Art. 9).

As with the Yaoundé and Lomé Conventions, the Cotonou Agreement establishes an institutional structure. There are three institutions: The Council of Ministers, the Committee of Ambassadors and the Joint Parliamentary Assembly (ibid: Art. 14). The Council of Ministers are composed of members both from the Council of the European Union and the European Commission and of member of the government of each ACP state (ibid: Art. 15). The Council of Ministers are responsible for the political dialogue and approves the policy guidelines (ibid: Art. 15). The Committee of

Ambassadors assists the Council of Ministers in carrying out its tasks and it also monitors the implementation of the Cotonou Agreement, in addition to examining whether the objectives of the Agreement have been achieved (ibid: 16). This body consists of permanent representatives of each member state to the EU and a representative of the European Commission and the head of mission of each ACP state to the EU (ibid: Art. 16). The Joint Parliamentary Assembly has an equal number of EU and ACP representatives; it consists of members of the European Parliament and members of parliament or representatives appointed by the parliament of each ACP state (ibid: Art. 17). Its role is mainly consultative, and by using means such as dialogue and consultation this Assembly it promotes democracy (ibid: Art. 17).

According to the Cotonou Agreement the cooperation strategies are “based on development strategies and economic and trade cooperation which are interlinked and complementary” (the Cotonou Agreement, 2000: Art. 18). As I have mentioned above, the development strategies are to be defined by the ACP states themselves. In the field of economic development the objective is to create good conditions for private investment, and to create a private sector, which is both “dynamic” and “competitive” (the Cotonou Agreement, 2000: Art. 21). Financial services to private enterprises are also to be improved (ibid: Art. 21). Macroeconomic and structural reforms and policies are given attention here as well (ibid: Art. 22).

In the Cotonou Agreement there is one section about social and human development. Cooperation in this field aims to improve the social infrastructure in the ACP states, which includes improving health systems, promoting the fight against HIV/AIDS and increasing water security (ibid: Art. 25).

There is also a section on regional cooperation and integration. In this context the ACP states will receive assistance to achieve the objectives and priorities they have defined themselves, at regional and sub-regional levels (ibid: Art. 28). It aims to integrate the ACP states into the world economy and to “accelerate economic cooperation and development both within and between the regions of the ACP states” (the Cotonou Agreement, 2000: Art. 28). Support will be given to development of and strengthening of regional integration institutions and organisations that are founded by the ACP States (ibid: Art. 29).

The Cotonou Agreement has a focus on institutional development and capacity building. Cooperation shall contribute to the development of and strengthening of structures, institutions and procedures (ibid: Art. 33). This will be done in order “to promote and sustain” democracy, human rights, the rule of law and transparent and accountable governance and administration (the Cotonou Agreement, 2000: 33). In this context the parties have committed themselves to fight against bribery and corruption (ibid: 33). Civil service in the ACP countries shall be reformed and modernised (ibid: Art. 33).

The objective of economic and trade cooperation is to integrate the ACP states into the world economy; the ACP states shall be able “to play a full part in international trade” (the Cotonou Agreement, 2000: Art. 34). The economic and trade cooperation between the EU and ACP is supposed to be a strategic partnership (ibid: Art. 35). A central part of the Cotonou Agreement is the objective of negotiating economic partnership agreements (EPAs); negotiations for these agreements began in September 2002 and they are supposed to end in December 2007 (ibid: Art. 37). They shall enter into force by 1 January 2008 (ibid: Art. 37). In this context the parties have agreed that all trading agreements shall be World Trade Organisation (WTO) compatible (ibid: Art. 36).

Quite a lot of attention is being paid to development finance cooperation. The purpose of this cooperation is to help the ACP countries in achieving their objectives (ibid: Art. 55). The ACP states have been given quite a lot of responsibility here: They are responsible for formulating objectives and priorities, selecting and implementing and maintaining projects and programmes (ibid: Art. 57). Aid is given not only to ACP states, but to regional or inter-state bodies or joint bodies established by ACP and the EU (ibid: Art. 58). Further, it is recognised that the ACP states still have a debt problem. In order to help the ACP states the parties agreed to grant resources to debt relief initiatives (ibid: Art. 66). Structural adjustment is also dealt with in the agreement. Support will be given for macroeconomic and sectoral reforms that are implemented by the ACP states (ibid: Art. 67). As in the Lomé Convention, the parties acknowledge the problems of instability in export earnings (ibid: Art. 68). The system of STABEX was not continued in the Cotonou Agreement. However, a system of

additional support is established in order to cope with the problems caused by fluctuations in export income (ibid: Art. 68).

There is a whole chapter devoted to support for sectoral policies. Support will be given to social and economic sectoral policies and reforms, measures to increase productive sector activity and export competitiveness and “measures to expand social sector services” (the Cotonou Agreement, 2000: Art. 69). Support will be given in different ways, such as sectoral programmes, budgetary support, investments, technical assistance and institutional support (ibid: Art. 69).

Decentralised cooperation is an important principle in the development policy of the EU and a whole chapter in the Cotonou Agreement deals with this issue. Support will therefore be given to microprojects at local level and decentralised cooperation (ibid: Art. 70).

Investment and private sector development support is also dealt with in the agreement. Investment promotion is given special attention (ibid: Art. 75). Support shall be given to the policies and strategies for investment and private sector development (ibid: 74). Support will be given as financial and technical assistance (ibid: Art. 74). Long-term financial resources will be provided as a help to promote growth in the private sector (ibid: Art. 76).

A central part of the Cotonou Agreement is technical cooperation. This kind of cooperation is meant as a help to develop manpower resources and institutions that are important for development to succeed (ibid: Art. 79). It also includes strengthening consulting firms and organisations in the ACP States and exchange arrangements in which consultants from the EU and the ACP States participate (ibid: Art. 79).

Many of the ACP states are among the least developed countries in the world, while others are landlocked states or island states; the Cotonou Agreement has some general provisions for these countries: The least developed countries will receive special treatment in development cooperation (ibid: Art. 84). Land-locked and island countries are particularly vulnerable, which must be taken into consideration in development cooperation (ibid: Art. 84), due to geographical positions and natural obstacles (ibid: Art. 87; 89).



#### **4.9.4 Economic Partnership Agreements**

On 27 September 2002 the negotiations on the Economic Partnership Agreements (EPAs) between the EU and the ACP opened, with the trade Ministers from EU Member States and the ACP states present (Africa, Caribbean, Pacific. EU opens trade negotiations with African, Caribbean and Pacific countries. Press Release, Brussels, 27 September 2002, <http://www.europa.eu.int>). The EU Trade Commissioner Pascal Lamy said this:

“These negotiations open a new chapter in our economic relations with the ACP. The EU and the ACP will work together to integrate poor countries better into the global economy and to fight poverty through trade and economic co-operation. To make good progress in achieving this goal, we should sit down and work together in a spirit of partnership from day one of the negotiations.” (Africa, Caribbean, Pacific. EU opens trade negotiations with African, Caribbean and Pacific countries. Press Release, Brussels, 27 September 2002, <http://www.europa.eu.int>)

The EPAs have four pillars: First, they are partnership agreements, in which both parties have rights and obligations (Africa, Caribbean, Pacific. Negotiation of Economic Partnership Agreements (EPAs): a means of gradually integrating the ACP countries into the global economy, <http://www.europa.eu.int>). Second, regional integration is central to the EPA: EPAs are based on regional integration projects within the ACP Group (ibid). Third, EPAs are supposed to contribute to the development of the ACP Group (ibid). Finally, they are linked to WTO; the EPAs will be in accordance with WTO rules (ibid). The EPAs are not supposed to become classical free trade agreements; rather, they are supposed to “maximise the development potential of ACP economies” (Economic Partnership Agreements: putting a rigorous priority on development. Press Release, Brussels, 20 January 2005, <http://europa.eu.int>).

The EPAs are being negotiated with regions within the ACP, not with individual countries (ECDPM. 2001. Cotonou Infokit: Regional Economic Partnership Agreements (14). Maastricht: ECDPM).<sup>9</sup> However, the 39 least developed countries

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<sup>9</sup> See appendix for a list of the regions.

are given special treatment, which means that they do not have to sign an Economic Partnership Agreement (ibid). Central Africa was the first region to start negotiations, which opened in October 2003 (Africa, Caribbean, Pacific. Regional negotiations of Economic Partnership Agreements, <http://www.europa.eu.int>). They were quickly followed by West Africa, which started their negotiations just a couple of days later (ibid). Eastern and Southern Africa started negotiating in February 2004 (ibid). In April 2004 the Caribbean states launched their negotiations (ibid). In July the same year, the Southern African Development Community (SADC) started negotiating their EPA (ibid). Finally, in September 2004 the EPA negotiations with the Pacific started (ibid).

The Economic Partnership Agreements are controversial. In September 2004 several NGOs started a “Stop-EPA” campaign, in which the critics argue that these agreements “make grossly unfair demands on ACP countries, will bring trade-related issues, which were abolished from WTO talks, in through the backdoor and will harm the poor through reducing ACP fiscal revenue” (Economic Partnership Agreements: putting a rigorous priority on development. Press Release, Brussels, 20 January 2005, <http://europa.eu.int>).

# **5 ANALYSIS PART 1: THE INTERESTS OF THE EUROPEAN UNION**

## **5.1 Introduction**

Which interests were decisive for the EU in the process which led to the Cotonou Agreement? This is the main question in the analysis in this chapter. In this chapter the theoretical framework outlined in the theoretical chapter will be used as analytical tools. There will be a focus on self-interests, in terms of security interests and economic interests, and value-based interests, as well as other interests.

First, there will be a short discussion on the process which led to the Cotonou Agreement. Then I will present the analysis, which is divided into three parts. The first part of the analysis deals with self-interests (security and economic interests). The second part deals with the value-based interests. The last part deals with other types of interests which cannot be classified like the other interests. In this chapter the use of quotations is a central part of the analysis.

## **5.2 The process**

The Green Paper was the start of the process which eventually led to the signing of the Cotonou Agreement and in the Green Paper the EU reviews the previous conventions, Yaoundé and Lomé. The EU is not satisfied with the results, which have been mixed and in many cases unsuccessful (European Commission, 1996: 11). For example, the EU admits that the Lomé Convention was not very realistic (ibid: 12). And the partnership was not “fully realised” (ibid: 12).

“This new international environment has prompted the European Union to redefine its political and security interests...” (European Commission, 1996: i)

This quotation indicates that the interests of the EU are changing, which also has to affect the development policy of the Union and its relations with the ACP countries. Not only had the results of previous conventions been mixed, but in the years after the

Cold War the international situation changed. This new international situation was characterised by increasing globalisation (European Commission, 1996: 1). And an important driving force was the eagerness of achieving the results that lacked after Yaoundé and Lomé (ibid: 18).

### **5.3 Self-interests**

In this part I will start with the economic interest and then go on to look at security interests.

“The European Union’s primary concern must be the integration of the poor into the economic and social life and the integration of the ACP countries into the world economy.” (European Commission, 1996: Foreword)

“The EU’s efforts to reduce poverty and inequalities in development around the world are also closely linked to the quest for peace and stability, the need for better management of global interdependence and risks, and promotion of a kind of world development that is more compatible with European political and social values.” (European Commission, 1996: iii)

These two quotations have to be commented upon. Together they sum up EU’s declared objectives and interests, which I will discuss in detail below. The first one emphasises the economic objectives and also social objectives. The second quotation also mentions social objectives, but it focuses on security interests in particular and it shows that value-based interests are of great importance to the EU.

#### **5.3.1 Economic interests**

##### *Trade and integration into the world economy*

Economic interests have certainly played an important role for the EU in the process which led to the Cotonou Agreement, as trade and economic partnership are central elements of the Cotonou Agreement. Another important factor for the EU was the increasing multilateral and regional trade liberalisation; it was necessary to follow WTO rules (European Commission, 1996: 19). In the Green Paper the EU emphasises the integration of the ACP countries into the world economy (ibid: Foreword). The

ambition of integrating these countries into the world economy is also underlined in the guidelines for the negotiations: Developing their trading capacities and making them more interesting for investors are important aspects of that (European Commission, 1997: 22).

The EU believes that:

“In practice, European producers will benefit in the medium or long-term from increased prosperity in partner countries with fast-growing populations.” (European Commission, 1996: 4)

The EU clearly has an interest in more prosperity in the developing countries, as it gives them new opportunities for investments, for instance.

There is a strong focus on developing an economic partnership between the EU and the ACP countries. The EU and the ACP countries are negotiating Economic Partnership Agreements.<sup>10</sup> In the negotiation guidelines the EU makes it clear that they want to abandon the system of unilateral preferences; instead, the EU wants to introduce “a more balanced approach characterised by a genuine partnership and taking account of the parties’ mutual interests” (European Commission, 1997: 22). The objectives of the EU are quite ambitious, not only on behalf of the ACP countries, but also on behalf of itself: As mentioned before, the EU is strongly in favour of integrating the ACP countries into the world economy. Perhaps more interesting is the objective to strengthen Europe’s presence in the ACP countries “by enabling EU businesses to tap into those countries’ comparative advantages” (European Commission, 1997: 22). This is an example which shows that economic self-interests definitely are important to the EU.

Non-reciprocity was a principle of the Lomé Convention.<sup>11</sup> However, the EU wanted to abandon that principle in the new convention and the EU was strongly in favour of incorporating reciprocity in trade as a step toward liberalisation (ibid: 25). This is underlined with this quotation from the guidelines for the negotiations:

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<sup>10</sup> See chapter 4.

<sup>11</sup> See chapter 4.

“Regionalised economic cooperation agreements would consolidate the ACP countries’ access to the European market and introduce an element of reciprocity for EU exports.” (European Commission, 1997: 25)

Here, the EU shows that it is interested in the ACP markets; it wants to sell its products on the ACP markets.

And at the first ministerial conference the ministers managed to agree on the abandonment of the non-reciprocal trade preferences (European Commission, 1999b: 1).

“The cooperation framework must henceforth do more to help the ACP States to open their markets to develop trade with the EU, of course, but also with other partners.” (European Commission, 1996: 41)

As the quotation above shows, the EU clearly wants the ACP countries to open their markets for EU products. The EU regards these countries as potential and important markets for their products. These countries have been and still are important for the EU because they produce and export raw materials that the EU countries are dependent upon.<sup>12</sup> The guidelines for the negotiations have a strong focus on common or mutual interests: The economic cooperation or partnership should be advantageous for both parties and mutual interest is seen as a driving force for cooperation economically, as well as socially and environmentally (European Commission, 1997: 15). Mutual interests or common interests are frequently used terms, which we will see below. The use of such terms might be an attempt by the EU to present its motives or interests in a more positive light. The term self-interest is hardly mentioned at all, though it is clear self-interests, which means economic benefits are of high importance to the EU. The focus on common interests is underlined in this quotation from the guidelines for the negotiations:

“The EU and the ACP countries have common interests to defend.” (European Commission, 1997: 9)

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<sup>12</sup> See chapter 4.

Further, the EU argues that the relations with the ACP States must “foster mutually-advantageous economic development” (European Commission, 1997: 9).

### *Disagreements*

During the negotiations the parties managed to agree easily on a number of issues, while other issues were more difficult. In this case it is of greater interest to see what the parties disagreed on. During negotiations the interests of the parties become clearer. The negotiation memos were important sources in this case. However, they do not give many details, or opinions from the EU’s point of view, and they were written as reports.

Economic issues were difficult. The most difficult issues were about market access and transitional period, debt, financial cooperation etc. During the negotiations the parties agreed on a transitional period, but they had different opinions on how long this period should last (European Commission, 1998a: 4). The ACP countries wanted a 10-year transitional period in order to prepare themselves to the new economic partnership agreements with the EU, while the EU on the other hand proposed a transitional period for five years (European Commission, 1998b: 1-2). At one point the ACP countries asked for improved market access during the preparatory period, but the EU was not willing to do so (European Commission, 1999c: 2).

In the Green Paper the EU clearly is in favour of revising the financial and technical cooperation and the main reasons for that are the fact that the partnership to a greater extent will be based on reciprocity and the introduction of “a more explicit allocation of the partners’ responsibilities;” the fact that Community assistance must be changed due to some variation in level of development between the ACP countries and “the need to reconcile the predictability of accumulated aid practice with the requirement for better-tailored and more efficient aid” (European Commission, 1996: 70). Further, some options are discussed: The first option is to maintain the current divisions of allocations, but the EU is rather sceptical to this option, as this alternative has too many disadvantages (ibid: 71). The second option is to organise all aid operations by having one source of funds (ibid: 71). The EU appears to be more

positive to this alternative, as it argues that the organisation will be more flexible and provides “subsequent development of financial assistance” (European Commission, 1996: 71). The last alternative is to create two or three separate allocations: There will be one fund for long-term assistance for the public sector; a second fund reserved for emergencies and it might be necessary with a third fund, which will be reserved for direct assistance to non-governmental actors, private sector, associations, consumer organisations and NGOs (ibid: 71). The EU is clearly most enthusiastic about this alternative, as they argue that Community aid policy will be “more flexible, cohesive and transparent” (European Commission, 1996: 71).

Also in the negotiation guidelines the EU states that the procedures for managing financial and technical cooperation need a radical change; this is explained by pointing to demands for more efficiency in financial management and differentiation is considered necessary (European Commission, 1997: 4). Cooperation instruments have to be simplified and rationalised, according to the EU (ibid: 5). The EU focuses particularly on reducing the number of instruments, which should be done by having three separate packages and by giving programming an important role in cooperation (ibid: 28). According to the guidelines for the negotiations there would be one package of programmable resources reserved for long-term development, an investment fund which would be used to support the development of the private sector and trade, for example and finally a package reserved for emergencies (ibid: 28). This focus must be regarded as an answer to the criticism towards the Lomé Convention of the large number of instruments which had been set up over the years:

“Cooperation with the ACP countries is now overburdened with instruments which are tailored to predetermined uses and are increasingly difficult to run in a coherent way.”  
(European Commission, 1996: 70)

The EU argued that the instruments for financial cooperation were too complex, inflexible and that there was little or no transparency and argued in favour of rationalising and simplifying the instruments, a point which was emphasised in the guidelines for the negotiations (European Commission, 1997: 27).



The ACP argued against such a rationalising; they wanted to maintain the number of instruments, but were positive to improving and simplifying the instruments and procedures so that the aid becomes more efficient (European Commission, 1998b: 2).

An important question being asked in the Green Paper is whether aid should be granted according to need or according to merit. Traditionally, aid has been granted according to needs, human development indicators, the country's size and geographical position (island or landlocked countries) (European Commission, 1996: 71). With the mid-term review of Lomé IV a new system of allocation was introduced: Parts of the resources were granted according to performance in sectoral policy (ibid: 72). The EU argues in favour of such a system (ibid: 72). Further, the EU argues in favour of a new concept, called "good management" (European Commission, 1996: 72). This means that aid will be granted according to social and economic indicators and poverty levels and according to political and economic criteria (ibid: 72). A consequence of this system will be to introduce ongoing programming for three, four or five years with annual reviews, for instance (ibid: 73).

Also in the guidelines for the negotiations the EU argues for a new system of programming, in which aid is granted according to needs and merit (European Commission, 1997: 29). The EU presented its proposal to the ACP countries in the negotiations: The EU wanted to introduce a system of rolling programming, which means that resources to the ACP countries no longer would be allocated on the basis of need only (European Commission, 1999a: 2). Resources would be granted according to need and performance; the parties would have to agree on the performance criteria (ibid: 2). The ACP countries were sceptical to this new system, particularly to the performance assessment mechanism (European Commission, 1998a: 4). They might have feared that they would receive fewer resources after the introduction of such a system. It is likely that they would prefer the continuation of the old system, with resources being allocated on the basis of need.

Both the EU and the ACP agreed on the importance of developing the private sector and the importance of investment (European Commission, 1998a: 3). The latter issue was a difficult one in the negotiations. More precisely, the parties had different

opinions on investment guarantees; the most difficult questions were about the coverage of risks and on the establishment of an investment guarantee agency, because there was already a Multilateral Investment Guarantee Agreement (European Commission, 1999e: 3) The EU was most likely sceptical to establishing of an investment guarantee agency, due to the existing agreement. A new agency would be expensive and not very effective, according to the EU (ibid: 3).

In the negotiations the EU and the ACP agreed on establishing an Investment Facility (European Commission, 1999b: 2). However, this issue was not an easy one in the negotiations, especially the issue of concessionality for loans under the Investment Facility was difficult: The EU argued that loans under this Investment Facility in general should be given on market terms (European Commission, 1999e: 7). To the ACP countries, on the other hand, this did not represent a development but rather the opposite (ibid: 7). This led the ACP countries to ask how the Investment Facility could be useful if the EU insists on loans given on market terms (ibid: 7).

Debt relief was another difficult issue in the negotiations between the EU and the ACP states. The ACP states asked the EU to cancel all debt from the European Development Fund (EDF) all ACP countries owed; the EU, on the other hand, would rather contribute to international initiatives to reduce the debt of the developing countries (European Commission, 1999e: 7). Eventually, the parties managed to agree on the debt issue and the negotiators agreed on this: €1 billion would be given to the Highly Indebted Poor Countries (HIPC) Initiative; the EDF structural adjustment facility would be increased with €250 million and in addition the parties agreed on conditions for debt relief for the ACP States (European Commission, 1999f: 2).

Here we have seen that the EU wanted many changes in the economic field. The EU wants more flexibility and transparency, which means that the EU wants more control with the use of resources. The EU also wants more simplicity rather than complexity. Efficiency is also important to the EU. But more important, the EU is clearly unwilling to use more resources than necessary. It demonstrates an unwillingness to grant aid to those countries that do not perform as expected or to countries that do not need the money most. The EU clearly has a limit on how much it is willing to give.

### **5.3.2 Security interests**

Contrary to previous conventions, security issues have been given much more attention in the process and in the Cotonou Agreement itself. In other words, security issues have become more important in the relations between the EU and the ACP states than before, mainly because of a new international situation; the EU considers peace and security as “minimum conditions for development” (European Commission, 1996: 28). In the negotiation guidelines it is stressed that the relations between the EU and the ACP “must become a factor for peace and stability” (European Commission, 1997: 9). The EU also considers itself as a “force for stability” which can have a great deal of impact in the field of security in developing countries (European Commission, 1996: 6). The EU makes it clear that development cooperation has to fulfil the objectives of the common foreign and security policy, which means that development cooperation “must preserve peace and strengthen international security” (European Commission, 1997: 11). Further, it should deal with the causes of poverty and inequality, which may be a source of conflict (ibid: 11). However, despite this new and stronger focus on security issues, they do still receive less attention than economic issues, for instance.

#### *New security situation*

In chapter 2 I wrote about the new concept of security that has been developed in recent years: The concept of security has been extended. During the Cold War security was linked to military force. Threats against national states were mainly military and came from other states. In addition to military security, other issues have been “securitised”. This means new terms have been developed, such as political security, economic security, societal security and environmental security. The new threats also require other solutions than the traditional military alliances, such as legally binding agreements.

The new thinking on security has also affected the EU. The EU considers these issues to be the main threats today: Armed conflicts, proliferation of nuclear weapons, terrorism and migration (European Commission, 1996: 4).

Many ACP countries have been and are still characterised by civil war and lack of political stability and low degree of social stability (European Commission, 1996: 28). In the Green Paper it is clearly stated that it is in the interest of the EU to promote “peace and stability, by preventing the development or persistence of areas of instability in the world” and “more effective international cooperation to manage global threats” (European Commission, 1996: 38). The EU pays attention to the threat of marginalisation of communities and countries being destabilised or disintegrated, which have to be prevented; another objective is to develop and preserve the rule of law in the ACP countries and to maintain a certain level of social cohesion (ibid: 38).

Besides armed conflicts, there are other fields in which the EU wants to cooperate. Migratory pressure is an issue of great concern to the EU, because illegal immigration from developing countries is a problem (European Commission, 1996: 38). This issue was being discussed in the negotiations; it was characterised as “difficult” and “sensitive” (European Commission, 2000: 1). But eventually the parties reached an agreement; the parties agreed to launch a process in which they will send illegal immigrants back to their own countries (ibid: 1-2). Terrorism, trafficking and pandemics, or global epidemics, are other issues the EU wants to cooperate on (European Commission, 1996: 38). In other words, these issues have become securitised.

The guidelines for the negotiations state clearly that it is necessary with cooperation in order to improve both global and regional security; cooperation could deal with issues such as non-proliferation, arms control, illegal arms trafficking and land mines (European Commission, 1997: 12).

As we have seen here, the EU has given security a rather wide definition. The EU focuses on a wide range of issues, not only military threats, but threats like trafficking and migration and threats to human health. More issues have become securitised. Some of these issues can threaten the EU more directly than others. An issue like migration was quite difficult in the negotiation, while pandemics may not be a threat at the moment, but it could be a threat in the future.

## *Conflict prevention*

Article 11 in the Cotonou Agreement says:

“1. The Parties shall pursue an active, comprehensive and integrated policy of peace-building and conflict prevention and resolution within the framework of the Partnership. This policy shall be based on the principle of ownership. It shall in particular focus on building regional, sub-regional and national capacities, and on preventing violent conflicts at an early stage by addressing their root-causes in a targeted manner, and with an adequate combination of all available instruments.” (Cotonou Agreement, 2000: Art. 11)

As mentioned above, risk of armed conflict is one of the main security concerns of the EU. And civil wars have been a problem in many ACP countries, with a large number of casualties (European Commission, 1996: 28). Further, there has been an increase in organised violence and armed conflicts in sub-Saharan Africa (European Commission, 1996: 40). This has led to a much larger focus on conflict prevention in the process which led to the Cotonou Agreement and in the agreement itself, as the quotation from the Cotonou Agreement above shows. In the Green Paper, the European Commission proposed to establish a European conflict prevention and settlement policy, or more precisely a “comprehensive strategy,” with the possibility of “coordinated intervention,” in order to achieve “structural stability,” which means achieving “sustainable economic and social development,” democracy, human rights, political structures that function properly and capacity to handle changes without the use of violence (European Commission, 1996: 40). As the quotation from the Cotonou Agreement above shows, there is a particular focus on preventing conflicts as early as possible and targeting the roots of the conflicts.

The focus on conflict prevention is emphasised in the guidelines for the negotiations: In 1997 the EU approved guidelines on conflict prevention in Africa (European Commission, 1997: 11). In the guidelines for the negotiations the EU points out that preventing and settling conflicts will be an important issue in the so-called policy dialogue, together with issues such as arms control and land mines (ibid: 13-14).

## **5.4 Value-based interests**

In the Green Paper the EU makes it clear that it wants “a world development that is more compatible with European political and social values” (European Commission, 1996: iii, see quotation earlier in this chapter). In other words, the EU wants the rest of the world to become more like Europe. The EU pays attention to different aspects of development, or important values: The political aspect (democracy, human rights, fundamental freedoms, rule of law), the social aspect (living conditions, preventing disintegration of the basic structure of society) and the environmental aspect (“conflicts and food deficits due to water shortages and soil degradation”) (European Commission, 1996: 4). I have chosen to focus on the political and social aspects here.

### **5.4.1 Democracy, human rights, the rule of law and good governance**

The EU believes it can contribute to institutional development (European Commission, 1996: xii). In the Green Paper the EU states that there are “compelling reasons for the EU” to play a more active role in institutional development (European Commission, 1996: 63). This issue should be given higher priority and become an important part of the relations with the ACP States (ibid: 63). The EU believes this would force the ACP States to reflect on how their political systems are organised and how to improve these systems (ibid: 63). The EU believes more emphasis on institutional development will have a positive impact on Community aid; it will be improved (ibid: 63). Respect for human rights and fundamental freedoms and the application of democratic principles are regarded as “essential” by the EU (ibid: 63) and that was also emphasised in the guidelines for the negotiations:

“Human rights, democratic principles and the rule of law are now an essential element of EU-ACP relations.” (European Commission, 1997: 12)

In the negotiations the parties agreed to find a definition of “essential elements” and from the EU’s point of view the essential elements are respect for human rights, democracy, the rule of law and good governance (European Commission, 1998a: 2).

The guidelines for the negotiations stress the importance of good governance to social development and reducing poverty, increasing investment and developing the

private sector (European Commission, 1997: 13). The question of whether good governance should be one of the essential elements was a difficult one in the negotiations: The ACP countries argued that good governance was not well-defined, which could lead to “arbitrary decisions” (European Commission, 1999b: 1). The EU stressed that there should be no doubt about the commitments of both parties, when it comes to transparency and accountability in how public resources are managed (European Commission, 1999d: 1). However, the parties managed to reach an agreement on the definition of good governance: Good governance was defined “in the context of a political and institutional environment that upheld human rights, democratic principles and the rule of law, as the transparent and responsible management of public resources for the purposes of equitable and sustainable development” (European Commission, 1999f: 1). Good governance is a “fundamental element” of the agreement (ibid: 1). Note the use of the word “fundamental”, not “essential”, as the EU originally proposed (see above).

#### **5.4.2 Solidarity**

According to the EU, it has an interest in promoting solidarity and in the Green Paper the EU argues that cooperation across national borders is necessary in order to fight against absolute poverty and for respect for democracy and human rights (European Commission, 1996: 38). The Commissioner for Development Cooperation and Humanitarian Aid, Poul Nielsen said this before the signing of the Cotonou Agreement:

“I am both proud and honoured to sign this agreement. It is forged from a common will to approach the future through global partnership. It demonstrates the European Union’s commitment to pursue its work in the world by promoting the values of solidarity and dialogue.” (The European Community and its Member States sign a new Partnership Agreement with the African, Caribbean and Pacific states in Cotonou, Benin. Brussels, 21 June 2000, <http://www.europa.eu.int>)

The importance of solidarity was also underlined in the speech of the President of the Council at the signing ceremony of the agreement; he declared that solidarity is among

the fundamental principles of the relations between the EU and the ACP states (DRAFT SPEECH BY THE PRESIDENT OF THE COUNCIL AT THE SIGNING CEREMONY FOR THE ACP-EC PARTNERSHIP AGREEMENT (COTONOU, BENIN, 23 JUNE 2000), <http://ue.eu.int>).

#### **5.4.3 The social and economic dimension: Poverty alleviation**

“Improving living and working conditions in the developing countries is now a priority for the Union’s action abroad. The Union is not seeking to export its model; it is simply sharing its experience.” (European Commission, 1997: 15)

“It is very much in the European Union’s interest to encourage a form of development (i) guaranteeing social progress, respect for human rights and above all fundamental social rights; and (ii) focusing on the problems of destruction of the environment and natural resources” (European Commission, 1996: 38).

The Green Paper pays a lot of attention to the social and economic dimension. There is a strong focus on improving living and working conditions in the developing countries, as the first quotation above shows. Notable in the first of these two quotations is the claim that the EU just wants to share its experience, not to impose its model on other countries. The second quotation has a strong focus on social progress and fundamental social rights, besides human rights. It also shows that there was a focus on environmental problems in the process.

There is a strong focus on alleviating poverty. In the Green Paper, the EU argues that poverty reduction should be the focus for cooperation between the EU and ACP countries (European Commission, 1996: xi). According to the guidelines for the negotiations, the EU wants poverty reduction to be “the cornerstone of the new partnership” (European Commission, 1997: 4). Poverty alleviation will be placed in an “integrated approach” dealing with both the causes of economic growth and the social effects of such growth (ibid: 16).

However, the focus on poverty alleviation is not new in the EU’s policies. In 1993 the EU passed a resolution on poverty reduction (European Commission, 1996: 59). The Green Paper focuses on different factors of the poverty issue, such as the role of women, health care, primary education and training, food aid and food security aid



and preservation of the environment (ibid: 59). The EU underlines the necessity of having a broad approach and could have a strategic approach to its partners in two areas: Access to productive resources, employment and human resource development and support for social policies (ibid: 60).

The negotiation guidelines also call for a stronger social dimension in the cooperation between the EU and the ACP States (European Commission, 1997: 10). The EU will support the ACP States in maintaining and increasing funding for the largest social sectors and establishing social services and systems that protects against changes in economic conditions, local needs and the specific demands of a country or region (ibid: 18).

## **5.5 Other interests**

So far I have been looking at self-interests (security and economic interests) and value-based interests, which had to do with democracy, human rights, solidarity and poverty alleviation. But there are other interests that is difficult to classify as economic, security or value-based. However, they may be classified as self-interests, but I have chosen to deal with them separately.

“In a world now multipolar, the Union must make its presence felt in all regions of the world.”  
(European Commission, 1996: foreword)

This quotation shows the ambition of the EU to become a global actor. It is clear that the EU wants to establish itself as a global actor in the international system, with a global common foreign and security policy. The EU is not only involved in the ACP countries, but also in other parts of the world.

Other interests deal more with prestige and reputation, and more indirectly with the other interests discussed above. The EU is certainly concerned with its identity and image around the world:

“We are dealing in these negotiations with an important aspect of the EU’s identity abroad.”  
(Towards a new long-term partnership agreement, <http://www.europa.eu.int>)

In an interview with Kenneth Karl in the *ACP-EU courier*, Bernard Petit, who is a director in the European Commission, said this:

“...EU’s development policy conveys a certain image of Europe in the world, based on common values of solidarity, social progress and democracy.” (Karl, 2000b)

The first quotation clearly shows that the development policy is an important part of the EU’s identity in the rest of the world. The last quotation shows how the EU wants to be perceived in the rest of the world: as an actor promoting democracy and solidarity.

## **5.6 Summary**

In this chapter I have been looking at different types of interests: Economic, security and value-based interests. Economic interests have been very important for the EU in the process which led to the Cotonou Agreement. Economic issues were the most difficult questions in the negotiations. Security issues have been given more attention this time than earlier. There is a strong focus on conflict prevention and settlement. Promotion of values such as democracy, human rights, the rule of law and solidarity is being underlined. As we have seen, the political dimension has been given more attention in the process which led to the Cotonou Agreement and in the agreement itself than in previous conventions. Poverty reduction is the “cornerstone” of this agreement (European Commission, 1997: 4).

## **6 ANALYSIS PART 2: PATH DEPENDENCE**

### **6.1 Introduction**

The second part of the analysis deals with a different aspect of the research question, path dependence. Path dependence will be the theoretical framework in this part of the analysis. To recapitulate a little bit, path dependence is used to describe political processes. Path dependence means that earlier events will affect possible outcomes of events happening in the future. For actors who have launched a certain policy, reversing that policy can be very costly.

The main purpose of this chapter is to find out whether the EU had any choice but to continue the relations with the ACP countries. An important question in this chapter would be: Was the feeling of duty toward the ACP countries so strong in this case? Another important question is: Was it important for the EU to maintain certain principles from the Lomé Convention? I will use various quotations in order to answer these questions. I will also discuss whether the relations between the EU and the ACP countries are an example of a process of increasing returns. In this chapter I will focus on the Green Paper and different alternatives outlined in that document. Then I will look at the choice the EU made in this context and the will to continue. Attention will be paid to the need for changes, the wish to preserve a culture, ambitions and challenges.

### **6.2 The Green Paper: the options**

As we have seen in a previous chapter, the Green Paper discusses the future of the relations between the EU and the ACP states. An important question is whether these relations should be maintained or not and if they are maintained, should the relations be extended? (European Commission, 1996: 43) Several alternatives are discussed: The options vary from maintaining status quo to having a global agreement plus bilateral agreements, from regional agreements to having an agreement with the least developed countries only (European Commission, 1996: 44-45). However, the EU is

most positive to a global agreement supplemented by bilateral agreements, as it “would no doubt make it possible to tailor EU operations more closely to circumstances” (European Commission, 1996: 44). To a large extent the EU wants to continue with having an overall or global agreement, but at the same time acknowledges that changes are necessary, as we will see below. Maintaining the partnership is an important principle in these relations for both parties (ibid: 65).

There is also a discussion on different trade arrangements in the Green Paper: They vary from maintaining status quo, to integration into the GSP (Generalised System of Preferences), from uniform or differentiated reciprocity to differentiation under a single framework and differentiation leading to a variety of arrangements (European Commission, 1996: 65-67). Important questions asked are: In what way would these alternatives affect the partnership, positively or negatively? (ibid: 65)

I will not go into further detail about every option discussed in the Green Paper. However, the comments given on two of the alternatives are interesting and relevant in this context. I will have a closer look at these two alternatives: Differentiation under a single framework and differentiation leading to a variety of arrangements.

The EU is most enthusiastic about the option differentiation under a single framework (see quotation below). This alternative includes the first four options: Status quo, integration into the GSP (Generalised System of Preferences), uniform reciprocity and differentiated reciprocity (ibid: 66). This depends on the development level, needs, the willingness of the ACP countries to develop this relationship with the EU, and on how much reciprocity the ACP countries are willing to concede to the EU (ibid: 66). The contractual character of the relations would be maintained (ibid: 66). This option opens for several possible trading arrangements: Region-to-Region Free Trade Agreements, bilateral FTAs, non-reciprocal preferences and graduation into GSP (ibid: 66-67). The EU says this about this option:

“This framework option would preserve the integrity of the existing Lomé Convention but would allow for reciprocity, differentiation and graduation considerations to be added as additional basic dimensions of the partnership principle.” (European Commission, 1996: 67)

This statement demonstrates the EU's attitude in trade issues. It both preserves the integrity of the Lomé Convention and gives new dimensions such as reciprocity, differentiation and graduation. As I wrote in the first analytical chapter, reciprocity in particular is important to the EU.

On the other hand, the EU is rather sceptical to the alternative differentiation leading to a variety of arrangements, which the comment below shows. With this system the first four alternatives, status quo, integration into the GSP, uniform reciprocity and differentiated reciprocity open for different trading arrangements, combined with a single aid package (European Commission, 1996: 67). The EU has this quite negative comment to this alternative:

“The integrity of the Lomé Convention is obviously the first casualty of this approach.”  
(European Commission, 1996: 67)

The EU clearly believes that this alternative will not preserve the integrity of the Lomé Convention.

Preserving the integrity of the Lomé Convention is obviously an important point for the EU. The EU wants to continue along the lines of the Lomé Convention, at least to some extent. In other words, the EU does not want a new partnership and new trade arrangements to be radically different from the Lomé Convention, though the EU does not want to maintain status quo.

### **6.3 The choice**

As we have seen above, several alternatives were considered for a future partnership. The debate demonstrated a will to maintain the relations with the ACP states as one group (European Commission, 1997: 5). The fifth guideline for the negotiations states clearly that the ACP will be preserved as a group or a political entity, but at the same time this guideline states that “considerable geographical differentiation” will be introduced (European Commission, 1997: 5). The European Commission proposed to have an overall agreement which will be marked by differentiation, due to the

importance of regional integration for development, the need to adjust various aspects of the ACP countries (ibid: 5).

The EU wants to have a partnership with the ACP countries. That is a “tradition”:

“The principle of partnership has been at the very heart of the Conventions that have bound the Community and the ACP countries since 1975.” (European Commission, 1996: 10)

In fact, the EU insists in the Green Paper that partnership is the best way of cooperation and agreement with the ACP states. It is valuable, according to the EU:

“The difficulties of putting “partnership” into practice should not call into question the value of this form mutual political commitment. **The circumstances and huge challenges facing many ACP countries are good reason to preserve the strengths and qualities of the present relationship**, in particular the predictability and contractual nature of the aid. **But this political commitment must be made more explicit and more effective.**” (European Commission, 1996: vi)

Here, the EU admits that the partnership has faced some problems, but that should not prevent the parties from continuing the partnership, due to its value. Further, the EU points to the challenges facing the ACP countries. It is important for the EU to preserve the most positive aspects of the Lomé Convention. And the EU puts more emphasis on the political commitment. The EU is indeed very positive to maintaining the partnership, which the EU stresses in this statement:

“Partnership is undoubtedly still the ideal form for cooperation relations and any future agreement between the EU and the ACP States must endeavour to restore it.” (European Commission, 1996: 39)

According to the EU, the EU-ACP grouping has a value in a new multipolar world in which North-South relations have been changed (European Commission, 1997: 31). The EU argues that there is a need for an overall agreement, based on two principles: First, the EU believes it is valuable with an EU-ACP grouping in a multipolar world, a grouping that has potential of becoming a force or actor in the world, according to the EU (ibid: 31). Second, there is the principle of solidarity (ibid: 31). The EU also

argues that there is a need for a differentiated approach, due to the regional dimension of economic and trade cooperation and the fact that regional integration to a larger extent than before has become an important factor for development (ibid: 31).

The Cotonou Agreement was another step in the relations with the ACP group. As in previous conventions, aid and trade are important aspects of this agreement, though aid has gained increased importance with the Economic Partnership Agreements. However, the cooperation has again been extended. The Cotonou Agreement is certainly not an aid and trade package only. Security has become more important than ever before, with a strong focus on conflict prevention. There is also a larger focus on democracy and human rights. The political dimension has been strengthened. The group of actors involved was also extended. Non-governmental actors are supposed to play a role in the partnership between the EU and ACP. The Cotonou Agreement is to a large extent both an extension of the cooperation and not least a continuation of previous policy.

## **6.4 A will to continue**

In an interview with Kenneth Karl in the *ACP-EU Courier* Bernard Petit, director in the European Commission said this:

“The conclusion of this agreement shows that the will within the EU to set up a framework of privileged relations with the ACP Group is indeed genuine.” (Karl, 2000b)

This statement is interesting in this context. Petit wants to show that the will to continue these relations are strong.

Below there is a number of quotations from different sources, mainly from the Green Paper, in addition to some speeches. The formulations are all different, but they do say mostly the same.

### **6.4.1 The ambition**

“Our goal is clear, to revitalize ACP-EU relations; open new horizons and boost the chances of success. ACP-EU relations are still a key part of the Union’s identity. The post-colonial era

is coming to an end but our responsibilities towards the ACP countries continue, for deep-rooted reasons that the Green Paper sets out to explain.” (European Commission, 1996: Foreword)

Here, the EU is quite explicit and the ambition is clear: The goal is to revitalise these relations. The EU’s responsibilities are emphasised here. Note the use of the term “deep-rooted reasons.” The EU also states that it wants an extension of cooperation. The EU is clearly quite eager to achieve success in its development policy. It is a driving force for the EU. It shows that there is a strong will within the EU to take another step and continue the relations with the ACP countries. And note that the EU considers these relations as a part of its identity.

#### **6.4.2 The need for change: Challenges and new conditions**

“As the 21<sup>st</sup> century dawns, relations between the EU and the ACP countries should be put on new footing to take account not only of changed political and economic conditions for development but also of changed attitudes in Europe.” (European Commission, 1996: iv)

“As the 21<sup>st</sup> century nears, the Union must redesign its aid policy towards the ACP countries from scratch, not only as a result of changes in the economic and political conditions governing development or rapid development in other regions of the world but because Europe’s motives are no longer the same.” (European Commission, 1996: 11)

These two quotations are both taken from the Green Paper and they are quite similar. The main message here is that the EU has to redefine the aid policy and relations with the ACP group for the 21<sup>st</sup> century due to political and economic changes. Notable is also the claim that Europe has other motives than before. Again, the will to continue the relations, despite necessary changes, is demonstrated.

“ACP-EU cooperation is a living organism. It operates in an international context that is radically changing. The framework and the content of our cooperation need to be constantly adapted to the new realities with which we are confronted.” (DRAFT SPEECH BY THE PRESIDENT OF THE COUNCIL AT THE SIGNING CEREMONY FOR THE ACP-EC PARTNERSHIP AGREEMENT (COTONOU, BENIN, 23 JUNE 2000), <http://ue.eu.int>)



This quotation is quite interesting, because of the use of a metaphor. Note how the cooperation between the ACP and the EU is characterized: “a living organism,” which means that it develops and changes. In other words, it is not constant. Again, changes internationally are underlined. This quotation also states that changes to the cooperation are necessary due to these changes.

“The basic philosophy underlying ACP-EU cooperation has not essentially changed. This is to define, in the long term, a framework agreement of privileged relationships, founded on three pillars: the political dimension, trade and development aid. Past experience and the need to adapt the partnership to upheavals at an international level required a fundamental review of the spirit, objectives and implementation of our cooperation, so that we could revitalize the partnership and give it new aspirations and, above all, increased chance of success.” (Karl, 2000b)

This statement was made by Bernard Petit in the European Commission in an interview with Kenneth Karl in ACP-EU Courier. Petit was asked whether there has been a fundamental change in philosophy in relations between the EU and its partners. His answer is interesting and relevant in this context. He states that the basic philosophy for the cooperation between the EU and the ACP has not changed. Above, there are quotations from the Green Paper declaring that the EU wants to preserve the integrity of the Lome Convention. It is clear that the EU do not want too radical changes in the relations, though the EU accepts that changes are necessary. This quotation from ACP-EU Courier is another proof of that. Again, the need to adapt to international changes is underlined. This statement also demonstrates the need of success.

At the opening of the negotiations in Brussels in September 1998, the Commissioner for Development and ACP countries, João de Deus Pinheiro, said this in his speech:

“The many informal discussions which have taken place in the past two years bear witness to an undeniable fact: we are all aware of the need for a fundamental renewal of the framework of this partnership.” (João de Deus Pinheiro, European Commissioner for Development and ACP countries. Development partnership agreement with the ACP countries, opening of

negotiations. Opening of negotiations EU/ACP Brussels, 30 September 1998, <http://europa.eu.int>)

This is another example of statements declaring the awareness of the need for a change in the partnership between the EU and the ACP states. In a speech at an EU-ACP Ministerial Conference (part of the negotiations) in July 1999, Pinheiro underlined the need of doing something with the EU-ACP partnership, due to certain problems and challenges, particularly poverty:

“With official development assistance losing its legitimacy and the EU’s activity abroad facing up to new challenges and priorities, a revitalisation of our partnership is needed now more than ever. Amidst international upheaval and worsening poverty in the Southern hemisphere – particularly in the ACP countries – we have to tackle a major challenge: to combat the dynamics of exclusion, to reduce poverty and to ensure the gradual integration of the ACP countries into the world economy. It is against this background that you must look at the proposals presented by the EU.” (João de Deus Pinheiro, Member of the European Commission responsible for relations with the ACP countries. EU-ACP negotiations, EU-ACP Ministerial Conference Brussels, 29 July 1999, <http://europa.eu.int>)

“The enormous challenges which some ACP states face are reason enough for preserving the specific qualities of the cooperation relationship, in particular its predictability and its contractual nature.” (European Commission, 1996: 39)

Here the EU points to the fact that many ACP states face huge challenges, among them extreme poverty. This is a driving force for continuing the relationship between the EU and the ACP states. Another interpretation is that the EU has a strong feeling of responsibility towards these countries, and in that way cannot afford to reverse this policy. Here, the EU demonstrates not only a will, but a duty to go on with these special relations. This will be dealt with below.

### **6.4.3 Preserving a culture**

“ACP-EU relations are so long-standing and pioneering that they have created an entire “culture” which must be safeguarded. This culture is largely based on the existence of a special partnership between each ACP country and the European Union. In view of the new

international backdrop, this partnership should be strengthened rather than weakened by increasing its value as a mutual political commitment.” (European Commission, 1996: 39)

This quotation points to the fact that the relations between the EU and the ACP has lasted for a very long time, since the 1950s. It has in fact developed into a culture. It also emphasises the special partnership between them. Here, as we have seen in other statements above, the EU argues in favour of a continued and strengthened relationship with this group of states. These relations are special and should therefore be maintained. It not only should, but it must be preserved, according to the EU.

In the negotiation guidelines the EU states that it has a duty to “develop a responsible approach to the regions of the South, especially those most vulnerable to poverty and marginalisation,” because they are the most important trading partner in the world, the biggest aid donor, “a pole of stability” and “the most advanced example of regional integration” (European Commission, 1997: 8). In other words, there is not only a strong will to continue the relations, but also a sense of duty.

In a speech at the opening of the negotiations, João de Deus Pinheiro, European Commissioner for Development and ACP countries said this:

“I am convinced that these talks have helped us gauge the true extent of Europe’s and the ACP countries’ desire to continue with and improve upon the special relations between us.” (João de Deus Pinheiro, European Commissioner for Development and ACP countries. Development partnership agreement with the ACP countries, opening of negotiations. Opening of negotiations EU/ACP Brussels, 30 September 1998, <http://europa.eu.int>)

In this statement the use of the word “desire” is notable. Pinheiro underlines the strong wish to not only to continue but improve the relations with the ACP countries.

As we have seen, many of these quotations have the same message to a great extent. The EU focuses largely on the need for a review and revitalisation of the relations with the ACP group. The EU points to challenges the ACP countries are facing and to international changes, both economically and politically. Further, the EU points to the fact that these relations have become a kind of culture which they want to preserve. This shows that it is difficult to reverse these relations, which have long roots, back to the 1950s. It demonstrates unwillingness towards radical changes to this

partnership, which, however, has to be reformed. These relations have taken many steps, and this is another step or move. This leads to the question of whether these relations could be characterised as a process of increasing returns, which will be discussed below.

### **6.5 The EU-ACP relations – an example of an increasing returns process?**

Was it more likely that the EU decided to continue the relations with the ACP at the turn of a new century than previously? Was it likely that the EU would reverse these relations? Are these relations an example of a process of increasing returns? To recapitulate briefly, an increasing returns process is characterised by increasing probability of further steps along the same path with each move down that path.

The relations between the EU and the ACP countries have a long history which goes back to the 1950s, as we have seen in chapter 4. It began with the Treaty of Rome and associationism. In the 1960s the Yaoundé Conventions were signed. And finally, in 1975, the Lomé Convention was signed. This Convention was renegotiated several times, the last time in the 1990s. This development has been marked by an increasing number of countries participating, especially on the ACP side, as more colonies gained independence and a former colonial power like Great Britain joined the EU. And the cooperation itself has been extended.

This shows that the cooperation between the EU and the ACP countries has taken many steps along the same path. These relations are a good example of a process of increasing returns. The various quotations above show that there is a strong need to continue the relations, due to different challenges. The necessity of renewing and revitalising these relations is strongly underlined in the quotations above. It is rather unlikely that the EU would reverse the relations with the ACP countries. It has become a culture and there are too many challenges facing the ACP countries.

### **6.6 Summary**

The Green Paper is a document which discusses the future of the relations with the ACP countries. An important question in this context is whether to maintain these

relations or not. There is a discussion on several alternatives of organising these relations and the trade between the two parties. In this discussion it becomes clear that preserving the integrity of the Lomé Convention is important here. Another aspect of the relations that is worth preserving is the partnership principle, despite its problems. And achieving success is quite important to the EU because the results in the past have been rather mixed. Quotations from the Green Paper and other sources, such as speeches show that there is a strong will within the EU to continue the cooperation with the ACP countries. The EU wants to preserve what it calls a “culture.” At the same time, the EU acknowledges that changes to the cooperation are necessary, due to changes in the international system after the end of the Cold War. The need for change is strongly underlined in some of the quotations.

Finally, I asked if these relations are an example of an increasing returns process. These relations have lasted for almost fifty years, with many changes through the years. In other words, they have taken many steps, which make it unlikely that the EU would reverse this process. The EU is fully aware of the challenges the ACP countries are facing. These challenges are one reason for preserving the relations between the EU and the ACP States.

## **7 CONCLUSION**

### **7.1 The questions asked in this thesis**

The subject for this thesis was the relations between the European Union and the ACP countries, which have lasted for almost 50 years. In 2000 these relations took a new step with the signing of the Cotonou Agreement. The research question was this: What were the driving forces for the European Union in the process that led to the signing of the Cotonou Agreement?

There were two aspects of the term “driving forces”: Interests and path dependence. In the two analytical chapters I asked these questions:

- 1. Which interests were decisive for the EU in the process which led to the Cotonou Agreement?*
- 2. Did the EU have any choice but to continue the relations with the ACP Countries?*

This thesis has been a qualitative, interpretive case study, in which I have used document analysis. The most important sources have mainly been documents, but also speeches, for instance. Most of these sources are from the European Commission. In this case use of quotations has been central to the analysis.

I will now answer the questions above. First, I will focus on EU’s interests and then concentrate on path dependence.

### **7.2 EU’s interests**

In the theoretical chapter I presented and discussed three types of interests: Economic interests, security interests and value-based interests. These terms were the theoretical framework in the first part of the analysis.

In the analytical chapter about interests I paid quite a lot of attention to economic interests. These interests were certainly of great importance to the EU, most

likely the most important. Economic interests were important in a number of ways: First, the trade aspect was strongly emphasised. From the EU's point of view there is a great potential in developing trade with the ACP countries. As I underlined in the analytical chapter, the EU clearly wants access to the ACP countries' markets in order to sell their products. Non-reciprocity, which was the dominant principle in the Lome Convention, was abandoned in favour of reciprocity. Another important point is the fact that the EU is dependent on raw materials from the ACP countries. Second, it was important to the EU to reform parts of the technical and financial assistance. There was clearly reluctance to using more resources than necessary. All these factors demonstrate that economic interests are very important to the EU.

Value-based interests were also of importance to the EU in this process. However, it was not as important as the economic interests. But the EU has declared that it wants a development in the world that is compatible with European values, which demonstrates the importance of values. There are a number of values that the EU regards highly and wants to promote in the developing countries: Democracy, human rights and the rule of law, as well as solidarity and poverty reduction.

In the analytical chapter I also paid attention to security interests. Despite increased attention to security issues and conflict prevention in particular, and a wider definition of security and security threats, it has not been decisive, but it has certainly become more important in the Cotonou Agreement than in previous conventions. I also paid some attention to interests such as prestige and reputation. These have been important, but not decisive.

### **7.3 The EU and path dependence**

In the analytical chapter about path dependence I asked whether the EU had any choice but to continue the relations with the ACP countries. However, it is not only a question of choice, but also a question of will to continue and necessity. There were several options, of which one would mean breaking up the Lomé Convention and signing of regional agreements, rather than having one overall agreement. The statements that I used in the second part of the analysis shows that the EU wanted to

continue the partnership with the ACP countries and preserve the integrity of the Lomé Convention. The EU even used the word “culture” to describe the long-lasting relations. These relations have a great value. The great challenges the ACP countries are facing were a good reason for preserving the relations. There was almost no discussion in the documents about the costs of reversing. The EU wanted to continue having relations with the ACP countries, but it focused on reforming technical and financial cooperation, with a better control of the use of resources and granting aid according to performance.

In other words, there was a strong will to continue the relations with the ACP states. Most likely, the EU had no choice but to continue the relations with the ACP countries, but the EU preferred a continuation of an old policy. However, changes were necessary.

### **7.3.1 Are the EU-ACP relations path dependent?**

The relations between the EU and the ACP group have lasted for almost 50 years, since the late 1950s. It could be described as a path where the parties and the EU in particular, have taken many steps. With steps I mean new conventions and renegotiations, with changes and extensions. This means that the relations have developed and matured. Again, I refer to the use of the word “culture” in this context. The Cotonou Agreement was another step in these relations, marked by extensions. This agreement covers more areas than any previous conventions. The EU-ACP relations can be described as path dependent, as it is difficult to imagine these relations being reversed.

## **7.4 The driving forces**

In the analysis I have taken a close look at two rather different aspects of the research question about driving forces: Interests and path dependence. The driving forces are a combination of several factors. On the one hand, there are the different interests that I have presented and discussed. Economic issues are certainly an important driving force. Promoting values is important too, because it gives the EU an opportunity to



influence the development in the ACP countries in a more democratic direction, with European values.

On the other hand, there is the path dependence. The relations between the EU and the ACP countries have lasted for quite a long time and have become a culture. In this context, reversing these relations is very difficult. The EU has demonstrated a will to go on for various reasons: International changes, challenges in the developing countries. The EU put a strong emphasis on the need for changes.

### **7.5 The analytical tools – were they sufficient?**

In order to answer the questions above, I used two theoretical perspectives which are quite different. The first one, with its background in neo-realism, focuses on different types of interests: Economic interests, security interests and a rather new concept, value-based interests. The second theoretical perspective was path dependence, which is used to describe political processes. Just to repeat what it is all about; earlier events will affect possible outcomes of events happening in the future. And it can be very costly to reverse a certain policy that has been pursued for a long time.

Using two such different perspectives has certainly been advantageous. It made it possible to study several aspects of the research question about driving forces, which can have a pretty wide definition. I have had a close look at the EU's various interests in this case and I have asked whether the EU had any choice but to continue its relations with the ACP group.

But the theoretical perspectives are not perfect and could be improved, or could be supplemented by other theoretical perspectives. In the theoretical chapter I presented three different types of interests, which should make it possible to cover most of the findings. Probably there should be more concepts or definitions of the term interests which cover more than economic issues and security issues as well as values. More specifically, there could be more on issues such as prestige and reputation.

But could we analyse the EU's motives by using another perspective or terms? For instance, when starting the process, what did the EU believe it would gain? Was it important to gain more than the ACP countries? There are two concepts which could

be interesting in this context; absolute gains and relative gains. This is a debate between neo-realists and neo-liberals (Baldwin, 1993: 5). Neo-realists emphasise relative gains, which means that states are concerned with gaining more than other actors (ibid: 5). The neo-liberals, however, underline absolute gains; according to them the gains of other actors are not interesting to other states (ibid: 5).

It could also be interesting to study the identity of the EU. What kind of identity does the EU have? Has the identity of the EU changed in recent years? How does the EU want to be perceived by the rest of the world? Did the EU in this context make an attempt to change its identity? Theoretical perspectives, such as constructivism, which deal with issues like identity formation (Wendt, 1992: 393), could have been useful in this thesis.

The perspectives that I have used in this thesis have definitively been useful and have helped analysing different aspects of the research question. However, it could have been interesting using other perspectives as supplement to the ones that I have used here. But, the analysis could then be too extensive.

## **7.6 The EU-ACP relations in the past, present and future**

The relations between the European Union and the ACP countries are still going on after almost fifty years of cooperation. It all began in the late 1950s with the signing of the Treaty of Rome, which introduced the system of associationism with colonies in Africa, with a strong focus on trade and aid. In the 1960s the colonies gained independence, which made it necessary with a new agreement. In 1963 the Yaoundé Convention was signed and was followed by Yaoundé II in 1969. As with the Treaty of Rome, trade and aid were the most important elements.

In the early 1970s several factors such as the commodity crisis, the demand by developing countries of a new international economic order and Britain's entry into the EC led to the need of another new agreement. Eventually, the Lomé Convention was signed in 1975. Trade was again very important, with the principle of abolishing custom duties. A new element was the STABEX system. Cooperation in industrial,

financial and technical fields were important as well. There was also a focus on improving living standards in the ACP countries.

The Lomé Convention was renegotiated several times, with a large number of changes which came gradually. Important changes were the introduction of structural adjustment, political conditionality and a stronger focus on democracy, good governance and human rights.

In the early 1990s the EU initiated a process of reviewing its development policy. And in 1996 the EU Commission published the Green Paper, which is a discussion on the future of the relation with the ACP countries. Several options are presented and discussed. It leads to a public debate, which shows that there is a determination to go on. Negotiations are launched and the agreement is signed in June 2000. The Cotonou Agreement is in many ways different from the previous conventions. Its most important objective is to promote the economic, cultural and social development of the ACP states and it has a quite strong political dimension. Much attention has also been paid to poverty eradication. Trade is again very important in this agreement but there are more radical changes now, as it will be organised in a different way, with economic partnership agreements, which is being negotiated. In short, the Cotonou Agreement is a much more extensive agreement than its predecessors. It covers a wide range of areas.

In accordance with Article 95 of the Cotonou Agreement it has been revised in 2005 and the revised Cotonou Agreement was signed in Luxembourg in June 2005 by the EU and 76 ACP countries after negotiations that were launched in Gaborone in May 2004 (The EU and the ACP countries sign the revised Cotonou Agreement. Brussels, 24th June 2005, <http://europa.eu.int>). The Commissioner for Development and Humanitarian Aid, Louis Michel said this about the revised agreement:

“The signature of the revised agreement is yet another important step to strengthen the privileged relationship between the European Union and countries in Africa, the Caribbean and the Pacific. The global agreement represents a balanced package which improves upon the efficiency and quality of our partnership and reinforces our common commitment to the Millennium Development Goals. Poverty reduction remains at the heart of the revised Agreement, while the continuation of sustainable, long-term financing and inclusion of

important security and political dialogue provisions render our partnership even more effective.” (The EU and the ACP countries sign the revised Cotonou Agreement. Brussels, 24<sup>th</sup> June 2005, <http://europa.eu.int>)

With this revision of the Cotonou Agreement, another new step has been taken in the relations between the EU and the ACP States, and as is said in the statement above, it is done in order to strengthen the partnership. The revised agreement includes a provision for a strengthened political dialogue, a provision on the International Criminal Court and mentions the fight against terrorism and the cooperation to prevent proliferation of weapons of mass destruction (The EU and the ACP countries sign the revised Cotonou Agreement. Brussels, 24th June 2005, <http://europa.eu.int>). I will not go into much detail here. The parties focussed on improving implementation of the Cotonou Agreement and on making sure it is consistent with various political commitments which the EU has accepted (Information note on the Revision of the Cotonou Agreement, <http://europa.eu.int>). The parties have agreed on the political dimension, development strategies, Investment Facility and implementation and management procedures (Information note on the Revision of the Cotonou Agreement, <http://europa.eu.int>). This revised Cotonou Agreement is the first revision of this agreement and according to Article 95 in the Cotonou Agreement it shall be revised every five years (The EU and the ACP countries sign the revised Cotonou Agreement. Brussels, 24th June 2005, <http://europa.eu.int>).

This leads to the following question: What is the future like for the Cotonou Agreement and the relations between the EU and the ACP countries? The most likely to happen is more revisions of this agreement, as with the Lome Conventions. And it will be interesting to see whether they will make more radical changes in later revisions, as with the Lome Convention. The EU seems eager to continue these relations, as is demonstrated in the statement above. In a few years the parties will have finished negotiating the economic partnership agreements, which will be implemented, beginning a sort of new trade regime. Whether it will be successful or not is another question which cannot be answered yet. But the success will depend on the will of both parties. It is likely that the EU will continue to help or cooperate with the ACP group in one way or another, due to these long traditions and its feeling of

responsibility towards this group of countries. Eradicating poverty, which is a very ambitious objective in this agreement, will be a great challenge also in the future, depending on the efforts made by the EU, the developing countries and other actors. The EU has characterised these relations as a culture which must be preserved. And it is a part of the EU's image abroad. International changes will affect these relations in one way or another. Most likely, these relations will last as long as there is a need for such cooperation.

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## APPENDIX: EPA REGIONS

**Table: Regions negotiating Economic Partnership Agreements.**

<b>West Africa ECOWAS<sup>13</sup>+ Mauritania</b>	<b>Central Africa CEMAC<sup>14</sup>+ STP<sup>15</sup></b>	<b>Eastern &amp; Southern Africa</b>	<b>Southern Africa  SADC<sup>16</sup> group</b>	<b>Caribbean</b>	<b>Pacific</b>
Benin	Cameroon	Burundi	Angola	Antigua & Barbuda	Cook Islands
Burkina Faso	Central African Rep.	Comoros	Botswana	Bahamas	Fed. Micronesia
Cape Verde	Chad	Congo, Dem. Rep.	Lesotho	Barbados	Fiji
Gambia	Congo	Djibouti	Mozambique	Belize	Kiribati
Ghana	Equatorial Guinea	Eritrea	Namibia	Dominica	Marshall Islands
Guinea	Gabon	Ethiopia	Swaziland	Dominican Rep.	Nauru
Guinea Bissau	São Tome & Principe	Kenya	Tanzania	Grenada	Niue

<sup>13</sup> ECOWAS: The Economic Community of West African States.

<sup>14</sup> Communauté Economique et Monétaire de l'Afrique Centrale.

<sup>15</sup> STP: Sao Tome and Principe.

<sup>16</sup> SADC: The Southern African Development Community.

Ivory Coast		Malawi		Guyana	Palau
Liberia		Mauritius		Haiti	Papua N. Guinea
Mali		Madagascar		Jamaica	Samoa
Mauritania		Rwanda		St. Lucia	Solomon Islands
Niger		Seychelles		St. Vincent	Tonga
Nigeria		Sudan		St. Kitts & Nevis	Tuvalu
Senegal		Uganda		Surinam	Vanuatu
Sierra Leone		Zambia		Trinidad & Tobago	
Togo		Zimbabwe			

Source: Africa, Caribbean, Pacific. EPA: Preliminary list of country groups. Brussels, 26 August 2004, <http://www.europa.eu.int>