

EUROPE AND AFRICA TO 1990: THE EVIDENCE OF LOMÉ III

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When the first Lomé Convention was signed in 1975 it was welcomed as tangible evidence of Europe's special relationship with Africa and of its desire to build a partnership of equals on the foundations of that relationship. When Lomé III was signed in 1984 it had become clear that the special relationship was by no means as dynamic as had been hoped, and was quite insufficient to help Africa cope with its economic problems.

Africa's problems

The severity of Africa's economic crisis in 1980 is summed up in the 1985 OAU Declaration which expresses concern at the domestic and international factors that «have brought most of our countries near to economic collapse» (1). During the first half of the 1980s African per capita incomes fell each year.

The approximate causes were, in most cases, the combined effects of prolonged drought and of the most severe fall in world commodity prices for thirty years. But these two proximate causes only gave an added twist to an underlying, fundamental economic crisis deriving from economic stagnation. African states have neglected their agricultural base but have failed to develop non-agricultural sectors sufficiently to compensate. This, in turn, is a result both of domestic inadequacies and of the harsh international environment which has made it difficult for African states to develop non-traditional exports.

In his opening address to the first ministerial session negotiating Lomé III, the ACP spokesman, Mr. A. Mogwe, complained that no member of the African, Caribbean and Pacific (ACP) group had become a newly industrialised country in the period since the first Convention was agreed. Although this complaint was largely rhetoric, it illustrates the criticism that the Lomé Convention has not altered in any fundamental respect the relationship of economic dependency of Africa on Europe. Such criticism was given added thrust during the Lomé III

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(1) OAU (1985), «Declaration of 21st Assembly of Heads of State and Government on the Economic Situation in Africa», Addis Ababa, July 1985.

negotiations as it became clear that the EEC wanted to reinforce a traditional aid donor-recipient relationship rather than to push further towards the horizon of a partnership of equals.

The Lomé III negotiations

Between the Lomé I and Lomé III talks the negotiating lines turned 180 degrees. The Lomé negotiations had been characterised by a relatively united and assertive ACP and a disorganised EC willing to make concessions. By the time of the Lomé II negotiations, the coherence of the ACP attack had been weakened, while the EC had become more defensive. The pendulum swung further, with the EC (or, rather, the Commission) seeking fundamental changes, and the ACP disorganised in the face of this challenge.

When outlining its development policy in the 1982 Pisani Memorandum ⁽²⁾, the Commission saw the negotiations as an opportunity to shift the relationship between the EC and the ACP onto a new plane by reshaping the Lomé convention instruments. It aimed to make them more effective in promoting what it called «self-reliant and sustainable development». This was to be achieved through a «political dialogue» between the EC as an aid donor and local decision makers.

The Commission's hopes foundered on two rocks: ACP suspicion and EC member state reservations. The ACP saw the Commission's plans as a back-door attempt to exert leverage on them to alter economic policies of which the EC disapproved. At the same time, the Commission found its own capacity to enter such a «political dialogue» tightly constrained by the ten EEC member states. The Ten's position was determined by a combination of indifference to the «new approach» and of concern lest it result in increased expenditure, trade competition, or Commission independence.

The content of Lomé III

Despite its failure to achieve much of what it wanted, the Commission's stance permeated the whole Convention. Hence, the Third Convention consolidates Lomé's character as primarily a traditional framework for aid donor-recipient relations. Within these limitations Africa has done reasonably well out of the new Convention.

The Lomé III aid budget is roughly the same size in real terms as its predecessor, although this calculation suffers from methodological flaws. Poten-

⁽²⁾ EEC (1982), «Memorandum on the Community's Development Policy», Com (82) 640, Brussels, 5 October 1982.

tially more important are changes in the policy and instruments of aid which may increase both its economic and its financial value to the ACP.

The most important change puts the main focus on sectors (particularly the food sector) rather than individual capital projects. The potential of this shift derives from the greater legitimacy it gives to financing a range of different types of activities. Aid can be used not just for new investment, for example, but also to finance production inputs, maintenance, export credits, and insurance. There have also been procedural changes that may accelerate aid disbursement and, hence, increase its financial value.

There have been no major improvements to the trade regime. The sensitivity of the EC member states is illustrated by the force with which some of them opposed changes to allow the Commission even to entertain (not necessarily to grant) further concessions on some ACP agricultural exports during the Convention. Nonetheless, some small changes have been made which are of value to some ACP states. The provisions for rice and rum have been improved, and the status quo reaffirmed for beef and bananas.

The main innovation of Lomé III is an emphasis on what is known in Euro-speak as «thematic actions». These are long-term campaigns to counter major climatic, environmental, or health problems, often at a regional rather than a national level. The fight against drought and desertification are the highest priorities.

For the first time there is a chapter on «cultural and social cooperation» designed to orientate development cooperation towards improving the human resources and creative capacities of ACP states. Although many of the initial aims have failed to survive the negotiating mill intact, Lomé III contains some measures to improve the integration of aid into the recipient's cultural environment.

Also for the first time, there is a chapter on investment within the body of the Convention. This includes a joint statement of willingness (albeit ambiguous) to negotiate investment protection agreements that could be generalised to all EC states. The chapter reflects a greater perception by many ACP states of the need to attract foreign private investment; it also reflects a willingness by the larger EC states to make some concessions towards the smaller member states' desire for Community-wide investment agreements.

Conclusion

A verdict on Lomé III must be based on three points of comparison. The first is the relationship with its predecessors. Overall, the new Convention maintains the preferences accorded by Lomé I and II and adds a few vignettes. The principal innovations are a sectoral approach to aid (especially for agriculture), thematic actions, and the central role of human resources in development. The references to them in the new Convention are to be interpreted as an expres-

sion of an altered philosophy, not as a list of actions. Hence, they do not commit either side to very much. They simply enlarge the range of actions which may be possible under Lomé III.

The second point of comparison for Lomé III is with what is happening elsewhere. The general picture is a decline in the interest of the OECD countries with the problems of the poorest third world countries. Bilateral and multilateral aid programmes are under pressure. Protectionism is a potent threat.

By maintaining the status quo in Lomé III, the EC has accorded the ACP better treatment than is being meted out elsewhere. In itself, this must be a cause for approving the new Convention. But the worry is that the ACP's gains will simply accelerate the deterioration in treatment of other LDCS.

The third point of comparison is with the needs of Africa and the sentiments accompanying Lomé I. On this criterion, Lomé III must be judged a considerable disappointment. It reinforces the unwillingness of Europe to move beyond a traditional aid relationship with Africa. But traditional development policies are insufficient to deal with the African crisis. Even in terms of quantity (let alone of quality) the orders of magnitude involved are completely different; the Lomé III aid budget of \$ 6 bn (over five years) compares with a debt service burden for sub-Saharan Africa of some \$ 11.6 bn per year over 1985-1987 ⁽³⁾.

If a solution is to be found for the crisis it must involve an increase in exports. In this respect, the EEC's complete failure to agree any substantial improvements for the Lomé trade regime is particularly unfortunate. The outlook for Euro-African relations to 1990, therefore, is for a continuation of the post-colonial links of economic dependence. A corollary of this is that Africa is unlikely to see a substantial improvement in its economic situation, and is likely to become relatively less important for the European economy.

⁽³⁾ World Bank (1984), «Towards Sustained Development in sub-Saharan Africa», Washington, August 1984.

STEVENS, Christopher — Europa e África até 1990: a evidência de Lomé III

A primeira Convenção de Lomé oferecia a promessa de um novo relacionamento entre a Europa e a África. Desde a altura em que foi assinada, a situação económica em África deteriorou-se drasticamente. A necessidade de um novo relacionamento é agora ainda maior que antes. Apesar disso, Lomé III representa um grande passo no conceito de «novo relacionamento» e uma ênfase na tradicional relação de ajuda de dador-receptor. Lomé III deve ser apreciada segundo três critérios. Dentro dos parâmetros estreitos da tradicional relação de ajuda, representa muito para a África. Comparativamente com o que está a acontecer noutras zonas, é ainda mais satisfatória. Mas é um desapontamento em relação ao conceito original e às necessidades da África até 1990.

STEVENS, Christopher — Europe and Africa to 1990: the evidence of Lomé III

The first Lomé Convention offered the promise of a new relationship between Europe and Africa. In the period since it was signed, the economic situation of Africa has deteriorated drastically. The need for a new relationship is now greater than before. Yet, Lomé III represents a further watering down of the «new relationship» concept and an emphasis on the traditional aid donor-recipient relationship. Lomé III must be judged against three criteria. Within the narrow parameters of a traditional aid relationship, it represents a reasonable deal for Africa. By comparison with what is happening in other arenas, it is even more satisfactory. But it is a disappointment in relation to the original concept and to the needs of Africa to 1990.

