

The European Union 's Development Policies towards Asian and Latin American Countries

Fegerico Birocchi

University of Bradford

DSA [European Development Policy Study Group](#) Discussion Paper No. 10, February 1999

Introduction

It is well known that the involvement of the European Union (EU) with developing countries has been heavily influenced by the colonial past of some of its state members. In particular, France has played a decisive role in shaping European policies since the late 1950s, towards the primacy of Africa. The Yaoundé Conventions, first, and more importantly the Lomé Conventions since 1975, have confirmed the African-oriented EU policy, involving both extensive trade preferences and relatively massive aid flows to African, Caribbean and Pacific (ACP) countries.

By contrast, Asian and Latin American developing countries (ALA) have been largely neglected, even though purely economic factors would have suggested more European attention, given the dynamism of many Asian economies, the historical links of Latin America with Europe (coupled to the potential complementarity of the two region's economies), let alone the size of both markets for EU exports. The attitude of the EU towards Asian emerging economies (e. g. those grouped under ASEAN -the Association of South East Asian countries- regional bloc, but also India and China), for instance, has been mainly a defensive one, fearing aggressive commercial competitors. The dialogue with Latin American countries has also lacked conviction, and has moreover presented defensive features similar to those seen above towards Asia, in the case of Newly Industrialised Countries (NICs) such as Brazil. In the pyramid of the EU's trade preferences both Asian and Latin American countries have been in fact at the bottom, coming after ACP and Mediterranean countries.

Aid has also amounted to relatively small amounts of inflows, if compared to those channeled to ACP, especially if the much larger population of ALA than that of Africa, has been taken into account.

After the end of the cold war it seems that more room may be left for the EU's action, in the sense of a more global development policy. Nevertheless, the conclusions of the Uruguay Round, to which some attention will be dedicated on its likely consequences for the relationship, raise doubts about the real development commitment of Europe, particularly towards ALA countries.

The paper is structured following both a chronological and thematic pattern: the normative framework of the relationship will come first, to offer a look in some detail at the changes and constants in the EU's attitude towards the ALA as resulting from its highest level sources. An overview of some principal features of EU's development

policy will follow. To the two pillars of EU's development policies (aid and trade), moreover, a separate and more detailed narration will be given, so that the unitary analysis can highlight the evolution of both.

Apart from the literature concerning ALA-EU relations, which is far from being large [1], attention in some detail will be paid to the Council's regulations and decisions and to some examples of Agreements signed by the Community with particular ALA countries, which often can throw more light on the reality of the EU's development policy than any programmatic papers do. The examples will be skewed in favor of Asia, also because of the larger literature available.

1. The Normative Framework

Before starting the analysis regarding the aid and trade strategies implemented by the EU towards ALA, it can be useful to provide a fairly close look at the provisions concerning them included both in the Treaties and in the principal Council Regulations on the matter. This is aimed at highlighting concisely EU priorities as they have evolved in time while giving a general frame to the forthcoming exposition.

In the Treaty of Rome of 1957 which established the European Economic Community no mention at all was made of non-associated countries, since only the colonies and territories of the Member States (located overwhelmingly in Africa) were nominated.

The first piece of legislation dedicated to non-associated countries was the Council Regulation of 1981 [2] on financial and technical aid. The Regulation set out a broad frame of objectives and tools into which EEC's aid was supposed to fit. The aid was to be directed to the "poorest" countries, but only as a "general rule" and a presence of the Community was said to be required in the "major regions" but aiming at the same time at a "reasonable geographical balance" (art. 2). The aid within the single countries was moreover to be directed, "mainly", to the "neediest" sectors of the population and aimed specially at improving food production and rural environment and to cope with disasters (art. 3); in general, the assistance was to be provided in the form of grants [3]. As for the administration of the funds (taken from the general budget), the Commission was put in charge [4] and the projects and programs carried out on a multiyear basis (art. 8, 9, 11).

It can hardly be considered a vastly innovative normative framework, its scope (once rethoric is discounted) being quite limited, especially if the sums implied are taken into account [5]. Furthermore, it must be underlined that the Regulation constitutes by definition a unilateral act, on which no influence from recipient countries is admitted, nor the promise of "having regard" to the wishes and preferences of them about the choice of measures to be implemented (art. 10) can substantially belie this impression.

It was not before 1992, though, that the general and the specific normative framework were respectively first introduced or broadened.

As for the first, the Maastricht Treaty featured an apposite title (XVII) on Development Cooperation. The objectives set out include the pursuit of

- the sustainable economic and social development of developing countries, "especially the most disadvantaged".
- the "smooth and gradual" integration of them into the world economy.
- the campaign against poverty.

The Community policy was nevertheless to be considered "complementary" to those of the Member States and in any case coordinated with them. The possibility of multiyear programmes formulation and the necessity of the promotion of democracy, the rule of law, human rights and fundamental freedoms were moreover included (art. 130u, 130x). Regarding the likely practical consequences for ALA countries, the importance of Maastricht's Title XVII might be considered as mainly symbolic [6], although its political meaning should not be understated and at least an improvement in respect to the past has to be underlined.

Nevertheless, the most significant Community legal act concerning the ALA is the Council Regulation of 1992 that still orientates the EU's policies in the sector [7]. The cooperation was divided into financial and technical assistance and economic cooperation and the ideal aim was individuated in the "human" (implicitly contrasted with merely economic) development of the ALA [8]. A general feature recurrent in the Regulation is the emphasis on the promotion of human rights, consistent with the art. 130u mentioned above, with the additional provision involving the possible amending or even suspending of the cooperation in case of "fundamental and persistent (*sic*)" violations (art. 1-2). Another new provision is that regarding the possible establishing of "indicative" five-year programming for objective or country (art. 9), an attempt at improving the long term consistency of the Community assistance.

The new elements concerning the financial and technical assistance (artt. 4-6) include on one hand the improvement of the environment for the private sector and the prescribed attention to the macroeconomic and sectoral context, with a transparent hint at the necessity of dialogue with the "relevant" international institutions which more than anyone else have pushed in those directions in the last two decades (i. e. the IMF and the World Bank); on the other hand the new thematic of the women's role (whose active participation on "an equal footing" is asserted), the fight against drugs and above all the stress on the protection of the environment and natural resources [9] are all testimony of the reception at least to some extent by the Community of the international public opinion's -and development community's- sensitivity to those issues.

The economic cooperation (artt. 7-8) aims at helping ALA to build up their institutional capacity to create an environment more favorable to investment and development; the countries more favoured will be the ones who pursue macroeconomic and structural policies open to trade and investment and conducive to technology transfer, "in particular by protecting intellectual property rights". The tools

will be training schemes, transfers of know-how, the improvement of institutional structure and support of undertakings.

It must be noted that the part concerning the economic cooperation is probably the weakest (yet the most sought by developing countries), considering that it does not mention in any depth 'hot' issues such as trade, except for the protection of intellectual property rights that nonetheless in the opinion of some commentators [\[10\]](#), is hardly primarily "conducive to technology transfer".

From the whole regulatory framework that has been exposed so far it can with some reasons be argued there is a low commitment of the EU to the ALA, especially if compared to that towards the ACP countries. Nevertheless, the reception in the Regulation no 443/92 of some elements of the latest Lomé IV (the attention paid to macroeconomic management and human rights, for instance) and the parallel and apparent lately weakening of the privileged relations with ACP countries [\[11\]](#), may suggest a future 'homogenisation' -perhaps in a middle way- of the two models. The analysis of some issues concerning the EU's actual involvement with the ALA could throw further light on this.

2. Origins and Changes-an Overview

The EU's involvement with non-associated countries dates back no earlier than the 1970s, when a global development policy was launched by the Commission through the Paris Declaration of 1971, involving the broadening of policies' range implemented at the time, plus a call for coordination and harmonization with member states' individual strategies [\[12\]](#). The 'global' policy involved in reality only Asian and Latin American countries, since the EU's strategy towards Africa was already taking place under the Yaoundé Convention and was to be further developed with the forthcoming Lomé Convention of 1975 [\[13\]](#).

The forthcoming (in 1971) joining of Great Britain in the EEC certainly represented a major factor for the shift in Community's emphasis, given the economic and political ties of the United Kingdom with the Commonwealth countries and the refusal by other member states (again led by France) of their inclusion in the agreements negotiated with ACP countries [\[14\]](#). Furthermore, a role had also been played by the dominant atmosphere in the late 1960s and 1970s, with the claims for a New International Economic Order (NIEO) pushed by in international forums such as the United Nations Conference on Trade and Development (UNCTAD), aiming at a more equitable economic order. This was seen as achievable, amongst other things, through more open markets for developing countries' exports (particularly semi-manufactures and manufactures) [\[15\]](#).

Nevertheless, some statements of the Commission at the time say much about the real intentions of the Community and highlight to some extent its future commitment: about Latin America the Commission signaled the "disproportion between this region's needs and the Community resources", while noting significantly that "only

minimal room for manouvre in the tariff and quota sector" existed. As for Asia, the Commission affirmed bluntly that it "is even more difficult to work out a co-operation policy...than for Latin America" [\[16\]](#).

2.1 The Instruments in the early phase

The main means envisaged by the EU to foster development in non-associated countries counted at the time on one side on humanitarian aid, on the other side on the launch in 1971 of the Generalised System of Preferences (GSP).

As for the former, already in the late 1960s Community aid had been channeled to the poorest countries in the two continents, aimed at food aid and emergency relief in case of disasters such as floods or refugees problems.

Food aid at first took the shape mainly of direct provision of wheat (more than a million tonnes per year during the 1970s) [\[17\]](#), while in more recent years it evolved towards the support of the ALA's own dairy products' industry. Emergency and Refugee's relief aid has also broadened its range, for example including disasters' early-warning systems, especially in Asia, while aid to uprooted people was mainly concentrated in Latin America. The major shortcoming has been the small size of EU interventions, although it has been recently augmented [\[18\]](#).

The trade aspect of the early EU's policies towards ALA countries presents more aspects open to discussions, and has constituted the cornerstone of them up to very recent years. The GSP, sometimes advertised as 'trade not aid', has consisted in a graduated scheme of trade preferences and has maintained its fundamental characteristics until 1994, after the end of the Uruguay Round [\[19\]](#):

developing countries' manufactures have enjoyed duty free entry in the European common market (but with many exceptions).
agricultural products have enjoyed some reduction in tariff levels.

Nevertheless, on one side the entry of manufactures considered "sensitive" (i. e. threatening European producers' market shares) was limited by tariffs ceilings or quotas. Textiles and clothing were moreover on principle excluded from the GSP, although individually negotiated agreements could establish special conditions [\[20\]](#).

On the other side, the agricultural products were in most cases completely excluded by the scheme, officially because the GSP was intended to promote industrialisation [\[21\]](#), but transparently because of the Common Agricultural Policy (CAP), thus to protect the heavily subsidised European production. In general, safeguard measures, such as rules of origins and anti-dumping, have been tighter than for both ACP and Mediterranean countries [\[22\]](#), and Asia has suffered the most because of this.

Finally it must be noted that GSP has been a unilateral 'concession' of the EEC, and developing countries had no practical way to shape it. The "pyramid of privilege" [\[23\]](#) was graduated quite arbitrarily, often driven by sometimes not even very clear political criteria, rather than by developmental ones [\[24\]](#).

3. EU's Aid to ALA

Before beginning the analysis of the EU's aid to the ALA, it has to be underlined first that it has amounted to roughly 15% of the combined member countries' aid and the size has always been relatively small; secondly it appears even smaller if compared to the aid received by ACP countries, which received 80% of the total in the early 1970s, to decline to around 60-70% ever since [25]. This testify to the heavy regional bias in aid allocation and thus a strong refutation of the EU's claims of a truly global strategy.

The first pillar of the EU's development policy was not started before the late 1960s, and only in the form of food aid, as we have seen above. It was in 1967, in fact, that after the signature by the EEC of the Food Aid Convention, food aid inflows started to be channeled to ALA. India and Bangladesh thus became the top recipient countries of EEC's aid in the 1970-74 period, with 6.5 and 6.4% of total aid committed, while no Latin American country ranked among the top ten recipients [26].

In 1976 was launched the first program of financial and technical cooperation, mainly by the initiative of the European Parliament, initially with a budget of ECU 20 million [27]. The partition of Aid between Asia and Latin America was fixed in principle to a 75 to 25% proportion respectively, although in practice this has resulted in 70 to 30% and more recently even to around 60 to 40% [28], ending up to produce a high disproportion in aid per capita between the two regions (all to the disadvantage of Asia, evidently, given its much larger population).

The allocation within the regions, at the country level, has seemed to be, particularly in Asia, quite politically biased, i. e. oriented towards the containment of communism and not to alleviate poverty in the poorest countries as the Council Regulation specified in 1981 as a "general rule" [29]. An example may well be China, which did not receive any Community aid until 1985 and even then in tiny amounts (0.9 million dollars). In more recent years China continued to receive very small sums, though substantially increased, on average 25 million during the 1992-96 period. More significant have been the inflows coming from member countries' programs, in 1992-96 inferior only to those of Japan [30]. A similar pattern to that of China can be found for Indochina, while only aid to the Indian sub-continent has been relatively free from political influence [31].

As for Latin America, the EU has focused mainly on Andean Pact countries [32] (since as early as 1970) and Central America, where the dialogue was formalised in 1984 in San José [33]. Although also small in absolute terms (e. g. Bolivia, the poorest country in the continent, which received an average of less than 14 million dollars per year in the 1983-86 period and roughly the double in 1992-96 [34]) Latin America enjoyed at least higher per capita aid than Asia since the beginning and the trend has been reinforced recently [35].

The sectoral allocation of the EU's aid, after the first period of almost exclusive food aid, after 1981 saw its range extended to rural development in particular, but also education and training (in Asia) and institution building and infrastructure (in Latin America). Only from 1992 on, though, after the Council Regulation mentioned above,

the range of assistance increased considerably, comprehending gender issues, environment and human rights [36].

An example of the new trend (at least as appears on paper) may be that of India. In 1981 was signed an Agreement for commercial and economic cooperation [37], in which trade issues were absolutely overwhelming, and apart from a vague commitment by the Community to "take all possible measures to intensify its support... for India's development programs" and the provision establishing the Joint Commission -mainly a consultative body- there is little about specific policies to be implemented. By contrast, the latest agreement between the EU and India [38] side by side to the commercial part includes a fairly comprehensive part on Economic Cooperation (very much trade-skewed, though [39]) and above all an article (16) concerning "Development cooperation". In the latter are set out in some detail the guidelines for an allegedly "elaborated development strategy":

1. targeting of the poorest population's sectors;
2. participation and involvement of NGOs;
3. promotion of employment;
4. role of women in development [40];
5. public health, particularly primary health care.

Moreover, environment receives adequate room in the agreement, together with human resources' development.

If not a radical change (the actual sums involved with the agreement's implementation are not likely to increase decisively) at least an effort in the direction of the specification of EU's priorities was made, certainly if compared with past practices. (An analogous Latin American example is the 'Third Generation' Agreement concluded in 1995 with Brasil) [41].

Nevertheless, the EU's aid, quite apart from the problem of size (in any case considerably larger than the USA's, if member countries' contributions are taken into account [42]), presents other shortcomings. One is the deficient coordination between the assistance provided by the Community itself and administered through the Commission and that of member countries. This has created problems of duplications and wastes in the management of European Aid; member countries have often been reluctant to provide information on their own programs even to the Commission [43]. The calls for greater coordination, issued periodically -yet unsuccessfully- by the Commission [44], if fulfilled, would also increase, apart from aid's effectiveness, the EU's weight *vis-à-vis* OECD partners and in international forums [45]. Finally, the 'complementarity' of EU and member countries' policies (as stated in the art. 130u of the Maastricht Treaty) has been poorly defined, let alone implemented so far [46].

4. EU 's Trade with ALA

Trade has constituted both the overwhelming concern of the EU in its relationship with the ALA and the main instrument to foster development -and EU's penetration- in them.

The Community has been traditionally an important trade partner for both Asia and Latin America [47], although the relation has been uneven, given that the EU's importance as an export market has been greater than its dependence on developing countries for imports of raw materials and manufactures. The asymmetry of the relation, and the EU's position of strength which has characterised it, has also naturally been one of the major underlying reasons for the disappointing record of trade relations.

As we have seen above, the first significant policy implemented by the Community towards non-associated countries was the introduction of the GSP in 1971, advertised as a means to stimulate developing countries' penetration in the European markets and even to support industrialisation, in the original UNCTAD idea. Shortly afterwards the Commission promoted trade agreements with a number of ALA countries -starting in the early 1970s for Latin American and the late 1970s for Asian countries- but their contents were generally small, with only Most-Favored-Nation (MFN) reciprocal recognition and sectoral agreements on specific commodities for which the Community was available to increase the quotas to ALA's exports [48].

The latter element, present in most commercial agreements of the EU, gives the opportunity to hint at the question of the nature and the extent of EU's protectionism, which probably constitutes the 'hottest' matter of confrontation with developing countries.

The limitations of the GSP have involved both tariffs and quotas limitations to ALA's exports to the Community in many so-called sensitive areas. With the progressive erosion of tariffs' relevance under the GATT's rules and the tendential erasure of quotas, the EU has developed an extensive system of non-tariff barriers, otherwise named "safeguard measures". These include among the most important ones 'voluntary' export restraints (VER), rules of origin and anti-dumping. By VER, it is meant that the importing country negotiates a physical limit on exports from a particular country. Rules of origin -for the purposes relevant here- determine which products are entitled to trade preference depending on the country of origin. All these export restraints are characterized by their "arbitrary nature, the way they discriminate not only between countries but also between firms, penalizing the most efficient producer" [49].

Dumping has been defined as a "form of international price discrimination, charging prices in export markets below those charged in the exporting country" [50]. Particularly dumping has long been an area of confrontation between the Community and the ALA, for instance in the textiles and clothing sector, excluded in principle from the GSP and already subject to quantitative restrictions of import. Countries like India and China have been particularly hit by these policies, enjoying a substantial comparative advantage *vis-à-vis* European producers.

As for India, she has been subjected to tight restrictions to her textiles and clothing sector in the GSP, while *ad hoc* agreements hardly have eased the situation [51]. On the manufactures' side, India has been hit by more non-tariff barriers than many NICs, and even though this has not been the only reason for the relatively poor performance of Indian exports to the Community, it has certainly had a "negative influence" [52].

Even China provides an example of the double-faced EU's attitudes towards developing countries that feature both low incomes per capita but also a commercial threat to Europe, particularly because of their cheap labor and increasing industrialisation. While, mainly for political reasons aid to China has been either non-existent or insignificant, "trade and economic relations between the EU and China have been characterised by increasing restrictions and confrontation" and the latter was made "one of the principal targets of its (EU's) antidumping legislation" [53].

Considered overall, the EU's trade policies up to the Uruguay Round have been in general inconsistent with the asserted pursuit of the ALA's development, being - unsurprisingly perhaps- much more concerned with the protection of European producers, even where comparative advantage clearly did not support economically this strategy. The changes, if any, after 1994 will be discussed below.

5. The Current Phase and the Future Prospects

After the end of the Cold War the international environment changed decisively, and from a bi-polar we are now facing an increasingly multi-polar world. The implications of this for the EU's development strategy seem at a first sight clear enough: more room for manouvre and finally a global vision of development [54]. Much will depend on to what extent Europe will talk with one voice, since even if the Union is the largest donor and trading bloc, this is true only taking into account the member countries which often carry out their own priorities. Above all, the question is whether Europe will be available to assume a higher profile and long-sighted view in its external relations with developing countries.

The Community has in fact moved on to a certain extent in the last period. On one hand, she focused her aid (or technical assistance) on private sector promotion, using instruments before limited to ACP and Mediterranean Countries: one is the European Community Investment Partners (ECIP), which aims at stimulating the setting up of joint ventures through the identification of candidates, preparation, financing of capital and human resource development; in the same sense is to understand the enlargement in 1993 of the European Investment Bank's (EIB) activities in the ALA, whose loans are also intended to foster private sector's activities [55].

On the other hand, the EU has launched initiatives towards regional cooperation, both in Asia and in Latin America. As for Asia, the two Asia-Europe Meetings (ASEM-I and II), held in 1996 and 1998 attempted to open a higher level (political as well)

dialogue with Asian countries, in an attempt to increase the historical low-profile commitment in the region, transparently to foster European economic penetration in the area [56]. With Latin America, the EU has also promoted contacts, for instance with MERCOSUR [57], since 1992, offering a future free-trade area and stricter links (possibly intended to counterbalance the inter-American integration challenge coming from the North American Free Trade Agreement (NAFTA) [58].

Although it is probably too soon to assess the outcomes of the above sketched activism, it does not seem that this "latecomer" interest, so far, can compensate for the European delay in coping with the ALA's needs and claims [59].

Having said this, the Uruguay Round might also help to answer to some of the interrogatives set out above. During the seven years of extensive negotiations nearly all the hottest trade issues were discussed, with long-ranging consequences particularly for developing countries. Their overwhelming aim was to open up as much as possible industrialised countries' markets, with the EU standing as one of the first targets of this (far from being concerted, let alone unitary) offensive. This was also intended to contrast with the unilateral liberalisation of imports that many developing countries have been convinced (or forced) to implement in the last two decades by the pressures of the International Financial Institutions (the World Bank and the IMF) [60].

The outcomes for developing countries of the Uruguay Round are hard to determine precisely because of the complexity of the agreements reached. Nevertheless, it seems that industrialised countries' protectionism is still far from being defeated. About agriculture, CAP remains largely unchanged in its substance and is likely to continue to represent a "formidable obstacle to imports" [61]; about textiles and clothing the fading out of the Multi Fiber Arrangement (MFA) will not take place completely until 2005; new areas of industrialized countries protectionism appear to have emerged, such as Trade Related Intellectual Properties Rights (TRIPs) and Social Standards in trade [62].

The point is that the agenda was set principally by the main OECD countries, USA, Japan and EU establishing a *de facto* directorate on world trade. One feature which emerged from the Uruguay Round's negotiations is the overall success of the Commission as the unitary European negotiator. The only problem lies in the fact that unsurprisingly she did not go very far to meet developing countries' needs. The Commission besides had made clear EU's attitudes in a quotation which is worth reproducing here [63]:

"it should not...be forgotten when promoting these humanistic values [read development cooperation] that the development cooperation policy forms part of the more general context of the Community external relations. *This policy contributes to the protection of the Community's interests* [emphasis added] by taking into account the mutual interest of the parties concerned. *This consideration comes into play in the granting of trade facilities and economic cooperation* [emphasis added]"

If an actual change in EU's development strategy will take place, it will be tested shortly, in the occasion of the forthcoming new negotiations for Lomé and later when the last deadlines for the implementation of the Uruguay Round (2005) will expire. The pledge of Europe towards the unitary currency and the forthcoming enlargement

to East European countries, though, leave many doubts on the EU's commitment to the ALA's development [64].

Conclusions

From the analysis that has been made, it seems clear enough that the policies implemented in the last three decades by the EU towards ALA countries testify to a far from prioritarian interest of the former. Since the beginning, the Community lacked conviction in the strategic role of Asia and Latin America, or she has often seen most of its countries as commercial 'enemies', rather than developing countries needing assistance.

This holds true even considering the expansion of EU aid, both in size and scope. EU aid is one of the largest programmes of OECD member states but the cumulative impact of European aid is reduced because of the limited consistency of the aid policies of the EU and the member states. In any case, given the population of the ALA, it has been unable to make a real difference (leaving aside, of course, the more general problem of the effectiveness of aid to deliver development).

It is from the EU's trade policies, though, that the shortcomings emerge more evidently. The GSP with its over-complicated -and arbitrary- system of preferences did not offer an edifying sight either for developing countries, or for most commentators. Even the last changes did not seem to be able to make a real difference. From the Uruguay Round the idea of a Europe only concerned about its often short-sighted immediate interests comes out reinforced. The future perspectives do not look very promising either, considering also the EU's internal deadlines (i.e. the EMU and the enlargement), which may shrink further the hope for a more global, and responsibility-assuming, Asian and Latin American policy.

Bibliography

BIFANI, B. (1990), *International Trade from the 1980s to the 1990s: The Latin American Perspective*, in IDS Bulletin, vol 21, no 1.

COMMISSION OF THE EUROPEAN COMMUNITIES (1971), *Commission memorandum on a Community policy for development co-operation-Summary*, in Bulletin of the European Communities, vol. 4, Supplements.

COMMISSION OF THE EUROPEAN COMMUNITIES (1988), *The Europe-South Dialogue*, Brussels-Luxembourg, ECSC-EC-EAEC.

COMMISSION OF THE EUROPEAN COMMUNITIES (1992), *Communication from the Commission to the Council and the European Parliament on development cooperation policy in the run-up to 2000* , in *Collection of Communications from the Commission to the Council and the European Parliament and of relevant resolutions, declarations and conclusions of the Council of Ministers-Development Cooperation Policy in the Run-up to 2000* (1996), Brussels-Luxembourg, ECSC-EC-EAEC.

COMMISSION OF THE EUROPEAN COMMUNITIES (1995a), *Industrial and Economic Cooperation between the European Union and the Developing Countries* , Brussels-Luxembourg, ECSC-EC-EAEC.

COMMISSION OF THE EUROPEAN COMMUNITIES (1995b), *Trade Relations between the European Union and the Developing Countries* , Brussels-Luxembourg, ECSC-EC-EAEC.

COMMISSION OF THE EUROPEAN COMMUNITIES (1996), *Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century* , in *Courier*, no 162, march-april 1997.

COOTE, B./LEQUESNE, C. (1996), *The Trade Trap-Poverty and the Global Commodity Markets* , Oxford, Oxfam.

COUNCIL OF THE EUROPEAN COMMUNITIES (1974a), *Council Regulation No 841/74 on the conclusion of the Trade Agreement between the European Economic Community and the Federal Republic of Brasil and adopting provisions for its implementation* , in Collection of the Agreements concluded by the European Communities , vol. 4, pp. 915-935.

COUNCIL OF THE EUROPEAN COMMUNITIES (1974b), *Council Regulation No 2307/71, on the conclusion of the Trade Agreement between the European Economic Community and the Republic of Argentina and adopting provisions for its implementation* , in Collection of the Agreements concluded by the European Communities , vol. 4, pp. 939-952.

COUNCIL OF THE EUROPEAN COMMUNITIES (1976), *Council Regulation No 1503/76 concluding the Commercial Cooperation Agreement between the European Economic Community and the Islamic Republic of Pakistan* , in Official Journal of the European Communities , vol. 19, No L 168/1.

COUNCIL OF THE EUROPEAN COMMUNITIES (1978), *Council Regulation No 946/78 concerning the conclusion of the Trade Agreement between the European Economic Community and the People's Republic of China* , in Collection of the Agreements concluded by the European Communities , vol. 8, P. I, pp. 1403-1413.

COUNCIL OF THE EUROPEAN COMMUNITIES (1981a), *Council Regulation No 363/81 on the conclusion of the Agreement between the European Economic Community and the People's Republic of Bangladesh on trade in jute products* , in Collection of the Agreements concluded by the European Communities , vol. 11, P. I, pp. 975-991.

COUNCIL OF THE EUROPEAN COMMUNITIES (1981b), *Council Regulation No 442/81 on financial and technical aid to non-associated developing countries* , in Official Journal of the European Communities , vol. 24, No L 48/8.

COUNCIL OF THE EUROPEAN COMMUNITIES (1981c), *Council Regulation No 2740/81 on the conclusion of the Agreement between the European Economic Community and the Republic of India on trade in textile products* , in Official Journal of the European Communities , vol. 24, No L 273/76.

COUNCIL OF THE EUROPEAN COMMUNITIES (1981d), *Council Regulation No 3246/81 on the conclusion of the Agreement for commercial and economic cooperation between the European Economic Community and India*, Collection of the Agreements concluded by the European Communities , vol. 11, P. I, pp. 955-972.

COUNCIL OF THE EUROPEAN COMMUNITIES (1992), *Council Regulation No 443/92 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America* , in Official Journal of the European Communities , vol. 35, No L 52/1.

COUNCIL OF THE EUROPEAN COMMUNITIES (1994), *Council Decision No 94/578 concerning the conclusion of the Cooperation Agreement between the European Community and the Republic of India on Partnership and Development* , in Official Journal of the European Communities , vol. 37, No L 223/23.

COUNCIL OF THE EUROPEAN COMMUNITIES (1995), *Council Decision No 95/445 concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brasil* , in Official Journal of the European Communities , vol. 38, No L 262/53.

COX, A./KONING, A. et al (1997), *Understanding European Community Aid-Aid Policies, Management and Distribution Explained* , London-Bruxelles, ODI-European Commission.

COX, A./HEALEY, J./KONING, A., eds (1997), *How European Aid Works-A Comparison of Management Systems and Effectiveness* , London, ODI.

DAVENPORT, M./HEWITT, A./KONING, A. (1995), *Europe's Preferred Partners? The Lomé Countries in World Trade* , London, ODI.

DEVELOPMENT ASSISTANCE COMMITTEE (1996), *European Community* , in Development Co-operation Review Series No 12, Paris, OECD.

DEVELOPMENT ASSISTANCE COMMITTEE (1997a), *Geographical distribution of financial flows of AID (1992-1996)* , Paris, OECD.

DEVELOPMENT ASSISTANCE COMMITTEE (1997b), *DAC 1997 Report-Development Co-operation Efforts and Policies of the Members of the Development Assistance Committee* , Paris, OECD.

- DOORNBOS, M./VAN DORSTEN, F./MITRA, M. (1990), *Dairy Aid and Development-India's Operation Flood* , New Delhi-Newbury Park-London, SAGE.
- EUROPEAN COMMISSION (1997), *The Future of North-South Relations-Towards Sustainable Economic and Social Development* , Luxembourg, European Communities.
- FRISCIA, A. B./SIMON, F. (1995), *The Economic Relationship Between Europe and Latin America* , in KAUFMAN PURCEL, S./SIMON, F. (eds), *Europe and Latin America in the World Economy* , London-Boulder, Lynne Rienner.
- GRILLI, E. R. (1993), *The European Community and the Developing Countries* , Cambridge, Cambridge University Press.
- GROSSMANN, H./KOOPMAN, G. (1996), *Social Standards in International Trade: a New Protectionist Wave?* , in SANDER, H./INOTAI, A. (eds), *World Trade after the Uruguay Round-Prospects and policy options for the twenty-first century* , London-New York, Routledge.
- HINDLEY, B./MESSERLIN, P. A. (1993), *Guarantees of market access and regionalism* , in ANDERSON, K./BLACKHURST, R. (eds), *Regional Integration and the Global Trading System* , Hemel Hempstead, Harvester Wheatsheaf.
- JEPMA, C. J. (1988), *The Impact of Untying Aid of the European Community Countries* , in World Development , vol. 16, no 7, pp. 797-805.
- KAUFMAN PURCEL, S./SIMON, F., eds (1995), *Europe and Latin America in the World Economy* , London-Boulder, Lynne Rienner.
- LANGHAMMER, R. J. (1987), *EEC-ASEAN Relations: Institutional Deepening but Modest Economic Impact* , in STEVENS, C./VAN THEMAAT, J. V. (eds), *EEC and the Third World: A Survey 6-Europe and the International Division of Labour* , London, ODI.
- LISTER, M. (1988), *The European Community and the Developing World-The Role of the Lomé Convention* , Aldershot, Avebury.
- LISTER, M. (1997), *The European Union and the South-Relations with Developing Countries* , London-New York, Routledge.
- MOORE, L. (1994), *Developments in Trade and Trade Policy* , in ARTIS, M. S./LEE, N. (eds), *The Economics of the European Union-Policy and Analysis* , New York, Oxford University Press.
- NIXSON, F. (1994), *Foreign Aid and External Assistance* , in ARTIS, M. S./LEE, N. (eds), *The Economics of the European Union-Policy and Analysis* , New York, Oxford University Press.
- OECD (1988), *Geographical distribution of financial flows to Developing Countries (1983-1986)* , Paris, OECD.

- PALMETER, D. (1993), *Rules of origin in customs unions and free trade areas* , in ANDERSON, K./BLACKHURST, R. (eds), *Regional Integration and the Global Trading System* , Hemel Hempstead, Harvester Wheatsheaf.
- PELKMANS, J. (1987), *The European Community's Trade Policy Towards Developing Countries* , in STEVENS, C./VAN THEMAAT, J. V. (eds), *EEC and the Third World: A Survey 6-Europe and the International Division of Labour* , London, ODI.
- PELKMANS, J. (1993), *ASEAN and EC-1992* , in MAYES, D. G. (ed), *The External Implications of European Integration* , Harvester Wheatsheaf, Hemel Hempstead.
- SANDER, H./NOTAI, A., eds (1996), *World Trade after the Uruguay Round-Prospects and policy options for the twenty-first century* , London-New York, Routledge.
- SAPIR, A./STEVENS, C. (1987), *India's Exports of Manufactures to the European Community: Recent Performance and Constraints* , in Development Policy Review , vol. 5, pp. 379-398.
- SIDERI, S. (1995), *The Economic Relations of China and Asia-Pacific with Europe* , in Development Policy Review , vol. 13, pp. 219-246.
- SIDERI, S. (1997), *ASEM and Asian Prospects within the evolving World Economy* , The Hague, Institute of Social Studies, Working Paper n. 241.
- SIDERI, S./HILHORST, J. (1995), *The Coordination of the Objectives of EU's Development Policy* , The Hague, Institute of Social Studies, Working Paper n. 190.
- STEVENS, C./KENNAN, J. (1994), *How Will the EU's Response to the GATT Round Affect Developing Countries?* , IDS Working Paper no 11.
- STEVENS, C. (1996), *The Consequences of the Uruguay Round for Developing Countries* , in SANDER, H./NOTAI, A. (eds), *World Trade after the Uruguay Round-Prospects and policy options for the twenty-first century* , London-New York, Routledge.
- UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL INFORMATION AND POLICY ANALYSIS (UNDESIPA), (1996), *The Uruguay Round of Multilateral Trade Negotiations: a Preliminary Assessment of Results* , in SANDER, H./NOTAI, A. (eds), *World Trade after the Uruguay Round-Prospects and policy options for the twenty-first century* , London-New York, Routledge.

[1] "Many of the textbooks on the EU focus on its internal organization and neglect its development policy" (LISTER, 1997, p. 22). It has to be said, moreover, that even if considered, EU's development policy is normally seen as restricted to Lomé.

[2] COUNCIL (1981b), Council Regulation (CR) 442/81.

[3] Again, "as a general rule" (art. 5).

- [4] A Committee for aid to non-associated countries was also set up.
- [5] On which see below, section 3.
- [6] NIXSON (1994, p. 411), states in its comment to the new Title XVII that "Pious exhortation and vague policy statements do not... make for good development policies".
- [7] COUNCIL (1992), CR 443/92.
- [8] Probably an homage to the success at the time of the 1990 UNDP's Human Development Report.
- [9] For which an average of 10% of aid's resources is set aside (art. 5 and 10).
- [10] For instance COOTE/LEQUESNE, 1996, pp. 201-202. And see further below -section 5-, on the outcomes of Uruguay Round.
- [11] On which see DAVENPORT/HEWITT, 1995, particularly pp. 77-78.
- [12] COMMISSION, 1988, pp. 76-77.
- [13] See LISTER, 1988, specially Chapter 3, pp. 59ss.
- [14] Except for some specific sectors, considered vital, such as sugar: the Sugar Protocol was in fact extended to Commonwealth countries (GRILLI, 1993, p. 31).
- [15] See COMMISSION, 1971, p. 4 and 1988, pp. 70-71. Another element, perhaps understated in most comments was the need to contrast "the excessively negative image of the Community" in many Third World countries (COMMISSION, 1971, p. 3).
- [16] COMMISSION, 1971, pp. 12, 29-30.
- [17] Coming overwhelmingly from Community's agricultural surpluses, but often damaging local producers' capacity (e. g., regarding India, DOORNBOOS et al, 1990, p. 56).
- [18] See COMMISSION, 1988, pp. 74-75 and COX/KONING, 1997, pp. 84, 88. About aid to uprooted people, see below, section 5.
- [19] See COMMISSION, 1995b, pp. 6-10.
- [20] An example may be that of jute, important Bangladesh's export. One among many other agreements on the matter (COUNCIL, 1981a, CR 363/81), divides in a fairly byzantine way the jute into three main categories (and a number of sub-categories) for only one of which tariffs would be lowered to zero.
- [21] COMMISSION, 1995b, p. 9.
- [22] COMMISSION, 1995b, p. 8. On this see further below.
- [23] PELKMANS, 1987, p. 33.
- [24] e. g. SIDERI/HILHORST, 1995, p. 18 and see also GRILLI, 1993, p. 340.
- [25] GRILLI, 1993, pp. 118-120, 255.
- [26] COX/KONING, 1997, p. 6 and Table 1.1. India rank in the same position until 1984, but not Bangladesh, which saw its share drop to 3.4% in the 1980-84 period (*ivi*, Table 1.1).
- [27] COMMISSION, 1988, p. 77.
- [28] COMMISSION, 1988, p. 77 and COX/KONING, 1997, p. 82.
- [29] See above, section 1.
- [30] OECD, 1988, p. 76 and DAC, 1997a, p. 78.
- [31] GRILLI, 1993, pp. 287-289.
- [32] Inaugurated in 1969, it has included Bolivia, Colombia, Peru and Ecuador.
- [33] The EU's support was focused mainly on political cooperation and democracy (e. g. COMMISSION, 1988, pp. 90-91).
- [34] OECD, 1988, p. 56 and DAC, 1997a, p. 64.
- [35] COX/KONING, 1997, p. 82 and Table 5.1 (1986-1995 period).
- [36] COX/KONING, 1997, pp. 85, 88-90 and Tables 5.3 and 5.4 (1986-1995 period). On the new trend see further below.
- [37] COUNCIL, 1981d, CR 3246/81.
- [38] COUNCIL, 1994, Council Decision (CD) 94/578.
- [39] GRILLI (1993, p. 289), defines this as a common characteristic of all EU's economic cooperation towards Asia.
- [40] Although here the asserted emphasis on "their education and family welfare" reminds more of typically, 1970s' typical, 'reproductive' policies, rather than the more comprehensive 1990s' approaches.
- [41] COUNCIL, 1995, CD 95/445.

- [42] If we take the examples of India, the EU plus its member countries have provided almost ten times the amount of the US's official aid in 1983-86 (due to very low US flows), but still more even in 1992-96. For the latter period this holds also for Bangladesh, China, Bolivia and Ecuador, although not for Indonesia and Brasil (OECD, 1988, p. 128, DAC, 1997a, pp. 115, 58, 78, 64, 93, 116, 67).
- [43] COX/HEALEY/KONING, 1997, pp. 95ss.
- [44] e. g. COMMISSION, 1992, pp. 13-14.
- [45] For this view see SIDERI/HILHORST, 1995, pp. 17-18.
- [46] COX/HEALEY/KONING, 1997, p. 107.
- [47] See for example about ASEAN, LANGHAMMER, 1987, pp. 135-142 and for Latin America FRISCIA/SIMON, 1995, pp. 6-8.
- [48] See for example the Agreements with Brasil and Argentina (COUNCIL, 1974a, CR 841/74 and 1974b, CR 2307/74) and Pakistan (COUNCIL, 1976, CR 1503/76).
- [49] MOORE, 1994, p. 300. PELKMANS (1987, p. 38) added that "transparency of non-tariff instruments leaves much to be desired".
- [50] MOORE, 1994, p. 299, PALMETER, 1993, p. 327, PELKMANS, 1987, p. 30.
- [51] See for instance the agreement about the this matter (one among several) of 1981, in which Voluntary Export Restraints (VER) for some categories of textiles are set in return for abolishing restrictions in others (COUNCIL, 1981c, CR 2740/81).
- [52] SAPIR/STEVENS, 1987, p. 397, also for more details.
- [53] XIAO, 1993, p. 11, quot. in SIDERI, 1995, p. 220 and SIDERI, 1995, p. 223.
- [54] See COMMISSION, 1997.
- [55] COMMISSION, 1995a, pp. 6, 17-19 and DAC, 1996, pp. 43-44.
- [56] See SIDERI, 1997, and on the 'new' political approach to Asia, COMMISSION, 1996, p. 8.
- [57] "Mercado de Sur", including Brazil, Argentina, Uruguay and Paraguay.
- [58] FRISCIA/SIMON, 1995, pp. 54-55 and LISTER, 1997, pp. 32-34.
- [59] See again LISTER, 1997, pp. 33-34, and SIDERI, 1997, pp. 17-18.
- [60] On the outcomes of Uruguay Round in general see SANDER, 1996, pp. 17-34 and UNDESIPA, 1996, pp. 37-51.
- [61] STEVENS, 1996, p. 85.
- [62] STEVENS, 1996, pp. 75, 81-84, UNDESIPA, 1996, pp. 39-40. About TRIPs, it has been said that they tighten "monopoly control over technology and reduces the opportunity for new commercial rivals" (COOTE/LEQUESNE, 1996, p. 201), while GROSSMANN/KOOPMAN state on Social Standards that they seem "to have more in common with anti-dumping policy" than with the claimed human rights' reasons for them.
- [63] COMMISSION, 1992, p. 14.
- [64] For slightly different reasons GRILLI (1993) also sees the future of EU-ALA relations as rather bleak.