

27

THE EU AND THE WORLD

Preview

The last chapter looked at how the EU's foreign, security and trade policies have shaped its role as a global actor. This chapter examines these policies more closely by looking at the EU's relations with different parts of the world. We begin with an assessment of the most important political, economic and military relationship in the world, between the EU and the US. It has not always run smoothly, and the differences that lurked beneath the surface during the Cold War have since become more visible.

The chapter then looks at the EU's relations with its immediate neighbours: the Mediterranean, the Middle East and Russia. Beyond the inner rim of potential future members of the EU, there is a 'circle of friends' consisting of countries with no prospect of EU membership but with which the EU is working to build closer ties. These efforts have mainly failed in the case of Russia, by far the biggest of its neighbours but the one over whom the most troubling questions continue to linger.

Further afield, there are new developments in the EU's relations with China, whose global role is expanding. Ties between the two have improved, yet uncertainties remain and the EU is wary about China's human rights record and foreign policy. Finally, Europe's former African, Caribbean and Pacific colonies have long played a part in the definition of the EU's global interests, and the EU has become the biggest source of official development assistance in the world. The jury is still out, though, on the efficacy of development policy.

Key points

- The relationship between the EU and the US is the most important in the world, yet it has not always been a happy one.
- While the US has provided both direct and indirect support to European integration, and both sides agree on the goals of promoting democracy and free markets, they differ on a wide range of issues and values, raising questions about the trajectory of the transatlantic relationship.
- The EU has been active in reaching out to its neighbours, with the goal of creating a 'circle of friends', and promoting democracy and free markets in the region.
- The European Neighbourhood Policy has the goal of avoiding the emergence of dividing lines between an enlarged EU and its immediate neighbours.
- The EU relationship with the Middle East has been troubled, while that with Russia has blown hot and cold, in spite of the fact that both need each other.
- The EU-China relationship has undergone much change in recent decades, although it is not yet fully understood.
- Their shared history has placed Africa, the Caribbean and the Pacific at the top of the EU development policy agenda. But the jury is still out on the effects of that policy.

The EU and the United States

Few modern Republican American presidents, it is clear, have had strong public approval in Europe. There is still much truth to the argument made by Howard (1987) that 'even conservative European politicians are more likely to feel at home with Democrats than with Republicans', as reflected in these cases:

- Richard Nixon was vilified for his initial expansion of the war in Vietnam, for his Middle East policies, and ultimately for his involvement in the Watergate scandal.
- While Ronald Reagan was well regarded for his confidence, optimism and resistance to the Soviet Union, he was also criticized for his trickle-down economic policies, for his political reliance on religious conservatives, and for becoming embroiled in the Iran-Contra scandal.
- George H.W. Bush was an exception, being seen as more centrist and pursuing foreign policies that fitted with the European preference for multilateralism and diplomacy.
- There was deep disquiet when his more hawkish son George W. Bush became president in 2001, a view that broke into more open hostility with the invasions of Iraq and Afghanistan, which – as we saw in Chapter 6 – elicited unprecedented public opposition from France and Germany.

All previous concerns, however, were to pale by comparison with those sparked by the election in November 2016 of Donald Trump. While European populists and nationalists mainly held Trump in high regard, he was deeply criticized by most on other parts of the political spectrum, for his policies, his style and his apparent lack of attention to policy detail. He also succeeded one of Europe's favourite American presidents, Barack Obama, who had high European approval ratings throughout his presidency. While 70 per cent of respondents in France and Germany had viewed Obama's foreign policies positively, only 10 per cent had the same level of faith in Trump's policies (Wike et al., 2018).

The findings of such polls cast shadows over the bilateral relationship between the US and the EU, which is – without question – the most important (and the most thoroughly studied) in the world. The two actors are economic superpowers, between them accounting for nearly half of global economic production, and about 30 per cent of global trade in goods and services. They also control the two key international currencies, the dollar and the euro, and, as homes to most of the world's largest multinational corporations, they dominate international commerce, controlling millions of jobs around the world and being the major sources (and targets) of foreign direct investment, as well as being among each other's biggest trading partners. They also maintain the biggest and most powerful military forces in the world, between them accounting for 75 per cent of global spending on defence. Finally, this combination of economic and military power translates into global political influence; the US and the EU dominate the world's major international organizations, and what one says and does matters not only to the other but to much of the rest of the world.

In spite of this, the transatlantic relationship has not always been an easy one (see Bindi, 2019). Before the Second World War, Americans kept their distance, wary of being drawn into European conflicts and critical of European colonialism. Meanwhile, Europeans kept a worried eye on rising American political, economic

and cultural influence. After the Second World War, western Europeans fell into an often reluctant subservience to American leadership; they had little choice but to rely on American economic investments and security guarantees, and while their governments might have privately railed against US policy, in public they mainly went along with it, recognizing the importance of the **Atlantic Alliance**.

The US has always been a supporter of European integration (until Trump, that is), and it is unlikely that the EEC would have been created or have evolved into today's EU without that support. It made critical early contributions through the Marshall Plan and by providing a security umbrella in the form of NATO, but its generosity was not entirely charitable: peace and economic reconstruction in western Europe suited American interests, reinforcing the region's abilities to resist and offset Soviet influence, building an important market for American exports, and establishing western Europe as a critical political and economic partner of the US.

While there were deliberate US policies that helped pave the way for European integration, the US also contributed unconsciously in two other ways. First, it pursued policies that helped unite Europeans either in support of US policy or in opposition (but mainly the latter). Their opposition to the war in Vietnam (which peaked in 1965–75) strained the Alliance, while the unilateral decision of the US in 1971 to end dollar convertibility with gold brought political and economic strain. The transatlantic gap in Middle East policy became clear in 1973 as western European governments parted company with the US over military assistance to Israel during the Yom Kippur War. The litany of differences grew: West German policy towards East Germany, US policy in Central America, the 1979 Soviet invasion of Afghanistan, and the deployment by the Reagan administration of nuclear weapons in Europe.

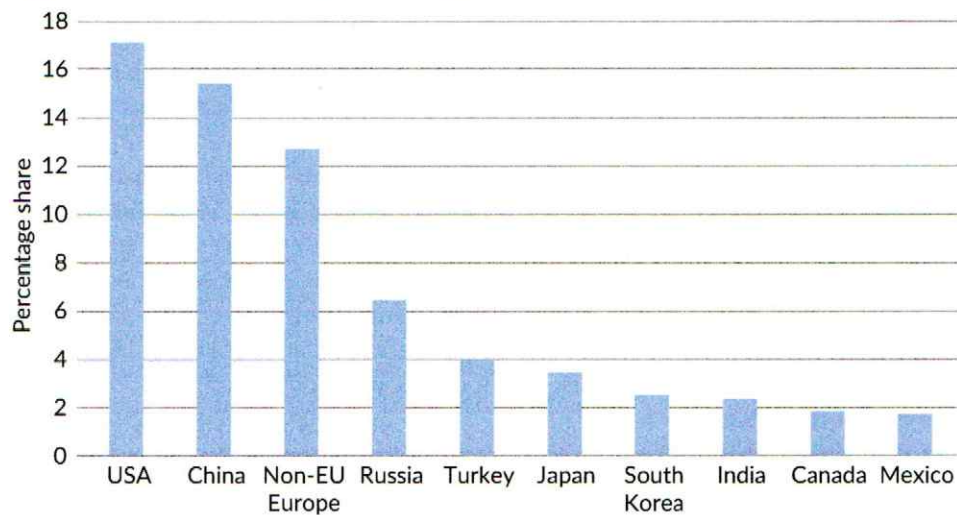
Second, American policy has often helped the EU identify its weaknesses. It was competition from US corporations in the 1960s that helped western Europeans realize how little progress they were making on rebuilding their own industries, the US decision on the dollar and gold led to exchange rate volatility that helped set the groundwork for monetary union, and then came the serial security embarrassments of the 1990s: the 1990–91 Gulf War, the outbreak of fighting in the Balkans in 1991, and the crisis in Kosovo in 1999. These revealed just how much EU governments still disagreed among themselves on foreign policy and showed how poorly prepared the EU was to deal with major international security problems.

Formal agreements by the two sides have a long history. The November 1990 Transatlantic Declaration committed them to regular high-level contacts and called for cooperation in policy areas such as combating terrorism, drug trafficking and international crime (Commission of the European Communities, 1990). The 1995 New Transatlantic Agenda committed them to work together on promoting peace and democracy around the world, while the 1995 Transatlantic Business Dialogue brought European and American business leaders together at regular conferences, the 1998 Transatlantic Economic Partnership was designed to encourage more discussions on trade issues (the US is the EU's biggest trading partner – see Figure 27.1), and the Transatlantic Trade and Investment Partnership – negotiations on which began in 2013 but were halted in 2017 by the Trump administration – promised to bring the two sides together in a massive new trade agreement. (As we saw in Chapter 26, the US and the EU are the two global trading powerhouses.)

CONCEPT

Atlantic Alliance

The military and political alliance between the US, Canada and Europe, founded on the North Atlantic Treaty Organization (NATO). Although it began as an association of individual states (with eastern Europe excluded), its focus has shifted to an alliance between the US, Canada and the European Union. It has also expanded to include eastern Europe, and its interests have moved beyond the security threats represented by the Cold War to include problems such as terrorism. Several assessments (see, for example, Moeller, 2018, and Gordon and Shapiro, 2019) argue that it was dealt a severe blow by the Trump administration, leaving its future direction uncertain.

Figure 27.1 *The EU's ten biggest trading partners*

Source: European Commission, Directorate-General for Trade (2019). Data are for 2018, for trade outside the EU only.

Behind the diplomatic smiles, however, the nature of the game has changed since the end of the Cold War. The one clear transatlantic project – opposing and outwitting the Soviets – is gone, since when the two sides have been more forthright in their differences of opinion. They have cooperated on numerous key security problems and are united in their efforts to address international terrorism, but they have disagreed on approaches towards Cuba, Iran, Iraq and Libya (Haass, 1999), the positions taken by George W. Bush and Donald Trump on climate change have not pleased Europeans, and the US has been disappointed by the inability or unwillingness of the Europeans always to take their share of responsibility for international security. The two have also had fallouts over trade and – as we saw in Chapter 26 – have often taken each other before the WTO for the resolution of disputes.

The playing out of tensions was reviewed in Chapter 6, with matters taking a new turn after the September 2001 terrorist attacks. There was an initial outpouring of political and public sympathy in the EU and a hope among European leaders that both sides could work together on a response, but dismay followed when the administration of President George W. Bush opted for unilateralism, arguing that states were either for or against the US in the war on terrorism, and rejecting multilateralism in favour of the right of the US to act alone. Led by France and Germany, several European governments openly opposed and criticized US policy, while American critics of the EU accused it of dithering and raised the spectre of 1930s-style appeasement. US Defence Secretary Donald Rumsfeld dismissed Germany and France as ‘old Europe’, arguing that the centre of gravity in NATO Europe had shifted eastwards to its new members. Europeans responded by using unflattering Wild West metaphors to describe President Bush. In a 2003 poll, 53 per cent of Europeans ranked the US as a threat to world peace on a par with North Korea and Iran (European Commission, 2003b).

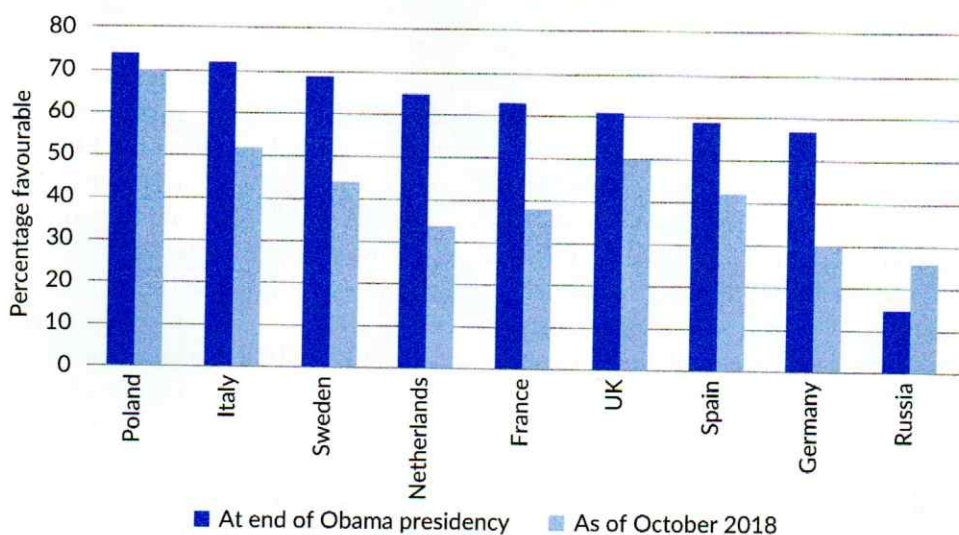
The fallout over Iraq sparked a flood of academic and media analyses of the state of the transatlantic relationship (see, for example, Kagan, 2003; Mowle, 2004; Kopstein and Steinmo, 2008). Optimists argued that it was a short-term

squabble and that both sides would overcome their differences because it was in their interests to work together. Pessimists argued that the rift was inevitable, was indicative of deeper problems, and that the relationship could never be the same again. However, Iraq showed that the Europeans were willing to be more assertive, and were more aware of how they differed from the Americans on issues as diverse as climate change, the Middle East peace process and the International Criminal Court – the US is not a state party to the treaty establishing the court, which was championed by the EU and has been signed by all its member states.

Most Europeans welcomed the election of President Barack Obama in 2008, hoping that it would lead to better relations and new US foreign policies with which they could agree. The Obama administration at first showed limited interest in the EU, the president even opting to miss a US–EU summit in 2010, leading to concerns that he was paying more attention to China than Europe (Erlanger, 2010). Matters improved, though, when the two sides cooperated in responding to the fallout from the Libyan and Syrian civil wars in 2011 and 2013, to the Russian intervention in Ukraine in 2013, and the creation of the extremist group Islamic State (also known as ISIS) in Iraq in 2014.

The health of the transatlantic relationship went from one extreme to the other with the election of Donald Trump in 2016, who early suggested that the United States might withdraw from NATO, and criticized European NATO members for not contributing enough to its budget. He later suggested that the EU did not matter to the United States and that he did not much care for its future (Birnbaum, 2017), described the EU as a ‘foe’ on trade matters, and, in an October 2018 interview, claimed that the EU ‘was formed in order to take advantage of us on trade, and that’s what they’ve done’ (Qiu, 2018). He also made clear his support for the idea of Britain leaving the EU, and failed to offer much resistance to – or criticism of – the authoritarian government of Vladimir Putin in Russia. As a result, the perception of the United States suffered in most western European EU states (less so in Poland) in the early years of the Trump administration; see Figure 27.2.

Figure 27.2 *What Europeans think: Obama and Trump*



Source: Wike et al. (2018).

Whether the Trump years will prove to be yet another short-term transatlantic squabble, or whether it will prove over the long term to have been a permanent change in direction, remains to be seen. Europeans and Americans generally agree on the broad goals of promoting democracy, free markets, human rights and the rule of law. They can, when it suits them, usually set aside their differences to address pressing international problems. They are also deeply invested in each other economically, as reflected in their trade relationship, their mutual flows of foreign direct investment, and the manner in which economic problems in one quickly spill over into the other. On the other hand, both sides are ambitious and assertive, and have different styles and values on a wide range of issues:

- Europeans take a more liberal position than Americans on a host of social issues, including abortion, capital punishment, same-sex marriage and euthanasia.
- Europeans are more willing to support the role of government in providing education, healthcare and welfare. Whereas most Americans feel that it is more important for government to provide them with the freedom to pursue other goals, most Europeans feel that it is more important for government to guarantee that no one is in need (see, for example, discussion in Russell, 2006, pp. 48–9).
- On security policy, Europeans (as we saw in Chapter 26) favour the use of soft power and peacekeeping, while Americans have fewer concerns about hard power.

Americans and Europeans are bound tightly by history, culture, politics and economic principles, but they have long kept their distance from one another, and the rise of a more assertive Europe suggests that – assuming Europeans can build the necessary level of agreement on foreign policy – the transatlantic relationship, while never static in the past, is likely to undergo further substantial change in the future. While Europeans and Americans may be growing apart in many respects, they may also have enough common ground to continue to work together.

Looking to the neighbourhood

We saw in Chapters 5–7 how enlargement has influenced developments in new member states of the EU and changed the character of the EU itself. We also saw in Chapter 9 that as many as 16 countries have prospects of eventually becoming members of the EU, if we extend the definition of Europe to include the Caucasus and Turkey. Just outside that ring of potential future members is another group of states that sit on the EU's borders, which do not qualify for membership as the terms are currently defined, yet mainly want a strong bond with the EU, and which the EU is willing to court in the interests of creating a 'circle of friends'. This circle takes in most of North Africa and the Middle East, along with the rather different challenge of how to deal with Russia.

November 1995 saw the launch of the Euro-Mediterranean Partnership – otherwise known as the **Barcelona Process** – with the goal of strengthening political, economic and social ties between the EU and all North African and Middle Eastern states bordering the Mediterranean; these included Algeria, Egypt, Israel, Jordan, the Palestinian Authority, Turkey and – until they joined the EU in 2004 – Cyprus and Malta. The programme included goals such as agreeing shared values, promoting democracy, developing policies that complemented those of the US in the Mediterranean, and establishing a free trade area in the Middle East. Although the partnership encouraged economic and cultural ties, it was tripped

Barcelona Process A programme aimed at strengthening ties between the EU and most of its North African and Middle Eastern neighbours.

up by the lack of progress on the Middle East peace process, concerns among some partner countries about the dominant role of the EU, and the focus on the Mediterranean being distracted by the inclusion of the many EU states that do not border the Mediterranean.

In 2008, on an initiative mainly from French President Nicolas Sarkozy, the Barcelona Process evolved into the **Union for the Mediterranean**. This was originally to have focused only on Mediterranean states (but would have used EU funds), to have included a Mediterranean Investment Bank, and was proposed (in the case of Turkey) as an alternative to membership of the EU. In the face of criticism from other EU states, however, it was expanded to include all EU states, and was portrayed to Turkey as a stepping stone to EU membership rather than an alternative. It has many of the same policy goals as the Barcelona Process, an institutional headquarters in Barcelona, a rotating co-presidency (one EU state and one non-EU state), and consists of 43 members: the EU member states along with 15 neighbouring states (see Map 27.1) (see Bicchi and Gillespie, 2012, for an early assessment).

Union for the Mediterranean A project by which the Barcelona Process was relaunched in 2008, with a focus on security cooperation, immigration, the environment, transport and education.

Map 27.1 *The European neighbourhood*

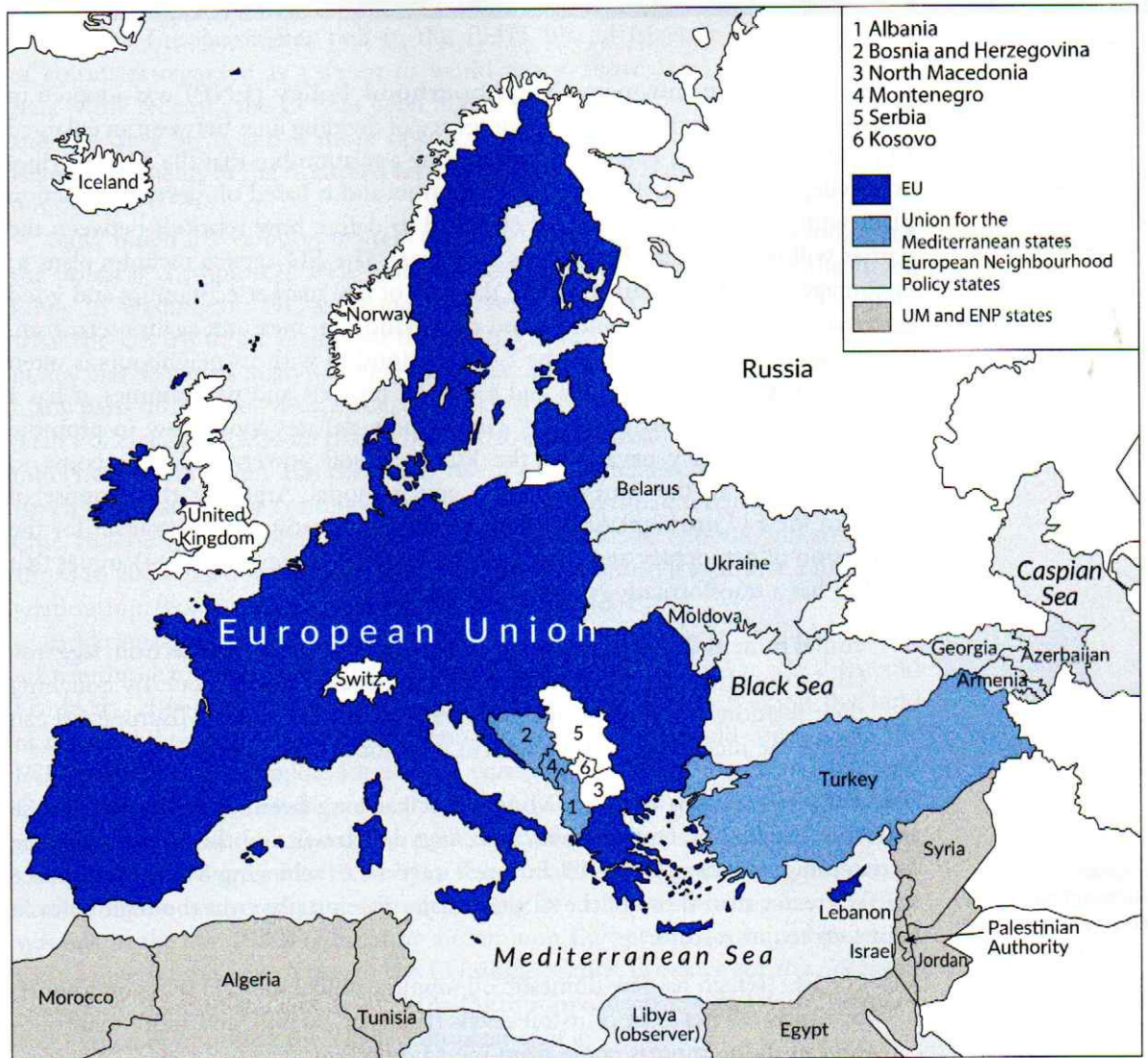


Illustration 27.1.

Protesters gather outside the EU office in the Ukrainian capital of Kiev in 2014 to ask for help from the EU during unrest sparked by concerns about Russian intentions towards its neighbour.

Source: EC - Audiovisual Service



Meanwhile, the **European Neighbourhood Policy (ENP)** was adopted in 2004 with the goal of avoiding the emergence of dividing lines between an enlarged EU and its immediate neighbours, promoting a relationship that the EU describes as 'privileged'. It targets 16 of those neighbours and is based on developing action plans with each of these countries intended to define how relations between the parties will develop and the interests they share. The EU agenda includes plans to encourage democracy, human rights, the rule of law, market economics and good governance in the ENP countries, and cooperation on measures against terrorism.

Although discussions about the EU's relationship with its neighbours is often couched in terms of rather dry and technical projects and programmes, it has a bigger and wider significance; in a world where debates about how to promote peace and democracy never end, the European soft power model has come to offer a contrast to the American hard power model. Arguably, the promise of access to the EU marketplace has become the single most effective means for the promotion of democracy and capitalism. Leonard (2005, pp. 56, 103–4) argues that the EU has a transformative power, which:

comes from its ability to reward reformers and withhold benefits from laggards, [and it functions as] a club with rules and benefits to hand out. By couching their relations in terms of creating a neighbourhood club ... [Europeans] can create the incentives to drive reform without being imperial.

The EU's relationship with the Middle East has long been difficult, made worse in recent decades by tensions with Iran, Iraq and Israel, and the fallout from the Syrian refugee crisis in 2014–15. Europe's interests in achieving Middle East peace are far greater than those of the US, the major foreign player in the region, for at least four major reasons:

1. The EU (which has few domestic oil supplies, unlike the US) relies on imports for nearly 90 per cent of its oil needs (Eurostat, 2019g), and more than one-third of those imports come from the Middle East.

European Neighbourhood Policy (ENP) A policy aimed at encouraging democracy and capitalism in the eastern European and North African neighbours of the EU.

2. The EU has a bigger trading relationship with many Middle Eastern countries than the US.
3. Europe attracts many more immigrants from the Middle East than does the US.
4. Europe faces a more immediate threat from Islamic militancy and terrorism than the US, being home to a far greater number of Muslims, and having to live more immediately with the prospect of home-grown terrorism. Despite this, the EU has so far played only a supporting role to the US, benefiting (or suffering, depending on your point of view) from the US political-military role in the region while often being critical of US policy.

Few problems have been more central to the EU's Middle Eastern policy (and yet, oddly, less closely studied) than Israel. Where western European relations with Israel were generally strong in the 1950s, they have soured since the 1967 Six Day War and the Israeli occupation of the West Bank and Gaza that has persisted ever since. The Community fell out with the US on arms supplies to Israel during the 1973 Yom Kippur War, Greece and Spain did not establish diplomatic relations with Israel until the 1980s, and the EU has made the creation of a Palestinian homeland a condition of Middle Eastern peace. Perhaps most (in)famously, the 2003 Flash Eurobarometer poll in the EU15 placed Israel at the top of a list of countries regarded as a threat to world peace, above Iran, North Korea and Iraq. More recently, the EU has been highly critical of Israeli attacks on Lebanon and the Gaza Strip, and is more openly critical than the US of the building of Israeli settlements in the occupied territories of the West Bank, particularly in East Jerusalem.

How much EU opinion matters to Israel is debatable. The US has long been the political champion of Israel and its major supplier of military aid, the Israeli lobby in Washington DC is strong, and Israeli leaders generally care far more what the US has to say than what the EU has to say. European criticism of Israeli policy has spawned analyses suggesting that anti-Semitism is alive and well in many parts of Europe. Meanwhile, Israel criticizes what it regards as the EU's pro-Arab policies in the Middle East, while many Europeans abhor the militarism that influences Israeli policy and the strong role played by religious fundamentalism in Israeli justifications for continued occupation of Palestinian territory. At the same time, Israel is heavily dependent on the EU market for its exports, and so cannot afford to allow relations to deteriorate too much. In short, it is at best a love-hate relationship. (For more details, see Pardo and Peters, 2010.)

Additional and deeper troubles loom to the east, where the EU-Russia relationship has blown hot and cold since the end of the Cold War (Forsberg and Haukkala, 2016). At first relations were positive, with Russia seeking the kind of respectability and economic opportunities that the EU could offer, while the EU sought Russian support for eastern enlargement. In 1997 a Partnership and Cooperation Agreement between the EU and Russia came into effect, aimed at encouraging cooperation, establishing the conditions for a possible future free trade area, and expressing EU hopes for 'a stable, democratic and prosperous Russia, firmly anchored in a united Europe free of new dividing lines'. There was talk in the late 1990s of building a Common European Economic Space that would give Russia new access to the EU single market in return for the necessary changes in Russian law, and in 2003 the Putin administration sided with Germany and France in opposing the US-led invasion of Iraq.

Then Russia began to worry about its economic imbalance with the EU, and looked askance at the applications for EU membership from three former Soviet republics: Estonia, Latvia and Lithuania. The EU became critical of the authoritarian tendencies of the Putin administration and Russian policy in Chechnya. The two sides disagreed over climate change and illegal immigration from Russia, while tensions grew as NATO membership expanded into the former Soviet bloc (12 former Soviet or eastern bloc states are now members), and Russia expressed displeasure with the leading role of the EU in criticizing the fraudulent October 2004 Ukrainian presidential elections, feeding into the Orange Revolution that led to a new vote in December.

Then came the events of 2013–14 in Ukraine, at the heart of which was the question of whether the country wanted to ally itself with the EU or Russia. A revolt was sparked in December 2013 by the decision of President Viktor Yanukovich not to sign an association agreement with the EU. When Yanukovich later fled to Russia, an interim government took over, and separatists took power in Crimea, which was annexed by Russia in March 2014. The EU immediately imposed targeted sanctions on Russia, pro-Russian separatists declared independence in parts of eastern Ukraine, and in June the new Ukrainian government signed the delayed association agreement with the EU. Matters further deteriorated when a Malaysia Airlines aircraft was shot down over rebel-held territory in Ukraine in July (more than two-thirds of the passengers were Dutch), and questions remained about the extent to which Russia was involved in the eastern Ukrainian uprising.

Today the EU–Russia relationship remains tense. Both sides need each other but do not entirely trust the motives of the other. At the heart of the tensions are economic considerations, particularly energy: the EU relies on Russia for about 28 per cent of its oil needs and 40 per cent of its gas needs. For its part, Russia is only too aware that the EU not only accounts for 70 per cent of its exports but is also the biggest source of foreign investment in Russian industry and infrastructure.

The EU and China: Uneasy new discoveries

The Western world has a fascination with the rising global role of China, whose large population and rapidly transforming economy have led many to conclude that China will soon be (if it is not already) a superpower. This depends, however, on how we define a superpower (see Chapter 26), and we should not overlook China's relative poverty, its lack of a currency with global credibility or a military with global reach, and its poor record on human rights. None of this has been enough to stand in the way of a growing speculative literature on the global role of China, and another more specifically on EU–Chinese relations, assessing the bilateral links between these two economic giants from multiple angles (see, for example, Vogt, 2012; Dong et al., 2013; Wang and Song, 2016). China is now the EU's second biggest export market (after the US) and its biggest source of its imports.

Despite this, the EU–China relationship is not yet well understood. For centuries Europe and China have had trade links that have impacted both sides, yet their physical distance from each other has led to a high degree of mutual misunderstanding, and it is only since the mid-1990s that there have been efforts

to build closer relations between the two. Even today the story is not a simple one, being complicated by questions about China's long-term plans and the dynamics of the tripartite relationship between the EU, the US and China. The latter promises not only to change the nature of the international system, but will also inevitably impact the way other states, such as Japan, India and Russia, relate to China (Wang and Song, 2016).

Ties between China and the Community were established in 1975 with the first visit to China by a European commissioner. A trade agreement was signed in 1978, an agreement on trade and economic cooperation in 1985, and the Commission opened a Delegation in Beijing in 1988. Relations soured following the June 1989 crackdown in Tiananmen Square, which resulted in the imposition of Community sanctions on China. Within three years relations were back on a stronger footing, although an arms embargo remained in place. A series of EU–China summits were held between 1998 and 2002, supported by policy papers from the Commission that included reference to ‘a maturing partnership’ between the two sides. An agreement was signed in 2003 bringing China into the Galileo navigation satellite programme (much to the chagrin of the US), and numerous China–EU meetings addressed issues such as human rights, maritime transport, technology, climate change and intellectual property.

The EU has remained critical of China's poor human rights record, and there have been disagreements on climate change and other issues, but where the two sides had once rarely spoken to each other at the diplomatic level, joint meetings have become almost routine. The strengthening of ties has been helped by the removal of the restrictions of the Cold War, the fact that Taiwan is not as much of an issue in Europe as it is in the US (where there is an active Taiwan lobby), the lack (unlike the US) of an EU military presence in East Asia, and the clearly shared commercial and economic interests of the two actors.

Casarini (2009) saw the EU–China relationship going through three phases: a period of constructive engagement from the mid-1990s, moving to a strategic partnership between the two sides in 2003–05 (marked by cooperation on technology, notably space and satellite navigation), followed by ‘pragmatic restraint’ in light of US concerns about how the relationship had been evolving. Along the way, Casarini argued, the EU was unable to define a clear position on China, and its leaders were unable to agree what kind of power China had become. Since then, matters have evolved, with a tightening of domestic control by China's authoritarian government (the limit of two four-year terms for the Chinese president was removed in 2019 when President Xi Jinping was able to win himself a lifetime appointment), and the expansion of Chinese global power.

China's economic aspirations are reflected in the steady rise in the size and reach of Chinese multinationals, and in the 2013 launch of the Belt and Road Initiative, inspired by the model of the Silk Road that famously connected China with the West, beginning in the third century CE. The aim of this newer enterprise is to streamline China's trade interests in Asia, to ensure stable energy supplies, to promote the development of Asian infrastructure, and consolidate Chinese regional influence (see Zhang et al., 2018). The ultimate goal is a new trading network centred on China, and a shift of the focus of the global trading system away from the North Atlantic to Asia. China is more clearly becoming an economic competitor to both the EU and the United States.



CONCEPT

Development policy

Since the end of the colonial era in the 1960s, there has been political and moral pressure on wealthy industrialized states to provide aid to developing countries, many of which were once colonized by the major European powers. The effects of this aid have been controversial; critics charge that it has been targeted for the wrong uses, has created dependence rather than independence, and has not been sufficiently generous. Meanwhile, the leaders of many developing countries have been accused of failing to ensure the equitable distribution of that aid, sometimes lining their own pockets and spending on non-essential showcase projects such as new airports and conference centres rather than schools and hospitals.

Official development assistance (ODA)

Formal assistance given by governments to other states, taking the form mainly of investments in economic and social development, and excluding military aid or commercial investments.

Africa Caribbean Pacific (ACP)

A programme under which 80 former colonies of EU member states have been targeted for preferential trade agreements.

The EU and development cooperation

The age of European imperialism is long dead, but its effects are still felt in the heritage of political and economic ties between EU states and former European colonies. Existing colonies were given associate membership of the EEC when it was created in 1958, and former French colonies that are now overseas departments of France – French Guiana, Guadeloupe, Martinique and Réunion – are integrated into the EU. For others, EU **development policy** has had two main components: trade agreements with different groups of countries aimed at helping them boost exports and economic growth, and **official development assistance (ODA)** in the form of grants and technical aid.

Under the **Africa Caribbean Pacific (ACP)** programme, trade agreements have been signed with a large group of former colonies, mainly those of Belgium, Britain, France and Portugal (see Table 27.1). These began with the 1963 and 1969 Yaoundé Conventions (named for the capital of Cameroon, where they were signed), by which 18 former colonies of the original six EEC member states were given preferential access to Community markets. In return, the 18 states allowed the Community limited duty-free or quota-free access to their markets. With Britain joining the EEC in 1973, many former British colonies were added to the equation, so the Lomé Convention (named for the capital of Togo) was signed in 1975, raising the number of ACP states to 46, and offering them the opportunity of duty-free exports to the Community. An insurance fund called Stabex was also set up to compensate these states for declines in the value of 50 specified agricultural exports, including coffee, tea and cocoa, and a fund called Sysmin was created to help mineral-producing ACP countries diversify their economies.

A second Lomé Convention was signed in 1980, increasing EEC aid and investment spending. Lomé III (1985–90) shifted the focus to self-sufficiency and food security, while Lomé IV (1990–2000) added a structural adjustment element to ACP aid by encouraging economic diversification in the ACP states rather than simply providing project aid. It also banned exports of toxic wastes between the EU and ACP countries, and included clauses aimed at promoting human rights and protecting tropical forests in ACP countries. However, while these agreements may have generated closer commercial ties between the EU and the ACP states and encouraged an increase in ACP exports to Europe, there were many problems as well. Economic growth in most ACP states was sluggish, imports to the EU from the ACP grew more slowly than those from other parts of the world, development aid funds took too long to be disbursed, not enough attention was paid to the environmental implications of the focus on cash crops for export, and the programme did not much change the EU–ACP relationship.

In 1996 an intensive review of the ACP programme was launched, and negotiations opened in 1998 between the EU and the ACP states aimed at replacing the Lomé Convention with a more flexible structure based around a series of interregional free trade agreements between groups of ACP countries and the EU. The result was the Cotonou Agreement (named for the capital of Benin), which was signed in 2000 to cover a period of 20 years. In spite of the changes it brought, critics were still not impressed, charging that it was less innovative than it might have been and that EU development aid policy had become more symbolic than practical (see Holland and Doidge, 2012).

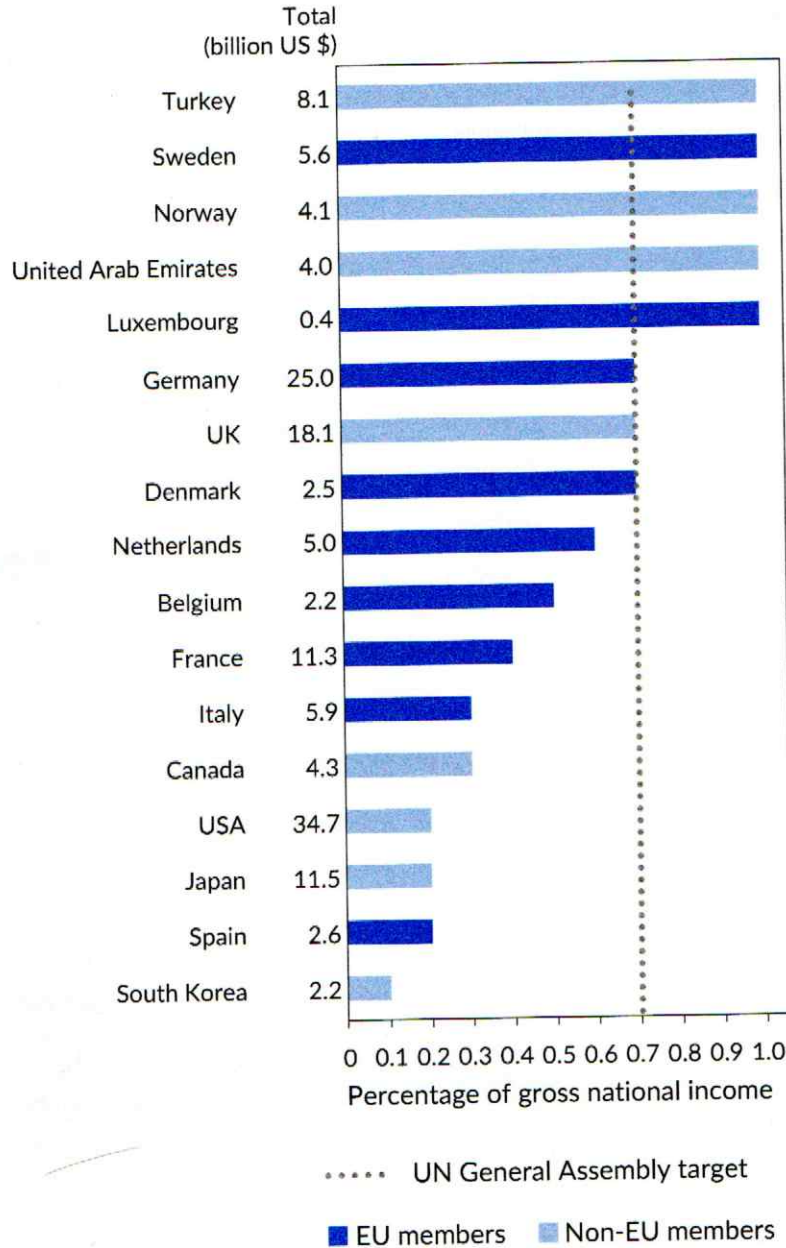
The second element of EU development policy has been official development assistance (ODA), for which the EU has collectively become a major source: its

Table 27.1 *The Africa Caribbean Pacific states*

AFRICA (49)	Malawi	Dominica
Angola	Mali	Dominican Republic
Benin	Mauritania	Grenada
Botswana	Mauritius	Guyana
Burkina Faso	Mozambique	Haiti
Burundi	Namibia	Jamaica
Cameroon	Niger	St Kitts and Nevis
Cape Verde	Nigeria	St Lucia
Central African Republic	Rwanda	St Vincent and the Grenadines
Chad	São Tomé and Príncipe	Suriname
Comoros	Senegal	Trinidad and Tobago
Congo (Democratic Republic of)	Seychelles	PACIFIC (15)
Congo (Republic of)	Sierra Leone	Cook Islands
Djibouti	Somalia	Fiji
Equatorial Guinea	South Africa	Kiribati
Eritrea	South Sudan	Marshall Islands
Eswatini	Sudan	Micronesia
Ethiopia	Tanzania	Nauru
Gabon	Togo	Niue
Gambia	Uganda	Palau
Ghana	Zambia	Papua New Guinea
Guinea	Zimbabwe	Samoa
Guinea Bissau	CARIBBEAN (16)	Solomon Islands
Ivory Coast	Antigua and Barbuda	Timor-Leste
Kenya	Bahamas	Tonga
Lesotho	Barbados	Tuvalu
Liberia	Belize	Vanuatu
Madagascar	Cuba	

member states in 2017 accounted for 44 per cent of the total of nearly \$153 billion given by the 30 members of the Development Assistance Committee (DAC) of the OECD (see Figure 27.3). Although the US gives by far the most ODA in absolute terms from a single country, the EU states have the advantage in relative terms; the UN General Assembly in 1970 set a target for donor countries of 0.7 per cent of gross national income (GNI), which has to date been met by only eight countries in the world, four of which (Sweden, Luxembourg, Germany, and Denmark) are EU members.

Figure 27.3 *The EU's development aid*



Source: Organisation for Economic Co-operation and Development (2019c). Figures are for 2017.

Donor countries have regularly made commitments to increase their spending, but while some have succeeded, the pressures of the global financial and euro zone crises took their toll, and almost all European DAC countries cut spending in 2010–12 and again in 2016–18. It should be noted that private flows of aid are sometimes much greater than official flows; hence France and Germany spent as much on private aid as on official aid in 2017. Private aid, though, is less coordinated and is not an expression of official government policy.

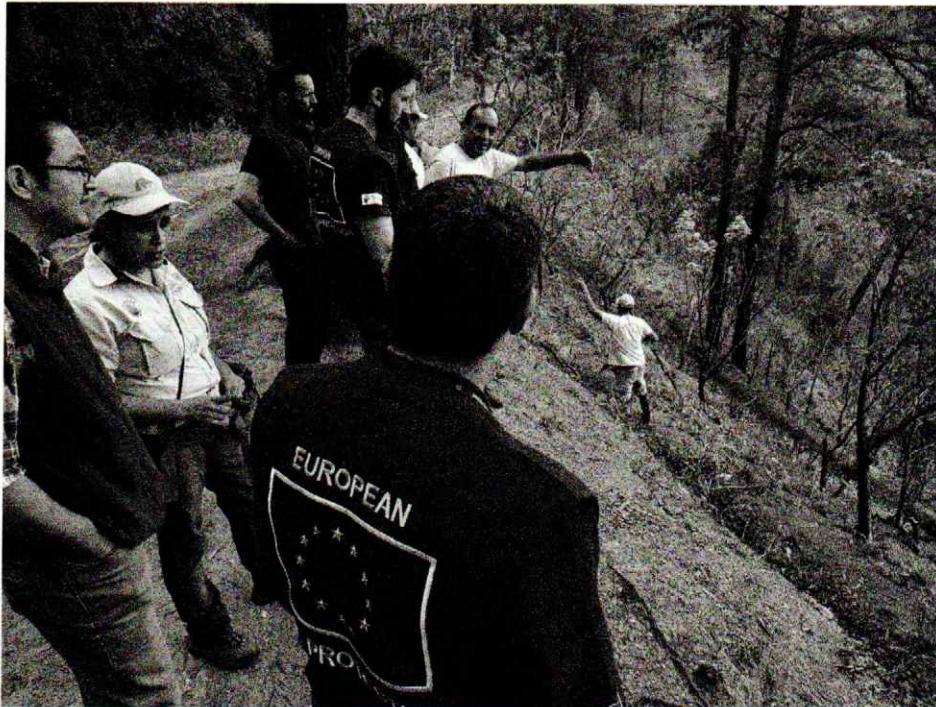


Illustration 27.2.
Staff members of the EU civil protection operation organization visit Guatemala to provide help with forest fire response in the central American country.

Source: EC - Audiovisual Service

EU states work multilaterally and bilaterally on ODA. Much of their collective aid is channelled through the European Development Fund (EDF), which was set up under the Treaty of Rome to provide technical and financial assistance to former or existing colonies of the original six EEC member states. It is funded directly by the member states rather than coming under the EU general budget, and is managed by its own committee operating according to its own set of rules. It is organized in five-year packages, the amount in each having risen steadily to the nearly €31 billion budgeted under the 11th EDF (2014–20). At the same time, each member state has its own bilateral development policies, but this parallel existence of more than two dozen policies has compromised efforts by the EU to agree focused development goals, undermining the EU's international influence. This is changing, though, as the Commission in particular has set more targets and standards.

Although the amounts spent by the EU on development are impressive, money is not everything. The real impact of aid depends on how resources are used and how well they are used. ODA is often criticized for taking a 'band aid' approach to development problems, being invested in the wrong kinds of activities, and breeding dependence rather than independence (see, for example, Moyo and Ferguson, 2010). There is also the argument that fair trade can do more to help with development than aid, and many questions have been raised about how much political influence aid provides and what role it plays in promoting better governance.