Joint European Development Strategy

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On July 27, 1971, the Commission of the European Communities has submitted a memorandum on a joint European development policy to the governments of the EEC's member states. It has thereby called for a beginning of the discussion on cooperative action by the Communities also in the field of development policies.

It will be interesting to notice the reaction from the various European capitals to the Commission's memorandum on a joint development policy of the European Communities. It is virtually certain that the answer to this challenge will be a more or less hesitant agreement to start discussing this subject at Brussels, rather than enthusiasm for "Europeanising" development aid as a whole. Efforts to that end will touch highly sensitive nerves of, hitherto, purely national activities by individual member states. This will prevent any spectacular success of work for European integration from being achieved right away. How immense the difficulties of such operations are may be seen from the long drawn-out endeavour in other spheres, e.g. the struggle for forming a genuine economic and currency union, and the feeble attempts up to now at coordinating foreign policies. But still, the strength of the will to achieve adequate cooperation in the EEC's relationship with the Third World will be the decisive yardstick for measuring the degree of willingness to press on with European integration beyond the framework of purely self-serving economic cooperation.

Start of Deliberations

At the outset, it has to be remembered that the treaty by which the European Economic Community was founded—the so-called Treaty of Rome—does not provide for a joint development policy of the Community. All that was agreed by the Treaty of Rome is the creation of a common market, to be safeguarded by gradual harmonisation of the members' economic policies. The Treaty is silent about any common development policy of either the Community as a whole or of the several member states. The only mention of development problems in the Treaty is that it speaks of development aid of EEC member states to be extended to the areas that were at the time still their colonies. At later dates, this kind of activity has been regulated by the First and Second Association Agreements of Jaunde for the periods of 1964-69 and 1970-75, respectively, concluded with African states, including Madagascar, and adopted through similar rules applied by the EEC to those territories which have remained overseas possessions of its member states.

Since the EEC has been set up, however, this development activity based on the Treaty of Rome, which was restricted to certain regions of the world, has been enlarged in significant ways. In the first instance, a number of agreements have been made with other less developed countries (LDCs), and afterwards, EEC members have started food aid, and on July 1, 1971, a general preferential tariff has come into force in favour of all LDCs. The most important new agreements have been those about the association of Greece and Turkey with the EEC, in both cases tied up with financial aid, and about associating the East African states Kenya, Tanzania and Uganda as well as the North African Maghreb states Morocco and Tunisia, all of them affording the non-European partners preferential rates of duty. An agreement about trade and technical aid has been signed with the Lebanon in 1968. But of more than regional character are only food aid and the general preferential tariff system. In the case of food aid, this is due to the fact that the Agreement on Food Aid of 1967 had pledged both the EEC as a whole and its members to supply a fixed quantity of food grains. However, only when it came to carrying out this pledge, EEC member states have resolved to award some of the supply contracts jointly, at the present time amounting to about one third of the total quantity. Only the preferential tariff system of the EEC is a truly...
joint undertaking of the Community on development policy. No other preferential system would have been possible, since the Community's common external tariff generally forbids national tariff concessions to LDCs (as to any other country) from being made by an individual member state of the EEC.

Responsibility for Developing Countries

The Commission, in its memorandum on "a joint policy on cooperation with developing countries" underlines the fact that the Community, through its growing importance for world trade, is exerting a strong attraction on all LDCs, and that the Community could not possibly evade the responsibility flowing from this fact. This requires that the Community extends its activities for economic development to all LDCs.

Though the Community carries now responsibility for trade policies which, as the extension of general tariff preferences to LDCs shows, acquires rising importance for work on development aid, responsibility for all other kinds of aid, especially that of a financial kind, has been and remains the responsibility of individual governments, which shape and carry out their respective policies in complete independence of each other. To sunder responsibility and competences—leaving aid through trade in the hands of the Community, and that of a financial kind in those of individual member states—is bound to affect adversely the ultimate effectiveness of all work for development aid, thus being to the disadvantage of LDCs.

Guidelines of the Commission

The Commission believes it to be high time for working out a worldwide conception for joint development policies of all EEC member states. One of its chief aims ought to be better coordination between Community aid and national aid. It also appears necessary to create new tools for aiding LDCs. If and when such a new conception will be drafted, it would be good to encompass in its design as many activities as possible that have a bearing on development policy, of which the Commission enumerates the following: extension of the general system of tariff preferences; harmonisation of legislation on non-tariff obstacles to trade; more harmonisation of the conditions for export credits; common measures on incentives for private investment in LDCs; jointly-operated system of investment guarantees; joint research projects and activities; stronger efforts for recruiting, and looking after, migrant workers from LDCs, etc. The Community also recommends a study of community-wide internal reforms of the economic structure, which it believes to be indispensable in the framework of worldwide division of labour, in view of the structural shifts in the Third World's national economies.

The Commission has drawn up four guidelines, containing its proposals:

- to adjust all fields of Community policy to joint cooperation on development policy;
- to coordinate gradually all national policies and measures on development policy;
- to make available more funds and tools for cooperating in the fields of finance and technology.

Geographical Orientation

The Commission suggests a geographical orientation of joint development policies of EEC member states into three separate sectors:

- extension of Community development aid, which has already been offered to African states, including Madagascar, by the Jaunde agreements, and to the states of East Africa (Kenya, Tanzania, Uganda);
- negotiation of special treaties on cooperation with all developing states on the Mediterranean, including renewal of the association agreements and agreements on financial aid with Morocco and Tunisia;
- continuation of joint operations in relation to all the remaining LDCs.

So far, the only published response to these proposals has been the comment on them brought forward by the German parliamentary opposition in the Federal Parliament. The CDU/CSU parliamentary party's speaker on development policies, Herr Leisler Kiep, suggested on August 25, 1971, to use the Commission's memorandum as the basis for a step-by-step plan for putting into practice a joint European development policy, in parallel with the harmonisation in other fields of EEC activities. The ultimate aim of such planning ought to be the creation of a worldwide development policy of the Community.

Governments In the Process of Examination

Until the end of October, 1971, none of the governments of EEC member states had pronounced judgment yet on the Commission's memorandum. Each government will carry through a careful examination of the questions raised by the memorandum, in order to inform the Community's administration on their own views. It is virtually certain that these views will be divergent, so that