Association of African States with the EEC

Interview with Dr H. Hendus, Commission of the European Communities, Brussels*

The Yaoundé Agreement, which was signed on July 20, 1963, by the EEC and 18 African states as well as Madagascar, and became effective on June 1, 1964, is due to expire on May 30, 1969. According to Article 136 of the EEC treaty and Article 60 of the Yaoundé-Agreement provisions are to be made one year before expiry for a new period in the light of the results achieved and in accordance with the principles of the treaty. We have been making inquiries into the work so far done under the treaty and the state of the negotiations about its renewal.

**QUESTION:** The Yaoundé-Agreement of Association of 18 African states and Madagascar with the Common Market has occasionally been described as a means of making sure of a European sphere of influence in Africa. Would it be justified to speak in this connexion of a form of latter-day colonialism?

**ANSWER:** There is no doubt whatsoever that the association of African states and Madagascar with the member states of the EEC as provided for in Part IV of the EEC Treaty and the subsequent implementing agreement has created exclusive relations and as such constitutes a form of belated colonialism. It would however be better and more apt to speak of a transitional relationship which in many respects anticipates the process of decolonisation which at the time the agreement was signed was already plainly under way. From this point of view the opinion is justified that the African Association which with the independence of the African territories has developed into a contractual foreign relationship with the EEC carries the marks of "a congenital defect of latter-day colonialism".

The fact that the Association was born in the days of late colonialism has had little effect on the subsequent post-colonial development of the Association which was given its institutional form with the Yaoundé-Convention in 1964. The growing self-confidence of the Associates and a policy of restraint on the part of the Common Market countries who took great care to avoid any conflict with the sovereign interests of the Associates have removed the last vestiges of a "colonial hangover" with astonishing speed. This does not mean, however, that the EEC countries do not wish to use the position they have obtained under the Convention as a means of safeguarding the black African area against anti-European influences, just as our African Associates for their part have an interest in a policy aimed at maintaining and even strengthening still further their economic, financial, technical and cultural cooperation with the European Communities.

**Limited Effect of Customs Preferences**

**QUESTION:** Some African Associates regard as a partial failure of the Yaoundé-Agreement the fact that despite the preferential treatment accorded by the EEC to their African Associates African exports to the Common Market have by far not risen to the same extent as deliveries from Latin America and other African states. During the past year exports by the Associates were even in a state of stagnation. Had the Associates expected too much or were the concessions made by the EEC too small?

**ANSWER:** It is true that from 1958 until 1967 EEC imports from AASM (the Associated African States and Madagascar) have risen only at a rate of 5 per cent per annum, which compares with an annual growth rate of 7 per cent for their imports from Latin America and of 6.8 per cent from all the developing countries taken together. But to arrive at a proper assessment of this development the following points must be borne in mind:

- Imports from Congo-Kinshasa, which account for one third of EEC imports from AASM states, have been very slow to increase because of that country's internal political difficulties.
- The AASM countries export to a very much smaller extent than for instance Latin America such...
commodities as crude oil or manufactured and semi-manufactured goods, for which the demand in the EEC countries is increasing at a much faster than average rate.

The AASM countries do not enjoy any preferential treatment for half of their exports to the EEC for the simple reason that the EEC does not levy any import duties on a great number of commodities it imports from the AASM such as copper, oil seeds, wood, cotton, ores, tin and diamonds.

Even when it comes to commodities for which the AASM countries do enjoy preferential treatment there have been many cases since 1960 when they have had difficulty in retaining their share in the EEC market; vegetable oils, coffee and bananas are cases to the point. This would seem to indicate that the effect of customs preference is rather limited. Viewed from the standpoint of the African Associated States it is therefore understandable if they regard the EEC preferences as a rather inadequate substitute for the guaranteed sales and prices they previously enjoyed on the French market.

Appreciated Financial Aid

QUESTION: How has the financial and technical cooperation between the Associates and the European Communities been shaping since the Yaoundé Agreement was signed?

ANSWER: As far as financial and technical aid is concerned, the Associates are on the whole satisfied with the way things have developed. An essential factor in the development of the Associated States is the European Development Fund. Since 1958 the Fund has had roughly $1.3 billion at its disposal, of which today one billion is firmly invested. The means of the Fund represent about 20 per cent of the total aid these countries receive. In relation to public investments the share in multilateral aid from EEC countries—which is known to be largely capital aid—is bigger still, amounting to 40 to 50 per cent and for some countries to even 60 per cent. What Associates appreciate is not only the extent of the aid—which understandably they would like to see still further increased—but above all the objective administration of this aid—an administration which is to a large extent free from political influences. This, as far as aid is concerned, is by no means a matter of course! Just one thing more about the distribution of aid among the various sectors: The first European Development Fund (1958-1962) laid the emphasis on infrastructural investments such as transport. The second Fund (operating since 1964) on the other hand plainly showed a shift to immediately productive projects, particularly agricultural projects. This concentration on farming can be explained by the predominantly agrarian structure of these countries and their still modest possibilities in the field of industrialisation.

Two Main Problems

QUESTION: The formal extension of the Yaoundé-Agreement seems to be assured. However, since the start of the agreement some problems must have arisen which require to be looked at afresh. Which are the main wishes and demands of the two contracting partners—the EEC and the AASM—for which a new common denominator will have to be found?

ANSWER: Continuance of the Association can in fact be taken for granted. But this is really the only point which is certain today. As for the content of the future agreement, this is still an entirely open question. It is not even possible to speak of "demands by the two negotiating partners—the EEC and the AASM", for at the moment both sides are still busy trying to coordinate their own views among themselves and determine their negotiating position.

Nevertheless it would probably not be far wrong to assume that attention will be focussed on two main problems: firstly, African insistence on an increased share for their products in the EEC market and, secondly, the extent of financial aid and certain ways in which it is granted. It will not be easy to find common denominators for these two question complexes.

In the commercial sphere there are the wishes of the Associates for an extension of the regional preference system; these wishes include even the demand for the creation of a regional market regulation with guaranteed sales and prices for tropical products. This will clash with a tendency on the part of the Community, if anything, to reduce the preferential arrangements. But on no account will the EEC partners be prepared to extend to the associated area the costly market regulation concepts for farm-produce—a regulation which even in a highly developed industrial economy must be regarded as an economic luxury. On this point opinions threaten to clash most violently.

In the sphere of financial aid, it is the amount of the means which will presumably be contest-ed to the last moment. That the Associates demand an increase is understandable. Equally, in view of the general situation in our Community, it is not surprising that the member states—and especially those without any colonial past—should for political as well as budgetary reasons rather be wanting to put the brake on. Moreover, when confronted with the alternative "bilateral or multilateral", the member states will naturally be inclined to opt for bilateral aid, which they regard wrongly in my opinion—as politically more effective. A compromise will perhaps be found on the lines of the Commission's proposals, which were roughly as follows: the real value of the aid and the efforts of the Community must remain at least constant when measured in terms of the growth of their national product. Both these criteria will lead to a nominal increase in contributions, which has so far however not been assessed.

Maintenance of the Status Quo

QUESTION: The Commission of the European Communities has proposed three possible solutions to the