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Review Article

Understanding EU Development Policy: History, global context and self-interest?

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European Union (EU) development policy appears to have gone through substantial change during recent years. In line with a wider reconsideration of the ‘Washington Consensus’ during the late 1990s, the EU declared it was to follow the approach of other multilateral...
actors and focus on poverty reduction as the main objective of its development policy. This was followed in 2005 with the *European Consensus on Development*, which sought to set out a common vision for the development policy of both the EU and the individual member states. The Post-Washington Consensus (PWC) concerns of poverty reduction, democracy and good governance, and developing country ownership were reaffirmed in this document. In this review, with reference to the five books under consideration, I outline some of the key issues that are pertinent when we consider how to understand these developments.

The edited book by Mold provides a critical overview of the increasingly complex interactions between the EU and developing countries. The diverse chapters in *EU Development Policy in a Changing World: Challenges for the 21st Century* focus in the main on the impacts of the enlargement of the EU on development policy. The book then goes on to analyse specific developments related to the various different regions that the EU engages with. Read as a whole this broadly critical book highlights how both internal and external pressures make it difficult for the EU to achieve the kind of effective and coherent approach outlined in the *European Consensus* of 2005. In his concluding chapter Mold suggests that perhaps the goal of coherence is an impossible dream. He suggests that ‘it is useless, for instance, to constantly exhort policy co-ordination and coherence in aid delivery if structural constraints and bureaucratic procedures do not allow this to take place’.

It is this goal of policy coherence that is addressed by Carbone’s edited collection. The Lisbon Treaty, which was recently ratified by the last outstanding member state, makes it clear that EU development policy will remain focused on poverty eradication, but that it should be conducted within the broader framework of the EU’s external relations. Hence, coherence in this context means the impact that other EU policy areas can potentially have on
international development. In *Policy Coherence and EU Development Policy* the authors look at the developmental impacts of a number of related policy areas. In particular, they focus on trade, agriculture, fisheries, security, migration, and the social dimensions of globalisation. The various chapters come to a similar conclusion about the limited impact that policy coherence for development has had on other policy areas. Instead, the EU’s economic and/or security interests continue to dominate.

Flint’s contribution to the literature is to consider the coherence of the EU’s development policy in relation to concerns over environmental degradation. In *Trade, Poverty and the Environment: The EU, Cotonou and the African-Caribbean-Pacific Bloc*, he focuses his critique on the Cotonou Agreement and the EU’s attempts to promote sustainable development in its relations with the African, Caribbean and Pacific (ACP) group of states. He concludes that the continued dominance of neo-liberal thinking in EU policy to the ACP states results in neither a genuine focus on poverty alleviation nor a convincing case for sustainability.

Faber and Orbie’s comprehensive edited collection also looks at recent developments in EU-ACP relations. They direct their attention to the negotiation of Economic Partnership Agreements (EPAs), which result from the decision taken in the Cotonou Agreement to replace the preferential trade agreements that defined the relationship in the past, with reciprocal free trade agreements (FTAs) between the EU and six sub-regions of the ACP group. In *Beyond Market Access for Economic Development: EU-Africa relations in transition*, the contributors seek to interrogate the claim made by the EU that EPAs are in fact comprehensive development partnerships. They focus on Africa and the trade-related aspects of EPAs rather than the more familiar debates over market access. In particular attention is
paid to the new trade issues (services, investment, intellectual property rights, etc.), aid for
trade measures, the impact on African regionalisation, and the wider foreign policy
implications of EPAs.

It is these implications for EU foreign policy that are the focus of Holden’s book. *In Search
of Structural Power: EU Aid Policy as a Global Political Instrument* focuses on how
development aid should be considered as part of the EU’s attempts to increase its structural
power in international relations. Holden draws on the work of Susan Strange and understands
structural power as the attempt to ‘mould the formal institutions and deeper material and
ideational structures of the international system’. The book then focuses on an analysis of
country case-studies from each of the main regions that the EU engages with, to assess how
effective the EU has been in achieving structural change in these ‘partner’ countries. Holden
concludes that in general the EU has been more effective in shaping change in the legal realm
and in economic policy-making than in encouraging political change and democratisation. In
addition he also notes that there remains significant variation in the impact of EU structural
power across the various regions.

In this review of these five recent publications, that as a whole add significantly to the
literature on EU development policy, I focus on four main themes. First, the historical
legacies, from colonialism to the enlargement of the EU, that have shaped the approach
witnessed today. Second, the global context, whether it be links between the security agenda
and development thinking, or the ongoing difficulties in reaching agreement in the Doha
Development Round of the World Trade Organisation (WTO). Third, a discussion of the
increasing uniformity in approach adopted by the EU to different regions of the world, based
on the three pillars of aid, free trade, and political dialogue. Fourth, the extent to which EU
self-interest is driving policy and how this may be linked to moves towards realising an effective Common Foreign and Security Policy (CFSP) at the European level.

**Historical Legacies**

Contemporary relations between the EU and the developing world continue to be shaped by three inter-related historical circumstances: European colonialism, the Cold War, and the creation and various waves of enlargement of the EU. The EU’s relationship with Africa can be traced back to the Treaty of Rome. Although the Cotonou Agreement has been described by many as something of a watershed, we shouldn’t forget that to a degree we have simply come full circle. As van Reisen usefully reminds us the Treaty of Rome’s provision for an association between Europe and the original member states’ colonies created what in essence was a free trade area between the two. So when considering the negotiation of EPAs with the ACP group of states we should appreciate that in effect what we are actually witnessing is a normalisation of relations. The limited concessions made to ACP states in the first Lomé Convention of 1975 have been progressively removed ever since. This view stands in contrast to attempts made by the EU to dismiss the significance of the legacies of colonialism. The Green Paper of 1996 that set the path for the Cotonou Agreement claimed that the EU’s relationship with ACP states had already moved beyond both the colonial and post-colonial phase.

The history of EU development co-operation is also directly related to the process of enlargement. The first enlargement in 1973 which saw the UK, Ireland and Denmark join the EU, was significant in expanding the focus of European policy beyond the associated countries. A number of former British colonies, particularly those in Asia (e.g. India), were
seen as too developed to join what became the Lomé Convention and therefore it was clear that additional development co-operation instruments would be necessary. In 1976 a European budget line for aid to countries from Asia and Latin America was created.\textsuperscript{10} The accession of Greece, Portugal and in particular Spain, to the EU during the 1980s increased the focus towards Latin America. Freres notes that during the last decade relations between the two regions have stagnated and he suggests that the most recent EU enlargements from 15 to 27 member states, together with a number of leftist governments coming to power in Latin America, are the main reasons for this.\textsuperscript{11}

More recent enlargements of the EU do present an opportunity to shift development policy away from just being a continuation of Europe’s colonial past. However, the problem is that the new member states appear less interested in development policy.\textsuperscript{12} There are also the negative economic impacts that European enlargement can have on developing countries. For example, the accession of Greece, Spain and Portugal in the 1980s meant that many of the key agricultural exports of North Africa were now being produced within Europe itself.\textsuperscript{13}

**Global Context**

EU development policy exists within a broader framework of international development initiatives. Whilst I outline below how self-interest is part of the explanation for understanding the direction of EU development policy, there is also an ideological component. The EU has consciously aligned the objectives of its development policy with the wider consensus that has formed around the UN’s Millennium Development Goals.\textsuperscript{14} The emphasis on reciprocity in EU trade relations is underpinned by the international consensus on the benefits of free trade for development, whilst the focus on promoting regional
integration between developing countries is based on a distinctly European view of the benefits of economic integration.¹⁵

One of the most significant global contexts in recent years has been the continued failure to reach agreement in the Doha Development Round of the WTO. This impasse in multilateral negotiations has increased the importance of the trade dimension of the EU’s relations with developing countries.¹⁶ In its bilateral trade negotiations towards both Euro-Mediterranean Agreements (EMAs) and EPAs with the ACP states, it appears that the EU is trying to advance the inclusion of services and the ‘Singapore issues’ that were rejected during WTO negotiations. The EU has been an enthusiastic advocate of the inclusion of investment, competition policy, government procurement, and trade facilitation (the so-called ‘Singapore issues’) within the WTO. However, developing countries have consistently argued against their inclusion in the multilateral trade system, most notably during the WTO Ministerial Conference in Cancún, Mexico in 2003.

A number of the authors in the books under review are critical of these attempts by the EU to include them in bilateral agreements. In discussing EMAs, Mold concludes that there is a danger that they will become ‘bereft of all social and developmental content’.¹⁷ Similarly their inclusion is one of the most controversial aspects of the EPAs being negotiated with ACP states. Although they have not been included in the interim EPAs that have been signed with Africa and the Pacific, the only full EPA that has been agreed so far with the Caribbean group of ACP countries (CARIFORUM) does include rules on investment, competition policy and government procurement.¹⁸
The global development agenda in the era after 9/11 has seen Western donors increasing links to security concerns, with a focus on ‘fragile’ states in particular. The EU is no different in this regard. The *European Consensus on Development* suggests there is a two-way relationship between security and development. It is stated that ‘there cannot be sustainable development without peace and security, and sustainable development is the best structural response to the deep-rooted causes of violent conflicts and the rise of terrorism’. Youngs claims that this attempt at coherence is liable to result in the different parts of the EU policy-making machinery trying to obtain greater resources and influence. Certainly the fear that resources for development aid might be diverted towards what are arguably security matters, has some grounds given recent examples of development spending on immigration controls, technical assistance for anti-terrorism, and security patrols of the Mediterranean border. However, in other areas, such as the negotiations towards EPAs, there has been no attempt to make links to their security implications. Olsen suggests that the main reason for this is the departmentalisation of EU policy-making that has resulted in DG Trade being solely responsible for these negotiations with ACP states.

**Uniformity of Approach**

The EU’s development policy has in recent years become explicitly more uniform in approach. Relations with the Mediterranean region, ACP states, Latin America, and Asia are all built on three main pillars: development assistance (aimed at poverty alleviation and democracy promotion), bilateral trade agreements, and political dialogue. This approach fails to take sufficient account of the particular circumstances that exist in different parts of the world. Although the EU may have moved in recent years to a development policy closely
resembling the PWC this does not overcome the weaknesses of adopting a ‘one size fits all’ approach.

The Euro-Mediterranean Partnership, recently re-launched in 2008 as the ‘Union for the Mediterranean’, focuses on three main areas: political/security issues, economic and financial co-operation, and social, cultural and civil society matters. Like its relations with other regions, the EU has made limited progress in all areas except that of economic co-operation. Bilateral trade agreements have been agreed with all the Mediterranean partners, except Libya. The aim is to eventually create a Euro-Med FTA by 2010. To achieve this, the EU is also encouraging regional trade liberalisation amongst the Mediterranean countries. So far the Agadir FTA between Tunisia, Morocco, Jordan, and Egypt has been agreed and is open to the inclusion of new members.

The EU’s relationship with the ACP states has historically been more explicitly developmental in focus. However, the Cotonou Agreement has to a significant extent normalised the approach adopted so that is in line with other regions. The negotiation of EPAs is driven by a desire for greater economic integration with the EU and the promotion of regional trade liberalisation within the various sub-regions. The EU has portrayed the need to conform to WTO rules as an ‘outside’ force in its justification of EPAs. This fails to acknowledge that WTO rules are a political construct and that the EU has a significant say in these rules. Aid continues to be provided through the European Development Fund and although conditionalities exist, they are not tied directly to the signing of FTAs as they are with aid to the near abroad. Political dialogue now takes place through the Africa-EU Strategic Partnership.
In relations with Latin America, only limited progress has been made in the realm of trade agreements. Bilateral agreements with Mexico and Chile have been concluded and talks continue with Central America and the Andean Community. However, negotiations for a FTA with the Common Market of the South (Mercosur) have been suspended pending progress on the Doha Development Round in the WTO. Political dialogue includes biennial EU-Latin American and Caribbean summits, inter-parliamentary conferences and limited dialogue among civil society organisations. Freres argues that whilst in the past it may have been possible to argue that the EU offered an alternative to the hegemonic approach of the United States, it is questionable now whether the European approach to Latin America is any different.26

EU relations with East Asia have been focused on the Association of South East Asian Nations (ASEAN). Asia is arguably the region that has witnessed the least progress in the three-fold approach adopted by the EU elsewhere. Negotiations towards the creation of an EU-ASEAN FTA were launched in 2007 but appear a long way from any resolution. In recent years the vast majority of development aid to ASEAN has gone to Vietnam and Indonesia, but unlike areas of more strategic interest for the EU there is little evidence of the inclusion of democratic conditionality.27 Political dialogue is conducted via the Asia-Europe Meeting, which also includes China, Japan and South Korea.

In emphasising the broadly similar policy measures adopted by the EU to the different regions in its development policy, we should not discount the variations in strategic importance observed by European policymakers. Since the end of the Cold War there has been a much greater emphasis on the ‘near abroad’ in EU development co-operation and the more recent inclusion of security and migration issues (discussed below) have only served to
accentuate this trend. This is demonstrated by the fact that pre-accession aid is the biggest single area of expenditure within external aid spending. The creation of the Neighbourhood Policy in 2004, although not an official arm of development co-operation, does include relations with the Mediterranean. It is this increasing self-interest, related to a desire to increase the significance of the EU as a global actor, which is also central to our understanding of contemporary development policy.

**EU Self-Interest?**

When we consider the external relations of the EU more broadly it is clear that a concern for the needs of developing countries is often of secondary importance. It has been suggested that a more mercantilist approach, in line with that of the United States, has been adopted. Van Reisen concludes that ‘EU development co-operation has...been continuously under the pressure of subordination to the EU’s Common Foreign and Security Policy and of being linked to other external priorities’.

The Common Agricultural Policy (CAP) has had a deleterious impact upon many developing countries. It accounts for a greater share of the EU budget than any other single expenditure. EU subsidies have often led to over-production with the excess being ‘dumped’ on developing countries. It has become commonplace for the removal of the CAP to be seen as a panacea for the whole of the developing world. However, as Flint explains it is only certain developing countries (chiefly those that comprise the Cairns Group) that would benefit from the dismantling of the CAP. The CAP results in very high domestic prices and those developing countries that do get preferential access to the European market are able to benefit from these high prices. Moreover, CAP protection is not the only barrier to the export of
agricultural produce from developing countries. The ever more stringent sanitary and phyto-
sanitary and environmental standards imposed by the EU present an additional obstacle.34

The EU has also been criticised for its plans to pressure developing countries to introduce
measures to control migration. Historically the EU’s approach to migration has centred on
limiting migration and creating a ‘fortress Europe’. Article 13 of the Cotonou Agreement was
one of the first attempts by the EU to incorporate migration into its development policy. In
2002 the European Council agreed that any ‘future EU association or cooperation agreement
should include a clause on joint management of migration flows and compulsory readmission
in the event of illegal immigration’.35 In 2005 the EU outlined what it claimed was a more
‘global approach’ to its migration policy.36 This document outlined the importance of
remittances, the role of members of the various diaspora in development, and measures to
limit the impact of the ‘brain drain’. Despite these recent attempts by the EU to adopt a more
development-focused approach, Lavenex and Kunz conclude that an approach based on the
control of immigration persists.37

Crawford’s work on Ghana reveals the interaction between the strategic interests of the EU
and the type of development assistance pursued. He argues that the reality of democracy
promotion is far less impressive than the rhetorical claims made by the EU suggest. Ghana
receives limited support for democracy promotion because European interests are marginal.
Moreover, the form that democracy promotion takes is centred on decentralisation, public
sector reform, and targeted support for certain civil society actors. This approach, according
to Crawford, is more about limiting the power of the state rather than increasing popular
participation. This is an approach that is theoretically consistent with neo-liberalism and the
promotion of trade liberalisation in particular.38 Holden provides a similar view of European
policy to Ghana and argues that the proposed EPA may harm the economic development that will be necessary to consolidate the type of political reforms pursued by the EU.39

Institutional changes within the European Commission have also played a role in the relegation of development to the foreign policy interests of the EU. During the same period that the EU has claimed to have a greater focus on poverty alleviation, organisational changes within the Commission appear to contradict this claim. The DG for External Relations (DG-RELEX) is in charge of programming and policy to the Mediterranean, Latin American, and Asian regions. Trade negotiations with ACP states were moved from DG Development to DG Trade. Although on paper the Commissioner for Development has the portfolio for all developing countries, in practice DG Development has become an ‘empty shell’.40 Holden suggests there are evident tensions here with DG RELEX thinking that DG Development is not focused enough on the wider foreign policy goals of the EU.41

Conclusions

In conclusion, the books under review highlight the comprehensive nature of contemporary EU development policy. Drawing on the thoughts of many of the authors it is important to put current policy into historical and global context. The increasing uniformity of approach should be understood as part of an attempt to lock-in liberal capitalism to regional projects in different parts of the developing world. Holden understands this as the EU’s drive to increase its structural power in the global political economy.42 What his book fails to address is whether this is in the interests of the poor majority in the developing world or not. The failure to achieve much more than a rhetorical commitment to policy coherence for development highlights how European self-interest is becoming more apparent given the desire for a
CFSP. Here I would be less optimistic than Carbone who argues that ‘achieving better policy coherence for development is no longer a “mission impossible”’. 43

Notes

1 Throughout this article I use EU to represent the European Union and the organisation, pre-Maastricht Treaty, officially referred to as the European Community.


10 van Reisen, ‘The Enlarged European Union’, p 42.

12 van Reisen, ‘The Enlarged European Union’, p 60.


26 C Freres, ‘Challenges of Forging a Partnership Between the EU and Latin America’, p 159.

27 Holden, In Search of Structural Power, p 156.


31 van Reisen, ‘The Enlarged European Union’, p 60.

32 A Flint, Trade, Poverty and the Environment, p 82.

33 A Flint, Trade, Poverty and the Environment, p 106.


40 van Reisen, ‘The Enlarged European Union’, p 52-56.

41 P Holden, In Search of Structural Power, p 41.

42 P Holden, In Search of Structural Power.