

'The Nine guarantee export revenue stability for 46°Third World countries' from Le Monde (1 March 1975)


Caption: On 1 March 1975, French daily newspaper Le Monde describes the main provisions of the first Lomé Convention, signed on 28 February 1975 in the Togolese capital by 44 African, Carribean and Pacific countries and the nine Member States of the European Economic Community (EEC).

Source: Le Monde. dir. de publ. Fauvet, Jacques. 01.03.1975, n° 9 370. Paris: Le Monde. "Les Neuf garantissent à quarante-six pays du tiers-monde la stabilité de leurs recettes d'exportations", auteur:Lemaitre, Philippe , p. 1 et 37.

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Historic agreement in Lomé

The Nine guarantee export revenue stability for 46 Third World countries

EEC pledges aid worth 16 000 million francs

The five-year Convention between the European Community and 46 countries in Africa, the Caribbean and Pacific (the ACP States), was formally signed last Friday, 28 February in Lomé, the capital of Togo, in the presence of Ministerial representatives of the nine EEC Member States and of Mr Ortoli and Mr Cheysson, representing the Brussels Commission. The 46 ACP States have a population of 268 million, and the European Community is by far their biggest trading partner.

The Lomé Convention provides for a complex system of cooperation which will deploy all the instruments of development aid, industrial and technical trade cooperation, financial assistance, etc. In particular, it guarantees that export revenues of the 'Forty-Six' will be stable, despite the risks of poor harvests or falling prices. It also provides for financial assistance totalling 16 500 million francs.

The Lomé Agreement succeeds and supplements the Yaoundé Convention which, since 1964, has linked the EEC and 19 countries in Africa, all French-speaking except for Somalia. It will take effect once it is ratified by the countries concerned, probably at the end of 1975. Until then, an interim agreement will be concluded so that the terms of trade laid down in the text may be applied in advance: 'The conclusion of this Convention proves that it is possible, albeit difficult, to usher in a new world order through cooperation rather than confrontation', said Mr Ortoli, President of the European Commission.

Our correspondent writes:

Brussels (European Communities). — 'This agreement is unique in the world and unique in history: for the first time, a whole continent has collectively, after negotiating a whole series of complex issues, agreed formal ties with industrialised nations.' The satisfaction expressed by Mr Claude Cheysson, European Commissioner with special responsibility for development aid policy, is all the more warranted since the outcome was far from assured when the green light was given for the EEC-ACP talks on 25 July 1973.

The situation then was as follows: the nineteen signatories of the Yaoundé Convention wanted it renewed after it expired on 31 January 1975. They were happy to see it expanded to include the independent and English-speaking countries of Africa, the Caribbean and Pacific. But on one condition: the advantages hitherto given to the EEC's associated States should not be diminished as a result.

The position of the other countries involved was less clear. In the course of their accession negotiations, the British, who had joined the Community a few months previously, had secured recognition that the less developed countries of the Commonwealth were 'eligible for association'.

It had been agreed that these countries would be offered a choice of three formulae: association of the 'Yaoundé Agreement' type, to be concluded jointly with the countries of English-speaking Africa, a looser type of *sui generis* association, or a simple trade arrangement.

Their swift response was that they all wished — all of Africa together, whether French- or English-speaking — to conclude a single convention, inspired, perhaps, in part by the experience of Yaoundé, but reworked and adapted.

The British Government then adopted a position of the utmost ambivalence vis-à-vis the policy of association, choosing to portray it as a French invention carrying a strong whiff of neo-colonialism.

Impervious to the idea that it might be in the Community's political interest to encourage the creation of a well structured 'Euro-African' area of cooperation, and aware of US hostility to the project, the British insisted that the EEC's development policy should be wider and more 'global'. This only served to reinforce

the suspicions of a number of English-speaking countries in Africa and the Caribbean about the policy of association.

Solidarity amongst the ACP States

The English-speaking ACP States approached the talks in a spirit of critical circumspection. They mounted a noisy attack on some of the 'sacred cows' of association — such as reciprocity and the free-trade area — to a point where it was feared that quite a few of those who had agreed to sit down at the same conference table with the Nine in July 1973 might ultimately decide against joining. But all the initial participants, and quite a few others as well, have now signed up to Lomé.

Why was this? A feeling of real solidarity very soon became apparent amongst the ACP States. Each one made its own contribution.

The French-speaking countries — realising perhaps that the Yaoundé Convention which they genuinely valued was not, in fact, altogether free of paternalism — managed not to take too much offence at the suspicious, critical charges of 'independentism' levelled at them sometimes quite bluntly by certain spokesmen for the English-speaking countries. The French Government was wise enough to refrain from putting any pressure on the French-speaking countries in Africa and even from playing too active a role in the negotiations.

For their part, the leaders of English-speaking Africa maintained a low-key attitude. As the months went by, they discovered that association — although they refused to use that term right to the very end — was not at all the colonial pact by another name, as some of their interlocutors in London had portrayed it. One example: Nigeria had entered the negotiations with the political aim of affirming her predominance over sub-Saharan Africa as a whole; to that end the Nigerian Government had sought to spearhead the campaign against association. However, it quickly moderated its position, soon making an effective contribution to the final successful outcome.

The seemingly unattainable ideal of unity — African unity which had to stand firm, but unity, too, amongst the group of ACP States which became very real despite their geographical heterogeneity — won out in the end over the traditions of language and conduct which had initially separated the associated States from those eligible for association.

Five major aspects

The Community's offer was certainly worth considering. Cooperation under the Lomé Convention is sufficiently wide-ranging to provide something for everyone, whatever their situation.

Its main aspects are as follows:

Trade cooperation. Virtually all imports from the ACP States — 99.2 % — will enter the EEC's markets duty-free. In the case of a number of agricultural products which compete with European products — 0.8 % of current imports from the ACP States — the Nine have not granted these free entry, but they will be treated more favourably than those from non-Community countries. The ACP States will not be obliged to grant reciprocal preferences to imports from the EEC. They have undertaken, however, not to grant to other industrialised nations trade preferences which they do not grant to the Community.

Stabilisation of export revenues. This is the chief new feature of the Lomé Convention. The EEC undertakes to guarantee the revenues that the ACP States, which are particularly dependent on exports of one or two products, earn from selling these products in Europe. Twelve main products (and some of their sub-products) are covered by this insurance against poor harvests or falling prices: groundnuts, cocoa, cotton, coconuts, palm oil, hides and skins, timber, bananas, tea, sisal and iron ore. The appropriations set aside for the five years of the Convention's duration will total 375 million European units of account (2 100 million francs). Special facilities have been planned for the poorest ACP States. This system of stabilising raw

materials prices came under vigorous attack from the USA whilst the talks were in progress. The US Administration was very aware that this undertaking by the EEC, however incomplete, would serve in future as a precedent.

The regime for sugar. The agreement between the EEC and the twelve ACP sugar-producing States is also unique in the history of relations between the industrialised nations and the countries of the Third World. The EEC has undertaken to buy, and the ACP States to supply, some 1 260 000 tonnes of sugar a year.

The Community will guarantee the ACP producers a minimum price close to the European price; with this price-linking clause, the Nine undertake to treat their own producers and those of the ACP countries on an equal footing.

Financial aid. The appropriations to be allocated by the EDF (European Development Fund) in the form of subsidies or loans at very low rates of interest will total 3 000 million UA (16 500 million francs).

There will also be loans from the European Investment Bank to the value of 390 million UA (2 145 million francs).

Bearing in mind the wider geographical scope of the new Convention, the aid provided is undoubtedly less than that granted under Yaoundé. However, in the current period of economic recession, it was difficult to imagine that the Community could do more.

Some ACP States such as Nigeria, which has considerable oil wealth, do not need financial aid from the EEC. It has been agreed that the poorest ACP States should receive preferential treatment. And it is worth noting that France and Germany will each provide 25.95 % of the EDF budget, whilst the United Kingdom will provide no more than 18.75 %.

Industrial cooperation. A chapter of the Convention deals with industrial cooperation, at the express wish of the ACP States. Some of them, e.g. Nigeria, even see this as the principal benefit of association. Industrial cooperation will finance the infrastructure needed for industrial development, and it will also provide technological support to the ACP States and encourage European businesses to invest in Africa.

By completing their negotiations within the time-scale set, the Nine and the Forty-Six have undeniably achieved much. However, only time will tell whether the machinery put in place and the links forged can produce an active alliance between the Community and the ACP States and so create a 'Euro-African' area of cooperation, capable of counterbalancing, to some extent, the political and economic weight of the two superpowers, the USA and Soviet Union. It is not over yet, not by a long chalk.

Within the Community, the discord between the 'globalists' and those who want to give preference to regional cooperation — notwithstanding the Lomé Convention — is fanned by the USA, whose diplomacy has always sought to prevent Europe from having a zone of influence. This may yet prove harmful to EEC-ACP cooperation. It is clear that it is less easy to promote the smooth running of a club of 46 countries than a cosy grouping of 20 or so States, all of which are geographically close neighbours.

The challenge now is to get the 55 parties to work together effectively, to create a real and lively permanent exchange of ideas and information which will turn an economic arrangement into a true association. The solidarity which the 46 have shown over the past 18 months and the — new — fact that the ACP States do not psychologically present themselves as a group of ex-colonies but as resolutely equal partners give reason to hope that this political dimension may be achieved.

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