

Building social capital

Investing in 'hardware' (e.g. roads, health infrastructure) alone is not sufficient for promoting development. There is also a need to ensure that the necessary 'software' is in place. How effective is ACP-EU cooperation in terms of building social capital?

The ongoing debate on aid effectiveness has generated important insights over the past two decades. Development cannot be promoted by throwing money, external solutions and technical assistance at problems. For aid to be effective, a sound domestic policy environment is required, and key principles such as ownership, good governance and participatory development need to be actively promoted. Most of these lessons of experience have been integrated in development partnership (including the Cotonou Agreement) and guide day-to-day practice with varying degrees of success.

Social capital is another powerful concept that has emerged in social development theory, particularly in the wake of the publication of 'Making Democracy Work' by R. Putnam in 1993. In essence, social capital refers to the 'software' that can spur the development process: trust among people, standards of reciprocity and multiple networks of civic engagement. Where these features of social organisation exist, collective action for

mutual benefit is more likely to occur and those in power will tend to be more responsible and accountable to citizens. If standards of reciprocity and networks of civic engagement are weak, a situation characterised by ineffective government, lawlessness, clientelism and economic stagnation generally prevails.

Too abstract?

For many development practitioners involved in the day-to-day struggle to deliver aid, the notion of social capital may sound far too abstract. Yet the importance of social capital manifests itself in most donor-supported development programmes. For instance, huge investments in election processes are unlikely to promote solid democracies, in the absence of a democratic culture rooted among citizens. Building capacity in government institutions is badly needed in many places, but can better performance be expected without a change in the underlying political culture? How can donors support civil society in countries where few civic networks exist, without incurring the risk of creating 'fake' organisations? Is it possible to promote sustainable local development in places where huge levels of mistrust prevail between local government and citizens? How can conflict be prevented or resolved if people fail to agree on basic standards for societal regulation? All these questions suggest that effective aid depends on the existence of social capi-

tal. Where it is lacking, it needs imperatively to be built, to ensure that aid has a sustainable impact.

Potential

The Cotonou Agreement does not contain any explicit references to social capital. Yet many provisions of the Agreement reflect a concern to invest in the 'software' of development. For instance, it sees dialogue as a key tool in the cooperation process. It seeks to promote the emergence and consolidation of an active, democratically managed and viable civil society. It calls for public-private partnerships in the delivery of social services. In several ACP countries, these intentions are being translated into innovative programmes which aim to build trust, new networks of civic engagement and opportunities for improved collective action.

Yet much remains to be done to integrate social capital more effectively in ACP-EC cooperation, both conceptually and operationally. Development practitioners need to get a better grasp of the available social capital in a given country, region or district; facilitate the effective engagement of existing civic networks; use aid instruments as a trigger to build institutional trust and synergies between different development players; and ensure that all development programmes combine hardware and software components.

ACP-EC cooperation in practice

Facts and stories

Hard facts and stories on four aspects of ACP-EC cooperation: money, politics, programmes and the EU.

Where does ACP-EC money go?



The Dutch EU Presidency and the Institute for Multipart Democracy are organising a conference in July 2004 on the subject of 'A European Profile in Democracy Assistance'. The conference will explore the distinct contribution Europe could make in

promoting democracy abroad. The main budget line for democracy assistance is the European Democracy and Human Rights Initiative (EIDHR). In 2002, some EUR 104 million was spent on this line on human rights, democracy and conflict prevention.

According to figures published by the Organisation for Economic Cooperation and Development (OECD), eight of the EU's 15 'old' Member States cut their official spending on development assistance in 2002-2003. Italy, Austria, Denmark, Finland, the Netherlands, Portugal, Spain and Sweden all cut their aid allocations in 2002-2003, despite the EU's pledge to step up aid spending, made at the 2002 international conference on financing development in Monterrey, Mexico. Overall, however, EU governments increased their donations from EUR 25.3 billion to EUR 25.8 billion in the same period.

What's new at the EU?

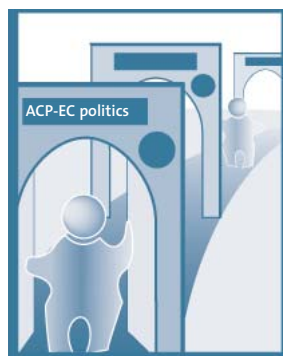
EU Ministers have approved the EC's action plan to help developing countries cope with their vulnerability to fluctuations in the prices of major international agricultural commodities such as cotton and coffee. http://trade-info.cec.eu.int/doclib/docs/2004/may/tradoc_117111.pdf

The EU's External Trade DG has offered to provide financial aid to developing countries, to help them overcome technical problems with their exports to the EU. The idea is to improve their ability to meet EU Import Sanitary Requirements and hence increase their potential volume of exports to both EU and other countries. DG External Trade has been managing a budget line for sanitary- and phytosanitary-related technical assistance projects for the past two years. For the 2004 budget, the EC is collecting and analysing the available information and identifying the developing countries' most important needs and problems. This will result in the publication of an action plan by 15 June.

http://europa.eu.int/comm/trade/issues/sectoral/agri_fish/sps_bio/pro60504_en.htm

Where is Europe going?

The EU has announced a new 'neighbourhood policy'. This offers increased cooperation and financial support to those countries that meet agreed targets for democratic, economic and legal reforms. The programme will initially cover Ukraine, Moldova, Israel, Jordan, the Palestinian Authority, Tunisia and Morocco, but will soon be extended to Egypt and Lebanon. Armenia, Azerbaijan and Georgia in the southern Caucasus could also become members at a later stage, along with other North African countries, including Libya. The programme identifies key actions in a limited number of priority fields and includes a clear time horizon. Action plans are expected to be adopted later this summer.



What's new in the political arena?

EU Foreign Ministers are expected to take an unprecedented decision to supply arms to a police force in the Democratic Republic of Congo. The plan envisages the allocation of some EUR 600,000 from the EU's 2004 budget. A further EUR 1 million would be provided in cash by six member states, i.e. the Netherlands, the UK, Sweden, Denmark, Ireland and Luxembourg.

In response to the increased threat to global security, most EU Member States are keen to include a standard clause in international cooperation agreements qualifying action against weapons of mass destruction as an 'essential element' of such agreements, and linking such action to the consultation procedure described in Article 96 of the Cotonou Partnership Agreement.

How effective are European parliamentarians in defending ACP interests?

Interview with Glenys Kinnock

Member of the European Parliament and Co-President of the ACP-EU Joint Parliamentary Assembly

The European Union's new political leadership takes office in the second half of 2004. A new policy framework for external relations is also being established that will radically change the way EU development programmes operate. The accent is on achieving far greater coherence in external action and the right policy mix of Union policy for any country or region.

InfoCotonou asked Glenys Kinnock, a Member of the European Parliament and Co-President of the ACP-EU Joint Parliamentary Assembly, about the role of these two institutions in defending the interests of the ACP countries in the face of all these changes.

GK: I think we have reached a watershed. We need to entrench and promote our views and priorities on development, and continue to build on what has been achieved. There has been an important evolution in the way the European Parliament influences the European Union's policies. Supporting the European Commission in moving forward on development issues is something that we have done very effectively, particularly on the need for a focus on social sectors in the EU budget. ACP-EU collaboration in the Joint Parliamentary Assembly has also developed and increased, and our influence over all areas of policy reflected in the Cotonou Partnership Agreement is better understood and valued than ever before.

Are you concerned that development cooperation will become subservient to the EU's common foreign and security policy?

GK: As an active members of the development committee, my definition of security

is not arms-based, but rooted in the need for human security, which can only be ensured by developing human resources. I am reasonably satisfied with the draft EU Constitutional Treaty's development cooperation provisions, which were successfully improved due to the Parliament's interventions. I think that the proposal to incorporate CFSP and development concerns in a coherent way could potentially be good for development. Proposals in relation to the financial perspectives appear to ensure that development cooperation funds will not be reduced nor raided for other purposes. And proposals to reorganise the Commission to make it more efficient seem a practical way of moving forward. However, our insistence on financial perspectives set at 1% will put untenable pressure on our efforts to deal with the challenges we face.

I was very encouraged by the EU's deployment of a force to Ituri. It was a signal that the EU is beginning to take intervention in Africa seriously. I am also enthusiastic about the African Union Peace Facility. There are a number of signals which suggest that we should perhaps not be too cynical about what is potentially possible.

How important is the 'right policy mix'?

GK: A policy mix is necessary, but is going to be difficult and, as always, it will mean that the Parliament will have to be very rigorous in our analysis of the details of what is being proposed and vigilant in monitoring its implementation to ensure that what looks acceptable on paper is not an attempt to use development as a tool of foreign policy.



Glenys Kinnock

Photo: Melissa Julian, ECDPM

What is likely to be a first priority for the new Assemblies?

GK: Updating the EC's development policy statement of November 2000 is something we need to prioritise immediately. Last time, the Parliament had a very peripheral role, but that should never happen again. That's an illustration of how things have changed.

The Joint Parliamentary Assembly will be pivotal in developing ACP-EU relations if we can maintain our momentum and the level of increasing interest among ACP parliamentarians. We can be a conduit for new thinking on Cotonou, based on parliamentary experience and understanding. The importance of Parliaments should never be underestimated, because their voices on, for instance, trade, human rights, governance and European funding have a legitimacy which we should value.

EVENTS

The **EC and African Union Commission (AUC)** held their first meeting in Brussels to discuss the emerging strategic partnership between the two continental institutions. During the seminar, Commissioners shared experiences in driving their respective processes of regional integration and explored ways of strengthening and deepening the ties between the two institutions. There was also an exchange of views on issues of common interest relating to the EU-Africa dialogue, including the peace and security agenda, regional integration, the on-going negotiations for Economic and Partnership agreements between the EU and African regions and co-operation issues such as water, energy and commodities. http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/384|o|RAPID&lg=EN&display and http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/04/71|o|RAPID&lg=EN&display

The **ACP and ACP-EU Councils** were held in Gaborone, Botswana from 4 to 7 May. It was the first meeting with the ACP, attended by the 10 new EU Member States. The main event was the launching of negotiations on the revision of the Cotonou Agreement. A structure (three levels - ministers, ambassadors and technical experts) and timetable for the negotiations was agreed.

A **conference on the EU financial perspective** took place on 25-26 May at the **European Economic and Social Committee**. Representatives of civil society debated with key representatives of the EU institutions on what the main priorities underlying the EU financial perspective should be, including those related to the EU as a global player. http://www.esc.eu.int/press/index_en.asp

Friedrich Ebert Stiftung hosted a workshop on 'The Participation of Non-State Actors in West Africa in the development dialogues and consultations of the ACP-EU Cotonou Agreement: The case of the review process' on 24-31 May in Benin.

21-24 June: The 4th ACP Heads of Government Summit, Mozambique. <http://www.acp.int/maputo/index.htm>

20-25 November: ACP-EU Joint Parliamentary Assembly, The Hague, The Netherlands. A formal assessment of progress with regard to the ACP-EU economic partnership (EPAs) will be undertaken on the basis of a review of progress in the EPA negotiations to be presented by the Commission during 2004.

READINGS

Implications of EU enlargement for the ACP - A discussion paper. The European Research Office. The principal objective of this discussion paper is to analyse how this process may affect EU-ACP agricultural trade relations especially in the context of the negotiations for Economic Partnership Agreements (EPAs). <http://agritrade.cta.int/EUEnlargement.pdf>

The **'EU development Aid in Transition' report** from the House of Lords. The report concludes 'there have been considerable improvements in the management of EU development aid in recent years' www.publications.parliament.uk/pa/ld/ldcom.htm

Crisis management in sub-Saharan Africa - the role of the European Union. www.iss-eu.org/occasion/occ51.html
A detailed **EC Activity report on the devolution process of ACP Delegations** is available.

More general information can be found in the new EC deconcentration update http://europa.eu.int/comm/europeaid/decentr/index_en.htm and by country http://europa.eu.int/comm/europeaid/decentr/indexpays_en.htm

A more public brochure **'External Assistance Reform: four years on (2000-2004)'** has also been produced. http://europa.eu.int/comm/europeaid/reports/reform_def_en.pdf

The EC published a **'Handbook on promoting Good Governance in EC Development and Co-operation'**. http://europa.eu.int/comm/europeaid/projects/eidhr/pdf/themes-gg-handbook_en.pdf

Monitoring and evaluation of support for decentralisation and local governance. A case study on Burkina Faso. Pamphile Sebahara. 2004. ECDPM InBrief No. 7. www.ecdpm.org

A changing EU: what are the development implications? Challenges facing the EU's new political leadership. James Mackie and Céline Rossini. 2004. ECDPM InBrief No. 8. www.ecdpm.org

A strong cocktail or a weak punch? A case study of EDF assistance to the ACP private sector. Adam Dunlop. 2004. ECDPM Discussion Paper No. 52. www.ecdpm.org

Coercion or engagement. Economics and institutions in ACP-EU trade negotiations. Stefan Szepesi. 2004. ECDPM Discussion Paper No. 56. www.ecdpm.org

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'InfoCotonou' highlights key debates, activities and events related to the implementation of the Cotonou Partnership Agreement, an agreement between the African, Caribbean and Pacific (ACP) countries on the one hand, and the European Union (EU) on the other. ACP-EC actors are encouraged to share their opinions, reports and other resources on ACP-EC cooperation. The ECDPM is a non-partisan organisation that seeks to facilitate international cooperation between the ACP and the EC. Information may be reproduced as long as the source is quoted.

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