

Editorial

Dear readers,

This time - and for obvious reasons - we have changed the traditional welcome in the editorial from "Greetings from Bonn!" to "Greetings from Ljubljana!"

This charming city in the south-east of Europe played host to the 10th General Conference of EADI from 19-21 September this year. The conference participants and delegates to the General Assembly enjoyed the scenic beauty of the old town and the splendour of this historic place. Strolling through the narrow lanes along the Ljubljanice river, admiring the medieval and baroque architecture, turn-of-the-century mansions and Art Déco buildings, you still feel the charm of bygone days. The dragon on the cover gives the impression that he is the eternal guardian of the castle overlooking the Slovenian capital. But Ljubljana is not a sleepy town at all. The streets are busy at all times of the day and evening, the young and old enjoy going out, sitting in the garden-café, pubs and restaurants or doing late-night window-shopping.

For many of us the time was simply too short to sample more of these attractions. After all, the chief purpose of us being here was not tourism but the EADI General Conference. An appropriate venue for this event anyway, as the title said, was "EU Enlargement in a Changing World - Challenges for Development Co-operation in the 21st Century". The European Commission was prominently represented by the Director of the Directorate-General for Development, Mr Koos Richelle, who delivered one of the keynote speeches at the opening. It has become clear that EADI will be asked to share its wealth of experience and knowledge on EU enlargement and implications for development cooperation both in accession countries and the developing countries of the South in these crucial years of enlargement of the European Community. We shall definitely endeavour to bring as many actors as possible together and to integrate our work into these progressing consultations with partners in the accession countries. The capacity-building for emerging donors and

institutes commissioned to become administrators of the ODA in the candidate countries could become a key area of information sharing, consultancy and advice for EADI and its members.

This issue of the EADI Newsletter has three main sections. The largest contains reports on the various sessions of our conference. Thanks to a good number of volunteers and staff, we are able to present full coverage of all plenary, thematic and special sessions. In fact, summaries of all sessions were available on our General Conference section of the EADI website (<http://www.eadi.org/genconf2002>) the very same day and can now be read by all. In addition, we shall present a selection of contributions in our Journal, the EJDR (Vol. 15, No 1), due out in June 2003, and aim to publish the complete proceedings in the EADI Book Series as well. The theme of our conference attracted a lot of attention and we feel obliged to make the content available to those who have shown an interest as soon as possible.

The second section contains reports on our General Assembly. Every three years, our members are invited to exercise their duty as the ultimate leadership body of our association. Elections to the Executive Committee with one representative from each European country with at least two institutional members in EADI, the reports from the President and Executive Secretary and the programme of the incoming president are key elements of this section. Sheila Page, our outgoing President, is able to look back on three quite difficult, yet exciting years that saw EADI move into the new millennium. From the Paris General Conference in September 1999 and the decisions taken there she had to steer and accompany the Association and its Secretariat in their move from Geneva to Bonn, select new staff and implement a rather ambitious work programme (1999 - 2002).

The members gave her a warm round of applause at the General Assembly and the old and new Executive Committees thanked her in style with a farewell dinner in Ljubljana. It is always an occasion for mixed feelings when



people have to say good-bye and the "torch of leadership" is passed on to the new office-bearers. It was great also to see other "old" presidents to witness the event: Helen O'Neill and Emmanuel de Kadt have been loyal friends and staunch supporters of our EADI family.

Congratulations and many good wishes were expressed to the newly elected Executive Committee under the leadership of Louk de la Rive-Box, the new President of EADI. An outline of the new work programme is contained in this Newsletter ("EADI 2002 - 2005: a vision and a format"). The full text will be available on the website after revising and further refining in the coming weeks.

The third section is dedicated to our members, their programmes, work and reflection. The reports from the various working groups, news from member institutes and quite a thought-provoking article written by Simon Maxwell, Director of the Overseas Development Institute (ODI), London, challenges EADI to become a kind of professional "star alliance" of development research and training institutes. During our General Conference, our EADI working groups had several sessions and were able to promote professional exchange on their research projects, development programmes and other academic activities. We remain obligated to high professional standards and hope to be a leading expert organisation in the field of development research and training in the years to come, too.

Let me conclude by thanking all those who ensured this 10th General Conference in

Ljubljana was a success. The Slovenian Government, many and generous local sponsors and the development agencies from the UK, Ireland and Germany helped us to finance this event and provided the means for many to attend. A pivotal role in the preparation of this conference was played by Jürgen Wiemann, Deputy Director of the German Development Institute (DIE/GDI), Bonn, in his

capacity as Chair of the organising committee and Conference Chair. Last but not least we owe a great deal of thanks to the local host in Ljubljana, the Institute for Economic Research (IER) under its director, Dr Peter Stanovnik, his team and the Faculty of Economics for their excellent facilities, efficient services and most generous support.. It has been a pleasure working with them and all our colleagues from

the Secretariat in Bonn experienced the hospitality and enjoyed the fellowship with the staff in Ljubljana.

Hvala ! Thank You ! Merci ! Dankeschön !



Thomas Lawo
Executive Secretary

EU Enlargement in a Changing World - Challenges for Development Co-operation in the 21st Century

Ljubljana, 19 – 21 September 2002



Session Reports

Opening Session

Report: Mr Philippe Cadène, GEMDEV (France)

Peter Stanovnik expresses his pleasure to be welcoming the tenth EADI conference in Ljubljana, the second such conference to be held in an Eastern European country. EADI has always served as a bridge, not only between North and South, but also between East and West. Now that Europe is reunited, your host Slovenia and several other Eastern countries are preparing themselves to integrate the European Union. This is the context in which he wishes the participants a pleasant stay.

Koos Richelle, European Union representative, explains that, despite the fact that development co-operation is not a priority in the dialogue with the candidate countries, the issue nevertheless seems important and receives increasing attention, which is marked

by the opening of development agencies in the Czech Republic and in Poland, as well as the forthcoming holding of several conferences. A number of problems are on the agenda: what can we learn from the new member states, what will be the impact of enlargement on international trade, will Europe have the means to finance the development of poor countries, and will it be open to their requests? We must reflect about the values to promote, the means to implement coherence between policies, co-ordination between states and the principle of complementarity. Koos Richelle reminds us of the United Nations objective of attributing 0.7% of donor countries' GDP to development, which at EU level can be done through the budget and



Janez Dmrošek



Koos Richelle

through the European Development Fund (EDF), in which the new member states will have to take part. Can the experience of those countries be used to rethink development? Slovenia, which benefits from the European funds and is also a donor in the framework of the Stability Pact for South- East Europe, can bring a valuable contribution. Enlarged Europe will be the voice of 25 countries, 500 million inhabitants, and a major commercial block. Will it nevertheless open its markets to Southern countries?

Janez Drnovšek, Prime Minister of Slovenia, is happy to be hosting this conference which is held shortly after the Johannesburg Earth Summit, where Europe was on the frontline to seek solutions to problems caused by globalisation. Europe cannot become a fortress defending itself against the migration of the poor and fighting against terrorism. Of course we must organise international security, but also depart from war between rich and poor, between civilisations,



Josef Füllenbach

beliefs and religions. Ways must be found to associate the USA to the fight against poverty, climatic changes, pollution. Europe has a historic democratic integration project. The process must be achieved within the set target dates. Slovenia can be at the forefront of enlargement. She can serve as a bridge between Western Europe and the rest of Europe.

Josef Füllenbach, who represents the German Federal Minister for co-operation and development, notes the European Union's principal role in international co-operation, with the essential objective of reducing poverty through sustainable development. Enlargement leads the Southern partners to fear the loss of this support. A clear policy is needed, which should have as its goal the implementation of an open and united Europe,



promoting peace and prosperity throughout the entire world. This conference should allow us to contribute to this reflection.

Sheila Page, EADI President, identifies three new elements in the debate on development, which affect the perception of the relationship between "them" and "us": the end of the world's division into blocks with the emergence of new regional identities and the development of new ways of incorporation into trans-national institutions; the change in the relationship between donors and beneficiaries, which leads certain countries to enrol in groups of equals while at the same time being taken into unequal and hierarchical relationships, as we can see in the different negotiation processes. Europe worries about the environment, fights against poverty and for the defence of human rights, border-crossing issues to which it is difficult to find concrete solutions. While several mechanisms exist at national level to reconcile contradictions between values and priorities,



Peter Stanovnik

she notes their non-existence at international level. Sheila Page identifies three roads for reflection concerning poverty, the environment and income, which should be treated simultaneously but do not overlap. She stresses the interest of the heterogeneous group of researchers within EADI, which is necessary in order to be able to respond to the diversity of those questions.

Jürgen Wiemann thanks all the institutions which supported the organisation of this conference and is pleased with its theme, which should allow reflection about the experience gained by CEEC in moving from a planned economy to a market economy. He notes their value as examples for other developing countries. He strongly encourages participants originating from those countries to create an Eastern European EADI network and to set up working groups.

Peter Stanovnik closes the session by reminding participants of working modes for the three coming days.



Jürgen Wiemann

Thematic Session A

From Transition to Accession: Perspectives for New Members

Report: Mr Kresimir Jurlin, Institute for International Relations (Croatia)

The session started with the presentation by [Janez Potocnik](#), Slovenian Minister of European Affairs, who focused on the perspectives of the new EU members. While target dates for closing the negotiations and signing the accession treaty are already set and most of the chapters closed, we have approached the end of the accession process. Although the accession countries are not very large in terms of GDP compared to the EU, there is still a problem of there being a large discrepancy between the new members in GDP per capita level.

For Slovenia, full membership is a logical next step, withstanding the GDP per capita in purchasing power parity reaching 72% of the EU average, pleasant macroeconomic situation and strong public support. Slovenian authorities have prepared all the strategic papers in good time that were also successfully implemented. These papers have put the EU membership in the context of the achievement of development goals and improvement of national competitiveness.

Responding to the questions raised by the floor, Mr Potocnik stated that he envisages no significant problems regarding the implementation of obligations imposed by membership, while perspectives of the post-accession integration processes (including monetary integration) are not clearly defined yet.

[Visnja Samardzija](#), Assistant Minister from the Croatian Ministry of European Integration, pointed out that the enlargement process will continue while the Southeast European countries have a clear prospect of accession, as stated at the Nice European Council in 2000. The Stabilisation and Association Process is ongoing, including trade preferences given by the EU, financial and technical assistance, and the Stabilisation and Association Agreement, which the EU signed with Macedonia and Croatia. Still, other countries of the region are lagging behind significantly, while the EU is following the individual approach by countries.

This is no surprise, knowing that the countries in the region are very different in terms of GDP level, success of transition and in fulfilling the political preconditions for successfully joining European integration. Croatia is rather advanced in aligning with the EU policies and institutions as well as in harmonising legislation, but there are still certain political preconditions to be met in full.

For the success of the process, it is important to balance between stabilisation and association, proceeding simultaneously with trade liberalisation within the region and between the region and the EU, in order to create the new candidates for the EU membership.

[F. Desmond McCarthy](#), from the World Bank, presented the cornerstones of economic recovery in Ireland, envisaged by the Program for National Recovery and published by National Economic and Social Council, including balancing public finances, a competitive exchange rate, stimulating foreign investment and agreement between major social groups on the key reform issues, which is of the utmost importance.

The discussant, [Katarzyna Zukrowska](#), from the Warsaw School of Economics stressed that the overall context of the forthcoming accession is significantly different from the

previous accessions, although we now have monetary union and functional internal market. Apart from that, Central European economies are already internationalised, with liberal capital flows, lowered tariffs, and large share of foreign ownership realised through FDI. These liberal policies contributed to the GDP growth in Poland, which was consistently above the EU average throughout the last decade.

Highlights from the discussion include the issues of increased aid to ACP countries by Ireland, with a possibility to include the accession countries as donors, and policy measures that complement macroeconomic policy, i.e. innovation policy and institutional capacity building, whereby the participants agreed of the importance of these issues.



Thematic Session B

Beyond Fortress Europe: Bridges to the South

The Impact of Enlargement on EU Relations with the Developing World

Report: Mr Henning Melber, Nordic Africa Institute (Sweden)

With thematic session E of the conference focusing on trade and trade policy issues, this session (chaired by [Jürgen Wiemann](#)) concentrated on aid- and development-related areas and the role of the EU as a global player. [Mirjam van Reisen](#) delivered a keynote presentation. She analysed EU aid policy in an advocacy role from the point of view of a Brussels-based international (pan-European) NGO network. Her assessment predicted an era in which the notion of development and the implementation of co-ordinated aid and development policy will be sidelined and subsumed under the dominance of foreign policy-motivated strategies. The increasingly demanding role of the EU as an emerging global player will demand a higher degree of consistency in its foreign policy, while development will be considered more as a service under the general external relations with limited implementing powers under its own discretion.

Current evidence supporting this hypothesis is found in the fact that the EU Convention (established in preparation for forthcoming enlargement) made no provisions for a working group on development. Development aid might instead be used increasingly as a bargain chip within the context of external relations policy. Coherence was an essential principle laid down in the Maastricht Treaty. But the treaties of Amsterdam and Nice introduced the principle of consistency in line with the external EU policy. This indicates an underlying tension between guiding principles

of development co-operation and foreign policy paradigms. The claim that attempts aim to reconcile both (consistency and coherence) are misleading insofar as there is no clarity on the issues involved.

Several recent changes suggest that development will feature less prominently and will at best remain of secondary interest. The new governments in Denmark and The Netherlands do not put the same emphasis on the relevance of aid policy and the notion of developmental support as their predecessors did. Hence the lobby within the EU member states has been weakened. With EU enlargement and its financial implications, the failed target of putting aside 0.7% of GDP for developmental purposes is more remote than ever and the political will to narrow the discrepancy will most likely not become stronger, as the new countries joining the EU will require financial compensation for the attendant disadvantages.

Given the current framework, the future of the Directorate General for Development might be at risk in the medium term. But the so-called Third World had contributed essentially to the economic prosperity in the present-day EU and will continue to do so also after enlargement. The question, therefore, which remains to be answered is, if and to what extent the EU will play a new role in the future and how it will define its interests as a relevant global actor too.

Several statements by invited speakers followed the presentation. [Ashok Desai](#),

economist and a journalist/columnist (“Business Standard”) from New Delhi emphasised that both Eastern Europe and (to a lesser extent) Africa are dependent on their trade relations with the EU and that the EU contributes almost half of the current development aid in the world. At the same time, it negatively affects the economies of its partners by its protection policy (especially in agriculture). He suggested that a more systematic institutional harmonisation with regard to aid policy among the EU member states would benefit future development co-operation. [Faizel Ismael](#) from the South African Permanent Mission in Geneva and the head of the delegation to the WTO shared his insights and views on the negotiations between South Africa and the EU on the Free Trade Agreement (FTA). He highlighted some of the aspects from the negotiating process, which were challenges for reaching a compromise by accepting the needs to acknowledge the asymmetric relations between the South African economy and the EU market.

In conclusion, [Sunanda Sen](#) from the Academy of Third World Studies in New Delhi summarised the presentations as a discussant. She emphasised the current EU contribution as a shift from a unilateral to a multilateral world. She considered the South African case as a good example of how a country from the South can utilise bargaining power to achieve acceptable results through negotiations. As such, the South Africa-EU FTA would provide a lesson on how this could be done.

Thematic Session C

The Stability Pact for South Eastern Europe: Model for Other Crisis Regions?

Report: Mr Mile Jovic, Institute of Economic Sciences (Yugoslavia)

The session focused on very specific issues behind the idea of the Stability Pact for South-East Europe taking into account not the structure and working methods but practical on-the-ground achievements of the last three years of implementation. Developed as an EU initiative and supported by more than 40 partner countries and organisations, the aim of the Stability Pact for South-East Europe is to strengthen the countries of South-East Europe (SEE) in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region. As general statement, the Stability Pact for South-East Europe is an attempt by the international community to replace the previous reactive crisis intervention policy in SEE with a comprehensive long-term strategy in order to solve visible regional problems.



Although the session format was outlined in rather broader terms, economic achievements, indicators and results as well as development issues were dominant. Contributions were prepared by [Michael A. Landesmann](#) (Vienna Institute for International Economic Studies), [Florian Bieber](#) (European Centre for Minority Issues, Belgrade), [Andreas Wittkowsky](#) (UNMIK Administration, Pristina), [Vladimir Gligorov](#) (Vienna Institute for International Economic Studies), [Wim van Meurs](#) (Centre for Applied Policy Research, Munich) as well as Mr Mile Jovic (Institute of Economic Sciences) acting as session discussant.

The chair, Mr. Landesmann, stressed the importance of overcoming economic inefficiency which has been a main feature of countries in the region. In his presentation "SEE in comparison" there were a lot of facts concerning the transition experience. The

Stability Pact incentive ought to be an invisible hand to draw SEE closer to the perspective of full integration into EU structures. In the similar approach Mr Gligorov expressed the role of the Stability Pact as co-ordinator of intraregional co-operation with a main task to stabilise the economic landscape, push liberalisation and

fostered under the umbrella of the Stability Pact are a permanent upgrading in areas of interest in the region - from opening the processes of democratisation - to attempts in establishing compatibility of economic activities.

upgrade regional infrastructure. These are important issues: many countries recorded mostly volatile growth, informal sector share growth and not-so-impressive growth in industrial production.

Some topics of importance were covered by other panellist, such as conflict management issues, the co-ordinating role of the Stability Pact vs. high expectations in dealing with disintegration attempts, fostering regional dialogue in order to prepare Stability Pact countries to EU accession in the future. The Stability Pact incentive is complementary to the SAP and the accession process and provides a bridge between the Balkan countries and the EU candidate countries.

According to the presentations, comments by panellists on the end of the session, as well as the discussion it would be possible to draw more positive than negative conclusion from the Stability Pact's achievements in the very short period so far. The importance of changes

Thematic Session D

Clash of Civilisations or Inter-cultural Dialogue? Challenges for EU Mediterranean Policy

Report: Ms Isa Baud, University of Amsterdam (Netherlands)

The panel session, chaired by [Lino Briguglio](#), was concerned with the effects of cultural differences on regional development, and focussed specifically on challenges to the EU Mediterranean Policy presented by two opposing views regarding the effects of the Euro-Mediterranean cultural diversity. The pessimistic view of Huntington on the "clash of civilisations" between Christianity and Islam was contrasted with the alternative potential for dialogue, tolerance and mutual respect between different cultures. The introduction by the chair raised the questions of the dividing lines between different cultures, and the extent to which diversity between cultures was echoed equally by differences within cultures, as well as the extent to which religious clashes mask extremes in economic conditions which can beget mistrust and intolerance. The basic question was raised of how the Euro-Mediterranean policy can be instrumental in reducing cultural misunderstandings and promoting solidarity, without suggesting that values related to a particular culture be abandoned.

[Roderick Pace](#) (European Documentation and Research Centre, University of Malta) discussed the dialogue of civilisation in the Euro-Mediterranean partnership, in which the accession of Malta and Cyprus are important issues in the development of that part of the Mediterranean. Their sensitivity to destabilisation means that the EU should pay careful attention to the models by which developments in the region could be analysed, the stabilisation model which emphasises civil society, and the one in which the role of economic development is stressed as the main factor for avoiding clashes. The speaker argued that radicalisation of politics was the issue, not the radicalisation of societies. Blocking of reforms by the southern, predominantly Islamic Mediterranean states is related to local power relations, and not religious and cultural values. Although more matters that unite the

Mediterranean region than divide it, there are potential side-effects of the current "fight against terrorism", which could undermine unifying aspects. However, with careful review of new policies to be introduced by the EU and their underlying visions, regional unity can be strengthened.

[Armando Salvatore](#), (Institute of Social Sciences, Humboldt University, Berlin) looked at the issue of civil society and governance in the Barcelona process. He discussed the historic notions of European political and cultural identity, and how such identities are currently being used in exclusivist politics. Protocols of EU-Mediterranean partnership do not reflect existing complexities and therefore can be manipulated politically, as they collapse social capital into pre-political interests, solidarity and networks. He indicated that religious-social movements in Palestine build up social capital, by taking over governance functions and collective social security, in the context of the conflict with Israel as well as the poor functioning of the Palestinian National Authority. However, he warned against the dangers inherent in privileging NGO funding, which may lead some of them to become more accountable to donors than their constituency, thwarting democratisation effects expected of them.

[Andreas Theophanus](#), Director General of the Research Centre, Intercollege, raised the question of new forms of conflict evolving around civilisation differences in the Eastern Mediterranean, and examined the role of the EU in developing an alternative interpretation of the "attack on terrorism", stressing the causes of problems which can be destabilising, and using a more even-handed approach. The speaker indicated that the eastern Mediterranean formed a vital region for the EU, in issues of culture, trade and security. He used the case of Cyprus to illustrate his ideas on how

access of Cyprus as a whole to the EU could promote a solution of Cyprus' current division, and set constructive precedents for other candidate countries.

[Yilmaz Ozkan](#), (University of Ankara, Centre of Mediterranean Studies) led the discussion, contrasting the EU's large economic power with its weakness as a coherent political power vis-à-vis the USA, both in its stance towards the fight against international terrorism, as well as in the problems in the Mediterranean region. The audience joined the discussion in putting forward experiences from Poland in dialoguing with Arab governments on notions of democracy and the role of religion. The role for EADI in such issues remains the focus of asking what the important research issues are and not merely joining in the political discussion.



Thematic Session E:

More Players and New Rules: EU Trade Policy and the New WTO Round

Report: Mr Andrew Mold, ICEI (Spain)

The attendants of this session were privileged to be able to listen to two government representatives from developing countries who are directly involved in trade negotiations - Faizel Ismail, Head of the South African Delegation to the WTO, and the Jamaican Ambassador Ransford Smith. The session was chaired by Oliver Morrissey of the University of Nottingham and the Overseas Development Institute, London. It began with the presentation of the paper by Faizel Ismail "A development perspective on EU trade policies and their implications for Central and East European Countries".

As the title suggests, Ismail focussed his intervention on EU trade policy and, more specifically, on how it affects developing countries. He did, however, start by making a few critical comments about the US trade policy and the US administration's recent decision to increase subsidies to their farmers, the total value of which amounted to some \$83 billion. The starting point for Ismail's analysis was an explicit recognition of the need for a developmental perspective on trade issues. In a context of an increasingly globalised economy, there were two significant "gaps" which needed to be addressed: i) poverty and ii) environmental degradation. There is an emerging consensus, as revealed in the Johannesburg Summit, that trade negotiators must take into account both the positive and negative influences of trade on these two dimensions. If the overall impact is deemed negative, then further trade liberalisation cannot be justified.

On the agricultural issue, Ismail observed that whereas agriculture contributes about 4% of EU15 GDP, in developing countries that figure was as high as two thirds of GDP. So it is a far more important issue for developing countries. Secondly, he observed that the EU spends about \$90 billion on domestic and export subsidies for agriculture, equivalent to about two thirds the value added in the sector. This represents an enormous level of subsidy, nowadays unthinkable in any other industry.

Another negative aspect of European trade

policy was the continued existence of tariff escalation and selective tariffs. Citrus fruits, for example, still face an exceptionally high tariffs of up to 19%. These tariffs inhibit developing country production and exports. As if this were not enough, the EU continues to dump excess production of, for example, sugar or tomatoes on developing country markets. Ismail cited the cases of the Senegalese tomato or Jamaican milk markets. Concerns were also raised about the impediments to the importation of clothing and textiles.

In this context, the EU is the second largest user of Anti-Dumping Measures. Overall, the EU imposes 350-450 tariff lines on products such as farm, food, textiles and clothing. These sectors are generally labour intensive and are where developing countries have a comparative advantage. Indeed, simulations suggest that a 1% growth in the world export share of developing countries could reduce world poverty by 12%, so the issue is clearly important from the perspective of poverty reduction. Ismail concluded that, in recognising some of these problems, EU trade policy is currently improving, and that reducing the support for large farmers was a logical step in the right direction.

Ransford Smith started his intervention by observing that the EU's influence on international trade policy and the WTO goes far beyond the region's importance in absolute size and economic power. The EU15 now constitute the world's largest trading entity. Indeed, the EU's influence is even greater because of the way it acts as a key player in shaping multilateral agreements.

Smith commented that what emerged from the Doha meeting of the WTO was more or less in line with the EU's ambitions for a new Round, encompassing the built-in agenda of agriculture and services, non-agricultural market access, rules (anti-dumping, subsidies and Regional Trade Agreements, environment, dispute settlement, TRIPS, and the so-called Singapore issues of investment, competition

policy, government procurement and trade facilitation.

At the Doha meeting, a commitment was made by the WTO to strengthened technical assistance and capacity-building. But Smith stressed that the sum committed, some 30 million Swiss francs, was a small sum for an organisation with the role, functions, scope of activity and membership of the WTO. An organisation with a much lower profile and smaller membership, such as the Vienna-based International Atomic Agency, spends annually three to four times as much on technical assistance to its developing country members.

Smith then returned to the issue of the EU's role and responsibilities with regards to the developing countries. In 2000, the EU was both the leading importer and exporter of agricultural products in the world, at US\$ 63 billion and US\$60.2 billion, respectively. It is particularly noteworthy that the EU absorbs 65% of agricultural exports from the ACP countries, a group that comprises a large number of least developed and other poor countries, and which includes many small and vulnerable economies. On the other hand, it is well known that the EU is also the largest provider of support and protection to farmers (with aggregate support in 2000 worth \$90.2 billion) more than any other OECD member, well ahead of Japan (\$59.9 billion) and the US (\$48.9 billion).

Despite the prejudicial impact that the Common Agricultural Policy (CAP) has had on many developing country's agricultural markets, one positive aspect of the administration of the CAP has been the reduction in the share of expenditure that goes to export subsidies, falling from 30% of the CAP budget in 1991 to currently 8%. With regard to market access for non-agricultural products, Smith drew attention to some positive developments, such as the growth in developing countries' share in the exports of world manufactures, up from 17% in 1990 to 27% in 2000 (although this growth has been

limited to a small group of seven or eight dynamic exporters located in East Asia and Latin America).

In his conclusions, Smith had some significant praise for the EU. At one level, the EU has demonstrated a commendable commitment to assisting developing countries, particularly by seeking to strengthen, through technical assistance and capacity-building, their capacity to participate in multilateral negotiations. Also noteworthy have been initiatives like the Everthing But Arms agreement.

In his comments on the two interventions, despite all the caveats, Oliver Morrissey noted that both speakers held a generally favourable view of EU trade policy. Moreover, although EU protectionism currently costs approximately \$100 billion annually, he suggested that it would be wrong to think that all developing

countries would necessarily gain from its elimination. Distributional questions are of fundamental importance on this score. If you are a developing country producer, you may lose out through current EU policy. But this may not be the case if you are a poor urban consumer in a developing country. So the issue is a complicated one.

In the short round of questions which followed, [Simon Maxwell](#) of ODI suggested that the trade issue was a bit of a "red herring" and that a number of northern NGOs had blown the issue of trade liberalisation totally out of proportion. As the experience of the ACP countries had revealed, enhanced market access was no guarantee that the right agricultural policies would be adopted in developing countries. A shift in the debate was therefore required.

Conference Website and Proceedings

We have dedicated a special section to providing information on the 10th General Conference via the EADI Website. In collaboration with Euforic (Europe's Forum on International Cooperation) we provided daily coverage of the conference with session reports and further reading on conference-related issues. These can be found at <http://www.eadi.org/gc2002/index.html>. In the coming weeks the presentations and papers of thematic, special and working group sessions will be made available on this site. Regular visits of the page pay off!

Thematic Session F:

From Aid Recipients to Re-emerging Donors: The Role of Accession Countries in EU Official Development Assistance

Report: Ms Judit Kiss, Institute for World Economics (Hungary)

The well-structured and well-prepared session - chaired and organised by [Jan Krouzek](#) - focused on a newly emerging topic, namely on the role of the accession countries in the EU's development co-operation policy and practice. As economic transformation has been finalised and economic development has started in the countries represented in the session (Czech Republic represented by [Petr Halaxa](#), Hungary represented by [Ibolya Barany](#), Slovenia represented by [Mojmir Mrak](#) and Slovakia represented by [Attila Szep](#)), the economic preconditions are given for accomplishing their own development co-operation policy. This possibility is accompanied by "external pressures": three out of the four countries are OECD members, consequently they will become DAC members; all the four countries will join the EU soon and after accession they are obliged to adopt the EU's development co-operation policy and to contribute to the European Development Fund. Furthermore, it is in the accession countries' political and economic interest to revitalise their development co-operation.

The presentations during the session showed that the accession countries cannot be considered new donors as these countries have had a tradition of and experience in development co-operation and aid-giving activity. For instance, Hungary started its development co-operation activity in 1962 and signed intergovernmental agreements with 52 developing countries, sent 6,000 highly qualified experts abroad and trained 3,000 citizens of 35 African countries. During the 1980s Czechoslovakia transferred 1% of its GDP as foreign aid. However, after transformation most of the Central and Eastern European countries became recipients and their limited aid-giving activity concentrated on the countries in the region.

Presently, the acceding countries are in the process of revitalising their development co-operation activity by outlining a development co-operation strategy, by elaborating and accomplishing a development co-operation policy under the aegis of the Ministries of Foreign Affairs, by establishing the legal framework, by building up the relevant

institutions and by training local staff. The most pressing problems are the lack of reliable and comparable statistical data concerning ODA, the fragmentation and the low efficiency of the aid-giving activity, the lack of transparency, the weak public support and awareness. In order to become a potential donor and to approach the EU level of assistance, the acceding countries need further EU funds and they have to study the experiences of more advanced donors.

One of the most important questions raised in the course of discussion was: what is the role of the acceding countries in the EU's development co-operation policy? Should they follow the EU pattern in their development co-operation policy or change and enlarge the EU's aid-giving activity by making use of their comparative advantages?

Special Session I

Transition Studies and Development Studies: The Role of Central and Eastern European Social Science

Report: Mr Juhani Koponen, Institute of Development Studies, University of Helsinki

The close nexus between political power and social studies was starkly highlighted in the session on transition studies and development studies chaired by [Kenneth King](#) from Edinburgh. [Ferenc Miszlivetz](#) from Hungary provided a succinct review of the post-1990 demise of what development studies there had been in Eastern and Central Europe and the emergence of new regional, largely EU-funded European studies instead of them. In addition to the EU, another important funding agency has been the World Bank, which has embarked on a programme to teach the fundamentals of market economics to those Eastern and Central European economists who used to be schooled in a very different tradition. Boris Pleskovic, a Slovak working with the World Bank, explained how the Bank has contributed to the establishment of independent centres for economic research in the region in order to bring knowledge about how a market economy functions. With the new market-led demand for European studies and market economy, the study of traditional developing countries has been all but neglected, something which some voices raised among the audience feared may still produce difficulties.

Miszlivetz, a Hungarian sociologist holding - among others - a Jean Monnet professorship, noted that development studies focussed on the Third World were never very successful in Eastern and Central Europe and collapsed altogether after the demise of the socialist economic and political systems after 1989. They were first replaced by what Miszlivetz self-mockingly called "transitology" - comparative analysis of different paths towards democratisation and market economy. This strand of studies still reflected the continuing compartmentalisation and conventional categorisation of social sciences in Eastern and Central Europe. Political science being in an experimental stage, sociology changing from "bourgeois pseudo-science" to "Marxist pseudo-science" and mainstream economics being animated by the spirit of business and

management schools and micro-economics, no serious interdisciplinary analysis was undertaken in the first post-Cold War decade.

However, Miszlivetz was more positive about the rise of a new field of Regional Development Studies focused on Europe. Its background is in the rise of the new market for knowledge on European affairs. When the accession countries began to set up new institutions and frameworks in order to be able to access EU funding and the Union itself, a great demand arose for all kinds of knowledge connected to this. The EU began to finance the more pragmatically-minded EU studies in the second half of the 1990s. However, a broader, more self-reflective and critical approach going beyond EU to Europe as a larger whole soon developed, emphasising the need to study the history of European culture, society and ideas. The combination of the "pragmatic" and the "philosophical" approaches led to the emergence of what is called International and European studies - the "Aufhebung" of development and transition studies. And this, combined with a new focus on regionalism, produced the new field of regional development studies which is in many respects reminiscent of development studies proper: interdisciplinary by nature, it combines theoretical and practical knowledge with a heavy emphasis on planning, networking and social and institutional innovation. But traditional development studies are more or less dead; whether the interest can be revived depends also on the job prospects for students, Miszlivetz said.

The failure of development studies and transition studies to engage in discussion was deplored in the discussion. It was a pity that neither the Eastern and Central European scholars nor the EADI conference itself had gone into a discussion on what transition studies could have learnt from development studies and vice versa. It was also remarked that the neglect of development studies may

prove short-sighted. Once the present accession countries are in the Union they are expected to start to provide more aid to developing countries both through the EU and bilaterally. Then they will need to have partners with whom to engage in co-operation and some knowledge of the prospective partners.

A rather different story was told by [Boris Pleskovic](#), a Slovakian economist who has been working on and off at the World Bank and as economic adviser to his Government. This was a story of capacity building in education and research for market economy with what Pleskovic described as a very successful approach. The World Bank has helped to set up a number of what are called "centres for excellence" in economic research and excellence in Eastern and Central Europe. Even if they physically share the same location, they are independent of existing economy departments, which are obviously regarded as old-fashioned and unreliable. The establishment of such centres was deemed necessary as transition proved to be a drawn-out process and in Eastern and Central European countries there is no "full understanding of how market economies function". Together with some other private donors, such as the Soros Foundation, the World Bank has set up centres of excellence, among others, in Moscow, Kiev, Budapest and Prague. These train local graduates who can then be sent for PhD study at top American universities.

The questions raised in the discussion covered the inclusion of institutional and social aspects, including that of gender, and the separation of the new centres from the existing structures of economic education and research. Pleskovic seemed to be satisfied with the way in which the centres function. He agreed that sustainability was a problem: one way of improving it was to establish an endowment on whose incomes a centre could subsist.

Special Session II

Global Knowledge Management and Knowledge Sharing

Report: Mr Desmond McNeill, Centre for Development and the Environment, University of Oslo (Norway)

The first presenter, [Mike Powell](#), gave a contextual overview of the interrelationship of knowledge and development. His talk was concerned with knowledge management as applied in the "development industry", and covered three main issues: knowledge mobilisation, exchange and use; principles for knowledge to be effectively mobilised; and implications for action. He concluded his talk with a comment on the political economy of knowledge, noting that there is "a tendency to centralise and brand and simplify", and that "the power to decide whose knowledge is valuable lies with the provider".

[Anne Jubert](#), from the European Commission, Information Society Directorate General responsible for knowledge management projects supported by the Commission, then spoke about forms of inter-organisational collaboration and some of the networks currently in existence. She described the Information Society Research Programme, whose aim is "leveraging and managing knowledge supporting innovation through sharing, brokering and trading knowledge

across the value chain, supporting knowledge-driven value-adding processes and business strategies, emergent innovation-friendly and collaborative spaces". She presented the European Knowledge Management Made in Europe, concluding that "it is not an exclusive brand. We invite you to join us."

[Grace Kempster](#), the Head of Information Services Management at the British Council, presented the work of their Knowledge and Learning Centre movement. She described the recently opened Centre in India, with an on-line learning zone, and the Council's plans to open them in other countries in the future. (It is expected that in 3 years time, 75 million people in India will be connected to the internet). She noted that the harnessing of technologies can make a real difference but only if new ways of working happen simultaneously. She also referred to the Connecting Futures programme and how the British Council intends to use knowledge management in the programme aimed at inter-cultural listening, respect and appreciation between 15 to 25-year-olds worldwide. She

concluded that "this is an invitation to you to be part of what we are doing around the world".

[Ulrich Hewer](#), Executive Director of the Economics, Education and Research Consortium (EERC), spoke about their work in teaching modern economics in transition countries. He described the aims of the programme as technology transfer and capacity-building; not only to teach modern economics but also make it part of their own culture. He also discussed some of the challenges: how to make it sustainable, when the countries were unwilling to fund the programme themselves, and newly educated students were unwilling to work for the salaries available in their own countries (unless in Western-funded think-tanks). He noted that their task - to replace one type of economics with another type of economics - might take a whole generation.



Special Session III A

General Challenges for Central and Eastern Europe

Ms Isabelle Milbert, IUED (Switzerland)

The session begins with a presentation by [Mitja Zagar](#) (Institute of Ethnical Studies, Ljubljana) on "Seeking new European identities".

New common European identities will have to complement the pre-existing national and ethnic identities. The new identities must be rooted in solidarity, plural and local, taking intercultural exchange into account. They will rest upon a democratic and human rights abiding ideal.

These "new identities" must build and reinforce themselves fostered by the European institutions and through active support from civil society, the media, researchers and economic forces.

[Irena Brinar](#) (Centre for International Relations, Ljubljana University) then gave a presentation about the Europeanisation of public administration in Slovenia. The forces of European influence are already imposing themselves on Slovenia, in terms of directives to be followed, especially concerning the reform of administration and public service.

[Gabriel Lataianu](#) equally showed how Europeanisation is already acting as a factor of modernisation in post-communist Romania. He showed for example how, after a difficult decentralisation process in 1999, the situation of abandoned children brutally degraded, which led the European Union to take a stand, via political and financial directives which turned out to be very effective. They associated the Romanian government, local authorities, UNICEF and the European Union and, by a process of regulatory activity, lead to an earlier Europeanisation.

[Slawomir Bukowski](#), from the Economics Department of Radom University (Poland) showed how Poland could progressively integrate monetary union. Indeed, an overly quick and brutal "euroisation" would certainly provoke asymmetrical shocks which are factors of economic crisis. A progressive integration would allow budgetary, employment and production adaptation.

The debate pointed the finger at the lack of

precision of some European Union requirements. A number of participants expressed their surprise at the fact that, in transition countries, requirements linked with the opening towards a market economy must be administrative and public policy oriented because of accession to the European Union. Other participants regretted that so little had been said about the relationship between Eastern and Southern countries.

[Louk de la Rive Box](#) noted in response how much transition studies and development studies would benefit from knowing each other better. He reminded the audience of how the European Union had become a heavy institutional structure, unavoidable in terms of norms and public political rules. He stressed the importance of EADI for the pursuit of research on themes of common interest.



Special Session III B

Economic and Financial Challenges for Central and Eastern Europe

Report: Ms Claire Mainguy and Ms Irène Bellier, GEMDEV (France)

Joze Mencinger, President of Ljubljana University, examines "the historical necessity and political opportunity of CEEC integration in view of economic realities". He distinguishes between issues of nominal convergence and those derived from the real convergence of countries: a possible growth of discrepancy between candidate countries threatens to delay accession for some of them. What worries him is the sustainability of present growth in the candidate countries, the role of Foreign Direct Investment (FDI) as opposed to national companies: FDI should remain complementary of national investment. Concerning integration, he defines three "pillars" of stabilisation: the inertial force (for example in the CAP framework), the European Union's capacity to ignore its own rules, and lastly the creation of new institutions. The pillars of enlargement in his view are: the democratic deficit which pushes the process from the top down, the fear of implosion which thrusts the EU forward and towards a political development. As a conclusion, having compared the EU and former Yugoslavia, Mencinger considers that the European identity risks not being strong enough to resist a long period of recession.

Mladen Stanicic, director of the Institute of International Relations in Zagreb, describes the problems faced by those countries in the "second wave of enlargement": Croatia, Bosnia-Herzegovina, Macedonia, Yugoslavia, Albania. He stresses the diversity of the economies of this group of countries in which Croatia takes an important place. According to him, political and strategic questions precede economic ones. There are several possible approaches to envisage the integration of this group of countries: by growth of their mutual exchange, by the development of a common vision of their interests. Their future integration represents geo-strategic stakes to avoid a new explosion of the region and international destabilisation. NATO's strategic criteria complement the EU's economic and political criteria. He concluded by stating his belief that

the integration of second wave countries will be complex but unavoidable.

Candida Ferreira, from the Higher Institute of Economics and Management, Lisbon University, presents the situation of Portugal after integration into the European Economic and Monetary Union (EMU). She describes precisely the problems linked with member states losing control of monetary policy and suggests using the Taylor rules to evaluate positive effects and costs of accession to EMU. As a closing argument she presents empirical results of the Portuguese experience. Benefits of entry into EMU are: immediate comparison of prices and salaries; increased competition in favour of business and consumers; better movement of capital; the economic stability derived from the suppression of exchange rates. The costs are important. The loss of exchange policy as an instrument no longer allows to adapt to the evolution of business, which can lead to closures and the growth of unemployment. fiscal policy is limited, too, due to the Stability Pact. Co-ordination problems arise between national fiscal policies on the one hand and European monetary policy on the other. Portugal has made tremendous efforts to respect the Maastricht criteria, but most problems arose with entry into EMU.

Janez Lotric, director general of Petrol, presents "Economic challenges and opportunities for business on South Eastern European markets". Business is now free to act

as it pleases but, confronted with important restructuring, which has the advantage of lowering production costs, it cannot neglect human and social costs. He asks about the future and the role of national societies faced with the massive entry of FDI. His conclusion is that it is essential for Slovenia to ensure it has its own entrepreneurial basis: strong national companies are necessary in order to defend national interest and to be economically stable.

Tina Zumer and **Vladimir Lavrac**, from the Institute of Economic Research in Ljubljana, presented the issue of nominal and real convergence of Slovenia and CEEC with the EU 15. They use Mundell's theory of optimal zones to show that there should not be an asymmetric shock for Slovenia after accession.

Estelle Brack, from the Federation of Popular Banks, and **Charles-Henri di Maria**, OECD, describe the introduction of Euro notes in out-of Euro-zone countries of Central and Eastern Europe. They show the consequences of fiduciary change for countries whose official currency is not the Euro.

Lino Briguglio, Foundation for International Studies, University of Malta, briefly describes the economic implications of Malta's accession to the EU. He notes that the competition of small countries with big ones holds disadvantages, but, comparing the scenarios of integration and status quo, he concludes in favour of integration.



Closing Session

Report: Mr Colm Foy, OECD Development Centre (France)

The closing session combined two presentations from international organisations associated with EADI, as well as the final presentations by the new and former Presidents of the Association, and the local organiser of the Conference.

Ulrich Hiemenz, Director of the OECD Development Centre, concluded from the debates and research at the Development Centre and elsewhere that the effect of enlargement on the pattern of the market in Europe would be mild, given that accession countries are either very small or have relatively undeveloped economies. However, he said, the addition of new countries to the EU could result in a more dynamic economic zone generating greater wealth and more potential for aid and investment in developing countries.

As for the effect on accession countries in Europe of their joining the EU, Hiemenz foresaw positive effects from structural support. He pointed to the cases of Ireland and Greece, which maximised their benefits from this source by promoting economic stability, which, in turn, attracted growth-enhancing foreign direct investment (FDI). Developing countries which had also received very large and important public flows had not managed to achieve comparable rates of growth, he said, because they lacked the institutional infrastructure. In addition, the first wave of accession countries had also benefited from adopting the EU's peer review and governance procedures, thus reinforcing confidence. Over time, they had built up credibility which had supported sustained growth and investment. This is a lesson that the newest accession countries had to learn; there would be no "quick fix" from membership.

The Development Centre's Director warned against too much optimism for developing countries following enlargement. There was a danger, he said, that new members might seek to reinforce protectionist sentiment within the EU. This would deprive developing countries of access and limit their potential for growth through trade with the Union. He cited the case of Ireland's rejection of the Nice Treaty in a referendum as perhaps being evidence of new

members tending towards international conservatism. In a similar vein, new members would represent a new financial strain on the



Ulrich Hiemenz

Union, despite the increase in activity expected in the Union's economic area. This could lead to a reduction in aid volumes. However, Hiemenz continued, EU and Members' aid represented over half the global total but was most inefficient. If new members contributed to increasing efficiency, this could be positive and "less could mean more". In this context, it was essential that new members of the Union



Yilmaz Akyüz

recognise that they had responsibilities, as well as rights, and one of these was a duty to become more involved in international affairs, especially in regard to developing countries. Ireland was an excellent example of where this had taken place, and Ireland had significantly increased its international development assistance activities in recent years.

Yilmaz Akyüz, Director of UNCTAD's Division on Globalisation and Development Strategies, drew some parallels between some of the accession countries and developing economies. They could expect a number of benefits from EU membership: market access, foreign direct investment, free movement of people, EU financial support, and financial stability. This could put pressure on some similar developing countries for FDI which might lead to a "race to the bottom". In addition, he also recognised the danger of competition for resources within the Union's aid budget, reducing flows of ODA to developing economies. This was an increased danger because the international economic situation was no longer as favourable as it had been at the time of the first accessions.

The same phenomenon was likely to reduce the net benefits of membership which were, he said, not necessarily as positive as was generally assumed. UNCTAD research demonstrated that poor countries which attached themselves to wealthier ones did not necessarily fare better than those which did not. Citing the case of Mexico within NAFTA, Akyüz said that the country's share of world exports had indeed gone up - from 0.2% in 1980 to 2.2% by 2000, but its share of value added in world trade had none the less fallen. Indeed, despite the general integration of the world economy and the proliferation of regional pacts and free trade agreements, middle-income countries' share of value added fell overall. Since most of the accession countries are middle-income countries, they would also be affected by this decline.

A possible conclusion from this analysis is that the immediate effect on new EU members in the medium term could even be negative. He noted that all of them had been involved in trade agreements with the Union for some time, so many effects were already being felt, but had not been dramatically positive. In order to keep their place in the world economy and to compete successfully inside the Union in a context of growth, the UNCTAD Director recommended that the candidate countries

should concentrate on skills upgrading, rather than trying to undercut labour costs. Such a strategy would also apply to developing countries and middle-income economies outside the Union. For the candidate countries, they should be careful to ensure that the economic benefits they received compensated for the policy freedoms they were set to lose.

These interventions sparked a lively response from the former EADI President, the Irish Professor [Helen O'Neill](#). She wanted to draw attention to the fact that Ireland had used structural funds from Europe as a complement to a national effort including enhanced education and training facilities and preparation of the economy by opening up well in advance of accession in 1973. The pain had been great but the result proved the wisdom of such an approach. Professor O'Neil also reminded the audience that the Nice Treaty was rejected more for local political reasons than for negative attitudes to Europe.

In thanking the speakers, outgoing President [Sheila Page](#) paid tribute to the organisers of the conference generally and expressed the view that it had been a success. Discussion, she said, had highlighted the fact that

development issues and outward orientation remained on the European agenda in the wisest sense. EADI was also shown to be active and lively, giving attention to the issues and capable of producing high-quality research and



Peter Stanovnik

reflection. It was essential that the Association maintained its emphasis on interdisciplinarity. She suggested that in future EADI could support work on transition vs. development studies, how to perform institutional transformations, and "big bang" vs. gradualism. Though these were all already subjects of

research, work on them should be deepened.

Incoming President [Louk de la Rive Box](#) drew five conclusions for EADI from the conference: A risky theme turned out to be well chosen and a number of conferences on a similar theme were being planned by, among others, the European Commission - EADI members inputting to such events should remind people of the General Conference's work; developing economists should pay more attention to what is happening in the transition economies; our fund of knowledge on the issues is still increasing; and the task of understanding these cross-cutting issues is very difficult and few are as yet able to do so. EADI could go some way to overcoming some of the difficulties by continuing to facilitate contact between members. In particular, institutional members should use the Association more for this purpose. He ended by reminding the audience of further reforms underway and of the progress on creating a training model with hope for a summer school and other integrated activities in this area.



Peter Stanovnik, Yimaz Akyüz, Sheila Page, Louk de la Rive Box, Ulrich Hiemenz

EADI General Assembly 2002

Report by the Executive Secretary

It was here in Ljubljana in April 2000 that - having been appointed Executive Secretary of EADI just four months previously - I presented an "EADI - Outlook 2000. The Work Programme of the new Secretariat in Bonn, Germany¹", to the Executive Committee in its spring meeting. Looking back and planning for the future is the challenge today.

1. Providing effective services for the Association

* Meetings of the Executive Committee and seminars

The management of the Association is a combined effort of the elected leadership, the Executive Committee and the Secretariat. The key mechanisms for this are the bi-annual meetings of the Executive Committee and of the five sub-committees. We have been lucky to find host institutes for these meetings, to whom we owe great thanks. They were actively involved and have beefed up these "business" meetings with topical seminars of a highly professional calibre.

* EADI publications

The production of two printed issues of the Newsletter/Lettre d'Information and the EJDR per year has been maintained. Since January 2001, we have published an additional (bilingual) "e-newsletter", which is widely distributed by e-mail. The publication is issued four times per year and is an additional platform for members, institutes and Working Groups (WGs) to report on and announce their activities. The feedback, also from non-EADI members, is quite positive, although we take great pains to select suitable articles in order not to contribute to an overkill of information. Other publications were two EADI books², promotional flyers for EADI and EL@ND and the Annual Reports 1999, 2000 and 2001, all in English and French.

* Developing a comprehensive website/ Intranet strategy

EADI's communication has shifted rapidly to electronic media. We are making (prudent and

thrifty) use of e-mail facilities and the Internet. Through our own website with specific sections and tools, interactive pages for WGs and active links to other areas of our work and other networks (e.g. OneWorld International, EUFORIC, GDNet and affiliates), we are a frequently "visited" partner³ of the "www.development.community".

The EL@ND project is a concrete example of joint members' action and efforts. Attracting the attention of partners in the GDN/GDNet



opportunities to collaborate in dynamic and flexible platforms. More thematic workshops, electronic conferences, joint projects and strategic alliances like EL@ND should be developed. Multi-disciplinary research is already one of the strongest appeal factors of EADI for potential members and the development community at large.

* Supporting the efforts of the Working groups

An evaluation of the Working groups (WG) at the Paris General Conference was presented to the Executive Committee in November 1999 (Milan). This led to a joint reflection with WG conveners and the Executive Committee (December 2000). Today we have 12 confirmed WGs and two (re-)forming. They are active to various degrees. This 2002 General Conference will be used as an occasion to revive the dynamics that used to exist in these WGs. The broad coverage of current themes in the development debate make them the flagship and major attraction of EADI. How can we generate more interest in these WGs among members? How can we make the WGs more dynamic and encourage active discussion and participation of the appropriate people, especially partners in the South, in their work? The Secretariat also sees the need to enhance the use of the EADI website and to further develop electronic communication tools in favour of a more dynamic community of EADI WGs.

* Enhancing the profile of EADI as an efficient network

Over the past few years, we have developed good public relations. We are quite well known in the development community in Bonn and are an active partner of the Centre for International Cooperation (CIC). We develop our contacts with strategic partners and institutions like national governments, their development funding agencies, the EU (European Commission), the World Bank Group and others. They are promoting, managing and funding large-scale and comprehensive development programmes, including research, impact analysis, training and evaluation components. These

and the EU/EC has turned it into a (slowly, but steadily) growing success story. The project has its own management and governance system within the framework of the rules and procedures approved by the Executive Committee.

2. Strengthening links among members

One General Assembly with a General Conference once every three years plus two seminars in conjunction with meetings of the Executive Committee per year is certainly not an appropriate recipe for sustained active collaboration and professional exchange among members. To help EADI develop into a vibrant, cutting-edge community of expertise and knowledge, we need to create more

EADI 2002 - 2005: a vision and a format

At the General Assembly, the newly elected President, Louk Box, gave an introduction to his vision of and work plan for EADI as the forum in Europe where theoretical approaches to globalisation and inequality are debated.

Given the changes in the intellectual, academic, political, organisational and European landscape, EADI has to face the need to regain adequate intellectual prestige. Therefore the general line should be: „strengthen what works, and cut what limits the dynamics“. Louk Box identified the following main areas of concern:

Research - EADI as the quality forum in Europe for research on global development, transformation and guided change issues

- Promoting excellence into the EADI Working Groups by placing a premium on quality production,
- Offering an annual prize for an interdisciplinary paper,
- Explicitly linking up with like-minded groups of researchers and networks in Europe and elsewhere.

Training - EADI as the hub for Europe-wide training programmes

- In 2003: Developing a module of a European doctoral programme, starting with a summer school, with a limited number of institutions participating,
- In 2004: Establishing a Master Programme, with participant funding.

Knowledge transfer - Links between traditional and modern ways of exchanging information

- Maintaining and expanding the EL@ND project, with which EADI has been in the forefront,
- Stimulating the Working Groups to promote knowledge transfer via seminars or web-based think tanks,
- Developing an e-strategy for the EJDR, which could reach more interested readers in the South,
- Strengthening the EADI website and Newsletter,
- Taking an interest in the needs of students and young scholars,
- Revising the concept of the General Conferences.

Membership - EADI needs to have a membership drive:

- Supporting strong participation from directors of EADI member institutes via a directors' meeting every year,
- Fostering new institutional links, i.e. with EUDN/GDN/GDNet and European associations and networks in linked fields,
- Emphasising young scholars and students through links with master's or doctoral programmes.

Sub-committees

Sub-committees had to be defined for all the above-mentioned areas. These will be chaired by the following members of the Executive Committee:

- Sub-committee on Scientific Quality and Working Groups: Henning Melber, Nordic Africa Institute
- Sub-committee on Training: Michel Carton, IUED
- Sub-committee on Knowledge Transfer and Information Systems: Isa Baud, University of Amsterdam
- Sub-Committee on Membership: Colm Foy, OECD Development Centre

This work programme will be revised in the coming months, and then distributed to all EADI members and made available on the EADI website.

would all be areas in which EADI members could become partners or consultants. Several members could go into joint ventures and involve the EADI Secretariat, at least using the EADI label as a corporate quality indicator. This might also be considered as a way to generate additional income, both for members, WGs and the Association.

3. Fostering international Cooperation within ICCDA, GDN and other networks

Despite all the optimistic and forward-looking promises made at the last ICCDA meeting in Paris in 1999, not much can be reported here. The present collaboration within ICCDA is weak and unstructured. The reciprocal delegates' visits and participation in general assemblies and conferences have not yielded any tangible results. The former co-operation in joint projects⁴ no longer exists, which does not mean that

the individual member associations are not very active at their respective levels and within their regions. There is a lot of potential for joint programmes. All five have quite comparable working group structures that could liaise with EADI's WGs or Sub-committees. It would also be important to develop a common understanding of other emerging networks and processes.

The GDN and its service arm, the GDNet, offer new avenues of international co-operation, co-ordination and exchange. The

GDN is structured in such a way that regional hubs cover certain continent-specific programmes. EADI members collaborate with the GDN and GNet in various concrete projects. In some cases, members of ICCDA are also members of the GDN regional hubs⁵. Does ICCDA have the will, the capacity and the skills to get involved here in a more co-ordinated way?

In addition, EADI is an institutional member of the International Social Science Council (ISSC) in Paris, One World International in London, the Society for International Development (SID) in Rome and EUFORIC in Maastricht and a partner of the Centre for International Cooperation (CIC) in Bonn. These networks provide various opportunities for EADI and our members.

Résumé

How can we ensure that EADI becomes an efficient network of members, a platform for exchange and candid debate, bridging academic research, development theory and practice with political decision-making and action? Members of EADI have to become the real stakeholders

in the Association. They can thus direct the action and feel responsible for all activities. The best way to achieve this seems to be proactive participation in one of the topical WGs. There is real demand for specific areas to be covered. In addition, fora and (virtual) think tanks that provide occasions for members to associate and exchange need to be identified, developed, promoted and used.

The incoming Executive Committee 2002 - 2005 (please see their names and contact details on the inside cover of this Newsletter) will have to address these issues and, together, we shall translate the answers into a plan of action for the coming years. High expectations have been generated over the past 27 years, during which EADI has developed into what it is today: a highly valued and well-respected group of think tanks with a still bigger potential.

Thomas Lawo
EADI, Executive Secretary

1 For the full report see: www.eadi.org

2 (1) E. Clay, O. Stokke (eds.): *Food Aid and Human Security; EADI Book Series No. 24, Cass London 2000.* (2) C. Jackson (ed.): *Men at Work - Labour, Masculinities, Development, Cass London 2001*

3 From the server statistics: (past 11 months) 463,000 hits and 59,000 visits

4 IDIN was the most prominent example. Begun in 1984 by OECD-DC, funded by IDRC and extended through EADI and ICCDA until 1996, this comprehensive database contained more than 12,000 entries on institutions, projects and experts. Due to funding restrictions, IDIN (Europe) ceased to function in 1997.

5 See www.gdnet.org for details. EUDN (Europe), EADN (South-East Asia), CERGE-EI (Central and Eastern Europe), AERC (Africa) are some of the GDN hubs.



Thomas Lawo, Kristina Röhrbein

Development Research in Europe: towards an (All) Star Alliance?

By Simon Maxwell

Anyone taking a hard look at research on development in Europe would surely conclude that this is an 'industry' in urgent need of rationalisation. The products are world class in many areas, to be sure. But the industry is also characterised (a) by a preponderance of small units, with high fixed costs, (b) by a good deal of redundancy, in the sense that the same topics are found on many research agendas, and, (c) in some areas by a worrying lack of market penetration (the European Commission?). It is also an industry in which some units remain very much in the public sector, whereas others operate under market conditions, with small or no core grants. There are also new entrants - for example, the research and policy departments of NGOs - challenging the established players. EADI already has over 150 institutional members, of very diverse character - and its list of members by no means exhausts the potential membership of research producers in Europe. The structure of the industry - of our industry - exhibits a good deal of path dependency. Many units have grown out of university teaching departments. Others are intimately linked to government development cooperation ministries. In these cases, research units meet a local need which is unlikely to disappear.

At the same time, the 'business environment' in which our industry operates is changing fast, and this presents important challenges. Five factors, in particular, are worth mentioning.

First, research capacity in developing countries is growing, and its further growth is a high priority of most donor agencies. Initiatives like Denmark's ENRECA programme, which funds twinning arrangements between Danish research units and counterparts overseas, are sure to grow. In the short-term, many European research units will be looking for collaborators overseas - and probably

competing among themselves to work with the best of these. In the longer term, European research units will need to think carefully about their value-added, perhaps 'moving up the value-chain' to concentrate on research at supra-national level.

Second, the untying of aid is proceeding patchily but inexorably, and will greatly affect European research centres. Already, new programmes are being announced which divert money from national research allocations to international competition. The UK's DfID is a pioneer: its recent competition for two new Development Research Centres, offering a total of 7.5 m euros in funding over five years, was open not just to UK institutions but also to others in the developed and developing world - and indeed attracted bids from Europe, the US, and several developing countries. The research window on European Development Cooperation, EC-PREP, operates in a similar mode. In Europe, the playing field is not level, since some research units receive government subsidies and others do not. World-wide, there will be increasing competition from low cost suppliers in the developing world: Europe will have to work hard to maintain a quality and productivity advantage.

Third, new networks at global level are pioneering a new way of doing business and creating new alliances. Probably the best example is the Global Development Network, which links individual researchers and research networks, promotes research competitions, and funds global research programmes. Individual institutes are able to participate in these activities, but the main focus of attention is on regional networks; the European hub of the GDN is the EU Development Network, currently located in Bonn (but not yet within EADI).

Fourth, the research industry as a whole

faces growing demands for policy relevance and impact. These manifest themselves in requirements on application forms for information about users, dissemination plans and impact measurement; and more generally in monitoring and evaluation systems which emphasise results-based management. Sometimes, the demands go further and result in governments deciding research agendas and coopting research to support donor initiatives. There is a balance to be struck, of course, but most development researchers welcome the opportunity to influence policy. How to do this well is another matter (and the subject of a research programme at the GDN on 'Bridging Research and Policy', currently co-ordinated by ODI). More to the point, how can 150+ research centres in Europe, let alone counterparts in other regions, hope to influence international policy if they work independently?

Finally, development cooperation at the level of the European Union presents both opportunities and challenges to the research community, and both will gain salience as EU enlargement takes place. Neither the opportunities nor the challenges are new, but both are growing. On the side of opportunities, we might cite the growth of framework research and information society programmes and the growing importance of global and development issues in these programmes. The information society programme alone has a budget of 3.6 bn euros over four years for work on knowledge management. More generally, the role of Europe continues to evolve in foreign policy, trade and development assistance, and this creates a continued demand for new thinking. On the side of challenges, most agree that research funds from Europe are hard to access, requiring complex alliances, the capacity to absorb high transaction costs, and the patience to work with a complex bureaucratic procedure. Substantively, there are real challenges involved

in working out how research on Europe can be translated into better policy and practice in Europe.

Some might argue that these changes are relatively unimportant in comparison with other determinants of the status quo - for example, the demand for university level education programmes in development studies, or the pattern of national research funding. That position is hard to sustain, and will become harder as the pace of change accelerates.

What then, might be done?

There are three options. The first might be thought of as the Microsoft option: a hegemonic European research organisation, imposing common standards and selling a homogeneous product throughout the region. It only takes a moment's thought to dismiss this. Quite apart from the heterogeneity of national situations and the need to service development communities in many and highly diverse countries (a problem which has not stopped Microsoft, it might be said), the variety of institutional relationships and funding arrangements make this approach infeasible. Even if it were feasible, the model implies a lack of diversity which is not appropriate to a research industry.

A second approach is more like MacDonalds, a large franchise operation, independently owned, but with all 'outlets' (= research centres) working with common products and styles, to the point where the product is entirely homogeneous. The local context might be a little easier to manage in this model, but again, the lack of diversity would be problematic.

The third option can be derived from the idea of 'collaborative competition' found in certain industries, for example the furniture industry in the Third Italy. Here, firms collaborate on design and marketing, but compete on production. Quality control may be assured centrally. A high degree of trust between members is necessary. Another similar model is to be found in airline alliances (like the Star Alliance adapted for the title of this note): each airline retains its distinctive identity, but there is collaboration in marketing

and a certain amount of operational integration, for example by code-sharing. Again, quality control is critical and trust is essential. For the passenger, the attractions of the Alliance include lower transaction costs and a guarantee of quality. For the airlines, the advantages include an increase in business and some saving on costs.

What would a model of collaborative competition or an alliance model mean for the research industry in Europe? And what might be the role of EADI?

At a minimum, there is obviously a role for better knowledge management, in order to foster relationships and assist research units to operate better in the marketplace. The idea of a detailed data base of individual research projects has proved non-viable in the past, because of the number of people involved and the rapidly changing list of current projects. However, maintaining a register of development institutions might be more feasible, and would be a useful way to identify collaborators and build trust, especially if it was slightly more than a list of names and addresses. There are interesting questions about quality control in such an exercise, but this minimal model leaves decisions about collaboration to individual institutions.

At the same time, an information service about research grant deadlines would help researchers, and an archive of research policies could be created. For example, both Denmark and the UK have recently reviewed development research policy, and the European Commission has received a study on the feasibility of creating a European Research Foundation. All of these have implications for development research institutions around the region. EADI, of course, is already active in this area.

A more ambitious exercise is for the industry, or its representative body, EADI, to be more active in brokering partnerships, taking the first steps towards an alliance model. On particular topics, the EADI working groups and their convenors already play this role to a limited extent and could perhaps do more (subject to time and resources). At the institutional level, the same task could be carried out by setting

up a standing working group of institutes. Quality control issues become more prominent if EADI itself takes a more active role.

To take this idea further, the next step would be a more concerted effort to work together, perhaps identifying research or policy problems of common interest, and then setting up linked programmes under an alliance 'brand'. A specific example might be the further reform of European development cooperation, a topic which needs co-ordinated research and action across the member states. Activities could include: a series of linked working papers, branded as both the originating institute and the EADI alliance; a series of co-ordinated meetings for policy-makers in European capitals; core Briefing Papers, with agreed policy recommendations, translated into various languages and made available in capitals across the region; and joint briefings (though not campaigning) at the European Union or the parliament. Individual researchers and research units would maintain individual research and outreach programmes; but the alliance would facilitate a kind of 'policy code-sharing', and offer benefits to all parties.

No doubt there is more to say. EADI is the obvious organisation to carry forward a discussion on these issues. It has both the authority and (to a more limited extent) the resources. EADI needs a standing working group of institutional members and a work programme. An all-star alliance should be the over-arching objective.

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