

**THE EUROPEAN UNION TRADE, DEVELOPMENT AND
COOPERATION AGREEMENT (TDCA) WITH SOUTH AFRICA:
PROMOTING DEVELOPMENT OR SELF INTEREST?**

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in

INTERNATIONAL RELATIONS

*Make your own notes.
NEVER underline or
write in a book.*

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ABSTRACT

This research analyses development cooperation between the European Union (EU) and South Africa with the objective of determining which between the two entities, ultimately benefits more out of this arrangement. The research goes beyond the altruistic reasons offered by the EU as the rationale for development cooperation to investigate whether South Africa's development is actually being promoted by this cooperation. Further, the research investigates whether there is also EU self-interest that informs this development cooperation. This research is conceptualised within the development aid debate framework. The research argues that this development cooperation is important to South Africa even though its impact is in real terms has not been extensive due to a number of factors. It further contends that there are EU political, security and economic interests amongst others that are being promoted by this development cooperation. The research concludes by asserting that this development cooperation promotes the mutual interests of the EU and South Africa. This conclusion challenges the paradigms of the debate on development aid which is premised in black and white terms of development aid promoting either donor or recipient interests.

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ACRONYMS

ACP	Africa, Caribbean, and Pacific
ANC	African National Congress
BNLS	Botswana, Lesotho, Namibia, and Swaziland
CAGE	Conflict and Governance Fund
CSP	Country Strategy Paper
CGE	Commission for Gender Equity
CFSP	Common Foreign and Security Policy
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
EC	European Commission
EPRD	European Programme for Reconstruction and Development
EU	European Union
FHR	Foundation for Human Rights
FISCU	Finance and Investor Sector Coordinating Unit
GEAR	Growth Employment and Redistribution
HRSDS	Human Resource & Skills Development Strategy
IMS	Integrated Manufacturing Strategy
ISRDP	Integrated Sustainable Rural Development Programme
LED	Local Economic Development
LSP	Legislatures Support Programme
MIP	Multi-Annual Indicative Programme
MDG's	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
NGO's	Non-governmental Organisations
OPP	Office of the Public Protector
PSP	Parliamentary Support Programme
RDP	Reconstruction and Development Programme
RISK	Risk Capital Facility
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAHRC	South African Human Rights Commission
SALGA	Southern African Local Government Association
SETA	Skills Education & Training Authority
SISP	Schools' Infrastructure Support Programme
SWEEP	Sector Wide Enterprise Employment and Equity Programme
WTO	World Trade Organisation

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Chapter 1: Introduction

This research constitutes an attempt to evaluate the development cooperation between the European Union (EU) and South Africa regarding whose interests are being promoted by this arrangement and in what manner. The official documentation that outlines this agreement posits benevolence and altruism as the rationale for the EU's technical and financial assistance to South Africa. As a result, development cooperation is aimed at "contributing to South Africa's harmonious and sustainable economic and social development and to its insertion into the world economy and to consolidate the foundations laid for a democratic society and a state governed by the rule of law in which human rights in their political, social and cultural aspects and fundamental freedoms are respected. Within this context, priority shall be given to supporting operations which help the fight against poverty" (Fioramonti, 2003:10).

As can be deduced from the aims of this development cooperation, its goals transcend the traditional meaning of growth premised in economic terms which uses rates of growth of income per capita to take into account the ability of a nation to expand its output at a rate faster than its population growth. The development espoused in this agreement is in line with Todaro and Smith's conception of development as "a multidimensional process involving major changes in social structures...and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty" (2006:17). In this context the research aims to analyse the nature and content of this development cooperation and evaluate its impact on South Africa in addition to its aims to interrogate the issue of whose interest between South Africa and the EU does this cooperation ultimately benefit and in what manner.

Chapter 2 offers a synopsis of this development cooperation as well as detailing the background information of this development cooperation. Thus development cooperation between South Africa and the EU will be documented from its inception

during the apartheid era through to its evolution in post- apartheid South Africa. This is done so as to present a comprehensive picture of the nature and content of development cooperation through documenting the various changes it has gone through. The chapter also analyses the power dynamics behind this development cooperation and the neo-liberal theory that informs this cooperation thereby not only completing the background information but more importantly pointing out that there are vested interests for the EU in this cooperation agreement.

The focus of chapter 3 is on the contemporary development cooperation between South Africa and the EU from 2003 to 2006. It firstly discusses the development challenges that South Africa faces as well as the various strategies implemented by the government in order to address these challenges. This is followed by the EU response strategy to the South African development needs before an outline of the areas of cooperation identified within the Country Strategy Paper are discussed. Chapter 3 thus sets out the parameters of this cooperation whilst also detailing its contents. This also includes the financing details of this cooperation under the Multi-indicative programme.

This is followed by chapter 4 which seeks to determine another objective of this research which is to offer an evaluation of whether the goals and objectives of this development cooperation tally with the results. Chapter 4 therefore offers an evaluation of this development agreement analysing the various components of this cooperation and its contribution to South Africa's development. This is followed by an assessment of development cooperation as a whole in terms of its relevance, effect and impact on the development of South Africa. Since this development is geared for South Africa, the analysis in this chapter is done from the country's perspective.

In light of the debate on development aid which contends that development aid also promotes donor interests, Chapter 5 sets out to investigate the existence of EU political, economic and security interests within this development cooperation. Thus chapter 5 constitutes an evaluation of development cooperation from the perspective of the EU.

Laid out in this way, development cooperation between the EU and South Africa seems to fit within the wider debate about development aid. However, it is another objective of this research to contribute to this debate by proposing to change the framework from which this debate is argued in using this development cooperation as a reference point.

Chapter 6, the concluding chapter will show that development cooperation between South Africa and the EU cannot be understood in generic terms of promoting either recipient or donor interests but rather is premised on promoting the mutual interests of both parties. The conclusion will show that these mutual interests are not necessarily to be equated with similar interests even though these are also present but simply that development cooperation forms a platform and framework which is not informed by a zero-sum logic but rather a logic that both parties gain from cooperating. Lastly, the conclusion will argue that the concrete proof for the success of development cooperation in promoting the mutual interests of both South Africa and the EU is in the proposed upgrading of this cooperation including the trade cooperation into a Strategic Partnership Agreement which would significantly bring the two partners closer in terms of cooperation on issues of mutual interest amongst other things.

Chapter2: The EU&SA Development Cooperation Agreement: A Synopsis

2.1 INTRODUCTION

Development cooperation between the EU and South Africa is part of the broader cooperation between the two entities which is documented in the Trade Development and Cooperation Agreement (TDCA). The agreement which took effect in January 2000 comprises of a Free Trade Area under trade cooperation, financial and technical assistance to South Africa under development cooperation and general social, cultural and political cooperation between the two. The focus of this chapter is to offer an insight into development cooperation between the EU and South Africa and to analyse its background. This will be done by presenting the evolutionary framework of this cooperation, documenting it from the apartheid era to the post- apartheid era including locating its current context. This will be followed by an analysis of the power dynamics between the EU and South Africa that influence this development cooperation. Lastly, the theory than informs this cooperation will be analysed before presenting a conclusion.

2.2 THE EU &SA DEVELOPMENT COOPERATION FRAMEWORK: A HISTORICAL PERSPECTIVE

The development cooperation between the EU and South Africa that was agreed to and encoded in 2000 within the broader framework of the TDCA should be understood as the culmination of an evolution of the EU's policy towards South Africa that started during the apartheid era. Prior the end of apartheid, four phases of the EU's policy towards South Africa have been identified. These include a phase of consensus between 1974 and 1984; one of conflict in 1985 and 1986; a phase of compromise between 1987 and 1989; and finally, another of reformulation from 1990 (Guelke, 1995:95). What is common between these four stages is that the ultimate

goal of the EU was to dismantle apartheid through a variety of mechanisms which also differentiate the phases. However, the inception of development cooperation has been pinned to the second phase of EU policy towards South Africa. In this phase the EU adopted restrictive measures such as the ban on oil sales, an end to military cooperation, the ban on new investment and an embargo on the importation of iron and steel products and of gold coins from South Africa. However, these economic measures that were meant to pressure the South African government to do away with apartheid were limited in their impact as underlined by the fact that the embargo only affected some 3.5% of the country's trade with the EU (Guelke, 1995: 96). In response to this reality, the EU thus took the positive measure of giving assistance to the forces of change within South Africa through the launch of the Special Programme in 1985 (White, 2001:88). The programme was administered by the European Commission¹ (EC) and channelled aid through Non-Governmental Organisations (NGO's) in five sectors: education and training; health; rural and agricultural development; community development and good governance and democratisation (Guelke, 1995: 96). This can be said to be the start of the development cooperation between the EU and South Africa². The first phase of the Programme ran from 1985-1991 and a total of 402 projects were sponsored worth ECU 130.7 million (Holland, 1997). Given its growing extension, the programme became the "Union's largest, programmable aid programme of any kind" (Tsie, Goodison & Kibble, 1997).

With the advent of political reform in the country in 1989-90 leading to the release from prison of Nelson Mandela in 1990, the EU consequently established a local programme coordination office in Pretoria enabling it to be more directly involved in the identification, assessment and monitoring of projects (Olsen, 1997: 349). This further strengthened the relationship between the EU and South Africa. To back up the unfolding democratisation process and in anticipation of the democratic elections of 1994, the EU continued with its positive measures towards South Africa by selecting it as one of its first 'joint actions' under its new Common Foreign and Security Policy (CFSP) in 1993. The core elements of the joint action included the

¹ The European Commission (EC) is the bureaucratic arm of the European Union (EU)

² However, due to the political circumstances in South Africa at the time, the EU had to provide its assistance through institutions that were outside the fabric of state structures.

monitoring of the election process, the negotiation of a new bilateral economic framework and a commitment to the long-term involvement with the Special Programme of development assistance (White, 2001:91). The selection of South Africa for the EU joint action under its CFSP is especially important in the analysis of development cooperation between the EU and South Africa for as noted by Holland, “development policy, in its broadest sense, is part of the EU’s CFSP personality and one of its instruments” (2002:20). However, more importantly the joint action towards South Africa indicated the country’s importance to the EU conversely signalling the EU’s global aspirations as an international actor. By 1994 the Programme had grown to ECU 110 million per annum, making it the largest single programmable development project in Africa (Holland, 1997).

2.3. DEVELOPMENT COOPERATION IN THE POST-APARTHEID ERA

The advent of a democratic government in South Africa saw a change of focus of the objectives of development cooperation through the shift in the objectives of the Special Programme. In this context, the Special Programme evolved into a general development programme designed to assist the transition towards a stable, democratic, non-racial and prosperous South Africa (Olsen, 1997:351). However, the new South African government had other real practical problems that were proving to be beyond the scope of the Special Programme as it was structured. In response to this gap between the Special Programme and the vast needs of the new South Africa the EU inaugurated a new far-reaching development programme in 1995 within the framework of the European Programme for Reconstruction and Development (EPRD), which substituted the Special programme and broadened its scope (Fioramonti, 2005: 6).

At the same time it is important to note another fundamental shift in this development cooperation. Whereas previously EU development assistance had been channelled through NGO’s and Civil Society, the change towards a democratic government forced the EU to change its strategy of relying solely on NGO’s and instead established the necessary dialogue and cooperation with the government (Olsen, 1997:351-352). This was achieved through the EPRD’s emphasis on Multi-Annual

Indicative Programmes³ (MIPs) and constant dialogue with South African institutions. In light of this, the EU thus began a phase of strict cooperation with the new government. This close relationship with the government can also be seen in the general objectives of EU development policy in the country. During 1995-1996 the EPRD was centred on supporting the Reconstruction and Development Programme (RDP), which was the economic flagship programme of the African National Congress (ANC) in the 1994 electoral campaign and afterwards, whereas in 1996 the objective shifted towards the new national economic programme of Growth, Employment and Redistribution (GEAR) which substituted the RDP, becoming the new central policy of the South African government (Fioramonti, 2005: 6).

Despite this focus of the EU on providing assistance to South Africa's new economic programmes, the Lome' Convention is the trading and development partnership that the new South African government wanted to accede to. The Lome' Convention was the trade and development vehicle for cooperation between the EU and developing sub-Saharan African countries as well as Caribbean and Pacific countries. However, the EU did not view South Africa with its large industrial capacity, developed financial and services sector and sound infrastructure and communications network as a typical developing country (Holland, 1995: 278). Guelke asserts that another objection from EU arose from the fact that South Africa's accession to Lome' was deemed to result in the substantial dilution of the benefits received by existing members of the Lome' Convention which would have proven hard to justify given their poverty in comparison with South Africa (1995:98). In addition Holland also notes that there was almost unanimity amongst Lome' member states on the inapplicability of full Lome' membership for South Africa (1995: 276). South Africa was therefore left with the only alternative, namely to accept the EU invitation to negotiate a comprehensive and long-term relationship.⁴ In April 1997, South Africa's qualified accession to Lome' was signed. Qualified accession to Lome' meant that South Africa was not eligible for non-reciprocal trade preferences and had no access to funding from the European Development Fund. Given the specific status of

³ Multi-Annual Indicative Programmes are an order of Article 6 of Regulation (EC) 1726/2000 of the European Parliament calling for discussions between the government of SA and the European Commission to discuss the programming process of the European community aid.

⁴ In 1994 the EU had extended an offer to the new South African government to negotiate a long term framework for cooperation

'associated' member of Lome, South Africa had started negotiations with the EU in 1995 in order to define a bilateral agreement (Fioramonti, 2005: 6). Protracted negotiations between the two culminated in the TDCA being signed in 1999 and entered into force in 2000. In this agreement, development cooperation is premised on the financial and technical assistance channelled by the EU to South Africa through the EPRD.

2.3.1 CONTENTS/ OBJECTIVES

Within the TDCA framework, the development cooperation section forms the primary focus of this research and is also the contemporary stage of development cooperation between SA and the EU. Title V of Article 65 of the TDCA states that "development cooperation shall contribute to SA's harmonious and sustainable economic and social development and to its insertion into the world economy and to consolidate the foundations laid for a democratic society and a state governed by the rule of law...Within this context priority shall be given to supporting operations which help the fight against poverty (CSP, 2003-06). Development in this context is considered as a multidimensional process involving the reorganisation and reorientation of entire economic and social systems. This also involves changes in institutional, social and administrative structures (Todaro, 1989:62). Development was meant to be achieved through a number of goals including;

- The gradual integration of South Africa into the World economy and trading environment
- Regional cooperation and integration
- Support for democratisation, the protection of human rights and sound public management
- Improvement in living conditions and development of basic social services
- The fight against poverty, paying particular attention to the issue of gender equality and the protection of the environment (EC, 2003).

However, these are general objectives which have to be supplemented by the specific goals of South Africa for particular periods of time. In this fashion, Article 6 of the Regulation (EC) 1726/2000 of the European Parliament and the Council of June 29

2000 on Development Cooperation with South Africa calls for discussions between the government of the Republic of South Africa and the European Commission. These discussions are to draw up the Country Strategy Papers (CSP) and MIP's of European development assistance in favour of South Africa (MIP, 2003-2006). The analysis of the CSP and the MIP for the focus period of this research 2003-2006 will be discussed in the next chapter.

Within the general objectives of development cooperation, it can therefore be deduced that development cooperation between the EU and South Africa is meant purely to aid in the development of South Africa. In other words the financial and technical assistance that the EU renders towards South Africa is explained as an act of altruism. However, sceptics of such altruistic acts in the relations between states are in abundance. Scholars such as Boyce contend that describing aid (financial and technical assistance) as flowing from donor countries to recipient countries is an oversimplification (2004: 21). He qualifies this by stating that "on the donor side, the quantity and quality of aid are shaped by the contending economic, political and institutional devices of government agencies and their domestic constituents..." (Boyce, 2004: 21). What is being alluded to here is that there are always donor interests that shape the quantity and quality of any developmental aid. According to this view the developmental aid of the EU to South Africa being purely an altruistic act is a myth. In light of this contention, chapter 4 will assess whether this cooperation is promoting development whilst chapter 5 will focus on analysing whether it is donor interests that are being advanced. However, the debate about whose interests are being promoted by this development cooperation might have been given impetus by the power dynamics between these two parties. With the EU having more power and leverage this raises questions as to whether it is promoting its interests or merely being altruistic. To further gain insight into this debate it is therefore necessary to understand these power dynamics which are discussed below.

2.4 POWER DYNAMICS BEHIND THE EU & SA DEVELOPMENT COOPERATION

Power dynamics denote the structural dynamics inherent in the cooperation between the EU and South Africa that help explain the nature and content of development cooperation between the two. The most important underlying structures relate to South Africa being a member of the developing states and the EU belonging to the developed states. While acknowledging differentiation within these developing states⁵, they remain politically powerless, economically weak and socially marginalised. This is due to the position of the developed states in the world economy which makes them vulnerable to external factors beyond their control, and to decisions and policies primarily economic which they do not own (Thomas, 1999: 226). These external powers include the great powers, the Bretton Woods Institutions, the world market and multinational corporations. Globalisation and the particular trajectory of capitalist expansion have also increased the risks for developing states deepening interstate and intrastate inequality (Thomas, 1999: 227).

On the other hand the EU belongs to the developed states which “drive the global economic agenda” (Thomas, 1999: 227). Apart from this, the developed states exert overwhelming influence in the global governance institutions even though the G7⁶ countries plus the rest of the EU represent a mere 14% of the world’s population (Sachs, 1998: 22).

This distinction is important in terms of cooperation between developing and developed states. This is so in that whereas developed states view the international system as anarchical due to the absence of a central rule or a central government to curb the aggressive ambitions of states, developing states view the international system as hierarchical (Escude, 1998: 55). Thus for the South states it is the hierarchy of the international system as organised by the great powers and their corresponding neo-liberal political and economic beliefs that constrains their behaviour and choice. The political and economic powerlessness of developing states is further highlighted

⁵ In the early post-colonial period the term was adopted to refer to a self-defining group of mostly post-colonial states, united psychologically in common opposition to colonialism and imperialism.

⁶ The G7 refers to the group of industrialised countries of the World whose members are France, Germany, Italy, Japan, Canada, the USA and the United Kingdom.

in the advent of globalisation with the developed states neo-liberal political and economic principles at the heart of it. Indeed South Africa is cognisant of these factors as noted by President Mbeki's assertion quoted by Carmody that "globalisation, liberalisation and deregulation and the information society...all originate from the developed countries of the North and as such reflect the imperatives of these economies and the levels of development of these countries and therefore...serve the purposes of our rich global neighbours"(2002: 258).

Indeed under conditions of globalisation, development requires a certain kind of domestic political-economic system. "Here a social-market economy combined with political stability and without domestic violence is regarded as ideal. A final international prerequisite currently demands the freedom of movement of capital, an open stock-market and banking sector, and a currency freely convertible at market rates"(Mills, 1995: 6). Thus in view of these factors, the dominance of the North through the globalisation of its political, economic and developmental beliefs dictate the ambit and scope of development cooperation. In other words the development interests of the South and in this case South Africa are conditioned by the international system which is largely a construct of the West and serves western interests. However, focus now turns on understanding why states cooperate in international relations through a discussion of neo-liberalism in the following section.

2.5 NEO-LIBERALISM: THEORY INFORMING THE EU & SA DEVELOPMENT COOPERATION

"Theories of International Relations, no matter how refined and complex they may be, derive their perspectives from their historical and geographic contexts" (Ayoob, 1998: 33). In other words they derive their perspectives from a position in time and space. In this fashion the international environment is especially important in influencing the perspectives of any particular theory. Thus a fundamental change in the international environment has seen a shift in theories promulgating international relations as conflictual to those arguing that international relations are or can be cooperative. Neo-Liberalism falls in the latter school of thought and contends that international relations can be cooperative rather than conflictual (Jackson and Sorensen, 1999: 108). For a number of years the prevailing trend was to equate

international relations with conflict.⁷ However, neo-liberalism represents a change in this perception due to the fact that the international environment on which it rests is different. This international environment is characterised by globalisation which “is a state of the world involving networks of interdependence at multi-continental distances” (Ruggie, 1983). Globalisation also refers to networks of connections (multiple relationships) not simply to single linkages with interdependence being part of contemporary globalism (Keohane and Nye, 2000: 194). Amongst a myriad of these networks, prominence is given to economic networks. Thus globalisation in this respect leads to economic and technological interdependence of states.

Therefore within this specific international system and environment, neo-liberals argue that states are or should be more concerned with the mutual gains they can achieve through cooperation with one another as dictated by interdependence rather than with the relative gains that they can achieve at one another’s expense or by competing with one another (Ayoob, 1998: 36). Mutual gains translate to absolute gains for individual states. It is argued that the mutual/absolute gains that can be achieved through cooperation in an interdependent world are greater than the relative gains to be achieved from competition or conflict. Thus rational choice and common interests dictate that states cooperate to achieve mutual rather than relative gains. This cooperation, if institutionalised is said to dampen down the traditional security competition between states and to mitigate the security dilemma⁸ of states. Baylis asserts that “institutions are seen as being a product of state interests and the constraints which are imposed by the international system itself. It is these interests and constraints, rather than the institutions to which they belong, which shape the decisions on whether to cooperate or compete”(2005: 307). Thus the international system which is globalised and interdependent imposes interests and constraints on states. The major interest in light of interdependence and the commonality of interests and threats is institutionalised cooperation between states while the major constraint is

⁷With no central authority in an international system comprised of states with self interests, uncertainty is a constant. This results in a self-help world in which states seek to maximise their own security even at the expense of others states as they are never sure of the intentions of other states and therefore must always be on their guard (Baylis, 2005: 302).

⁸ A security dilemma is a structural notion in which the self-help attempts of states to look after their security needs tend regardless of intention to lead to rising insecurity for others as each interprets its own measures as defensive and measures of others as potentially threatening.

the ability of states to solve disputes through conflict due to the high price attached from conflict for both adversaries in an interdependent world.

According to Keohane and Martin “institutions can provide information, reduce transaction costs, make commitments more credible, establish focal points for coordination and, in general, facilitate the operation of reciprocity” (1995: 42). This increases trust between states “by providing a flow of information among member states, which consequently are much less in the dark about what other states are doing and why” (Jackson and Sorensen, 2003: 120). Thus institutionalised cooperation between states reduces uncertainty between states and creates opportunities to achieve greater international security (Baylis and Smith, 2005: 308). International institutions are either international organisations or regimes. A regime is “a framework of rules , norms, expectations, decision making procedures and prescriptions around which actor expectations converge in a given issue area... and this framework is based upon recognition of a common perceived need to establish cooperative relations based on reciprocity” (Rittberger and Mayer, 1993: 14).

Development cooperation between the EU and SA thus fits in neo-liberalism’s emphasis on institutionalised cooperation through regimes between actors in international relations. There is a congruence of economic, political and security interests between the EU and South Africa which will be proved in this research and which in turn creates interdependent relations between the two actors. This interdependence is highlighted in the development cooperation agreement between the two which denotes the institutionalisation of cooperation in an agreement that is regulated with rules, norms, expectations, decision-making procedures which qualifies this agreement to be a regime. Such a regime increases the prospect of peace and security not only between the EU and South Africa but between the EU and Southern African Development Community (SADC) states, especially in light of South Africa’s strategic position in the region and serves as a template of neo-liberalism’s institutionalised cooperation’s potential for creating peaceful relations between the north and the south.

This chapter has presented a synopsis of the development cooperation between South Africa and the EU. It has provided a chronological outline of development cooperation between SA and the EU from the apartheid era to the current arrangement documenting the changing environment and focus of this cooperation. However, there are hints that development cooperation seems to be a well calculated move on the part of the EU in light of its evolution. The EU seems to have been well aware of South Africa's strategic position in the SADC region and on the continent once political transition had taken place in the country. Thus the EU chose to be involved in the process from the start. The power dynamics that lie behind this cooperation have also been documented highlighting the North-South divide and further raising questions about whose interests are being promoted by this cooperation, questions which shall be analysed in the following chapters. The chapter has therefore been a synopsis of this development cooperation setting the tone and parameters of the issues and questions of primary concern for this research. These issues and questions will be discussed and analysed in great detail in the following chapters, starting with the next chapter which outlines the development cooperation under review in greater detail and putting it into context.

Chapter 3: The Development Cooperation Framework

3. INTRODUCTION

Development cooperation between the EU and South Africa is premised on the European Programme for Reconstruction and Development (EPRD) which offers financial and technical assistance to South Africa. The EPRD is therefore the gist of the development framework between the two parties which aims to contribute to South Africa's harmonious and sustainable economic development through programmes and measures designed to reduce poverty and encourage economic growth which benefits the poor. Development cooperation also aims to continue integrating South Africa into the world economy and to consolidate the foundations laid down for a democratic society which upholds the rule of law and respects human rights and fundamental freedoms. The programming process of development cooperation is a result of discussions between the government of South Africa and the EC which resulted in a Country Strategy Paper (CSP) and Multi-annual indicative Programme (MIP) in favour of South Africa. This chapter will discuss in turn the CSP of 2003-2006 that outlines the areas of cooperation before analysing the MIP that spells out the financial budgets allocated to the various areas of cooperation and the strategies for implementation.

3.1 COUNTRY STRATEGY PAPER 2003-06

The CSP is the cooperative strategy that identifies the challenges that South Africa faces, its national strategies and policy agenda and formulates a response strategy from the EU to intervene and support the efforts made by South Africa in facing these challenges. It is therefore necessary to present an outlook of the challenges that face South Africa and its policy agenda with respect to mitigating those challenges and promoting development before outlining the EU's response strategy. This is logical for it allows a complete view of the development cooperation picture as it lays down

the challenges and strategies to overcome them on the South African side before outlining the EU response and intervention to promote development. This is critical for outlining the framework for understanding the evaluation undertaken in Chapter 4 which is going to assess the impact and effect of this development cooperation on South Africa.

3.1.1 CHALLENGES FACED BY SOUTH AFRICA

In general, South Africa has made significant progress in achieving macro-economic stability and restructuring its economy in addressing the socio-economic iniquities bequeathed by apartheid's legacy, thus enhancing prospects for future stability and development. That is, "significant steps have been made by the government in terms of social transformation, extending and improving the quality of service delivery to the population" (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 8). However, in spite of these achievements, South Africa still faces significant challenges which include slow economic growth, high and rising unemployment and widening income inequalities (Kenney, 2001: 44). Thus before the implementation of the CSP and the MIP under review, these factors "were considered among the key challenges that the government needed to address to improve living standards and offer better economic opportunities to South Africans"(Calcopietro, von Schirach, Hargovan & Moodley, 2005: 8). These challenges are also compounded by the HIV/AIDS pandemic which is having devastating effects on life and living conditions in South Africa. In late 2004 the South African Department of Health estimated that there were 6.28 million infected South Africans, the largest national total anywhere (Whiteside, 2006: xvi). The situation remains bleak for the United Nations has recently stated that South Africa has the highest number of HIV prevalence in the World (Mail and Guardian Online, 21 Nov: 2007 available at www.mg.co.za/articlePage.aspx?articleid=327703&area=/insight/hiv_aids_barometer/-102k-). It is important to note that these challenges are interconnected and affect each other. Thus some challenges such as slow economic growth become catalysts for other problems creating a chain reaction of difficulties for the country. For instance, slow economic growth results in the maintenance of the high income inequality gap and slows down social development which further slows down service delivery. Likewise, South Africa's HIV/AIDS infection rate of 21.5% for the 15-49 years age

group has a further dramatic economic and developmental impact as “it is estimated that the GDP growth shrinks by as much as 1-2 per cent annually in countries with an HIV prevalence of more than 20 per cent”(Fourie, 2006: 31). Therefore, the challenges noted above and the linkages that result necessitate a response as noted in the national strategies South Africa has adopted to address them. These national strategies are discussed below.

3.1.2 SOUTH AFRICAN STRATEGIES & NATIONAL POLICY AGENDA

Since 1996, the South African government’s socio-economic agenda has been steered by the Growth, Employment and Redistribution Strategy (GEAR), an economic program introduced in 1996 to promote the free market, financial and fiscal discipline, as well as economic growth, job creation, and the development and distribution of basic services to all South Africans (Douad, 2007: 14). It has been noted that GEAR has enabled South Africa to achieve macroeconomic stability and fiscal strength as well as making significant inroads in social transformation and improving the quality of service delivery to the population (May, 2006: 147). However, in light of the persistent challenges highlighted above, the South African government realised that GEAR alone was not sufficient to address these challenges (Steyn, 2005: 192). As noted by Naidoo, “macroeconomic stability is a necessary condition for faster economic growth; it is, however, not a sufficient condition for higher growth” (2005: 108). In light of this, South Africa has moved from macroeconomic stability to microeconomic reform. Microeconomic reform refers to actions designed to deal with blockages to growth. Thus the logical sequence is that poverty can only be reduced if employment rises and employment will only rise significantly if the economy grows faster which is where microeconomic reforms and interventions cut in.

Aspects of microeconomic reform include the Integrated Manufacturing Strategy (IMS) spearheaded by the Department of Trade and Industry (DTI). Here the point of departure is that the developed economy suffered from a lack of cost competitiveness in relation to the global economy (Steyn, 2005: 193). Thus “keeping an open, outward looking economy, willing and able to adapt to world market conditions, is considered as a key component of this integrated strategy”(Calcopietro, von Schirach, Hargovan

& Moodley, 2005: 10). The government's commitment in this respect is seen in its participation in multilateral trade organisations such as the World Trade Organisation (WTO), its conclusion of trade agreements with the EU and its creation of a foreign and domestic investor friendly regulatory economic environment (CPS, 2003/6: 4). Thus, the strategy is basically premised at integrating with the international economy and increased knowledge-intensity in production as key features of the new competitiveness approach. This approach envisages a knowledge based economy in which information and communication technology is at the core of the functioning of the economy. This is opposed to the natural resource and unskilled-labour bases of earlier phases of industrialisation (Machaka and Roberts, 2003: 679).

Competition with international enterprises is meant to result in the domestic market operating more efficiently thereby creating conditions for growth. Also a competitive market, it is argued, will create space for new businesses to be created which can lead to opportunities for poor entrepreneurs (Centre of Development and Enterprise, 2006: 33). The overall intended outcomes and effects of this strategy can be deduced from the goals of the South African government's Microeconomic Reform Strategy. This is the strategy from which the IMS proceeds and it sets out a vision for 'a restructured and adaptive economy characterised by growth, employment equity, built on the full potential of all persons, communities and geographic areas' (Machaka and Roberts, 2003: 697).

Furthermore, the government implemented the Human Resource and Skills Development Strategy (HRSDS) in 2001. This is a reaction to the problems in the labour market because of a mismatch of labour demand and supply and the low levels of education and skills of the workforce (Steyn, 2005: 193). The strategy seeks to address the overall human resource and skills gap in order to meet the demands of labour and enhance self-employment and provide the economy with the trained human resources required (CSP, 2003/06: 4). It is also geared to provide people with a solid educational foundation for social participation and to empower them to develop relevant and marketable skills at further and higher education levels. Hence

the purpose of the strategy is to provide a plan to ensure that people are equipped to participate fully in society, to be able to find or create work⁹ and benefit fairly from it.

The government has also implemented the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Strategy (URS) after their approval by parliament in 2001. The ISRDP forms the blueprint for concerted efforts towards rural development through activities geared towards increasing economic development of rural areas so as to lessen dependency on urban areas ((Kole, 2005: 23). The URS entails coordination of investment in economic and social infrastructure, human resource and enterprise development, the enhancement of the development capacity of local government and poverty alleviation. The ISRDP and URS were also designed “to promote co-ordinated service delivery across the spheres of government to improve the lives of very poor communities and enhance progress in selected geographic areas” (CSP, 2003/6: 4). In this case economic development transcends the classic growth in per capita income to include growth plus social change and development. Thus socio-economic improvement in this strategy is facilitated more by local economic development through infrastructure provision, community mobilisation as well as capacity building initiatives (Kole, 2005: 23). These initiatives are aimed at advancing the activities of the poor and marginalised in reducing poverty levels. Implementation will make use of existing capacity and develop new institutional, planning, management and funding mechanisms to focus the expenditure of national, provincial and local government to respond to the needs of local areas more effectively and efficiently (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 10). This is meant to address the capacity and institutional limitations of provincial and local governments in basic service delivery and project management.

With regards to health in general and the HIV/AIDS pandemic in particular, the government implemented the Health Sector Strategic Framework as well as the HIV/AIDS Strategic Plan for the period 2000-2005. These set out key objectives in terms of quality of health services through the strengthening of the District Health and Primary Health Care Systems. With significant budgetary allocation, special attention is given to decreasing the incidence of HIV/AIDS, other sexually transmitted

⁹ This is not a narrow understanding of work and must be understood as the full range of activities that underpin human dignity by achieving self-sufficiency, freedom from hunger and poverty, self expression and full citizenship

infections and tuberculosis (CSP, 2003/06: 5). Furthermore, the Medicines and Related Substances Amendment Bill that aims to curb the spiralling cost of medicines and to make them more widely available was tabled in Parliament in 2002 (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 10).

In line with its poverty reduction policy, the government also targeted 100% water supply and sanitation by the year 2008 and 2010 respectively (CSP, 2003/6: 5). Water is the most basic human need and is crucial for human development. The policy already set by the government is based on the National Water Services Act (no 108 of 1997), the National Water Act; Municipal Structures and Municipal Systems Acts (1998 and 2000) as well as in the Free Basic Water Policy adopted in 2001. This policy is part of the government's efforts and focus on the delivery of basic services to all which are pre-conditions for economic and social development. The Strategic Framework for Water Services that was approved by cabinet in September 2003 constitutes a 10 year framework for the development of the water services sector in the country.

Lastly there is also focus on governance issues within the strategies and national policy agenda of South Africa. Governance issues are prioritised through implementation of policies and the delivery of services which calls for greater coordination between the various spheres of governance at the national, provincial and local levels. Hence the CSP alludes that "in this context the objective of integrated governance is reinforced by stronger co-ordination among central co-ordinating departments and the grouping of 23 government departments in five cabinet clusters sharing common sectoral challenges"(2003/06: 5) . Co-ordination between national and provincial departments is being strengthened at policy and management level. In this new strategy "local governments are expected to play an increasingly important role in the implementation of policies¹⁰, especially in the delivery of services and the promotion of economic development" (CSP, 2003/06: 5).

¹⁰In addition to the Constitution and the Municipal Demarcation Act, the Municipal Structures and Systems Acts and the Division of Revenue Act together set the framework for the devolution of functions to local governments

3.2 THE EU RESPONSE STRATEGY

The response strategy forms the policy basis of the EU development cooperation with South Africa. According to the CSP “the overall objective of the EC response strategy is to strengthen political cooperation and to support SA policies and strategies to reduce inequality, poverty and vulnerability...” (2003/06: 15). In this regard, the EU does not claim to have a separate development agenda or policy but rather to respond and intervene to compliment and aid South African initiatives in meeting its challenges and promoting development. The EU response strategy focuses its cooperation on four main objectives listed in order of importance. These are, equitable access to and sustainable provision of social services, equitable and sustainable economic growth, deepening democracy and regional integration and cooperation (CSP, 2003/06: 15). The hierarchical order of these objectives is what the EC argues to be congruent with the major strategies of the South African government to deliver social services to the majority of its people and to promote sustainable economic growth. Furthermore, the EU has integrated cross-cutting issues in development programmes to support and strengthen the impact of cooperation based on these four objectives. Cross cutting issues identified include addressing HIV/AIDS, building capacity, strengthening civil-society and other non-state actors’ involvement, improved governance, a healthier environment and eradicating gender imbalances (CSP, 2003/06: 16). These issues are also important in that they create synergies and linkages between different areas of cooperation and their full integration is seen as crucial in achieving the purposes of each area of cooperation.

The Response Strategy is also sensitive to the disparities in development in provinces and aims to target its support to the three most economically deprived provinces of KwaZulu Natal, the Eastern Cape and Limpopo in order to contribute to redressing the inequalities and imbalances of the past. These provinces have high poverty and HIV rates (Wilkins, 1996: 86-87) which validates the growing trend that poverty and economic underdevelopment repeatedly appear to accompany the rapid spread of HIV infection (Preston-White, 2006: 366). Within these three provinces, special attention will be given to the urban and rural development nodes identified in the Integrated Rural Development and Urban Renewal Strategies as priority areas for intervention.

3.3 AREAS OF COOPERATION

The objectives of the EC Response Strategy mentioned above thus translate into the areas of development cooperation between the EU and South Africa for the period under review from 2003 to 2006. There is need to discuss these areas of cooperation in detail as they constitute the framework where the EU development assistance or more specifically the EC response strategy interact with the South African strategies and policies to contribute towards development. This discussion therefore allows for an in depth analysis of this development cooperation. Included in this discussion of the four focal areas of cooperation are the cross-cutting issues mentioned in the EU response strategy. This discussion follows below in chronological order of importance.

3.3.1 EQUITABLE ACCESS TO AND SUSTAINABLE PROVISION OF SOCIAL SERVICES

It has been noted that despite considerable progress in socio-economic terms, vast backlogs exist in the provision of social infrastructures and services resulting in many of poor South Africans being deprived of access to social services (Coetzee, 1994: 37). In this regard, scholars such as van der Berg and Burger have asserted that service delivery is vital for alleviating poverty in South Africa (2005: 483). In light of the above mentioned backlogs in social infrastructures and services the EC has prioritised three sectors in which to support the efforts of the South African government to increase access of social services to the poor and increase their quality of life.

The first sector prioritised is the Health Sector. In this sector the “purpose of future co-operation will be to contribute to increased access, quality and use of health care services, including the continuum of care for HIV/AIDS, by disadvantaged populations”(CSP, 2003/06: 17). The rationale for this cooperation seems to stem logically from reviews of health services in South Africa which stress the dominant challenges as “lack of coverage, severely limited funding and a lack of well-trained staff to deliver the services that are planned and reflected in policy documents”

(Preston-White, 2006: 369). This in turn affects the accessibility and quality of health care.

The Human Resource Development Sector is also on the agenda. This is so because South Africa has high levels of unemployment which is regrettable because unemployed people are not able to make a contribution to the production of goods and services to the economy. This means that the economy is sacrificing much needed economic growth and development (Roux, 2002: 49). In s line with this “the EC will support the Government’s Human Resource development strategies aiming to foster the development of a fully functioning education and training system that will contribute to the social uplifting of the poor by developing skills responsive to the societal and economic needs of the country” (CSP, 2003/06: 18). Attention will also be given to lessen the impact of the HIV/AIDS pandemic on the education sector.

Lastly, the EC has targeted the Water and Sanitation Sector with the aim of improving the access and use of water and sanitation to rural areas which constitute the areas where these services are most needed. This denotes a holistic approach to development as poverty is also understood to mean the absence of basic needs in the form of physical infrastructure(sewerage, water etc) and social infrastructure(clinics, schools etc)(Davids, 2005: 38). As such focus will be directed towards “the development of appropriate technologies, the transfer of existing schemes to local governments or water boards, affordability and sustainability of services provided together with the inclusion of gender and environmental considerations.”(CSP, 2003/06: 18).

3.3.2 EQUITABLE AND SUSTAINABLE ECONOMIC GROWTH

Roux posits that economic growth is not the same thing as human progress (2002: 34). The EC seems well aware of this fact as is espoused by its two pronged approach of supporting the South African government’s efforts at the national and the local level to contribute to the acceleration of economic growth, equity and employment. At the national level this takes the form of supporting the implementation of the Integrated Manufacturing Strategy (IMS), which aims to build a modern and competitive manufacturing industry (Douad, 2007: 14). In other words, the EC will

bolster the efforts of the government “in the field of microeconomic reform to enhance incentives and remove obstacles that prevent economic agents from responding positively to demand and improved macroeconomic environment” (CSP, 2003/06: 19). This is seen as part of the challenges of resolving problems associated with slow economic growth, high unemployment and economic inequalities in South Africa.

As to the local level, local development initiatives¹¹ are targeted with the aim of “stimulating pro-poor growth by contributing to the creation of local enabling environments, focusing on linkages between a wide range of local productive activities and improving access to information, assets and services”(CSP, 2003/06:19). Within the local development context, participation of local governments and communities is vital. This builds on the impetus of the SA government which has been promoting local economic development (LED) initiatives as a central facet of policy and planning for both urban and rural construction (Philander and Rogerson, 2001). Here incorporated are the cross-cutting issues of governance and non- state actors’ involvement in the development agenda which are important for achieving sustainable development as they ensure a broad based and inclusive management practice of development processes.

3.3.3 DEEPENING DEMOCRACY

Institutionalising democracy is not an end but a process and much still needs to be done to consolidate democracy in South Africa. In this area of cooperation, the aim of the EC is to contribute to strengthen the social capital and democratic values with a specific focus on the local level. Aspects through which this is meant to be achieved include firstly crime prevention focussing on violence against and amongst vulnerable groups especially women and children. South Africa has a high crime and violence rate which affects the rights of citizens and vulnerable groups in particular (Douad, 2007: 17). In this respect the EC will support crime prevention initiatives through improved interaction and cooperation between law enforcement agencies,

¹¹ These local development initiatives are targeted preferably in the areas identified by the URP and the IRSDS so as to create synergies and complimentary linkages with the government’s efforts in the same areas identified by the government within the framework of its URP and IRSDS initiative

communities and civil society as well as ensuring accountability and respect for human rights standards by all actors in the Criminal Justice Systems sector (CSP, 2003/06: 20). Civil Society as a cross-cutting issue has therefore been accommodated in this area of cooperation.

The EC focus is also on improving local democratic processes. This is so because local governments have been empowered to have an important role in the development process. This has been done by implementing the new structures of local government defined by the Demarcation Act adopted in 1999, and the establishment of new Local Authorities following the December 2000 elections (CSP, 2003/06). This automatically raises issues of accountability, capacity building and the participation of local communities as prior to 1994 local governments were mainly concerned with service delivery and implementation of regulations (Theron, 2005: 133). The EC hence aims to deepen democracy by increasing the accountability of local governance structures, whilst improving their capacity to enable them to fulfil their mandate and encouraging the participation of local communities (CSP, 2003/06: 20). It is argued that this will strengthen local democratic processes as well as the effectiveness of local government structures. Capacity building, non state actors' involvement and governance as cross-cutting issues proliferate within this strategy and are important features for sustainable development (Theron, 2005: 133-135).

3.3.4 REGIONAL INTEGRATION & COOPERATION

The EU's trenchant belief in regional integration as a vehicle for economic and social development is well documented. European Commissioner Michel has observed that "South Africa has taken on a pivotal role in Southern Africa and throughout the continent, which is reflected in its international profile and its commitment to multilateralism" (European Commission, 2006). In light of this, the EC's cooperation "purpose is to promote the active participation of SA in the regional integration process in the SADC region and to promote peace, democracy and good governance on the African Continent" (CSP, 2003/06: 20). This support is argued to be logically consistent as it helps South Africa to continue playing its pivotal role in the region and on the continent at large. To this end, the EC will support "initiatives and interventions in the area of intra-regional trade (including trade liberalisation, customs

procedures, the removal of technical barriers to trade and investment promotion, the development of a regional capital market and cross-border payments and preparation for international trade negotiations) at SADC and SACU level”(CSP, 2003/06: 20). Regional New Partnership for Africa’s Development (Nepad) initiatives that factor in cross-cutting issues of good governance, capacity building and civil society participation originating from South Africa will be promoted by the EC.

3.4 MULTI-ANNUAL INDICATIVE PROGRAMME (FINANCING & IMPLEMENTATION)

The Multi-annual indicative programme is what projects the practical intervention framework of each of the areas of cooperation outlined above in terms of financial assistance and the modalities of implementation. Financial assistance of the cooperative strategy between the EC and South Africa is mainly through the EPRD Budget line with an indicative allocation of 515 million Euros for the 2003 to 2006 period (MIP, 2003/06: 22-23). The areas of cooperation have been described substantially above therefore what will be presented next are the financial allocations, the modalities of implementation and location of these projects of development cooperation. Target areas are in the same chronological order as mentioned under the areas of cooperation above.

3.4.1 TARGET AREA 1

This sector being the top priority of the cooperation strategy has been allocated 40%-50% of the budget which translate to about 200 to 250 million Euros. For the Health Sector, the strategy will evolve around support for improved access to and use of health care with emphasis on HIV/AIDS mainly in KwaZulu Natal, Limpopo and Eastern Cape Provinces (MIP, 2003/06: 24). The intervention will be co-funded with national and provincial governments. The EC support will benefit public primary health care services and first referral systems (including HIV/AIDS) and public/private partnerships in delivery of primary health care services in targeted areas (MIP, 2003/06: 24). In terms of implementation, proposals will be called for to carry out knowledge development initiatives in the areas identified above. The Government policy in Health, the Health Sector Strategic framework 1999-2004 and

the HIV/AIDS/STD Strategic Plan 2000-2005 constitute the framework within which this cooperation is implemented and operates.

In Human Resource Development, EPRD financing will aid towards reducing the backlog in school infrastructure and services in targeted nodal areas, improving the quality of further education and training bands of the National Qualifications Framework. This will be to anticipate, and respond to specific and emerging skills needs (MIP, 2003/06: 25). Implementation will take the form of sub-sector programmes to be agreed with the relevant national and provincial departments. For skills development, the support programme will be developed with the Department of Labour together with the Department of Education (MIP, 2003/06: 25).

In terms of Water and Sanitation the EC will support access to and use of water services and sanitation facilities in under-served rural areas in KwaZulu-Natal, Eastern Cape and Limpopo Provinces. In these provinces “support will be provided to the delivery of services to reduce the water and sanitation backlogs with an increasing use of appropriate technologies to improve the management and sustainability of water services” (MIP, 2003/06). In terms of implementation a sub-sector programme with performance based budget support will be co-financed with the government and other donors. Institutional development and capacity building will be supported at national, provincial, local and community levels. This is in tune with Mogale’s view that to reduce historical socio- economic backlogs through service delivery to local communities, it has become vital that a strong and synergetic partnership between central and local government, civil society and donor communities be galvanised (2003: 216). The main beneficiaries identified will be the Department of Water Affairs and Forestry (DWAF), the Department of Provincial and Local government (DPLG) and the South African Local government Association (SALGA) at the national level and waters services authorities and providers as well as community based organisations at the local level.

3.4.2 TARGET AREA 2

This area has been allocated 20-30% of the total budget which is an indicative amount of 100-150 million Euros. This is geared to contribute to the acceleration of growth,

equity and employment at national and local levels. At the national level the EC will support the implementation of the Integrated Manufacturing Strategy, with a sector support programme with budget support (MIP, 2003/06: 26).

At the local level, the EC will support a local economic development programme in the Eastern Cape possibly co-funded with other donors who have a presence in the Province (MIP, 2003/06: 26). Also in the Eastern Cape “an Urban Renewal Programme will be supported, with a focus on improved service delivery and access to economic opportunities, capacity building and governance of different stakeholders involved” (MIP, 2003/06: 26).

3.4.3 TARGET AREA 3

The EPRD will contribute to the strengthening of social capital and democratic values at local level using about 75-100 million Euros which is about 15-20 per cent of the total allocated funds. This cooperation will be realised through crime prevention and the promotion of community participation and accountability of the Criminal Justice System (MIP, 2003/06: 27). Special attention will be given to the respect of human rights standards in the implementation of the crime prevention and crime combating strategies.

Implementation of this strategy will include three major programmes. The first is a programme to support policing in the Eastern Cape. This will focus on crime prevention and, in particular, violence against women and children (MIP, 2003/06: 27). Secondly there will be a programme to support local democratic processes through specific and targeted capacity building programmes for relevant stakeholders such as local authorities, the South African Local Government Association (SALGA) and Local Development Skills Education Training Authorities (SETA). Lastly, there will be a call for proposals to fund civil society advocacy initiatives on specific themes critical for the South African and Regional development agenda, including democratic governance issues (MIP, 2003/06: *ibid*). Civil Society is argued to be critical to the democratic process not only through participation but in the development agenda as well by bringing new ideas and angles of approach to the development process.

3.4.4 TARGET AREA 4

In this area of cooperation, the EC aims to support cooperation and integration processes at NEPAD, SADC and Southern African Customs Union (SACU) level, with specific attention to the regional dimension of the focal areas of cooperation with South Africa (MIP, 2003/06: 27). This support is augmented by an indicative amount of 50 million Euros from the EPRD budget. Regional integration and cooperation will be supported specifically by implementing the SADC regional integration programme. Priorities will be to increase regional trade, improve efficiency in the use of transport and communications and improving water resources management (MIP, 2003/06: 27). In this context, EC support seems to be pushing for both developmental and market led integration¹². According to Molefi “the former approach is vital for societies that are still pursuing policies intended to change the status quo created by past legacies, whereas the latter is effective for distribution of benefits with limited government intervention”(2003: 49). As to the regional dimension of focal areas of cooperation with South Africa, the EC will support the regional component of the IMS focussing on the removal of financial and technical barriers to trade within the SADC trade protocol framework (MIP, 2003/06: 27). Lastly, the EC states that other programmes could be supported as a result of specific NEPAD initiatives.

3.5 CONCLUSION

This purpose of this chapter was to comprehensively discuss the development framework between the EC and South Africa. This development cooperation was broken down into two interlinked parts in the form of the CSP and the MIP. The CSP focussed of the development challenges and the strategies to achieve development from the South African side as well as the response strategy of the EC to these

¹² The Developmental model emphasises that industrialisation should be the first priority before market integration implying that economic and structural transformation must take place with diversification away from commodity products whereas a market-led approach involves the lowering and removal of trade barriers between states in the region to increase the trade level between them (Molefi, 2003: 46)

challenges so as to contribute to development. The MIP mapped out the financing aspect of this response strategy as well as the practical intervention framework of this response strategy. Also included in the MIP discussion was the incorporation of the cross-cutting issues which were identified in the response strategy as critical to augment the objectives of the response strategy.

This chapter has presented a holistic outline of the development cooperation between these two partners by setting out the challenges to South Africa's development and the agenda and commitment to mitigate these challenges and promote development. Consequently this chapter has also laid the ground work for the next chapter that evaluates this development framework in terms of matching rhetoric and practice and the overall impact of this development cooperation on its contribution to the development of South Africa.

Chapter 4: Assessment of the EU-SA Development Framework: The South African Perspective

4. INTRODUCTION

This chapter forms the analytical framework of the development cooperation between the EU and South Africa. The CSP states that the overall objective of the EU-South African cooperation for the period 2003-06 is to strengthen political cooperation, and to support the South Africa's policies and strategies to reduce inequality, poverty and vulnerability and to mitigate the HIV/AIDS pandemic and its impact on society (2003/06: 1). The EU development strategy for realising this objective was the concern of the last chapter. In light of this, this chapter goes a step further and seeks to determine whether the EU development assistance has been a success. In other words this chapter analyses whether the objectives of the EU's development assistance have been achieved and thus promoted development. As the research aims to inquire whether development cooperation is promoting South African development or European self interest, this chapter assesses this cooperation from a South African perspective. This involves analysing the development cooperation programmes and projects and giving a general value judgement as to the relevance, effectiveness and impact of these programmes and projects (development cooperation) to South Africa.

4.1 METHOD OF EVALUATION

The CSP contains a specific response to South Africa's development agenda which targeted four focus areas for precise intervention. Therefore evaluation of development cooperation will take the form of assessing these specific interventions. That is, whether the Commission's interventions in the specific areas of co-operation have produced results and achieved the intended impact with respect to each area of co-operation strategy's objectives. The EC also purported to integrate cross-cutting issues in development programmes to strengthen the impact of cooperation in its four

focal areas of cooperation. The chapter will also probe whether these cross-cutting issues have been incorporated in development projects and programmes or not. However, it is not possible to make a value judgement of development cooperation in relation to South Africa when analysing programmes or projects in isolation. Hence the need for a broad or general evaluation of development cooperation (CSP) as a complete package focussing on its relevance to South Africa and its challenges. Thus an evaluation of development cooperation will be done focusing on the relevance, efficiency, effect and impact of the development cooperation in relation to South Africa.

4.2 AREA OF COOPERATION 1: AN EVALUATION

In this area of cooperation the question that guides the evaluation process is to ascertain whether EC development cooperation and assistance has made an impact on the equitable access to and sustainable provision of social services as it was meant to do. Interventions in this area of cooperation focussed on three sectors namely Health, Education and Water and Sanitation. These form the hub of analysis in this area of cooperation.

4.2.1 HEALTH SECTOR

In this context, the EC programme by focussing on HIV/AIDS is congruent with the priorities of the South African government in the Health sector. Thus the support to the work on HIV/AIDS is relevant and very important. However, overall impact is very modest due to the magnitude of the problem and the significant social and economic impediments that in the past created problems for the organisation of a comprehensive response to HIV/AIDS (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 21). This can be attributed to the reactive rather than proactive attitude of the government, the general lack of political will and the severe social stigma attached to the epidemic and general poverty. These are obstacles which are not of the EC/EU doing and beyond its control. For example, with regard to political will, Preston-Whyte reflects that “the governmental response to the AIDS epidemic has been controversial, divisive and, for many its supporters, bewildering, inexplicable and deeply distressing (2006: 361). Nevertheless, beyond HIV/AIDS, the

EC also contributed to the revitalisation of health care facilities in general, with special focus on the rural areas, through The Public Health Sector Support Programme, concluded in 2004 (Calcopietro, von Schirach, Hargovan & Moodley, 2006: 361). This has helped increase access and usage of primary health care services and first referral systems. The EU partnership for the delivery of primary health care has contributed to the government policy of ensuring health care delivery through a combination of public and private sector agencies. The programme assists the National Health Department to improve hospital and primary health care management systems and competences. Support to communities affected by HIV/AIDS has been improved and provided by selected non-governmental organisations in selected districts and municipalities through non-profit organisations (AIDS Consortium, AIDS Law, AIDS Foundation, AREPP Educational Trust, Centre for Health Policy, Soul City) (European Delegation to South Africa, 2007). This is effective, especially at local levels as primary health care services and referral systems have become accessible to some dispersed populations specifically in rural areas. The programme has thus assisted the government in fostering its social contract with the communities in the health sector as well as ensuring society's role in the delivery of health services in communities (PDPHCP: 2006).

However there is an upshot to the EC programme caused by the health sector which is under severe stress in general. HIV/AIDS has caused severe health care delivery costs as a result of HIV/AIDS patients coupled with the massive brain drain of qualified and experienced personnel such as doctors and nurses. Thus "in this problematic context, a limited EC programme can only marginally affect, let alone modify, a difficult environment. The interventions are needed, some people are positively affected; but the foot print is small, almost by definition."(Calcopietro, von Schirach, Hargovan & Moodley, 2005: 21-22).

4.2.2 HUMAN RESOURCE DEVELOPMENT SECTOR (EDUCATION)

In this context the EC sought to support the Government's Human Resource development strategies. These aimed to foster the development of an education and training system with the capacity to contribute to the social uplifting of the poor by

developing skills responsive to the societal and economic needs of the country. In light of the inefficiencies in the education and skills development nexus within the framework of microeconomic challenges facing South Africa (Naidoo, 2006: 109), the relevance of this support is beyond question. Indeed the South African counterparts recognise and appreciate the value of EC assistance (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 21). This attests to the positive impact and effect of EC assistance in this sector. Infrastructure assistance has also been rendered through the Schools' Infrastructure Support Programme (SISP). Under SISP school facilities (primarily classrooms, furniture and fittings, water, sanitation and electricity) have been supplied to under-resourced schools in three of the country's poorest provinces, the Eastern cape, KwaZulu-Natal and Limpopo (EC Delegation to South Africa, 2007). The EC also provided aid to the Department of Education (Division of Higher Education) that established a programme of student loans for previously disadvantaged youth. This provided not only bridge-finance but also strategic support, capacity building and transfer of knowledge.

However, with regard to systematically integrating the cross-cutting issue of HIV/AIDS in this sector there have been problems. The Department of Education is said to have met obstacles in the difficulties in complying with EC financial regulation "on the way to implement a programme with high add-on potential (capacity building at University level to enable institutions to deal with HIV/AIDS prevention)" (Calcopietro von Schirach, Hargovan & Moodley, 2005: 21).

4.2.3 WATER AND SANITATION

The EC decided to provide budgetary support to the Strategic Framework for Water Services Programme (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 21). Masibambane I and II have been implemented with the overall objective of providing basic water supply and sanitation services to selected poor rural communities in three provinces (Northern Province, KwaZulu Natal and the Eastern Cape). Assessment of performance of the programme against the agreed indicators¹³ has shown that 90% of

¹³ Main indicators for successful implementation of the programme are:

- Water and sanitation services policy prepared and adopted and a "service orientation" generally accepted within the sector.

the programme objectives were met (EC Delegation to South Africa, 2007). However, the value of this support rests mostly in the ability to influence the policy direction rather than the amount of aid that is delivered compared to the total South African budgetary allocation. “Arguably, the very ability to sharpen the focus of the whole national programme is a contribution to improved quality of planning and delivery and thus to poverty alleviation” (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 21).

4.3 AREA OF COOPERATION 2

In evaluating this area of cooperation we ask whether the EC assistance programme has contributed to the acceleration of equitable and sustainable economic growth, stimulation of local economic development and in reducing regional/provincial disparities. A two pronged approach to supporting the acceleration of economic growth, equity and employment has been adhered to focusing on the national and the local levels.

4.3.1 INTERVENTIONS AT THE MACRO- LEVEL

At the national the EC supports the implementation of the Integrated Manufacturing Strategy (IMS) goals of increasing competitiveness of the manufacturing sector via the Sector Wide Enterprise, Employment and Equity Programme (SWEEP). The EC contributed €25 million towards the cost of the implementation of the IMS during the financial year 2004-2005 and 2005-2006 and a further €25 million in additional support is contemplated for the two years beyond that (EC Delegation to South Africa, 2007). Calcopietro, von Schirach, Hargovan & Moodley assert that “through this sector budget support scheme the EC allows the Department of Trade and Industry (DTI) to further its backing of small businesses, in particular businesses held

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- Sustainable water and sanitation services established in the three targeted provinces
 - Functions being performed and responsibilities being accepted by each level and sphere of public institution responsible for water services in terms of the Water Services Act.
 - Strategic leadership provided to the sector by DWAF Head Office and Regional Offices.
 - Effective models of water services providers established where appropriate including the use of the private sector.

by previously disadvantaged persons, at different levels”(2005: 23). It has been noted that the DTI is appreciative of the funding.

In the sphere of direct interventions, attention is centred on the Risk Capital Facility (RISK) a €50 million fund that provides risk finance to historically disadvantaged persons active in the small and medium enterprise sector. RISK provides gap finance, either in the form of equity or debt instruments, which would not otherwise be available to these businesses, with their inherently high-risk profile (EC Delegation to South Africa, 2007). According to Calcopietro, von Schirach, Hargovan & Moodley the RISK “scheme has various positives. It fosters the creation of new enterprise in segments where none or few could have the opportunity to be created. It adds to employment in disadvantaged social strata, thus contributing to poverty alleviation” (2005: 22). In light of this RISK is highly relevant given South Africa’s high unemployment rate and poverty levels. It offers equity and debt instruments to entrepreneurs in the informal economy who do not qualify for these in banks thereby increasing their potential for growth. Growth means employing more people and further reductions in poverty. However, it seems that there is little knowledge of the scheme amongst the majority of South Africa who would qualify to benefit from the scheme. As a result this limits the impact of the scheme. Thus Calcopietro, von Schirach, Hargovan & Moodley note that “Provided that quality effort will be spent in publicising the innovative value of this initiative in all relevant quarters within South Africa, this may very well prove to be one of the most valuable contributions to South Africa’s efforts at improving the socio-economic conditions of previously marginalised citizens, while creating new employment” (2005: 22).

4.3.2 INTERVENTIONS AT THE MICRO-LEVEL

LED refers to the ability of local areas to achieve both economic growth and economic redistribution sometimes referred to as pro-poor economic growth. EC involvement in local economic development includes Support to the Wild Coast Spatial Development Initiative (EC Delegation to South Africa, 2007). The Wild Coast refers to the coastline of the formerly Transkei area of the Eastern Cape and the aim of the programme is to achieve economic and social development of the previously disadvantaged communities through nature-based enterprises, and to

develop capacity for local authorities and communities to support environmental management. However Wright notes that the EU's development approach was exclusionary¹⁴, lacked a participatory ethos and did not support an enabling environment for capacity building. "This resulted in a programme with unrealistic objectives, time frames and resources allocations; a programme resisted by provincial and local government" (2005: 1). Thus the intended outcomes were not achieved.

As the role of local government in economic development became more relevant, strengthening Local Government Capacity (Mpumalanga and Limpopo) aimed at delivery of infrastructure by municipalities became part of the EC's LED portfolio. This programme helped increase the capacity of the local government in Mpumalanga and Limpopo. According to the EC the Programme of Support to LED in KwaZulu Natal made very significant strides in 2004. The first half of the year was taken up implementing a rather diverse and useful set of preparatory activities to support the rapid implementation of the Programme. In September 2004 the long-term technical assistants arrived and were able to immediately focus on programme delivery (EC Report, 2004). However, in Limpopo the EC's LED programme experienced difficulties which saw for example, the Institutional Strengthening of Public Works Programme being closed in April 2004 with almost half its budget unspent. As the Programme implementation period expired early in 2004 it was able to provide only limited support to the transition to the new Expanded Public Works Programme (EC Report, 2004)

The EC acknowledges the problems it has faced with respect to LED in South Africa. In light of the failure of its LED programmes, the EC has stated that "LED discussions in South Africa are often complicated by ideological, conceptual, methodological and institutional debates. The LED Programme of the European Commission in South Africa has, historically, not proved to be entirely immune to these complexities. The result has been a lack of clear direction which has constrained the implementation of several of the Delegation's LED Programmes"(EC Report, 2004).

¹⁴ Motivation for the exclusionary EU development ideology is driven by a risk management strategy. This approach allows the EU to hold power in the development process, whereas an inclusionary participative development approach requires the EU to relinquish existing levels of power and control. This may increase the risk of an unexpected outcome and associated exposure to financial risk (Wright,2006:1)

4.4 AREA OF COOPERATION 3

In area of cooperation 3 we analyse to what extent the EC assistance has contributed to the strengthening of social capital and democratic values. The general observation is however that the interventions are varied and diffuse focusing mainly on good governance and civil society.

4.4.1 CIVIL SOCIETY ADVOCACY

A programme entitled Support to Civil Society Advocacy, was approved as a four year initiative designed on the basis of a study at the instigation of the South African Human Rights Commission (SAHRC), the Office of the Public Protector (OPP) and the Commission for Gender Equality (CGE), three bodies mandated under Chapter 9 of the Constitution to serve as guardians of democracy and human rights (EC Delegation to South Africa, 2007). The programme is meant to address the weakness of civil society advocacy in the targeted provinces (Limpopo, KwaZulu-Natal and the Eastern Cape) and the under-capacity of the three Chapter 9 institutions meant to promote and protect human rights and civil society organisations to facilitate access of vulnerable groups to constitutional rights, a contributing factor to the poverty, vulnerability and lack of development in many communities. However, there have been considerable technical and administrative delays which only saw the Programme recruiting its implementation coordination staff during the first half of 2005 (EC Delegation to South Africa, 2007). Another initiative of the EC, the Conflict and Governance Fund (CAGE) has also faced institutional obstacles and delays. CAGE is a grant-making facility that aims to provide assistance to Government and State institutions in the areas of policy making, implementation and review. It only began to operate in 2006.

Thus while the objective of strengthening democracy makes these programmes relevant to South Africa in light of its young democracy the impact and effectiveness of these programmes is difficult to ascertain due to the delays and institutional obstacles faced in the way of implementation. Nevertheless in terms of having to reschedule deadlines and resources wasted in terms of finance and time it is logical to downplay the impact and effectiveness of these programmes.

EC democracy assistance to South Africa is also in the form of assistance to Community-Based Organisations (CBOs), a rather appropriate instrument to oppose civil society decline and encourage grassroots political development (Fioramonti, 2006:10). Amongst the beneficiaries is the Foundation for Human Rights (FHR), an independent institution that focuses on vulnerable and marginalised groups and seeks to address inequalities and promote and deepen awareness about human rights' values. The main aim of the programme is to improve access to justice for vulnerable groups, to promote the transformation of the legal sector including the judiciary, magistracy, legal profession and the paralegal sector, to utilise litigation to realise rights and to ensure an effective and more even legal system (FHR, 2007). Moreover, the FHR has worked on establishing a network of organisations and institutions with the aim of getting them to work together: most of these organisations are legal clinics and lawyers' associations capable of giving advice to small organisations on legal or democracy-related matters (Fioramonti, 2005: 10). This work is important and relevant in South Africa especially taking into consideration its apartheid history where people were deprived of their social, economic and cultural rights through arbitrary legislation. The stress on economic, social and cultural rights is therefore important for empowering people and also constitutes a first step to justice which requires citizens to understand the rights that they have. There are examples of support to civil society and vulnerable communities¹⁵ that resulted in historic Constitutional Court judgments (e.g. *Grootboom v Oostenberg Municipality & Others Case*¹⁶) pertaining to interpretation and application of rights related to 'access' and socio-economic rights enshrined in the SA Constitution.

¹⁵When citizens believe they are victims of unfair laws or decisions, the FHR can decide to provide funds for legal expenses to citizen groupings from their litigation fund and present these cases before local or national courts, or even before the Public Protector or the Constitutional Court. In this regard, the FHR seems particularly interested in receiving applications that are precedent setting in nature, have a significant constitutional impact and that promote the human rights of vulnerable disadvantaged communities and groups: applications that are therefore consistent with other legal programmes of the FHR, like 'pro bono' training for lawyers, the establishment of the 'amicus curiae' or the development of 'class actions'.

¹⁶ In October 2000, the country's highest court handed down a landmark social and economics rights case, *Government of the Republic of South Africa and Others v. Grootboom and Others*. The Court declared the government to be in breach of its constitutional obligations, and required it to reasonably implement a program that at a minimum provides for those living in intolerable or crisis situations. This signified that social and economic rights are justifiable

4.4.3 PARLIAMENTARY SUPPORT PROGRAMME

In 2003, the Parliamentary Support Programme (PSP) was continued with a follow on programme, the Legislatures' Support Programme (LSP). The Legislatures' Support Programme supports the South African Legislatures (national and provincial) to fulfil their constitutional mandates in a citizen-oriented manner, thereby contributing to the strengthening of democracy and good governance. The expected main results include improving law making systems and processes, oversight and accountability, policy development and assessment of implementing capacity and enhancing public participation in decision-making and developing education on democracy (EC Delegation to South Africa, 2007). The programme seeks to contribute to poverty reduction by making the Legislatures more responsive to the needs of poor people. Hence, the enhanced participation and role of legislators in the policy and oversight functions will ensure that the interests of the vast majority of South African society, whom are poor or live in rural areas, will be catered for. The result area focusing on public participation and education in democracy has the rural and in particular the poor as a key beneficiary (NWPL, 2007).

The relevance of this programme for South Africa comes from the fact that provincial legislatures have a recent history, since they were constituted in 1996 with the first local elections, and local administration had a very poor political role during apartheid (Murray and Nijzink, 2002). Thus in order for legislatures to fulfil mandates in a pro-citizen manner there is need to improve the human resource capacity of legislators and officials in this sector as is being done by the LSP. The PSP has also made “a relevant contribution to public participation in all provincial legislatures and parliament included. The contribution has extended to include: awareness campaigns, public participation drives to stimulate interest and participation, mock parliaments for different constituencies such as women and youth, a wide range of promotional materials and information documentation...”(Fioramonti, 2005: 7).

4.4.4 POLICING & JUSTICE

With regard to policing and justice a programme entitled Support to the Policing of Crimes against Women and Children in the Eastern Cape was designed and subsequently approved by the Commission in late 2003. The prevalence of violence against women in South Africa varies from region to region. The Eastern Cape, KwaZulu-Natal and the Northern Cape top the list. However, in these areas police stations with specialization in crimes against women do not exist (Coomaraswamy, 1996: 1). Specifically in the Eastern Cape areas like Uitenhage were identified as most notorious with the cases of crimes against women and children dominating the local courts rolls (Eastern Cape Safety Liaison and Transport MEC Speech, 2005).

Thus under the EC programme to support policing of crimes against women and children in the Eastern Cape, Uitenhage launched the IJCC and built victim support centres at KwaNobuhle and Kamesh police stations, to provide counselling for abused women and children (Eastern Cape Safety Liaison and Transport MEC Speech, 2005). These initiatives have addressed the deficiencies of the criminal justice system within the province and particularly the Uitenhage area by providing gender sensitive facilities to provide counselling and support to abused women and children when making statements to the police. This is a welcome development for as noted above these areas are some of the most notorious in crimes against women and children which means a lot of women and children will be provided with support and counselling in dealing with post traumatic stress disorders.

At the national level, organisational performance measurement, crime prevention, human resources development and support to the DNA forensic laboratory are supported through the Capacity Building and Institutional Development Programme for the South African Police Service and the Department of Safety and Security. The EC also provides Budget support to the Department of Justice and Constitutional Development through the e-Justice Programme whose extensive aim has been to address the shortages of the legal system in the country, by ensuring training for public officials (Fioramonti, 2005: 7). Efforts like these continue to enhance access to a more effective justice system for all South Africans through improved functioning of the courts and increased capacity of the department.

4.4.5 OBSERVATIONS

A general consideration is that the objectives in this cluster are broad, while funding and the staff resources necessary to launch and nurture these programs are stretched thinly. The latest MIP planner of July 2005 shows budgetary allocations up to € 67m for all line items encompassing the projects within the Deepening Democracy cluster for the period 2003 - 2006. This amount is about half of total allocations for economic growth and one fourth of budgeted expenses for the Social Services cluster. Thus there are many rather thinly funded projects. Though the projects are relevant, this fact affects their impact. According to Calcopietro, von Schirach, Hargovan & Moodley “while it is possible to stipulate that, given the challenge of strengthening a young democracy that replaced a segregated society, these initiatives are relevant, it is not possible to grasp their efficiency, in terms of use of the resources allocated. Their effectiveness is also difficult to determine and probably judgements on this would be highly subjective depending on who is asked, as it is impossible to establish objective indicators. The same applies to impact “(2005: 24).

Nevertheless, with regard to local ownership of programmes, despite shortcomings resulting from decision-making and over-bureaucratic mechanisms, the choice of individuating local actors from a wide range of civil and non-civil actors has its merits. These actors are important partners in economic and social development as some of them are grassroots oriented in nature and thus becomes important and effective vehicles for local community participation in the development process. “Moreover, the general strategy of entrenching political aspects with broader social and economic elements proves extremely opportune in the case of South Africa, where formal democracy can live side-by-side with extreme poverty, anti-democratic practices and huge inequality: in a word, where formal democracy struggles to produce substantial democracy”(Fioramonti, 2005: 13).

4.5 AREA OF COOPERATION 4

Finally, focusing on regional integration and cooperation, the aim is to assess how and whether the EC assistance programme has contributed to enhancing South Africa's ability to become a more effective partner in various areas of regional cooperation. In this context, the initiatives and programmes are implemented under the SADC, SACU and NEPAD framework. The objective is to harmonise and coordinate policies at regional level for SADC as a regional economic community in order to promote effective and sustainable development for the region.

4.5.1 PROGRAMMES & OUTCOMES

However the prevailing mood is that the projects developed to implement these key objectives do not seem to be the right instruments to carry out a sound and forward looking policy. Calcopietro, von Schirach, Hargovan & Moodley point out that "there is great complexity involved in using what is otherwise conceived and structured as a bilateral instrument to implement regional programmes. By necessity, this extension of reach and scope implies the participation of many other actors whose standing and role vis-à-vis the projects and the donor is not entirely clear."(2005: 26). Thus this bilateral agreement between the EU and South Africa is not seen as the most appropriate instrument for multilateral goals of regional integration as other regional actors were not consulted when these projects aimed at enhancing regional integration were mapped out. On the other hand, a number of projects have suffered delays or are in the very early stages of implementation. This applies to the Finance and Investor Sector Coordinating Unit (FISCU) II Programme and the Economic Integration Support Package to the BLNS Countries (Botswana, Lesotho, Namibia and Swaziland). FISCU is to a certain extent a typical case where programme planning collides with political developments. In this case, reorganisation within the heart of the SADC bodies produced confusion with regard to the organisational ownership of the Programme, as well as delays in its execution (EC Delegation to South Africa, 2007). The Economic Integration Support Package to the BNLS countries was delayed for two years due to a stipulation that the BLNS countries indicate their concurrence with the TDCA; and for technical reasons related to the pre-tendering process. The EU-SADC Investment Promotion Programme required some

restructuring is required to avoid overlaps with the EDF Pro-Invest Programme and was faced with lack of management capacity (EC delegation to South Africa, 2007).

The Support Programme for the Water Sector in SADC also faced problems. While the Financing Agreement was signed in 2003, organisational issues occupied the first two years, with additional time required because of lack of capacity at the SADC level (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 26). Nevertheless, these interventions are important to the regional and continental stability. For example, the EU also supported South Africa's role in NEPAD, the African Union (AU) and in peace keeping efforts in the continent (Douad, 2007: 42). However scholars like Calcopietro and others have concluded that regional initiatives should not be included in a bilateral CSP and that dedicated regional instruments should be created or strengthened to tackle a very important regional agenda (2005: 26).

4.6 CROSS-CUTTING ISSUES

The CSP identified six cross-cutting issues to be incorporated in development projects in order to promote non-sector specific goals. These goals or cross-cutting issues are important for development as they are a challenge across all sectors of development. In this section analysis will be done to deduce to what extent the issues of HIV/AIDS, capacity building, civil society & non-state actors' involvement and governance have been incorporated in these development projects. However it has been observed that there has been no mainstreaming of the cross-cutting issues of gender and the environment in the programmes and projects analysed. As such they will not be discussed in this section.

4.6.1 HIV/AIDS

Dedicated interventions to combat/prevent HIV/AIDS seem to have been factored in Area of Cooperation 1 only and thus the interventions are limited in scope. Thus from the programmes analysed there is no evidence that HIV/AIDS concerns were included into all programme areas in terms of prevention and awareness programmes. This is regrettable as the integration of this cross-cutting factor in all development projects would have gone a long way in raising an awareness component aimed at behavioural

change. Also data on the impact of HIV/AIDS in relation to each specific sector could have been collected thereby enhancing capacity building and human resources management in response to the pandemic in different sectors. This would have gone a long way in the national effort in the fight against the pandemic. Nevertheless the only positive note is that albeit limited in scope, the interventions of HIV/AIDS have been noted to have coherence and reach (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 27).

4.6.2 CAPACITY BUILDING

Weak capacity at different levels of government and society is the Achilles heel to policy implementation and service delivery in South Africa (Davids & Maphunye, 2005). Thus the CSP stated that capacity building will be developed around the specific functions at the core of each intervention. Calcopietro, von Schirach, Hargovan & Moodley argued that “the main added value of the whole EC assistance as articulated in the CSP should be in qualitative inputs aimed at producing and transferring new knowledge to relevant South African institutions, public and private...”(2005: 28). In this regard all projects included in or financed by the CSP under evaluation declare the goal to build new capacities while delivering on their goals. There have been positive comments as to added value in terms of increased capacity brought about by projects, in education, in economic growth, in social services. However whilst concern for capacity building exists it is largely uneven (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 28).

4.6.3 CIVIL SOCIETY & NON-STATE ACTORS

The CSP indicated that a vibrant civil society plays a vital role in piloting different models of service delivery, in contributing to the definition of policies and in targeting excluded populations (2003/06: 16). A number of grants have been allocated to various non-state actors and civil society over the life of the CSP. This is important as it is usually through non-state actors and civil organisations that women and the youth are empowered through (Davids, Theron and Maphunye, 2005: 228). Non-state actors

are also acting as catalysts in the process of promoting people centred social and economic change in South Africa.

4.6.4 GOVERNANCE

Governance issues relate to decentralisation of development strategies as denoted by the South African constitution that local government is responsible for encouraging “the involvement of communities and community organisations in the matters of local government, to ensure the provision of services to communities in sustainable matter, and to promote social and economic development” (South African Constitution: Art. 152). Local government is thus a key element in the general democratic consolidation and governance given that “South African formal democracy is not effective if it falls short of reaching the majority of citizens, both in terms of policy delivery (and implementation) and in encouraging popular political participation”(Fioramonti, 2005: 13). However, evidence is that programmes that entail the strengthening of local governments are not widespread. Impact remains minimal as evidenced by the chaos that still persists in many local governments which are still failing to deliver social services and failing to consolidate democracy by denying citizens their rights as envisioned by the constitution. In turn citizens have resorted to protests. The Centre for Development and Enterprise (CDE), a South African think-tank focusing on development issues in relation to economic growth and democracy reported that in 2004/05 alone, there were 881 illegal demonstrations and 5,085 legal protests across 90 percent of municipalities, a trend that has not lost its impetus as many service delivery protests across the country have already been recorded in 2007(CDE, 2007). To highlight this lack of governance which is hindering South Africa’s formal democracy, the CDE further notes that South Africa is divided into 248 municipalities, of which 136 are denoted as "failing municipalities" and receive direct assistance from the national government (CDE, 2007).

4.6 AN EVALUATION: COUNTRY STRATEGY PAPER (2003-2006)

The CSP is the document underlying all cooperation of the European Community with a given African Caribbean Pacific (ACP) country. "The CSP is a strategic tool that is used to make a clear analysis of the country's situation and priorities, as well as to identify a truly coherent package of EC support measures"(ACP Secretariat, 2003: 21). With regard to South Africa, the fiat for its CSP is Regulation (EC) No 1726/2000 of 29 June 2000. Article 1 of the Regulation states that "the Community shall implement financial and technical cooperation with SA to support the policies and reforms carried out by the SA authorities in a context of policy dialogue and partnership." The CSP is therefore the result of a partnership in terms of dialogue and discussions between SA and the EC. Specifically with regard to the CSP under review these discussions were between the Deputy Minister of Finance and National Authorising Officer, Mandisi Mpahlwa, on behalf of South Africa and Poul Nielson, Commissioner for Development and Humanitarian Aid representing the European Commission (CPS, 2003/06: 1). Thus in light of this cooperative and consultative environment it has been found that the EC cooperation programme does fit within South Africa's development strategy (Calcopietro, von Schirach, Hargovan & Moodley, 2005: vii).

However back in 2000 the Council of the European Union and the European Commission in their statement for EC development policy determined a limited number of areas selected on the basis of their contribution towards reducing poverty and for which EC action was to provide added value. These include "the link between trade and development; support for regional integration and co-operation; support for macroeconomic policies; transport; food security and sustainable rural development; institutional capacity-building, particularly in the area of good governance and the rule of law" (Grimm, de Bergh and Freres, 2005: 2). The statement also specifies that the EC must also continue its support particularly with a view to ensuring equitable access to social services. In light of this, though the EC cooperation programme has been sighted above to fit within South Africa's development strategy, questions arise as to how aligned is this overall CSP development strategy to South African goals.

The EC development policy certainly presents a pre-formulated framework within which the EC is prepared to engage with its partners in development cooperation. As a result it has been established that it is more problematic to establish the consistency of CPS development strategy with South African goals (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 34). Calcopietro, von Schirach, Hargovan & Moodley go on further to state that “it has been noted...that there is some disconnect between a CSP weighted in favour of poverty reduction and a South African Government policy focused primarily on a “trickle down” approach to economic growth. It seems that the Government goal has been to favour growth in the “first economy” and that this will bring about some positive change in the “second” one” (2005: 34). Thus though the CSP strategy is the result of a partnership between the EU and SA in terms of dialogue and discussions about the content and shape of the strategy, the power dynamics¹⁷ behind which are structurally inherent in the development cooperation between the two and the comparative advantage¹⁸ of the EC in policy dialogue (Daniel, 2005: 2) seem to have carried the day. This explains why a seemingly pre-determined cooperation strategy from the side of the EC forms the gist of the CSP development strategy.

Nevertheless it should be noted that the ambition of the CSP development strategy is to support the implementation of the South African national strategies rather than carry them out. Thus even in a context of somewhat diverging philosophies, there is ample opportunity for EC assistance in a country as vast as South Africa with a large population living in poverty to focus on the areas of EC primary concern without causing any frictions. It has therefore been the joint decision of the EC and the South African government to have a broad based programme that would include interventions in many relevant policy areas (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 15). In turn the EC grouped the chosen priority areas into four categories or clusters, the so-called EC Response Strategy, so as to be active in every major area of development. This section has provided a general quantitative evaluation of the whole CSP development strategy. Next the CSP development

¹⁷ For further detail about the Power dynamics behind the EU-SA Development Cooperation refer to Chapter 2 section 1.2.2

¹⁸ The EC has leverage from presenting a unified approach for member states of the EU. Endowed with the best resources and expertise, its bargaining is formidable during policy discussions.

strategy is assessed in terms of its relevance, efficiency, effectiveness, impact and sustainability.

4.7.1 SUB-THEMES ASSESSMENT OF DEVELOPMENT COOPERATION

In this section a general assessment of the development cooperation detailed in the CSP 2003/06 is offered. As noted before Development Cooperation is splintered into many programmes across many sectors thereby making it difficult for any qualitative value judgement to be made as to whether development is being promoted or not. This section thus presents a general or macro assessment of development cooperation as a whole. This will involve analysis of development cooperation's relevance, efficiency, effectiveness, impact and sustainability thereby denoting its value judgement from a South African perspective.

4.7.2 RELEVANCE

The CSP is relevant, as it addresses issues within a country that is plagued by wide economic and social inequality. However, the issue of donor assistance does not appear to be a priority among South African policy makers. This may be due to the fact that the total amount, compared to total South African revenue and expenditures, is not large (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 34). However, as repeatedly noted, the real value of the assistance should be qualitative, not quantitative. This means the real value and relevance is in the creation, through the projects of the CSP of a fruitful dialogue with SA. "Through this dialogue Europe has the opportunity to provide new knowledge via international best practices in some areas and to help the South Africans test new concepts and propositions in areas heretofore neglected or unexplored"(Calcopietro, von Schirach, Hargovan & Moodley, 2005: 32). This is how the CSP is relevant to South Africa, as a channel through which knowledge and internationally proven best practices are being brought into the country, albeit at a scale that is lower than the potential. Furthermore the geographic focus of EC programmes to three poorest Provinces (Limpopo, KwaZulu-Natal and Eastern Cape) is relevant and has merit in terms of efforts to promote development in those provinces.

4.7.3

EFFICIENCY

Development cooperation is comprised of diverse projects that have many specific features in terms of goals, types of interventions, instruments, targeted beneficiaries. Whilst a few programmes have been highly efficient (RISK, LED, Water Sector Support, E-justice), others have been hampered have been plagued by a negative policy environment (Public Health Sector Support Programme, Education (HIV/AIDS)). Others have suffered delays due to additional complexities (programmes under Area of Cooperation 4, CAGE). As a result the average programme-wide efficiency is low (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 35). Adding on Calcopietro, von Schirach, Hargovan & Moodley stress that “on a macro level, it is possible to say that a programme subdivided in so many discreet interventions that cover so many diverse areas, requiring different sets of intellectual and managerial skills, almost by definition cannot be efficient”(2005: 35). The streamlining of the EC’s response into four broad areas has not really helped as within these four areas of cooperation, many diverse programmes and projects still exist which thinly spreads resources.

4.7.4

EFFECTIVENESS

Effectiveness in terms of the ability to carry out and implement EC policies, broadly defined is largely tied to perception. However most South Africans including decision-makers have no knowledge of the TDCA (which includes the Development Cooperation Agreement), of the EC role let alone the CSP (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 35). Thus to the extent that knowledge, understanding and appreciation of the value of EC assistance are confined to some specialists, the effectiveness in this area is hampered. Effectiveness is also limited by a fragmented programme. This makes it is difficult for the CSP to be effective in terms of achieving goals set as the goals are many, the objectives broad and the means limited (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 35). While the existence of a contribution is undeniable, this is very small.

4.7.5

IMPACT

Impact in terms of budget support is not high as total EC assistance, compared to total South African revenue and expenditures, is not large. This is despite the fact that in quantitative terms, the EU's contribution of development aid to South Africa is the highest of all donors, while it also outstrips its other programmes in the developing world. However as Olivier suggests "...in the end, it is results that count and it seems that the overall discernable impact of ODA (EU and the rest) on South Africa's progress towards sustained development, modernisation, social reconstruction and stable democracy is so far negligible in comparison with the government's own efforts"(2006: 181). At the same time impact in terms of the acceptance, appreciation and dissemination on the part of the South African counterparts of the new knowledge and best practices brought about by the programme is low due to the limited number of actors involved. There is no broad based dialogue within which the South Africans are called upon to determine how the added knowledge that can be brought about by EC assistance can add value to the implementation of national priorities (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 36). Overall, impact that is the widespread acknowledgement that new knowledge brought about through European assistance, should be recognised and become mainstream thinking is low.

4.7.6

SUSTAINABILITY

There are obstacles to the long term sustainability of the gains from development assistance. Local authorities have only recently been roped into the development framework (Parnell, Pieterse, Swilling & Wooldridge, 2002) and as such are still battling with inadequate capacity. The high turn over, in part also due the death toll caused by the HIV/AIDS pandemic, and brain drain increases the complexity of transmitting new knowledge and making it a permanent acquisition for South African institutions (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 36). The other sustainability issue is that there does not seem to be an alternative at the end of project lifecycles as in a delegated South African entity effectively poised to take over. Thus it seems with the end of EC funding most projects also end.

This chapter has provided an analysis of development cooperation from a South African perspective, which is whether development cooperation is delivering on its objectives and thereby promoting South African development. The chapter has assessed various programmes and projects across different sectors in order to discern general trends about development cooperation. What emerges is the fact that there seems to be a gap between policy pronouncements and the achievement of objectives. Generally, the EC has been shown to deliver in terms of budget support to various programmes as it purported to do in the CSP. However, whilst the relevance of this development cooperation is high the upshot is in terms of impact and effectiveness. The fault here rests with both partners whose joint decision it was to have a broad based programme with the intent to bring about change in as many sectors as possible. However, as has been shown, this has led to a plethora of projects without clear cut priority projects which has spread resources thinly across the board ultimately leading to lesser impact and lower efficiencies (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 15). . Most of the impediments rest with the South African partner in terms of capacity and a lack of strategic directives given by the SA government to the EC about what value added was wanted and what should be the donors' priority areas of intervention.

However it is not all doom and gloom. Olivier states that "unquestionably relations with the EU have substantial economic importance for South Africa and they are being recognised as such" (2006: 181). Furthermore, the EC is seen to deliver good quality development programmes staffed by competent professionals (Daniel, 2005: 3). It is in this fashion that the EC can be said to be contributing qualitatively to South Africa. This denotes to the transfer and introduction of new knowledge and innovative concepts that is being brought forward to South Africa through this development cooperation. On the other hand, beyond its immediate impact on the targeted sectors, development assistance should be considered in terms of its ability to contribute to the strengthening and reaffirmation of important political and policy ties that go far beyond the narrower scope of the intended benefits of specific projects. Thus

development cooperation has further contributed to making South Africa's relations with the EU unique and distinguishable since maintaining amicable mutual relations has special advantages for them in light of their important roles in international affairs.

Though overall impact and effectiveness of Development Cooperation is minimal it is highly relevant. In light of South Africa's development needs the financial and technical assistance of the EU is critical. The dent that it is making on South Africa's challenges could be much bigger if the shortcomings sighted could be rectified. However, evaluations like this are highly polemical. Therefore there is the need to assess this development cooperation from the EU's point of view in order to get a different perspective on this cooperation. This is the focus of the next chapter.

Chapter 5: Analysing Development Cooperation as Promoting EU Self-Interest

5. INTRODUCTION

In the international literature on foreign development aid, a debate exists as to the motivations of state actions in the form of development aid. A prominent trend in this debate has been to use two models to explain motives of bilateral donors, namely the 'recipient needs' and the 'donor interests' (Mckinlay and Little, 1979: 237). In this debate the prevailing academic wind clearly blows in favour of 'donor interests' being far more important than 'recipient interests' (Bowles, 1989). 'Donor interests' can be summarised as consisting of the following elements, "economic interests specifically donor trade and donor investment interests, security interests, political interests including stability and possibly interests in furthering democracy"(Olsen, 1998: 346).

According to the debate mentioned above it then follows that the EU harboured self-interests in its development cooperation with South Africa.

However the EU through its EPRD programme established as its goals in altruistic terms to contribute to South Africa's harmonious and sustainable development as has been mentioned in previous chapters. By this view then, the EU in its development cooperation is primarily concerned with recipient interests. In light of these polemics on the interests of EU development cooperation with South Africa, it then becomes necessary to evaluate this development cooperation from an EU perspective. This is so because an evaluation focusing on the recipient needs has been offered in the last chapter hence this evaluation from the donor interest perspective in order to paint a holistic picture of this development cooperation.

5.1 DEVELOPMENT AID DEBATE

There is strong academic demur about development assistance being purely altruistic action aimed at achieving recipient needs and interest. Scholars like Pronk assert that there has never been a simple consensus that the sole objective of aid was to sustain the economic development of recipient countries (2004: 3). Thus the development aid debate is polarised with contending arguments of development cooperation promoting either recipient or donor interests. In this debate, for example the dependency and deconstructionism schools view development aid as a tool for the “exercise of power by the donor with little relevance to (and possibly with negative consequences for) the lives of recipients” (Lancaster, 1999: 6). This is pitted against arguments by scholars such as Robert Cassen and his associates (1994), Burnside and Dollar (1996) and Ruttan et al (1989) that development aid works and is effective in advancing the development of recipients. Recipient interests are often deductible from the objectives of aid which might be charitable or economic. Charitable objectives are described in terms of action against hunger, misery and despair whilst economic objectives denote to financial, technical or other assistance to sustain the efforts of the populations of the economically underdeveloped countries to develop their resources and to create conditions for self sustained economic growth (Pronk, 2004: 3). Through the reasons offered by the EU, development cooperation with South Africa is seen to fit within these economic objectives of development aid. Thus economic and charitable objectives are the reasons that are usually offered by donors as the underlying rationale for development assistance to underdeveloped or developing countries. However there are often hidden donor interests that also underlie development assistance leading to the controversial assertion by some scholars that development assistance is an instrument of foreign policy (Morgenthau, 1962: 301). These interests are usually embedded in political objectives seen in terms of political stability, reducing the potential for conflicts, supporting peace, the promotion of democracy, the maintenance of a sphere of influence for western donor countries (Pronk, 2004: 3). According to this view then development aid tends to be accompanied by donor economic and political concerns and interests which might be cloaked under the national interest banner. The development aid debate is therefore polarised with contending arguments as to which interests development aid promotes.

5.2

METHOD OF ANALYSIS

However from the wording in the CSP, the EU “explains its development assistance role in magnanimous moralistic terms, emphasising ‘what is good for SA’ referring to normative and reformative aspects of its contributions such as sustainability, capacity building, stability, socio-economic development, poverty relief, support for and democratisation and promotion of human rights”(Olivier, 2006: 179). This makes it apparent that no self-motives can be identified from the CSP which serves to validate that this development cooperation is primarily concerned with recipient needs. However this chapter will argue that concentrating on looking for EU interests within the specific framework of its development cooperation with South Africa espoused in the CSP is trivial pursuit. Thus EU self interest is to be deciphered from its macro-policies and pronouncements on development and then detecting how these shape and inform this bilateral development agreement. Furthermore it will be argued that South Africa through this development cooperation is being used to advance EU security, political, economic and other interests through its strategic position in the Southern African region as well as on the African continent not forgetting its rising stature on the globe. The reasoning is that EU interests are not entirely realised by development cooperation in the context of its contributions within South Africa per se. In this light it will be contended that just as much as they are EU interests in a strong, stable and developed South Africa, development cooperation also advances EU interests through propelling and aiding South Africa to keep on playing its important role in the region and the continent. In this context it will also be revealed that this development cooperation is largely symbolical but is a necessary stepping stone for the EU to achieve its interests through South Africa.

5.3

THE EU DEVELOPMENT FRAMEWORK POLICY

It is important to offer an outline of the EU development policy in general as it this policy that informs the direction, content and goals of subsequent micro bi-or multi-lateral development cooperation agreements with the third world, including the development cooperation agreement with South Africa. Thus an outline of this development policy framework also provides the platform from which the donor interest or self interest aspects of the EU development cooperation with South Africa

can be detected. This stems from the fact that though this donor interest aspect might be explicitly absent from the wording or the content analysis of the EPRD programme, it is from this broad EU development policy framework that these donor interests can be deciphered and their implicit presence detected within the EPRD.

5.3.1 HISTORICAL PERSPECTIVE OF EU DEVELOPMENT POLICY

The Development policy of the EU can be traced back to the 1957 Treaty of Rome that established the then EEC and mapped out the relationship between the European Community and its colonial dependencies. Article 131 of this treaty set out the parameters of this relationship stating that “The purpose of association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the community as a whole. ...association shall serve primarily to further the interests and prosperity of the inhabitants...in order to lead them to the economic, social and cultural development to which they aspire.” (Holland, 2002: 26). Consequently Europe’s view of development has been specific in viewing the developing world as principally those former member state colonies especially in Africa, the Caribbean and the Pacific (Holland, 2002: 2). Development cooperation with these countries has been through the Yaoundé Conventions, the Lome’ Conventions and recently the Cotonou Convention. Development cooperation, albeit reformulated in its focus and aims also found its way in the provisions of the Treaty of the European Union or the Maastricht Treaty of 1992. Article 130u of this treaty states that Community policy in the sphere of development cooperation, which shall be complimentary to the policies pursued by the Member States, shall foster:

- the sustainable economic and social development of the developing countries, and more particularly, the most disadvantaged among them;
- the smooth and gradual integration of the developing countries into the world economy;
- the campaign against poverty in the developing countries(Maastricht Treaty, 1992).

We can therefore deduce that the development policy of the EU is basically premised on promoting development through cooperation with the developing countries. In other words in these early days of EU development policy, the strategy was premised on maintaining influence in the former colonies through development aid which would also serve to promote development. However these early development policies were simplistic as the primary focus of this relationship was trade through the Yaounde and Lome arrangements. Nevertheless over the years new approaches to the concept of development have emerged. Development cooperation has also gained prominence as a vehicle through which the EU could shape recipient policies through the issue of implicit or explicit conditions attached to development assistance. This has meant that development cooperation have evolved just as the goals of this development policy have not remained static. The goals have also changed and evolved with time to suit the EU's changing interests and agenda. Thus the concept of development as listed in the Treaty of Rome has been expanded resulting in development now being viewed in its multidimensional format. This expansion is documented in the European Development Policy Document which forms the backdrop of the EC and SA development cooperation and offers insight into the self interests being pursued by the EU using this development cooperation. As such the European Development Policy of 2000 therefore deserves attention as follows.

5.3.2 EUROPEAN DEVELOPMENT POLICY OF 2000

In 2000, the EC adopted an overall development policy framework, which established the contribution to poverty alleviation as the ultimate objective of foreign aid. The primary and overarching objective of eradicating poverty was to be pursued in the context of sustainable development, in line with the international agenda, the Millennium development Goals (MDGs)¹⁹ (CIDSE, 2005). Indeed the EC has commented that the 2000 development policy statement is compatible with the Millennium Declaration objectives and orientations, in particular with the overall objective of the reduction and eventual eradication of poverty (EC, 2005).The

¹⁹ There are 8 Millenium Development Goals which include goals to;

1. eradicate of poverty & hunger 2. achieve universal primary education 3. promote gender equality& empower women 4. reduce child mortality5. improve maternal health 6. combat HIV/AIDS, malaria and other diseases 7. ensure environmental sustainability 8. develop a global partnership for development

development policy took into account the political, trade and development aspects of aid. It also set out an integrated framework for development activities, identifying six priority areas where Community action could offer added value: trade and development, regional integration and co-operation, support for macroeconomic policies (in particular sector programmes in the areas of health and education), transport, food security and sustainable rural development strategies, institutional capacity-building, good governance and the rule of law (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 4). After the adoption of this development policy the EC stated that this was the policy that was to guide the Community and Member State development cooperation activities in all developing countries. What this meant was that this is the document which formed the framework and/or parameters of development cooperation with South Africa. This explains Calcopietro, von Schirach, Hargovan & Moodley's (2005: 48) observation that the EC's CSP with South Africa was weighted towards poverty reduction. The bias towards poverty alleviation is apparent through prioritising equitable access to and sustainable provision of social services and equitable access and sustainable economic growth which leaves unanswered questions as to why this prioritising.

The logic of this prioritising is derived from the fact that reducing poverty is not only an objective in its own right but also an important factor to ensure long-term peace and security (Kangah, 2006: 539). Poverty and inequalities have been identified as some of the root causes of conflicts and insecurity (CIDSE, 2005). Therefore development contributes to peace and security by addressing the root causes of conflict. Indeed the EU acknowledges the contribution of development cooperation to addressing global challenges and making globalisation a positive force for all of humankind whilst also contributing to ensuring long-term peace and security (EU Consensus on Development, 2005). This denotes an integrated approach to conflict prevention and post-conflict reconstruction. The approach identifies the root causes of conflict in poverty and inequalities that cannot be solved by military intervention but by development. Post-conflict reconstruction aims to eliminate the likelihood of countries falling back into conflict and must include enhancing opportunities for individuals and community groups to participate in the political processes that give shape to their governing bodies and increase accountability (CIDSE, 2005).

Human rights, the rule of law and democratic principles are also important aspects of this development statement. These tenets underpin development cooperation agreements between the EC and ACP countries. According to the EC “It has become clear in recent decades that sustainable human development demands an institutional and political environment that respects human rights, democratic principles and the rule of law. The connection between development and human rights is (also) expressly recognised in the UN Declaration on the Right to Development”(EC, 1998).

What emerges from this EU development policy is the politicisation of development cooperation. As emerged above political objectives such as good governance, human rights, conflict prevention and civil society assume a much greater significance in development cooperation. As such the EU development policy is “now intended to shape the political complexion and policy preferences of recipient governments” (Bretherton and Volger, 1999: 136). This denotes an underlying agenda of development policy. Smith believes that politicisation reflects the view that sustainable development can only take place in a context of security, democracy and freedom (2003: 14). This sets the background and the tone for an analysis of the underlying interests of the EU in its development cooperation particularly in Sub-Saharan Africa.

5.4 RATIONALE BEHIND EU DEVELOPMENT POLICY: DONOR INTEREST

Holland notes that there are a number of altruistic as well as self interested reasons that suggest that a development policy is fundamental rather than optional to the process of European integration and the EU’s global role (2002: 14). Self interest reasons for donors are said to include “economic interests specifically donor trade and donor investment interests, security interests and political interests including stability and possibly interests in furthering democracy” (Olsen, 1998: 347). This section will therefore provide an outline of these donor interests, specifically EU self-interest in its development frame-work policy. This will provide the foundation of analysing the self interest reasons for EU development cooperation by arguing that the interests identified within the macro-EU development policy are also implicitly underlying within the bilateral development cooperation with South Africa. It will also be argued

that EU interest extends beyond primary interests within South Africa but in viewing South Africa as a strategic partner through which EU interests can be realised and pursued within the Southern Africa region, the African continent and the globe at large. In this context the reasoning is that the EU views South Africa as an important partner through which it can attain its own interests hence it will also be proposed that by engaging in development cooperation the EU also expects far-fetching results that extend beyond South Africa.

5.4.1 SECURITY INTEREST

At the end of the twentieth century there were a number of signs that Africa had a position, even though a minor one on EU foreign policy agenda. In general Africa, because of its close proximity to Europe and the potential impact of developments in Africa on European security thus logically made it become part of Europe's foreign policy architecture. The concept of a global village, the interconnectedness and interdependency of all parts of the world means that events in Africa can have negative consequences and ripple effects for Europe. Within this paradigm much has been written about the possible consequences of the growing North-South divide, and it is argued that if Europe does not face up to its responsibilities now, it could reap the costs in years to come (EADI, 2003:2). Conflict, economic and political refugees (immigration) and terrorism are some of the potential security threats emanating from the Third world which can affect not only European but world peace and security. In mitigating these threats development cooperation is crucial. This has been asserted by the former EU Development Commissioner when he stated that "development cooperation is indisputably the single most important instrument for an effective policy of peace-building in developing countries"(Pinhiero, 1999).Consequently it will be argued that EU security interests are advanced by a two-pronged approach of promoting democracy and regionalism.

5.4.2 DEMOCRACY PROMOTION

Firstly development cooperation allows the EU to play a political role through its economic power as the world's largest trader" (Holland, 2002: 15). Such a political role is possible through the meshing of political tenets within the development

agenda. The pervasive application of democratic concepts within the development policy allows the EU to play a political role in developing countries through its bias towards democracy which is argued to create the conditions that are conducive for development. As a result the EU has often declared that the aim of supporting democracy throughout the world must be understood within the general framework of also ensuring social and economic development, referring to the indivisibility of human rights enshrined in the Vienna convention of 1993 (Fioramonti, 2005: 1). The EC notes that “it is now universally recognised that there can be no sustainable development without good governance, peace and security” (2005). Thus democracy, peace and security and sustainable development are inter-linked in simmering the weariness of the EU from the potential destabilisation that can result from the increased economic and political immigration and refugee crises (Holland, 2002: 14).

Increased immigration especially illegal has the potential to stretch the capabilities of the welfare state of Europe. Furthermore illegal immigrants are often a recruitment hub for networks engaged in clandestine and nefarious schemes stretching from drug dealing to terrorism. Thus the EU development policy aims to improve the living standards and economic well-being of the third world as well as promoting democracy so as to reduce the economic and political attraction of migration to Europe. This is where South Africa fits in as it is an engine for the economy of the whole region of Sub-Saharan Africa and its economic development can have an effect on poverty alleviation and the achievement of the MDG’s at regional level (Douad, 2007: 26). It should also suffice to note that the first seven goals MDG’s are mutually reinforcing and are directed at reducing poverty in all its forms whereas the last goal, global partnership for development, is about the means to achieve the first seven. In this regard Olivier asserts that the EU then “concluded that forming a strategic alliance and partnership with South Africa, the strongest state on the continent and one with which it already had solid relations, would facilitate the achievement of its goals, not only in Africa but also globally”(2006: 176). Thus according to the CSP, “the rationale for EU involvement is based on the assumption that South Africa is a pole for the development of peace, democracy and democratic growth for the entire Southern African region. If South Africa is to play this role, it must still overcome major social and economic challenges...” (2000/02). Therefore the commitment to support South Africa’s political, economic and social development is really to

strengthen and boost its capacity for it to continue its regional and continental role of promoting democracy, peace and security which are fundamental EU interests.

However the link between democracy and security and peace can be argued to have been influenced by democratic peace theory which basically offers a liberal approach to international security by pointing out that democratic states tend not to fight each other (Baylis, 2005: 308). This influence and conviction on the part of the EU is seen in its promotion of democracy in Eastern Europe at the end of the cold war thereby opening up the possibility of these states joining the EU. The underlying belief thus seems to be that the spread of democracy principles in third world countries will result in them solving inter and intra state disputes through dialogue rather than conflict thereby aiding world peace and security which is of paramount importance to the EU as these are prerequisites for economic activity and general tranquil existence. Conversely this also stresses the importance of South Africa to the EU and the need to continue supporting its development especially when taking note of its efforts as mediator in seeking resolution of some of Africa's most dangerous conflicts, notably in the Great Lakes region and Côte d'Ivoire and of late in Zimbabwe.

5.4.3 PROMOTION OF REGIONALISM

South Africa can be said to be a stable and anchor country in the region. According to the EU stable countries play an essential role in stabilising their regions and setting an example of what can be achieved in a favourable political climate (EC, 2005). Thus South Africa's position in the region allows the EU to further its security and political interests in the region through it albeit indirectly. It is a fundamental EU interest to maintain world order and security. In pursuing these interests the EU believes that regional integration is essential. Regionalism has been defined as "the concept that nations situated in a geographical area or sharing common concerns can cooperate with each other through a limited membership organisation to meet military, political and functional problems" (Plano and Olton, 1988: 309-310). The philosophical commitment of the EU towards regional integration would have been influenced by

Constructivist Theory²⁰ which would contend that regional integration is a social construct and structure shaped by common knowledge, needs and practices which help shape identity and interests. Identity and interests in turn shape social and political behaviour. Thus a common identity and interests plus enhanced interdependence help to mitigate conflict and thereby secure peace and stability in the region. It becomes apparent how development cooperation with South Africa helps promote European interests when we take into cognisance the fact that “South Africa and the EU share common values such as democracy, human rights, respect for the rule of law and good governance, tolerance, equality and a commitment to fight poverty and social exclusion and the promotion of sustainable development” (Douad, 2007: 25). These are the values that South Africa is expected to rub onto its regional partners via its anchor position in the region and the crucial role it plays in regional integration thereby spreading EU political and economic beliefs in the region and security and peace. Indeed the EU notes that “South Africa is the most significant political power in Sub-Saharan Africa, acting in particular in the framework of the African Union and the New Partnership for Africa's Development (NEPAD), at African level, and in the framework of the Southern Africa Development Community (SADC), at regional level, and an important player at global level, including in the multilateral World Trade Organisation (WTO) trade negotiations, as well as a growing contributor to peace-keeping and conflict resolution in Africa”(Douad, 2007: 26). This makes South Africa a very important strategic partner.

5.4.4 GLOBAL ACTOR INTEREST

As the world's largest provider of development assistance, the EU is involved in political dialogue, conflict prevention and crisis management on a global scale, and constitutes the main trading partner for many countries North and South. As such, Cameron (2003) notes that “Europe has a unique role and responsibility to play on the global stage. It must foster policies and political will to use its powers to influence the new world order, strengthen governance, and create a socio-economic and environmental framework that will promote social justice, equity, respect for diversity

²⁰ Constructivism analyses international relations by looking at the goals, threats, fears, cultures, identities, and other elements of "social reality" on the international stage as the social constructs of the actors.

and participation of all the world's citizens." However in its stated desire be a global actor the EU is well aware that this desire is not unique and is shared by other powers as well especially the United States of America and China. Indeed Luteru, Kolodko & Jankowitsch, (2003) asserts that though the EU hopes to build a fairer world through development cooperation which aims to increase the capacity of developing countries to take part in global processes on more equal terms, it is also interested in acting as a counterbalance to the USA. There is therefore real competition for a foothold in resource rich Africa from other powers which also harbour an interest to act globally and have an influence in global economics and politics and ultimately the global order. This is where development cooperation is crucial to the EU in giving it leverage and access towards general political and economic influence not only in the Southern African region but in Africa through the link made above of South Africa's strategic position as anchor country in the region and the continent.

This reveals the calculations that the EU would most likely have made since the inception of development cooperation with South Africa. Such calculations are for example revealed by the fact that South Africa was one of the first of five countries selected for the EU's 'joint actions' under its new CFSP. The other four actions included the promotion of peace and stability in Europe, the Middle East, the former Yugoslavia and the Russian parliamentary elections. Consequently Holland notes that "the inclusion of South Africa as the first and only joint action outside the immediate geo-political interests of the Union symbolised, among other things, the Union's global aspirations as an international actor"(1995, 562). Development cooperation with South Africa therefore fulfils EU interests as an international actor through maintaining influence not only in a strategic country such as South Africa but also in the Southern African region and in the Continent as a whole.

5.5.5 ECONOMIC INTEREST

It ought to be noted that in practice, two policy strands combine in support of overall EU foreign policy objectives, rendering its foreign policy a mixture of self-interest and altruism (Olivier, 2006: 175). The EU acts as both the altruistic benefactor of the poor developing states and as a shrewd supra-national state seeking its economic and political interests through a double barrelled foreign policy that combines aid and

trade. The development aid and trade are interlinked and inseparable so that the former is used as a veil to cover self-interest. This dexterity is revealed from the fact that as a separate entity development cooperation might appear to be a purely altruistic venture but when viewed in its original context of the TDCA the real interests of the EU becomes apparent. Hence Douad (2007: 27) notes that “whereas the TDCA has enabled the EU to close the gap in the trade balance with South Africa it has put a greater burden on South Africa than on the EU in terms of tariff adjustments, with the effect that the EU benefits more from the current TDCA than does South Africa...” Thus development cooperation tones down the economic self-gains being made by the EU.

Furthermore Olivier asserts that the EU “also justifies its missionary role in South Africa in regional terms, ostensibly because of its important stake in the success of the Cotonou Agreement and the pivotal position South Africa occupies in this regard”(2006: 180). Thus ultimately by these views it is the EU that benefits more from development cooperation though not necessarily directly from it but in the way it is used short of being manipulated to mask deep underlying economic interests. The promotion of regional integration within the development cooperation structure thus is geared at translating into market access. South Africa is seen in European calculations as the door to Southern Africa being the gateway to a market of 180 million “which might not sound like much but when it comes to market share every bit counts” (Pillay, 2002: 4). These are some of the considerations that underline the economic interests of the EU in its development cooperation with South Africa.

5.5.6 TESTING GROUND INTEREST

According to Olivier, South Africa offers an excellent testing ground for the EU’s third world development aid and trade policies (2006: 178). Designing, launching and managing complex technical assistance interventions is problematic both from the standpoint of the donor and of the beneficiary and often needs both competent donors and beneficiaries to test new approaches. In this context the traditional project approach of development assistance is falling out of favour as it is lengthy and requires fulfilment of a number of technical procedures though its direct impact can be easily assessed. Replacing it are budget support schemes which are easier to design

and implement even though their direct impact on the chosen target as well as the indicators of achievement may be more difficult to identify (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 31). This is the intervention strategy shift that has been taking place within the EU development policy. In this regard, South Africa was chosen as the candidate to test a large scale implementation of this new budgetary approach to execute development cooperation assistance. The understanding for this was that a country like South Africa with its rather modern administrative structure, (at least at the central level) seems to have all the necessary prerequisites to successfully implement this approach (Calcopietro, von Schirach, Hargovan & Moodley, 2005: 32). However this is not the first time South Africa has been used as a testing ground. The TDCA as a framework that comprised of a free-reciprocal trade component and a development cooperation component constituted the template for the reformulated EU-ACP countries cooperation in the Cotonou Agreement. South Africa is therefore crucial for testing new approaches for the EU before they can be implemented throughout the EU's other multi-lateral and bilateral arrangements in the third world.

5.6 STRATEGIC IMPORTANCE OF SOUTH AFRICA TO EUROPE

The EU recognises the existence of functioning democratic institutions in South Africa and observance of the rule of law, the development of a culture of good governance and respect for human rights (Douad, 2005: 44). These are critical areas which create the desired foundation for the EU version and vision of a stable, peaceful and secure world order. Therefore in the EU's agenda for a fairer and responsible world (Luteru, Kolodko & Jankowitsch, 2003), South Africa is strategic. With regard to development cooperation with South Africa, Calcopietro, von Schirach, Hargovan & Moodley argue that "the real added value of the EC assistance is not in additional funds given to South Africa; but in the creation, through the projects of the CSP of a fruitful dialogue with SA. Through this dialogue Europe has the opportunity to provide new knowledge via international best practices in some areas and to help the South Africans test new concepts and propositions in areas heretofore neglected or unexplored"(2005: 32). This knowledge and practice is imparted on South Africa through the four broad areas of promoting equitable access to and sustainable

provision of social services, equitable and sustainable economic growth, deepening democracy and regional integration and cooperation which are the focal areas of EC development cooperation with South Africa. These are critical areas which create the desired foundation for the EU version and vision of a stable, peaceful and secure world order. In pursuing these four objectives, the EU is the largest development aid donor in South Africa (Douad, 2005: 27). This makes the EU's involvement to South Africa more intensive than in any other country in the developing world. The million dollar question becomes why?

Firstly, there is an intrinsic interest in making the South African model of a state work as evidenced by the important contribution made by the EU in the advancement of South Africa's reconstruction efforts after decades of apartheid to promote stability and development. As a result since formal relations began in 1994, South Africa has become one of the EU's success stories (Olivier, 2006: 176). In this fashion the South African state is seen as a prototype of what third world or African states can be. It is therefore seen as a role model across the region and Sub-Saharan Africa at large, a role which it plays through its strategic regional and continental position. Development cooperation is also geared towards cementing the stability of the South African state as the failure of this state spells doom not only for the Southern African region and Sub-Saharan Africa but for strategic security, economic and other EU interests in the South in general and specifically in Africa.

Furthermore South Africa is not only strategic to the EU through its unique position of the continent but also as an important global player. South Africa's strategic importance in World Politics also comes from its role in the multilateral WTO where for example in the fifth WTO ministerial conference held in Cancún it played a leading role within G-20 as a representative of Africa's developing countries and has endeavoured to increase those countries' leverage in negotiations on issues which are crucial to their economies (Douad, 2005: 26). South Africa has also acted as a member of the WTO's Cairns Group with a view to protecting the interests of economies which export agricultural products. This is important for the EU as by actively promoting the interests of the developing countries in the larger context of promoting their development, South Africa will be conversely pushing EU interests for the development of the third world or the South. Thus South Africa's voice carries

considerable weight in world politics in the important but inconclusive North-South debate about the effect of globalisation and poverty relief on the developing world (Olivier, 2006: 178). In light of globalisation and the interdependence and interconnections it creates, the EU seems convinced that the idea of a 'fortress Europe' would not be the solution to the world's problems and that the future need to be more enlightened towards the South (Luteru, Kolodko & Jankowitsch, 2003). Since the increasing gap in development between the North and the South and marginalisation from globalisation of the South is likely to create economic, social and security problems for the EU amongst others, this has made it crucial for the EU to support South Africa in this context. It is in light of the South's marginalisation that development cooperation with South Africa alludes to aiming to integrate South Africa into the World economy. Thus by empowering²¹ South Africa the South or the third world also gets empowered which in the long run mitigates the problems emerging from the marginalisation of the South from the processes of globalisation.

5.7 THE COUNTRY STRATEGY PAPER & THE FURTHERING OF THE EU DEVELOPMENT POLICY AGENDA

This section serves to explain the distinctive logic of how development cooperation through the Country Strategy Paper serves to further the EU development agenda. In this matter Calcopietro, von Schirach, Hargovan & Moodley are of the view that "on a broader policy level, it is difficult to determine the role of the EC development assistance channelled through the CSP in furthering larger EU foreign policy objectives vis-à-vis South Africa, as this aspect of the bilateral relationship does not appear at all in key South African documents. Furthermore, high ranking policy advisors within the Government are only vaguely aware of the existence of the programme and have expressed no opinion on its merit, focus and practical usefulness" (2005: 19). Venter and Neuland also assert that there is widespread lack of knowledge in South Africa about the EU and the TDCA (2004, xviii). This is puzzling since it has been noted before that the EU is the largest donor in South Africa which provides over 70% of all development assistance.

²¹ Development Cooperation acts as a template of how the third World countries can be roped into the world economy and secondly this allows and spurs South Africa to continue working on behalf of the developing world on the international scene.

What this serves to assert is the main argument that threads through this chapter that the EU's interests in this development cooperation are not primarily expressed through the programme itself or within South Africa. Development cooperation in this context serves a symbolic role of a partnership which allows for dialogue on other matters of regional, continental and global importance such as democracy, security, the North-South divide, globalisation and others between the two. In these matters South Africa has taken policies and stances that have advanced EU interests. It is in this that the distinctive logic of how development cooperation with South Africa advances EU interest becomes apparent.

That EU interests are being advanced in all the ways alluded to in this chapter is not in doubt. This is evidenced by the fact that in 2005 the EU proposed to upgrade its relations with South Africa to an EU-South Africa Strategic Partnership Agreement. According to the EC, a strategic partnership with the EU would give South Africa far greater recognition in Europe's strategic global awareness and "the relationship would thus hold similar importance to those held by the EU with the United States, Canada, China, Russia, India, and Brazil, all of which have special agreements with it"(Olivier, 2006: 185). It is impossible to comprehend how South Africa could be invited to this exclusive club if the EU was not achieving its interests through the arrangement already in place with South Africa. Indeed all the EU interests documented in this chapter filter in to the nucleus of this proposed Strategic Agreement. To this end the EC stated that the agreement will build on the MDG package and the EU strategy for Africa by "putting at the heart of the political dialogue progress towards attaining the MDG's, along with governance issues and peace and security at both domestic and international level" (2006: 7). This sums up the main issues and interests amongst other that the EU is interested from its development cooperation with South Africa which it now seeks to upgrade to a strategic partnership.

This chapter has detailed how EU development aid which is usually clothed in altruistic patronising sincerity masks its self-centred motives. As such this leads to a failure to detect the underlying self-interest logic of development cooperation as the language in the CSP is altruistic and points towards the EU providing financial and technical assistance and support to the development of South Africa. However this chapter has argued that this is a short-sighted view and perception of EU development aid. This is so because there are underlying interests which propel development aid. As has been revealed these are not interests that are discernable from the CSP's themselves but only when the International development agenda of the EU has been taken into consideration as the framework which informs the bilateral development cooperation agreements such as the one with South Africa. This strategy has been used in this chapter to identify the economic, security and global actor interests amongst others that inform this development cooperation. Lastly the chapter has also revealed that these interests are not carried out through the development cooperation itself per-se but rather predominantly development cooperation is a symbolic framework that is necessary for the EU to advance its interests through South Africa.

Chapter 6: Conclusion

The study set out to analyse development cooperation between South Africa and the EU between the period 2003 to 2006. The purpose of this analysis was informed by three broad objectives. Firstly, the research sought out to determine whose interests are being promoted by this development cooperation. In this context, the study was questioning the assertion by the EU that this development cooperation was primarily geared for South Africa's development through financial and technical assistance offered by the EU. As such a secondary interlinked objective was thus to determine whether this development cooperation is really promoting development in South Africa through and evaluation of its impact and effect on South Africa.

Through the findings of the above mentioned inquires, a third objective of the study was to contribute to the debate on development aid by highlighting using this development cooperation as a reference point that states do not cooperate only with the objectives of obtaining exclusive interests and relative gains but that states can also cooperate to achieve mutual gains.

Development Cooperation between South Africa and the EU has shown that EU involvement in South Africa is more intensive in any other country in the developing world. This involvement is not contemporary and limited to the 2003 to 2006 period which is the focus of this study. Instead this involvement started during the apartheid years when the EU launched the Special Programme in 1985 which channelled through non-governmental organisations. This development assistance continued after apartheid with the replacement of the Special Programme with the EPRD in 1995. This is the programme that forms the development cooperation aspect of the Trade and Development Cooperation Agreement that was signed in 1999 including the 2003-2006 aspect of it under review. Thus in light of this long history of development assistance to South Africa which forms the background and indeed informs the current development cooperation under review the study found that development cooperation is geared towards promoting the development interests of South Africa. Chapter 3 highlighted the enormous challenges that South Africa faces which

continue to hamper its strides towards development. The research determined that the CSP was a cooperative effort between the South African government and the EC which took cognisance of these challenges and sought to implement a programme geared to meet these challenges. However whether this programme is actually working and promoting development is a different question altogether.

Chapter 4 sought to evaluate this development cooperation from a South African perspective in order to determine its impact and effectiveness in mitigating the challenges faced by South Africa and thereby promote development. The relevance of the CSP to South Africa's development concerns was not in doubt with it comprising of a broad based programme that included interventions in many relevant policy areas with the intent to help bring about change in as many sectors as possible. However this broad mandate seems to have had negative consequences as it led to commitments in many disparate areas which effectively diluted the potential effectiveness and impact of the whole programme. Furthermore the effectiveness and impact of the programme have also been hindered by fault that can be laid on each of the parties' door-steps. The research through an evaluation of programmes in chapter 4 has unearthed shortcomings on both the South Africa side and the EC side that have led to diluting the impact of the development cooperation on South Africa's development in general. However this constitutes an overall evaluation as a detailed evaluation of specific sectors in chapter 4 will show that development cooperation has had a positive impact and effect in some sectors such as RISK, LED, Water Sector Support and E-justice amongst others.

This study of the development cooperation between the EU and South Africa was noted to fit within the paradigms of the debate on development aid which is polarised with contending arguments as to whether development aid advances recipient or donor interests. With the prevailing academic wind clearly blowing in favour of development aid promoting donor interest, the research sought to inquire whether this was the case in the development cooperation at hand in chapter 5. This inquiry also served to provide an evaluation of development cooperation which took cognisance of the perspectives from both sides as the inquiry was done through an assessment of development cooperation from the EU perspective. The findings of the research were

that development cooperation advances the economic, security and political interests of the EU through a distinct logic. In short EU interests are advanced by South Africa's unique role in the Southern Africa region and the continent which makes it an anchor and a pole for the economic development, the development of peace, democracy and security for the region and Africa. The reasoning is that if South Africa is to play this role successfully and effectively it must still overcome major economic and social challenges back home. This is where development cooperation comes in to provide development, stability and democracy in South Africa with the logical assumption that South Africa will not only become a role model for other third world states but that the values in these approaches will be rubbed off to other states during South Africa's regional and continental forays. In these ways as further explained in detail in chapter 5 EU security, political and economic interests are promoted by development cooperation with South Africa.

Through arguing that development cooperation promotes both the interests of South Africa and the EU, the research hopes to have contributed to the debate on development aid by proposing that development aid does not necessarily have to be viewed in narrow lens based on relative gains for either the donor or the recipient or worse still zero-sum logic. Using this development cooperation as a reference case, the research has shown that it is possible for states to achieve mutual gains through cooperating on development aid. This challenges the realist framework which informs the debate on development aid. Realism views international relations as anarchic implying that there is no central authority capable of controlling state behaviour (Baylis, 2005: 302). With no central authority in an international system comprised of states with self interests, uncertainty is a constant. This results in a self-help world in which states seek to maximise their own security and interests even at the expense of others states as they are never sure of the intentions of other states and therefore must always be on their guard (Baylis, 2005: 302). This explains the conceptualisation of the debate on development aid in black and white terms of either advancing donor or recipient interests as states are concerned with 'relative gains'. This fits the realist assertion that instead of being interested in cooperation because it will benefit both partners, states are concerned with how much they are gaining with the states they are cooperating with (Baylis, 2005: 304). It is this framework that this research challenges in light of globalisation and the interdependent and interlinked world that has

emerged. The research has sought to contribute to the development aid debate by using this development cooperation to stress that states can cooperate to achieve mutual gains in an interdependent world. This notion is supported by the International Relations theory of neo-liberalism which is the theory that this development cooperation fits in.

Though development cooperation promotes seemingly separate EU and South African interests in a divergent way, it should be noted that there is a large proportion of common mutual interest between the two. Both parties share similar values such as 'democracy, human right, respect for the rule of law and good governance, a commitment to fight poverty and the promotion of sustainable development' (Olivier, 2006: 184). Furthermore they both are actively committed to an agenda of peace and stability, governance, democratisation and combating government throughout the continent (EC, 2006:4). Thus in light of these similar values development cooperation also serves as a forum and meeting place for discussing and strategising on these common values and issues which are also pervasive within the contents of development cooperation.

Development cooperation therefore promotes both the interests of the EU and South Africa. Some of these interests are separate such as EU economic interests but by and large these are common mutual interests in security, peace and democracy and sustainable development all expressed within a holistic and multidimensional approach to development. Whereas for South Africa its interest in development in this framework is focussed primarily at home in promoting sustainable development, strengthening democracy and stability as well as promoting regionalism, for the EU the logic is to have a stable, developed and democratic South Africa which can play its regional and continental role of promoting regionalism, peace, security, democracy and development effectively. These regional and continental objectives are also critical EU interests. It is in this context that the research has unpacked the not so apparent EU interests in this development cooperation and has shown how this development cooperation serves the mutual interests of both parties in a distinctive way.

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