

Development:



The EU's Best Tool for Conflict Prevention

Brian Kenety

Development aid may be the greatest single contribution the European Union can make to preventing conflicts, but the impact of that contribution is greatly reduced by the lack of a truly harmonised foreign policy among member states, according to the EU's top development official.

If EU member states are serious about conflict prevention, they must be more disciplined in taking stands on foreign policy issues in relation to developing countries, says Poul Nielson, the EU commissioner for development co-operation and humanitarian aid.

Nielson stresses that establishing a truly Common Foreign and Security Policy (CFSP) is crucial to such an effort.

THE EU METHOD

Echoing views expressed by European Commission President Romano Prodi last year to the European Parliament, Nielson underlines the need to use the "EU method," including making the office of the High Representative - the public face of EU foreign policy - a community competence. In other words, he argues that the office must have teeth.

Further down the road, adds Nielson, "a natural consequence of CFSP and ESDP would therefore be for member states to speak with one voice in the UN Security Council."

In November last year, European foreign affairs ministers agreed that the EU should eventually be able to mobilise 60,000 armed military personnel under the European Security and Defence Policy. The idea is to have a European rapid reaction force of peacekeepers capable of responding to crisis areas where the North Atlantic Treaty Organisation military alliance does not wish to engage itself.

"Clearly, the EU is advancing by leaps and bounds in this area. Participating in the debate, my colleague [EU External Relations] Commissioner Chris Patten added, and I strongly agree, that the best and cheapest solution would be if we never had to use them," says Nielson.

NUANCED RESPONSE

"It is argued that military capability gives credibility to foreign policy. In principle, I agree. This is certainly one of the main lessons from the Balkans. Accordingly, so the argument goes, the European Security and Defence Policy will give credibility to Europe's Common Foreign and Security Policy."

"In my view," he adds, "when dealing with developing countries, the analysis has to be nuanced. Let's be honest: Zimbabwe and Serbia are two different situations and the decision-

making parameters of a Mugabe and a Milosevic are not the same. Nor is the credibility of any European threat of military intervention."

"In Africa, Europe's credibility comes from our development cooperation. And our ability to prevent conflict stems from development instruments," says Nielson, himself a former Danish development minister.

He says he considers development cooperation the most important contribution that Europe could make in preventing conflicts in developing countries.

"Some developing countries are closer than we might think. Let me remind you that more than 50 percent of the inhabitants in the North African mega-cities are younger than 15 years old. It matters whether the majority are trained as teachers, skilled workers and farmers, or whether they are trained as soldiers, policemen and terrorists," Nielson points out.

ROOT CAUSES

He says the EU is attacking some of the root causes of conflicts: poverty, demographic pressure and competition for scarce natural resources such as water and land.

Nielson says that the EU is also ready "to make capacity-building, hard-core, big-money" development co-operation.

"We are dealing with weak states requiring institutional capacity-building. After all, a crisis of state legitimacy is at the origin of many rebel movements. Not just because the state is seen as oppressive or predatory but sometimes simply because it is weak."

He notes that while armed conflicts should be avoided, some conflicts are real and legitimate reflections of necessary social change.

"The illusion of avoiding conflicts is unrealistic. Conflicts are part of social progress. And conflicts are the problem. Donors support land reform, empowerment of women, indigenous peoples' causes, minority groups and human rights. This may all fuel conflict. Freezing migration flows is another example," Nielson adds.

The European Commission, the EU's executive arm, he says, needs to concentrate on areas in which it is most effective. "The last thing we need is to add new priorities. We may break our neck if we over-do it. Europe's external policy has been characterised by too many declarations and too little action."

Still, he argues, the EU might be able to integrate the security sector into its development cooperation, looking at military spending and police forces. He said it had to be acknowledged that preventing conflicts (in developing countries) is often beyond the reach of development co-

operation, as some conflicts have a long and complicated history, flowing from religious, tribal and colonial origins.

"In some cases, military solutions may be necessary, for instance to stop the Lord's (Resistance) Army in Sudan or getting the peace process in Angola on track in spite of Savimbi," he says, but most conflicts can not "be stopped by fine-tuning development cooperation through marginal adjustment of this or that aid instrument."

FOREIGN POLICY

Still, he says, if EU member states are serious about conflict prevention they have to be more disciplined in

taking stands on foreign policy positions in relation to developing countries.

"We cannot have a High Representative on the basis of a low common denominator. The 'C' in CFSP stands for 'Common' not 'Convenient'. A main obstacle to a credible European contribution to conflict prevention are the barely co-ordinated views expressed by member states," he underlines.

"I would not be honest if I did not point to this obvious lack of sufficient political will in member states to accommodate unity in messages which is absolutely crucial to the credibility of Europe's common foreign policy," says Nielson.

European Parliaments Show Interests in Tobin Tax

Canada supports it. Britain and the United States will have nothing to do with it. Finland is divided on it, and it is on the agendas of a growing number of European parliaments.

It has been billed as a way to check the mayhem of the global financial markets and tackle poverty. But its detractors say it is unworkable.

A few years ago the Tobin tax was an academic pipedream. Now it is the focus of increasingly vocal campaigning by national and international non-governmental organisations, governments and parliamentary groups.

The point is simple: to impose a tax on cross-border currency trading of between 0.1 and 0.25 percent - or 10 to 25 cents for each 100 dollars traded.

Some 1.8 trillion dollars change hands every day in global foreign currency transactions. So the Tobin tax could raise revenues of between 100 and 300 billion dollars a year.

The idea was first floated in 1972 by US economics professor and Nobel Laureate James Tobin.

RESTRAINING SPECULATION

At that time the system of fixed exchange rates and controls on the movement of capital were coming under pressure from deregulation and diminishing market restrictions - the early days of "globalisation."

Tobin's point was to suggest a way that the big money markets could be restrained. A small tax on currency trading would cut the destabilising potential of short term speculation.

The proposal was largely ignored. "It did not make much of a ripple. In fact one might say it sank like a rock," Tobin later said.

The financial speculations of the 1990s and the spate of financial crises that first hit Mexico, in 1995, and then devastated the economies of Thailand, Indonesia, Malaysia and South Korea in 1997, were followed in the next two years by those of Russia and Brazil.

The economic and social toll of big time fast-track speculation was all too clear.

Tobin's taxation idea found new advocates, first from reformist economists and policy theorists, but also from social movements and politicians.

NEW ADVOCATES

In 1999 Canada became the first country to support the Tobin tax. The same year the programme of the re-elected Finnish government referred to the need to study ways to stabilise the financial markets.

These were small but key victories for supporters of the Tobin initiative. Now, parliaments in many countries have debated motions on the tax. They include Belgium, France, Sweden, Ireland, Italy and Spain.

Belgium wants to table the issue in the European Union during its presidency of the union later this year. In Brazil a Parliamentarian Front for the Tobin Tax has 100 members.

In Finland, ministers are divided on the Tobin tax, though the government programme tacitly supports stabilising the financial markets.

The message from the wide range of public movements that back the Tobin tax is that the revenues it would bring in could be used to fund people's needs, particularly in poor countries.

Much of the pro-Tobin tax campaign literature presents the reform as a chance to tackle the crises of poverty, hunger, disease, global climate change and unemployment. (IPS)