

This is a repository copy of *Caribbean Development Alternatives and the CARIFORUM-EU Economic Partnership Agreement*.

White Rose Research Online URL for this paper:

<https://eprints.whiterose.ac.uk/id/eprint/74990/>

Version: Submitted Version

Article:

Heron, Tony orcid.org/0000-0002-1237-2624 (2012) Caribbean Development Alternatives and the CARIFORUM-EU Economic Partnership Agreement. *Journal of International Relations and Development*. pp. 82-110. ISSN 1408-6980

<https://doi.org/10.1057/jird.2012.5>

Reuse

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

Caribbean development alternatives and the CARIFORUM–European Union economic partnership agreement

Matthew Louis Bishop^a, Tony Heron^b and Anthony Payne^c

^aInstitute of International Relations, University of the West Indies, St Augustine, Trinidad and Tobago, West Indies.

E-mail: matthew.bishop@sta.uwi.edu

^bDepartment of Politics, University of York, Derwent College, York YO10 5DD, UK.

E-mail: tony.heron@york.ac.uk

^cDepartment of Politics, University of Sheffield, Elmfield, Northumberland Road, Sheffield S10 2TU, UK.

E-mail: a.j.payne@sheffield.ac.uk

The Economic Partnership Agreement (EPA) signed in October 2008 between the Caribbean and the European Union has been the subject of much controversy. There has been a marked split within the Caribbean between the officials and politicians who negotiated — and thus championed — the EPA and the wider academic and civil society community that subjected it to heavy criticism. The paper examines these debates in detail and situates them within the broader intellectual and practical panorama of Caribbean development alternatives. Specifically, it discusses how the terrain upon which development has been both theorised and practised in the region has narrowed significantly since the 1980s, with the EPA being the latest manifestation of this evolving trend. The paper consequently goes beyond an analysis of the short-term politics of the EPA to elucidate the deeper, structural explanations for the divisions over the EPA between the policy and academic communities and the wider implications of the Agreement for contemporary Caribbean development.

Journal of International Relations and Development advance online publication, 6 April 2012; doi:10.1057/jird.2012.5

Keywords: Caribbean; CARIFORUM; development; EPA; EU; trade negotiations

Introduction

For the last decade or so the external relations of the predominantly English-speaking Caribbean Community (CARICOM) have been dominated by the prospective reordering of the region's longstanding trade arrangements with the European Union (EU), with the main aim being to establish an Economic Partnership Agreement (EPA). The foundations of the EPA were



laid by the Cotonou Agreement of 2000, which set out a time-frame for the establishment of reciprocal free trade agreements to replace preferences established by the 1975 Lomé Convention, which was subject to adverse rulings under both the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO) during the 1990s and 2000s. For the Caribbean, this process culminated in October 2008 when, under the auspices of the Caribbean Forum of African, Caribbean and Pacific states (CARIFORUM), the region became the first — and, at the time of writing, the only — region to sign a comprehensive EPA with the EU.¹ Although viewed in certain policy-making circles as demonstrative of a new political and economic maturity on the part of CARICOM, the decision to sign a comprehensive EPA has in fact proven to be highly controversial.

Outside the region, the decision has been criticised because, in signing a comprehensive EPA, CARIFORUM effectively broke ranks with the rest of the African, Caribbean and Pacific (ACP) group, which had thus far resisted much of the EU's post-Cotonou trade agenda. In fact, with the exception of CARIFORUM, the furthest that any ACP countries have gone is to sign 'goods only' interim agreements, which constitute the bare legal minimum required to satisfy multilateral trade rules. Inside the region, the decision has also been the subject of intense criticism, mostly deriving from a disparate group of academics, former government officials, opposition politicians and prominent members of civil society. This internal critique has focused on two different aspects of the EPA (Girvan 2009a). First, questions have been raised about the substantive merits of the agreement which, it is claimed, offers few discernible development benefits while at the same time threatening to derail the region's own integration effort and reduce the strategic options open to the Caribbean in other bilateral and multilateral trade negotiations (Brewster 2003; Girvan 2006a; Lewis 2007; Payne 2008; Bishop and Payne 2010). Second, CARIFORUM — and particularly the Caribbean Regional Negotiating Machinery (CRNM), which led the EPA negotiations on behalf of CARIFORUM — has been taken to task for the allegedly highly technocratic way in which the EPA negotiations were handled and for the failure to address numerous public concerns expressed about the agreement and the means by which it was concluded. As one leading regional commentator, Ronald Sanders (2010) has put it, 'in the end, trade negotiators were blamed for an EPA that few liked and even fewer, including in many governments, understood'.

In this paper, we provide a broad assessment of these and other criticisms levelled against the CARIFORUM–EU EPA. It should be noted that, although not yet complete, the EPA process has already generated a great deal of comment and debate, the majority of which has focused on the technical merits and demerits of the agreement (e.g. Bernal 2008; Humphrey 2008; Meyn *et al.* 2009; Stevens 2008, 2009; ECLAC 2009). We do not seek to



replicate these arguments, but instead aim to gauge the wider significance of the politics of this EPA. Put another way, we are interested in what the CARIFORUM EPA tells us about the region's current and future development options. The central thrust of the case that has been advanced by Caribbean elites and other advocates of the EPA is that, while the final agreement was far from perfect, the CRNM nevertheless managed to extract important concessions from the EU through careful and informed negotiation. Under these circumstances, it is argued that, overall, the agreement represented the best possible deal that could have been obtained. This justification raises a series of important analytical questions that we proceed to discuss. How far indeed did the CARIFORUM agreement constitute the best deal that could be reached under the circumstances? Has the subsequent criticism levelled at the CRNM — in terms of the process and content of the agreement — really been warranted? What, ultimately, does this episode tell us about the perceptions that Caribbean elites currently hold about the current and future trade and development options of their countries?

In order to address these questions, the paper proceeds as follows. In the first section we offer a brief overview of the different phases of development thinking in the modern Caribbean, placing the EPA debate within its proper historical and intellectual context. The next section details, again only briefly, the background to the EPA with respect to the rise and fall of the Lomé and Cotonou trade agreements. We then turn, in the penultimate section, to a critical analysis of both the substance of the CARIFORUM EPA and, more importantly for our purposes, the arguments that have been advanced in the region 'for' and 'against' the agreement. Finally, the conclusion aims to pull together the various strands of the argument. Here we consider what this episode ultimately says about the wider development predicament and consequent room for policy manoeuvre that elites within the Caribbean (and, by implication, other small preference-dependent economies) currently possess in response to global changes over which they have no significant control.

The diminishing panorama of Caribbean development alternatives

The Caribbean has long enjoyed a vibrant indigenous development debate, with the close relationship between the region's intellectual and policy communities historically affording a range of often distinctive and original developmental strategies. Yet, in recent years, the broad vista of conceptual and practical development options that greeted Caribbean policymakers in the 1960s and 1970s has narrowed markedly in tandem with the neoliberal ascendancy. Moreover, the dominant paradigm within which development is pursued has come to be



generally applied from the outside (Booth 1985; Payne and Sutton 2001, 2007). Practically, this has occurred against a backdrop of international trade liberalisation and the globalisation of increasingly complex and fragmented production processes, which have, in turn, both eroded the foundations upon which post-war Caribbean development was based and simultaneously created daunting barriers to entry into the modern sectors of global growth. It is worth briefly charting this tapering of intellectual and practical development alternatives (for more on this subject, see Bishop 2012).

The first thinker to make an impact was the Nobel Prize-winning St. Lucian economist, W. Arthur Lewis, who was responsible for providing 'the first cogent statement on the British West Indies as a unit of analysis by a Caribbean thinker' (Bernal *et al.* 1984: 10). Working in broadly the Keynesian tradition, Lewis focused on the existential problems that beset the West Indies and the kinds of interventions needed to resolve them. The principal issue, in his view, was a lack of economic growth, which was the result of chronic underemployment in Caribbean agriculture and a consequent savings rate that was insufficient to stimulate capital investment. As such, in a series of groundbreaking papers, Lewis (1950, 1954) argued that the solution was the industrialisation of the region through encouraging foreign investment. This would, he reasoned, augment the available stock of financial, human and technological capital in order to facilitate growth through import substitution (Lewis 1955). For Lewis, foreign capital was very much a means of kick-starting an internal growth dynamic, rather than an end in itself, and in many ways the strategy he proposed was a success, stimulating growth of around 5 per cent annually throughout the region until the various economic and political crises of the 1970s began to bite. However, the approach failed to allay the chronically high levels of unemployment and underemployment — and thus inequality — which had provided the initial rationale for his theorising, and was generally unable to alleviate dependence on primary products or reverse 'neo-colonial' patterns of extraction and dependency, which were actually reinforced by the inflows of foreign capital (Levitt 1996; ECLAC 2005; Sutton 2006).

In response came the backlash from an authentic Caribbean brand of dependency theory. Drawing on the work of the Latin American *dependentistas*, the Caribbean formulation of the paradigm emerged from the studies being undertaken by the so-called 'New World Group' within the University of the West Indies, an eclectic gathering of younger, critical scholars (Demas 1965; Girvan 1973; Ramphall 1977; Morrissey 1981). Their fundamental critique was not, as one of the key members, Lloyd Best, subsequently noted, that Lewis 'saw imperialism as part of the solution while we saw it as part of the problem', but rather that 'we saw an underlying organisation of the world economy which led to this persistent poverty in countries like our own' (Best 1992: 11).



Nonetheless, in a withering critique, Best and his colleague, Kari Levitt, coined the term ‘industrialisation by invitation’ to denigrate the way Lewis deferred to foreign capitalism. By contrast, they emphasised the continuing ‘metropolitan dependence and the economic and social legacy of the plantation system’ in order to develop a historical-structural-institutional approach to understanding Caribbean underdevelopment (Levitt 1996, 2005: 35).

As in Latin America, the Caribbean school was split between the loose structuralism of Best, Levitt and others such as Jay Mandle, Owen Jefferson, Norman Girvan and George Beckford, and those, such as Clive Thomas and Walter Rodney, who postulated a more explicitly Marxian, and thus ‘historical-materialist’, conception of the paradigm (Thomas 1974; Payne 1984). Consequently, although these different groups converged to some extent on the nature of the problem — dependency and underdevelopment — they diverged significantly when it came to proposing solutions (Hettne 1995: 175). To borrow a phrase from Raphael Kaplinsky (2005: 3), both groups saw the need for ‘fundamental structural change’, but the former approach advocated working ‘for’ and improving the system from within, whereas the latter proposed working ‘against’ the system and replacing it with something new.

The importance of these debates lies less in the perceived value or otherwise of the analyses themselves, and more in what they represented in terms of the existence of a vibrant indigenous Caribbean discussion about development that reviewed real intellectual and practical alternatives. However, just as wider debates about development became increasingly bitter throughout the 1970s, fuelled by real-world turbulence in the global economy, so the Caribbean variant also gradually reached an impasse. Björn Hettne (2008: 1) has noted how development theory should be viewed as ‘a succession of discourses rather than as an evolutionary process of theoretical improvement’, and it was at this point that Caribbean development theory — like such theory elsewhere — was transcended by a new discourse. As has been well recounted, this was characterised by a resurgent liberalism embedded in what was termed the ‘Washington Consensus’ (Williamson 1990). In response to the perceived difficulties of the 1970s, this paradigm, as Girvan (2006b: 74–5) has noted, took aim at Keynesianism in the ‘North’, as well as ‘its presumptive intellectual offspring, developmentalism in the South’. In so doing, it promoted a private sector-led development model that incorporated the now familiar roll-call of neoliberal policies embodied in privatisation, deregulation and liberalisation. Strongly influenced by the ‘Chicago School’ of neoclassical economic liberalism, the Washington-based international financial institutions (IFIs), meaning the International Monetary Fund (IMF) and World Bank, along with the United States (US) Treasury, disseminated these ideas as an incontestable, ‘internationally accepted common sense’ (Hutton 2002: 220).



For the Caribbean, the accession to power of the Reagan government in the US cemented the adherence of all governments in the region, almost without exception, to 'Washington Consensus' norms and an acceptance of the market as the engine of growth (Skelton 2004). The 'carrot' was provided by Reagan's Caribbean Basin Initiative, which promised aid and trade assistance to those countries in the broader region that acknowledged and implemented neoliberal policies (Deere 1990; Grugel 1995; Heron 2004), whereas the proverbial 'stick' was wielded in the invasion of Grenada, after which it became clear that radical experiments of a similar ilk would not be tolerated. The vulnerability and dependence of the small Caribbean states were cruelly exposed during this period. They generally suffered from declining terms of trade in respect of the primary products that dominated their relatively undiversified economies, and this led to a desperate need to borrow, which only served to bring them under the influence of the IMF, the World Bank and structural adjustment (Girvan 2006b).

As such, the developmental dynamic of the English-speaking Caribbean in the 1980s was no longer endogenous to the region. Rather, 'what was new, and indeed intimidating, was the extent to which options open to Caribbean states seemed to be overlaid, almost overwhelmed, by the interests and actions of the USA' (Payne 1998: 8). Once the 1980s passed into the 1990s, Cold War tension eased, while structural adjustment simultaneously became further entrenched and the US actually began to step back from its overt interference in Caribbean affairs. Yet, rather than relief, this process only engendered 'a new and intangible sense of beleaguerment' as the region began to contemplate its vulnerable new position in a rapidly globalising world (Payne and Sutton 2007: 2). This gave rise in 1992 to the establishment of the West Indian Commission and its huge report, *Time for Action*, which covered every facet of the situation facing the region (West Indian Commission 1992). However, despite making a number of interesting suggestions pertaining to, for example, increased cooperation and the deepening of the integration process, it still betrayed a marked colonisation by neoliberal thinking, advocating a development model for the post-1992 Caribbean almost wholly based on private sector-led growth. This was perhaps unsurprising given that, by then, the dominance of neoliberalism had fatigued most West Indian intellectuals who struggled to come to terms with it. As a consequence, development as a political process foundered against the technocratic approach favoured by the IFIs. As Paul Sutton (2006) put it, the 'políticos' were replaced by the 'técnicos'. The discussions about development were no longer ones of grand design emanating within the region for the region, but rather, and merely, about how best to administer programmes designed elsewhere under the neoliberal paradigm.

By the turn of the century, the harshest formulations of neoliberal thinking had given way to what came to be termed the 'post-Washington



Consensus’, and in this vein the World Bank published two major reports on the Caribbean. The first was a huge and detailed analysis entitled *A Time to Choose: Caribbean Development in the 21st Century* (World Bank 2005a), and the second, which had a focus on the members of the Organisation of Eastern Caribbean States (OECS), was called *Towards a New Agenda for Growth* (World Bank 2005b). Although both reports were wide-ranging and contained within them a torrent of recommendations, their main thrust was clear: first, increased regional integration was a ‘critical input’ to improving competitiveness; second, the dismantling of trade preferences should be welcomed and exchanged for technical support; third, taxes should be reduced, along with customs duties, to encourage influxes in foreign direct investment; fourth, the public sector should aim for ‘greater reliance on the private sector’ and become more cost-efficient; and, fifth, improving the quality of human resources should serve to aid diversification and productivity (World Bank 2005a: xv).

Regardless of the utility or otherwise of these recommendations, what was striking was the way in which they still fell squarely within the orthodoxy of neoliberal thinking and offered a ‘one-size-fits-all’ development model. There was little space made, for example, for a vibrant indigenous agriculture, and even less for the kind of ‘selective engagement’ or ‘disengagement’ (Kaplinsky 2005) with the global economy that would involve the strategic use of tools like taxes or duties or, most importantly, concerted government action to shape proactively a country’s political economy. The larger report in fact noted, with little sense of irony, that ‘during the analysis it was found that countries were often too heterogeneous to permit easy classification’, but still hoped that it might ‘serve as a tool to help countries develop their national plans for development’ (World Bank 2005a: xvi). It was difficult, however, to see exactly where — in the world envisaged by the Bank, in which Caribbean states had created low-cost, low-intervention, low-tax, diversified service-based economies that produced little of their own food and were more dependent than ever upon external forces — the space for such a distinctive approach might exist. As we shall see below, as the intellectual constraints upon Caribbean development have steadily narrowed, the CARIFORUM–EU EPA has now crystallised into law and has thus made statutory the limited panorama of practical development alternatives that remain.

From Lomé to Cotonou to EPA: the changing contours of EU ‘development cooperation’

The rise and fall of different intellectual currents within the English-speaking Caribbean mirrors the shift in intellectual paradigms that have



informed different approaches to what EU officials were traditionally — and are still — fond of calling ‘development cooperation’. Of course, in historical terms, the catalyst for the formation of a distinctively European development policy for the Caribbean was the United Kingdom’s accession to the Common Market in 1973, which brought with it post-colonial responsibility for the newly independent (and soon-to-be-independent) developing countries of the Commonwealth. Yet the early phase of European development policy was also an intellectual product of its time, in the sense that it was influenced by broadly the same economic ideas that helped to shape the ‘Keynesian’ and more radical phases of Caribbean development thinking. In practical terms, the accession of the UK to the Common Market required extending the geographical focus of the Yaoundé Convention — which had offered reciprocal trade preferences to 18 former African colonies of France and Belgium since 1963 — to include the Caribbean and Pacific, although not South Asian, Commonwealth states (Ravenhill 2004). The timing of this was significant for two reasons. On the one hand, UK accession coincided with the ‘oil shock’ of 1973 which, coupled with the related boom in other primary commodity prices, instilled a sense of acute nervousness in European capitals regarding the future security of supply for key raw materials, many of which were located in the former colonies. On the other hand, the negotiations leading up to the conclusion of the first Lomé Convention were influenced by the international climate of the mid-1970s, characterised by ‘Third World’ demands for a New International Economic Order (NIEO). Indeed, Lomé I (1975–1979) stands in retrospect as something of a highpoint in the attempt by the developing world to redefine North–South relations, in the sense that the agreement was at least rhetorically consistent with the spirit of the NIEO (Brown 2000: 372).

Against this backdrop, the first Lomé Convention was signed on 28 April, 1975 between the nine developed countries belonging to what was then the European Economic Community and 46 developing countries belonging to the newly created ACP group of countries. Unlike the Yaoundé Convention, preferences under Lomé were granted on a non-reciprocal basis (although in practice full reciprocity had never really existed under Yaoundé). Perhaps more importantly, Lomé established a series of highly lucrative commodity protocols — for bananas, beef, rum and sugar — offering eligible ACP states guaranteed prices far in excess of those available on the world market (due to the price-distorting effects of the Common Agricultural Policy). Reflecting the spirit of the NIEO, Lomé also included a substantial aid component financed through the European Development Fund, plus compensatory mechanisms to assist countries suffering price fluctuations for primary commodities (STABEX) and to guarantee the production of certain minerals (SYSMIN). Finally, Lomé was governed by an elaborate set of joint ACP–EU institutions, including a Council of Ministers, Committee of Ambassadors and Joint



Parliamentary Assembly. The logic underpinning this institutional design was that Lomé represented a departure from traditional schemes like the Generalised System of Preferences (GSP) because it was both legally contractual (unlike the GSP, which could be withdrawn unilaterally at any time by the preference-granting country) and based on a ‘partnership of equals’.

In these ways, then, the first Lomé convention constituted a relatively groundbreaking approach to international development, offering a series of innovative trade and aid measures tied to what appeared to be genuinely democratic institutional arrangements. In practice, however, Lomé suffered from a number of crucial flaws. First, although supposedly based on a ‘partnership of equals’ between the EU on the one hand and the ACP on the other, the latter constituted for the most part little more than a geographical expression that had effectively been invented by officials in Brussels in order to make Lomé possible (Bretherton and Vogler 1999: 126). The consequence was that the ACP always lacked the collective political agency necessary to the make the ‘partnership of equals’ a reality. To make matters worse, in foregoing the principle of reciprocity, the ACP abandoned the one form of substantive bargaining leverage that might have acted to mitigate, although if only slightly, the vast disparities in economic power between itself and the EU. In the absence of this, the ACP came to embrace instead what John Ravenhill (1985) called ‘collective clientelism’, by which he meant that the ACP had little alternative but to rely on the generosity of Lomé, and EU largesse more generally, to forward its collective interests. However, as Ravenhill (2004: 122) later observed, this strategy was only viable so long as the EU was prepared to continue to carry the economic and political burden of maintaining what over time became increasingly unpopular, and globally unacceptable, non-reciprocal trade preferences.

Changes to the Lomé system eventually came, emanating from two different directions. The first emerged from within the EU itself. In 1996, the European Commission published its landmark *Green Paper on Relations between the European Union and the ACP Countries*, which made the startling admission that Lomé had been an almost unqualified failure in meeting its principal objectives. No matter what economic benefits had been bestowed on individual farmers and commodity producers, the EU focused on the fact that, despite 25 years of trade preferences and generous aid provision, Lomé had signally failed to promote export growth or diversification. In fact, quite the reverse had occurred: between 1976 and 1994, ACP exports to the EU as a proportion of the total shrank from 6.7 per cent to 3.4 per cent, while the ACP’s overall share of world trade fell from 3 per cent to 1 per cent (Gibb 2000: 463). Also serving to harden European attitudes towards Lomé was the further enlargement of the EU to include Spain, Portugal and, to differing degrees,



the Nordic countries, which generally saw little logic in a pro-development policy based on targeting aid at countries with strong colonial links to certain member states and excluding other, equally or even poorer, countries without this historical connection. Crucially, both the Maastricht Treaty of 1992 and the Amsterdam Treaty of 1997 made references to the need to integrate 'developing countries into the world economy', with particular emphasis on 'the most disadvantaged among them'. The implication for the ACP was clear: Lomé was living on borrowed time because it was based neither on sound development criteria (although 39 of the 71 ACP states were classified by the United Nations in 2001 as Least Developed Countries (LDCs), the rest were not) nor on proven success in integrating the ACP into the world economy (Ravenhill 2004: 126-27).

The second, more widely cited, source of change came from a series of adverse legal rulings against the EU's banana protocol under both the GATT and the WTO. Although much has been made of the role of the WTO in precipitating the demise of Lomé (not least by the EU itself), it is worth pointing out that the original banana dispute was provoked by the creation of the single banana market in 1992 as part of the implementation of the Single European Act (Alter and Meunier 2006). Despite this, in 1994 the GATT ruled that the Lomé Convention was inconsistent with both the most-favoured-nation clause, because it did not constitute a 'free trade area' or 'customs union' (due to the lack of reciprocity), and the 1979 Enabling Clause, because it discriminated between developing countries. In response, the EU immediately sought and received a 5-year waiver for Lomé (although this did not prevent further legal challenges to the banana regime) in advance of the introduction of the much-strengthened WTO disputes settlement mechanism (DSM) in 1995. Although the EU possessed the option to seek a further waiver — for which there were numerous other precedents under both the GATT and WTO — it soon intimated that its intention would be to recast the entire ACP trade relationship in such a way as to make it 'WTO compatible'. The reason given was that the tightening of rules covering the granting of legal waivers under the WTO (requiring a 75 per cent as opposed to a 66 per cent majority for approval) meant that such a request was unlikely to succeed. Many questioned this interpretation, and the truth was that the banana dispute merely added grist to the mill of an increasingly dominant view within the EU that Lomé had long passed its sell-by date.

The fate of Lomé did not, however, rest simply on a dispassionate reassessment of its technical and legal merits following the enlargement of the EU and the strengthening of international trade rules. As William Brown (2000) has pointed out, the deeper point was that these matters were themselves being shaped by a more fundamental shift in the ideological underpinnings of global economic governance in general and EU 'develop-



ment cooperation' in particular. Although Lomé was premised on the notion of 'ideological neutrality', wherein the effectiveness of alternative programmes and policies was deemed to be measurable against objective development criteria, over time this sentiment was replaced by faith in the universalism of neoliberal doctrine and policy conditionality along the lines of structural adjustment, good governance and the other parts of this package. By the time that Lomé was renewed for the fourth time in 1990, language had already been introduced supportive of the wider structural adjustment efforts of the IFIs, while the 1995 mid-term revision went even further by attaching explicit political conditions to development aid for the first time. These changes provided an ideological snapshot of what was in store for the ACP following the conclusion of the Cotonou Partnership Act of 2000, which finally replaced the Lomé Convention as the basis for governing EU–ACP trade relations.

Although the 1996 *Green Paper* had identified a number of alternative options (including the maintenance of the *status quo*, the standard application of GSP and the establishment of a single agreement based on the principle of uniform reciprocity), the trade component of the Cotonou Agreement eventually settled on the formula of replacing Lomé with separate EPAs based on six 'regions' as identified by the Commission, namely: the Caribbean; West Africa; Central Africa; Eastern and Southern Africa; and Southern Africa (SADC-minus).² In order to make this possible, the EU would seek an extension to the WTO waiver (which was subsequently granted during the 2001 Doha Ministerial in Qatar) in order to allow the ACP sufficient breathing space to prepare for the EPA negotiations, scheduled to begin in September 2002 and end no later than 31 December, 2007. The Cotonou Agreement, however, made special provisions for LDCs, which would be granted Lomé-equivalent duty- and quota-free preferences under what became the 'Everything but Arms' (EBA) agreement of 2001. By including the handful of UN-designated LDCs that had been excluded from Lomé, the EBA effectively got around the issue of WTO incompatibility since the regime was now legally consistent with the 1979 Enabling Clause.

Yet, for CARIFORUM, which, with the sole exception of Haiti, is made up entirely of 'non-LDCs', the EU's proposed solution to the problem of WTO compatibility was far from ideal. The reason was clear: since non-LDCs were by definition ineligible for Lomé-equivalent preferences available through the EBA initiative, the only alternative was to sign up to fully reciprocal agreements in exchange for trade benefits that they already received. Although the Cotonou Agreement did make reference to offering countries that failed to sign an EPA a trade framework at least 'equivalent to their existing situation', in practice, given that Cotonou had introduced a deadline of December 2007 for the conclusion of the EPAs, the only other available option



was the substantially inferior GSP programme (which offered preferences on approximately 54 per cent of tariff lines in contrast to approximately 95 per cent under Lomé). Hence, CARIFORUM and the other non-LDCs were confronted with an unpalatable choice: either negotiate a fully reciprocal EPA or run the risk of their trade access being downgraded to GSP terms. Finally, not only did Cotonou require the establishment of WTO-compatible EPAs, but Articles 41–52 of the Agreement also made provision (although rather vaguely) for reciprocal liberalisation in a whole raft of ‘trade-related’ areas like services, investment and intellectual property that were not covered by the original Lomé protocol, and thus not subject to WTO litigation. The choice for CARIFORUM was therefore not simply whether or not to sign a WTO-compatible EPA; it also centred on the necessity or desirability of concluding a ‘WTO-plus’ agreement going far beyond what was strictly necessary to satisfy multilateral trade rules.

The road less travelled: the CRNM and the CARIFORUM EPA

As we suggested in the introduction, the main analytical thrust of the critical commentary generated by the CARIFORUM EPA has focused on its technical aspects and likely distributive effects. Our attention here is somewhat different, and necessitates a focus on the politics behind the agreement. Specifically, we wish to advance an analysis of why the Caribbean — through the CRNM — negotiated the particular EPA it did, in the way it did, and what this tells us about the diminishing panorama of the region’s development alternatives. One way of looking at this (as in Bishop 2011; Heron and Siles-Brügge 2012) would be to focus on the structural power brought to bear on the negotiations by the EU which the Caribbean struggled to resist. Yet although the EU approach forms a crucial part of the story, for our purposes here it does not really help us to understand the motivations on the Caribbean side of the equation and the very real — although certainly constrained — choices that actors consciously made. Another way of answering the question would be to ponder the broader implications of the EPA, particularly as it relates to the trade-off between retaining the immediate economic benefits of continued market access for exports (which the EU was threatening to rescind unilaterally in the event of a delayed or non-agreement) against the longer-term cost of sacrificing policy autonomy (Heron 2011). And yet another method would be to show how the politics of the EPA developed during the negotiating period, why the different actors advocated and pursued certain lines of agreement, and where all of this fitted into the prevailing structural asymmetries between the Caribbean and the EU. It is this latter approach that characterises our agenda for the remainder of the discussion.



The official view

During the late 1990s, it became clear that the Caribbean was ill-equipped to deal with the intensification of various processes of hemispheric regionalisation that had been led, in part, by the energetic, multilateral approach of the Clinton administration in the US. Given that, in addition to the discussion of a potential Free Trade Area of the Americas and the emerging agenda of the newly established WTO, the region also had to negotiate the post-Lomé settlement with the EU — while simultaneously dealing with its own, awkward, internal processes of integration via the creation of the Caribbean Single Market and Economy (CSME) in 2006 — it was acknowledged that the CARICOM Secretariat would be unlikely to be able to manage successfully the full range of competing demands placed upon it in the field of external negotiations. The CRNM was thus created as a special, time-limited institution that was separate from, yet still linked to, CARICOM, with a mandate for handling the negotiations (Grant 2000). Indeed, in the initial formulation, the CRNM was considered as very much an appendage of the CARICOM Secretariat, with the latter remaining the preeminent institution of regional governance.

However, far from being a simple and understated organ of technocracy, the CRNM quickly established a forceful personality of its own characterised by ‘a distinctive and somewhat provocative organisational structure’ (Payne and Sutton 2007: 13), which afforded it significant freedom from the Secretariat (even sidelining the latter to some degree) and substantively went well beyond what was initially envisioned in terms of its capacity both to set agendas and to strike deals. This derived in large part from the gravitas, personality and connections of its first head, Sir Shridath Ramphal. Cedric Grant (2000: 473) also noted two other important changes that were implemented at this time: one institutional, the other intellectual. The former was a decision taken, commensurate with Ramphal’s own standing, to upgrade the post of Chief Negotiator from Ambassadorial to Ministerial rank, with the incumbent therefore able to bypass the CARICOM Secretariat and report directly to the CARICOM Heads of Government. The latter was a forceful attempt to get the CRNM to take a pro-liberalisation, pro-reciprocity stance in negotiations. With the commencement of the Doha Round in 2001, Ramphal stood down and was replaced by Richard Bernal, a former Jamaican ambassador to the US and a technocrat rather than a politician. Nevertheless, under Bernal, the CRNM maintained, and even entrenched, its position of relative autonomy. This was of particular significance in the Caribbean regional context since, formally, this allows no juridical space for executive authority residing beyond the Heads of Government and the sovereignties that they embody (Bishop and Payne 2010). Moreover, and perhaps more apposite to the discussion here,



as the EPA negotiations intensified, the perception was created — particularly in the minds of critics of the agreement — that the CRNM not only exercised authority well beyond its remit, but was almost entirely responsible for the unsatisfactory conclusion to the whole process.

It is certainly fair to say that the CRNM was pro-liberalisation, as well as highly activist in its dealings with the EU. Part of the explanation for this is that both Ramphal and Bernal surrounded themselves with like-minded and proactive technocrats who viewed the negotiation process as an opportunity for the Caribbean to profit from the liberalisation of trading relations with the EU. Moreover, there is little doubt that, overall, the quality of human resources enjoyed by the CRNM was considerably superior to those at the disposal of the Secretariat. One only has to consider the range and number of reports it produced, or indeed interview some of its staff, to understand that the CRNM as an institution was endowed with considerable intellectual capacity, drive and confidence. For its part, the EU was more than ready to negotiate a full EPA and, moreover, to do so quickly. Because both the CRNM and the EU engaged with each other in a cooperative fashion, it could therefore be argued that, as one observer has suggested, ‘not a lot was surprising’ about the process.³

Nonetheless, the official CRNM line is important to understand. It justified its approach in four main ways. First, it was suggested that, because the Caribbean was already relatively unified both regionally and developmentally, it made sense to press ahead with the negotiations. There was recognition on the part of all actors of the legally and temporally binding nature of Cotonou. CARICOM and the CSME had long since been created (although, in the case of the latter, not fully implemented) and, given that Haiti was the only LDC in the region, there was little option for the negotiation of ‘Special and Differentiated Treatment’ or recourse to any other system of preferential treatment such as the EBA. In this sense, the EPA was the only game in town. Second, the CRNM negotiators took the view that, because they were so well briefed, and because they were taking an early, positive, activist approach to the negotiations, important benefits and concessions could be extracted from the EU that would not be available to other intra-ACP regional groupings. Third, the case was made that the EPA was not actually about entrenching the remaining market access for those Caribbean export commodities that had hitherto enjoyed preferences. Rather, it was predicated upon a recognition that the composition of many of the region’s economies had long been undergoing a process of reconfiguration towards services, and the claim that only a full EPA, with its services component, would be able to provide the requisite market access for new Caribbean services exports that could, in theory and over time, climb the value chain. The timing of the process was critical in the minds of the negotiators. Their assumption was that, if the region were to profit from



the so-called ‘dynamic benefits’ of the agreement, which were expected to derive especially from the services and investment component and the chapters on ‘development co-operation’, it would have to be concluded — and then implemented — swiftly. Fourth, and most important, the CRNM was ideologically convinced by the EPA. In advocating the region’s offensive interests, it was far more optimistic than many other Caribbean academics, diplomats and non-governmental organisations (NGOs) about the development potential of the neoliberal approach to trade. As one negotiator put it, ‘we make no bones about the fact that we have a different development paradigm to the old guard’. The implication was that, for the Caribbean, adjustment was necessary, welcome and long overdue.⁴

The ‘WTO-plus’ nature of the EPA is the element that has attracted the greatest criticism and done most to place the CRNM on the defensive. In a policy briefing (CRNM 2008) published shortly before the institution was disbanded (of which more later), six principal ‘motivations’ were stressed to explain why a ‘WTO-plus’ EPA was negotiated. These were as follows: (1) to ‘bind’ prevailing levels of EU preferences and safeguard them against potential legal challenges in the WTO; (2) to improve EU market access; (3) to encourage diversification away from an export agriculture that was increasingly subject to preference erosion and towards higher value-added exportables; (4) to provide impetus to the ailing regional integration movement; (5) to ameliorate issues of regulatory harmonisation and capacity building to assist Caribbean firms in exploiting EU markets; and (6) to transmit ‘a forceful signal — to both investors and development partners — of the earnestness of a [*sic*] Caribbean’s programme of economic reform’. A fuller critique of the technical merits and demerits of these points can be found elsewhere (Heron 2011). The key point to stress here is that there was, in essence, broad agreement from most of those close to the process that negotiating a ‘full’ EPA was far preferable to a ‘goods only’ or ‘interim’ agreement. This was justified by the assertion that the EPA should be viewed as a whole, rather than as a series of discrete technical decisions.

In a similar vein, Errol Humphrey (2008), Ambassador of Barbados and a senior member of the College of EPA Negotiators, has crystallised the CRNM view by suggesting four fundamental reasons why a full EPA was signed in the timeframe it was. These were: (1) the threat of EU withdrawal of market access at the expiry of the Cotonou waiver; (2) the thorny issue of goods in the latter stages of negotiations; (3) the holistic nature of the full EPA, the ability to secure the region’s ‘offensive interests’ in services and the oft-cited ‘development cooperation’ elements; and (4) the ‘maintaining’ of the ‘integrity’ of Caribbean integration by means of preventing fragmentation via the signing of several independent bilateral agreements with the EU. What is interesting is the fact that it was *only* the question of market access for goods that was especially



contentious in the negotiations (this was the reason why it was left until the end of the process). This is quite revealing, since, intuitively, one would expect what were in WTO parlance called the 'Singapore issues' (competition policy, transparency in government procurement, trade facilitation and investment) to have been far the most difficult to resolve given the opposition to them that exists at the multilateral level; yet, in the CARIFORUM EPA, this was not the case. These aspects of the EPA, which have been hugely controversial elsewhere, were negotiated quickly and comprehensively, whereas the Caribbean's legacy interest in goods — which would have been subject to heavy preference erosion and declining terms of trade, whatever the outcome — remained the most tricky to resolve. This is suggestive of a significant degree of unity between the CRNM and, at least, the Heads of Government, during the early stages of the negotiations. In summary, then, the CRNM's defence of the agreement has been predicated on the idea that, because its negotiators had a sound working relationship with their EU counterparts, it was able to negotiate assertively — and thus secure — a better deal than would otherwise have been possible.⁵

The critical view

However, as indicated earlier, the intervening period since the signing of the EPA has witnessed the CRNM come under heavy and sustained attack from within the region, with the critique focused upon two broad areas. First, critics questioned the extent to which the CRNM did actually achieve a good deal in terms of the technical aspects of the EPA, in effect positing the notion that there may have been some kind of preferable alternative arrangement that could have been sought and achieved. Second, they denounced the way in which the CRNM engaged with the EU, as well as other Caribbean stakeholders, during the negotiations. As Norman Girvan (2009a: 8) has described it, the critique has been composed of both 'content' and 'process' components.

As regards content, there were three elements. First, detractors inveighed against the 'WTO-plus' nature of the EPA, in particular the services and government procurement components that, it was suggested, offered the EU too great a level of reciprocal market access to the Caribbean. This was deemed to have worrying implications for local services providers, particularly those who sell to regional governments (Sanders 2010). In addition, the fact that the Caribbean was happy to accede to a 'WTO-plus' agreement, incorporating many of the Singapore issues, was said to carry with it other problems. One was that the region would now find it difficult to defend its services sector in bilateral trade agreements with other countries and blocs, such as in the present negotiations with Canada. Another related concern was the suggestion that,



with ‘Third World’ unity now broken, the rules that are coming to shape the application of the Singapore issues are being constructed outside the relative comfort of the multilateral setting in arenas where asymmetric power relations between the parties are much sharper.⁶ In any case, it was widely argued that the technical barriers to trade are practically so great that market access to the EU for many Caribbean services was likely to be, at best, difficult to exploit and, at worst, meaningless. This problem would be intensified further as greater numbers of (more competitive) countries and regions also come to sign free trade agreements with the EU (Jessop 2010). What this debate really shows, in our view, is a straightforward ontological disagreement between critics and supporters of the EPA. For the former, who are inherently suspicious of the neoliberal approach to trade and development, a more defensive approach to protecting Caribbean markets would have been preferred. The latter, by contrast, resist what they consider a reification of the Caribbean’s weaknesses, stressing instead the need to find ways of exploiting the new market access offered by the EPA. In many ways, this is not a new theme in Caribbean political economy; the divisions that existed over the solution to the debt crises of the 1970s and the painful structural reforms subsequently undertaken, especially by Jamaica, saw similar disagreements between liberals and those of a more developmentalist bent.

The second major line of critique took issue with the assertions of the CRNM and other supporters of the agreement that a major guiding principle of the negotiations had been ‘that development should infuse all aspects of the EPA’ (Humphrey 2008: 6). This argument, in effect, was that trade policy was a development tool, underpinned by the neoliberal assumption that ‘developing countries with open trade regimes spur economic development’ (Lodge 2010). However, as the critics noted, the causal relationship between liberalised trade and economic development is, at best, unclear (Gavin 2007). Moreover, the much-trumpeted ‘development cooperation’ section of the EPA was only one of 250 articles and consisted almost entirely of trade and export facilitation measures. This may well be a noble policy objective in its own right, but it does highlight the existence at the heart of the EPA of a somewhat emaciated vision of what development actually is or could be. Similarly, although many references to such cooperation do pepper the entire document, the criticism was that these were all loosely defined and were ‘neither quantified nor time-bound’ (Brewster *et al.* 2008: 8).

The final content issue relates to the implications of the EPA for regional unity, which was, again, something that had been heavily promoted by its defenders (Gill 2010). This critique is complex and multidimensional, but focused generally on the ways in which the regional integration process was allegedly undermined. One aspect highlighted was the fact that, in relation to the EPA, CARICOM had been relatively sidelined in favour of, first, the



CRNM, and, later, CARIFORUM, even though the former was supposed to be subservient to existing regional governance arrangements, and the latter has no legal personality. A second aspect reflected the other side of this equation: the thorny problem within Caribbean regionalism of the Dominican Republic, which, although a member of CARIFORUM — indeed, being the principal reason for its creation — has been excluded consciously from some CARICOM mechanisms, such as the recently established implementation unit, because the country has not been welcomed as a member of CARICOM. With no little irony, Karl Falkenberg (2010), the head of the EU delegation during the negotiations, has expressed shock at how the English-speaking Caribbean has actually been prepared to open up and expose itself more nakedly to the economic might of the EU than it has towards its own members, and, in particular, the Dominican Republic. Moreover, caught between these shifting sands, it is the CSME that is far behind its own implementation schedule and is, in so many areas, potentially challenged by the provisions of the EPA (Girvan 2009b). Finally, the broader question was raised as to how an agreement that promotes the neoliberalisation of the region's trading relationships can really be expected to aid something — namely, Caribbean regionalism — that has always been, rhetorically at least, more holistic and political. Embedding an open, market-based trading regime is manifestly *not* the same as constructing regional institutions of political governance that are supposed to have a genuinely 'developmental' role (Payne 2009).

Turning now to the process part of the critique, this also centred upon three main considerations. The first pertained to the way in which the CRNM was perceived to have excluded civil society and other regional stakeholders from the negotiations, which was as much an implicit phenomenon as it was explicit. Girvan (2009a: 9) has described it as 'a technification-sweetification-treatyfication syndrome'. By this he meant, first, that the excessively technical character of the negotiations rendered 'the substantive issues inaccessible to non-specialists' and, concomitantly, granted the negotiators a 'monopoly over understanding the technical aspects of the agreement', thereby increasing their 'leverage' and 'capacity to rebut critics'. 'Sweetification' is the process of exaggerating the benefits of the agreement, while 'treatyfication' describes its legal institutionalisation, which therefore 'subverts democratic governance and national sovereignty'. In addition, part of the explanation for the relative lack of civil society input — and subsequent 'buy-in' — was the limited technical, institutional and financial capacity that NGOs in the region were able to bring to bear upon negotiations simultaneously taking place in different locations far from the Caribbean. All parties have agreed that the level of civil society participation was less than satisfactory and something that should have been mitigated. As one diplomat has put it, there was 'regional dialogue and analysis', but, generally, academics, NGOs and, revealingly, even ministers



were relatively distant from the negotiations. Although all had some input, there was no mechanism in place to ensure that this happened in a consistent and ongoing manner.⁷ Members of the CRNM have even admitted as much themselves, pointing out that they were often able to bypass Caribbean (national and regional) diplomats in Brussels and Geneva to deal directly with Heads of Government and, consequently, ‘marginalise those who did not have the same technical nous’ in order to conclude the agreement swiftly and comprehensively. The CRNM, in this view, was justified in sidestepping important institutional processes ‘because [they] had failed’.⁸ As another official (Silva 2010) noted, ‘all too often ... regional secretariats and regional officials operate on a separate wavelength from their counterparts in capitals’. Nonetheless, the perception took root in many quarters that this exclusionary approach, although effective no doubt in reaching a conclusion to the negotiations, nevertheless damaged both the image of the CRNM and the reception of the EPA throughout the Caribbean.

Related to this, the second procedural line of critique focused upon the relationship of the CRNM with the EU negotiators. Principally, critics asserted that this was far too close for comfort. There is little doubt that the Caribbean negotiators enjoyed a familiar and friendly working relationship with their EU counterparts. Indeed, this was not something that was ever hidden or downplayed. Rather, CRNM members celebrated the fact that, in their view, such relations, along with their technical competence, meant that ‘the EU viewed us as worthy interlocutors’.⁹ Yet, for some, this was still problematic. They have suggested that trust in the CRNM on the part of some member states evaporated towards the end of the negotiations, as it became clear that there was significant intellectual and technical overlap between its staff and the EU negotiating team. This convergence was deemed to stem, at least in part, from the deliberate cultivation of a dependent relationship by Europe, sustained in turn by the fact that the EU has funded some of the external research activities of key people.¹⁰ Furthermore, even in the post-EPA period, this allegation of implicit collaboration has not gone away, with NGOs being highly critical of the way in which the Caribbean has been actively promoting the EPA in an attempt to ‘export the agreement to Africa’, and thus is ‘effectively doing the EC’s job for it’.¹¹

The third consideration, which underpins the discussion above, questions the perceived legitimacy of the CRNM as an institution and points out the ways in which it is supposed to have gone beyond its remit in the negotiations. Particularly towards the end of the process, rifts appeared between the different governments, with the ire of some directed towards the CRNM, the perception being that the institution had overstepped its mandate in negotiating a considerably more liberal EPA than was palatable to some countries. This can be explained in large measure by the different trading profiles of the



CARIFORUM member states. Some, such as Barbados and Jamaica, had extensive interests in services, which were aggressively pursued.¹² Yet for others, such as the OECS, the key fears related to preference erosion and the relative lack of competitiveness in services vis-à-vis the bigger regional players. Perhaps the most notable example of these problems emerged towards the end, where Guyanese President Bharrat Jagdeo refused to sign the EPA, demanding a number of different assurances — and even going to so far as to threaten to only sign a goods-only version of the agreement — before finally acceding. This caused something of a diplomatic spat between Guyana and some of the other member states, as well as the CRNM itself. Plus, of course, there remains the perennially thorny question of the Dominican Republic, a country that is similar in size — of both economy and population — to the entire Anglophone Caribbean. The relationship that underpinned CARIFORUM was, at best, an uncomfortable one, as most of the wider region, including the bigger players, were extremely fearful of the competitive prowess of Dominican industrial and service firms, not to mention the country's significant diplomatic capacity.

In a broad sense, however, the legitimacy issue would seem to be a somewhat weak argument. The CRNM's default defence is that the governments 'signed off' on the agreement, thus leaving the buck essentially with them. This is surely right: in terms of due process it is unfair to lay subsequent blame for the final outcome at the negotiators' door.¹³ At the same time, however, this defence relies on a somewhat circular argument, in the sense that the negotiators have consistently emphasised that it was only because of their considerable technical capacity that such a complex and comprehensive agreement could have been achieved. To then suggest that the governments of tiny microstates such as Grenada, St. Lucia or Dominica — which at best now have an EPA 'implementation unit' with just one or two people working in it, or at worst have simply added responsibility for this massive task to the burgeoning portfolio of a single official who also has to cope with a range of other trade-related work — should be able to comprehend, digest and review enormous volumes of text containing opaque rules on highly technical matters is somewhat disingenuous. In practice, they would simply have had little choice but to place their trust in the CRNM and hope for the best.

Before moving on, we should briefly note here the main elements of potential alternatives mooted by critics of the EPA. Some — particularly the NGOs — have tended to assert that the EU could have either renegotiated a new Cotonou waiver or possibly fashioned some kind of 'GSP-plus' arrangement that was still WTO compatible. The former argument displays, in our view, considerable wishful thinking. As for the latter, although such a deal may have been feasible, the EPA was considered by the official Caribbean — as we have been at pains to point out in this paper — to be as much about securing offensive interests in services as protecting its diminishing goods profile. As one



negotiator (Silva 2010) has argued, ‘too often [critical] stakeholders accustomed to decades of unilateral trade preferences and no-strings-attached aid budgets see trade liberalisation as a zero-sum game, and one where ACP countries are likely to lose’. Enhanced GSP would not, from this perspective, have sated the desire to access the purported positive-sum benefits that they believed would accrue from a full EPA.

A more substantive set of alternative proposals came from the Caribbean academic community. For example, Havelock Brewster, Norman Girvan and Vaughan Lewis (2008) pressed in the immediate period before the signing of the EPA for its renegotiation. Specifically, they argued that, because of the asymmetrical power relationships at work in the negotiating process, the end agreement was inherently unbalanced, with the majority of future benefits likely to flow, exponentially, to the EU. In addition, they highlighted a range of conflicts, especially those relating to the confusion, division and fragmentation of regional institutions, which served in their view to undermine Caribbean developmental unity. In essence, their proposed solution was a renegotiation of the ‘WTO-plus’ commitments of the EPA until such time as these become accepted within the multilateral framework, along with a general postponement or deceleration of the entire EPA process to allow for a more thorough consultative effort within the region. Had their call been heeded, it is plausible that the Caribbean, like the rest of the ACP, could have stalled for more time to consider the implications of the EPA. Such thinking rested on the belief that the EU would not have risked the public relations disaster of following through on its promise to raise the tariff drawbridge, particularly given both the collapse of the Doha Round and the significant leeway that has since been granted to the several African and Pacific countries that reluctantly initialled agreements. Furthermore, although it is probably true to say that the EU would not have been prepared to seek a fresh Cotonou waiver at the WTO, it is also not clear whether maintenance of the pre-EPA *status quo* for some time would necessarily have invited a legal challenge through the DSM, or, if mounted, whether such a challenge would have succeeded. If nothing else, this would have initiated a lengthy process of investigation and discussion, potentially buying the region more time in a global context where, post-crisis, trade liberalisation at all costs perhaps seems to be somewhat less fashionable than in the recent past.

In the final analysis, it has to be said that, whatever the relative merits of the arguments ‘for’ and ‘against’ the EPA, the fact that a comprehensive agreement has been signed and successfully ratified by all signatories — indeed, most of the mobilisation against EPA did not take place until *after* the agreement was reached — renders further debate genuinely academic. Some clear lessons, moreover, emerge from this period. Most notably, and despite the brinkmanship exercised by President Jagdeo that we noted above, few additional concessions were actually gained at the end of the negotiations. This illustrates



the limited options open to Caribbean states — both individually and collectively — that comprise the core theme of this paper. Nevertheless, in reality, the intensity of the debate shows no signs of letting up, even though it is now four years since the agreement was reached; indeed, more significantly, it continues to impact directly on the politics and governance of the region.

For example, during the thirtieth Annual Conference of the CARICOM Heads of Government, held in Guyana on 2–4 July, 2009, the decision was taken to ‘rebrand’ the CRNM as the Office of Trade Negotiations, to redefine its operational remit and to incorporate it within the CARICOM Secretariat. Yet the emasculation of the CRNM does not settle the matter. Because the EPA negotiations were premised on using quasi-autonomous regional institutions to negotiate what are in effect a series of bilateral free trade agreements, Caribbean governments that deferred — with greater or lesser degrees of enthusiasm — to the superior technical competence and negotiating capacity of the CRNM now find themselves responsible for implementing highly technical agreements about which, in some cases, they may have very little understanding. Because the CARIFORUM agreement is characterised by lengthy transition periods designed to cushion the effects of liberalisation, it is likely to be some considerable time before the full effects of this ‘implementation problem’ become apparent. Given the contentious nature of the agreement and the demonstrative lack of enthusiasm that many stakeholders in region have shown for its contents, it would perhaps not be too churlish to point out that the full realisation of the EPA — at least in the idealised form envisioned by the CRNM and the EU — is far from assured. Indeed, the debate today in the region is shifting very rapidly on to the implementation question, with those involved in the negotiations warning starkly that the dynamic advantages that the EPA supposedly presaged will gradually evaporate if Caribbean countries fail to grasp them in a timely manner (Chaitoo 2010).

This issue is becoming particularly pressing as the EU moves to wrap up similar agreements with more powerful and better-organised competitors in Central America and the Andean region, and even potentially with the South American Common Market (MERCOSUR) as whole. Moreover, a range of paradoxes exist in the comparisons that can be made between the current EU–Canada trade negotiations, in which serious reservations are beginning to emerge regarding Canada’s asymmetrical weaknesses vis-à-vis Europe (Sinclair 2010), and the Canada–Caribbean talks, wherein by contrast it is the relative weakness of the Caribbean vis-à-vis Canada that is striking.

Conclusion

What, then, can be said by way of conclusion about the politics of the CARIFORUM–EU EPA? The answer varies according to the level at which



the analysis is undertaken. Assessing the fierce debate that has unfolded in the Caribbean following the signing of the agreement between what we have dubbed here the ‘official’ and ‘critical’ views, it can hardly be denied that the critics succeeded in scoring several valid points. As they broadly argued, the content of the agreement was indeed ‘WTO-plus’, did not have an especially strong development dimension (at least as traditionally understood) and at best complicated and arguably undermined the longstanding, but faltering, CARICOM conceptualisation of regional integration. Similarly, the process by which it was negotiated did largely ignore civil society (until it was too late to engage these forces), was unquestionably facilitated by a convergence of thinking with the EU and did rely heavily on the CRNM taking the lead in charting the course of the negotiations. All of this can be admitted, and it constitutes important and valid commentary on the EPA. Yet, for all their energy and conviction and some of the fair points they make, the fact remains that the EPA’s many critics were never able to land a knockout blow on the CRNM and the official position of the CARIFORUM governments that signed up to the deal negotiated by the CRNM with the EU. It is very interesting and important to move the analysis to a deeper, structural level and ask why it was that they never quite succeeded in doing this.

Ultimately, the reason that the critics could not comprehensively undermine the CRNM’s case in favour of the EPA was that, by the mid-2000s, there no longer existed a serious development alternative open to the Caribbean, other than to seek out the best available niche in the neoliberal global order that had been built up over the preceding 30 or more years. The key distinction between the official and the critical view of the EPA can thus be distilled into the difference between two strategies of response to this reality: an aggressive one (seek accommodation as soon as possible on the best terms that could be negotiated) and a defensive one (protect existing hard-won trade and development advantages for as long as possible). The burden of the early part of the argument of this paper was to show, first, that the indigenous Caribbean development debate had run out of steam by the turn of the 21st century and, second, that the EU’s notion of ‘development cooperation’ had narrowed in a similar fashion over the same period of time. The harsh fact of the matter is that the era of Caribbean dependency theory and of the bright hopes of early Lomé has long since passed, to be replaced by a limited choice of options made available to all states and societies under the terms of the contemporary neoliberal settlement.

The CARIFORUM–EU EPA has been caught up in precisely this shrinking of policy space and narrowing of development options. This is fundamentally what has generated the fierce, and highly revealing, debate about the regional political economy that we have described and analysed here. It can only be



concluded that, for small preference-dependent economies like those in the English-speaking Caribbean, there is no alternative but to come to terms as sensibly and as painlessly as possible with the new orthodoxy that trade is the route to development. As is well known, this has not yet been decisively confirmed by the signing of a Doha trade deal on this basis, and indeed that may not occur or need to occur. For, in practice, the US has shifted its focus to the pursuit of this end by the signing of bilateral agreements (Phillips 2005) and the EU has come to adopt a uniform approach to the various regions of the world, thereby de-privileging the historical position in the system of its former colonies (Hurt 2010). Each has been prepared to exert considerable policy leverage to bring about their desired ends and in fact to go beyond what can presently be negotiated within the WTO. The CRNM saw this new, and rough, world coming into being, and tried to turn it to the Caribbean's advantage by means of the tactic of gaining early, and potentially superior, terms of accommodation. It carried the region's governments with this prospectus, but, as we have seen, it did not succeed in persuading Caribbean civil society or other key regional stakeholders that such a deal was in practice the only defensible option. The resulting problem is that this failure will make it harder, and perhaps impossible, for the EPA actually to succeed in delivering the economic growth that potentially could flow from improved market access to the EU. The lesson is that the Caribbean desperately needs to embark on a wide-ranging popular debate about the paucity of development alternatives facing its peoples in this present stark era of global affairs.

Acknowledgements

This paper draws implicitly and explicitly upon extensive interviews undertaken by Tony Heron in the Caribbean and by Matthew Bishop in Brussels and Geneva during January and February 2009. A variety of officials close to the EPA negotiating process were consulted, along with relevant political, diplomatic, private sector and civil society leaders. At their request, all direct references to those interviewed have been anonymised. All indirect references are assumed to be implicit, and not noted directly in these endnotes. The authors would also like to acknowledge the support of the Economic and Social Research Council of the United Kingdom in supporting both periods of fieldwork.

Notes

- 1 CARIFORUM was established in 1992 to facilitate cooperation between the largely English-speaking CARICOM and the Dominican Republic and Haiti, following the accession of the latter to the Lomé Convention. Although 13 of the 15 members of CARIFORUM — Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago — signed the EPA on 15 October, 2008, Guyana initially refused to sign, only to do so



- 5 days later on 20 October. Haiti, which qualifies for EU unilateral trade preferences as a LDC, has yet to sign.
- 2 In November 2007, the five countries of the East African Community — Burundi, Kenya, Rwanda, Tanzania and Uganda — broke away from the East and Southern Africa ‘region’ and signed a separate interim agreement with the EU, thus creating a seventh ACP group.
- 3 Confidential interview with senior Caribbean diplomat, Brussels, January 2009.
- 4 Confidential interviews with CRNM officials, Brussels and Geneva, January and February 2009.
- 5 Confidential interviews with CRNM officials, Brussels and Geneva, January and February 2009.
- 6 Confidential interview with senior WTO official, Geneva, February 2009.
- 7 Confidential interview with senior Caribbean diplomat, Geneva, February 2009.
- 8 Confidential interview with CRNM official, Geneva, February 2009.
- 9 Confidential interview with CRNM official, Geneva, February 2009.
- 10 Confidential interview with South Centre official, Geneva, February 2009.
- 11 Confidential interview with Oxfam official, Geneva, February 2009.
- 12 Some have attributed the readiness of Barbados, in particular, to sign the EPA, to the fact that it is one of the more ‘developed’ countries of the region and, *ergo*, this development stems from a ‘forward thinking’ attitude to trade liberalisation and so on. Yet there are, it seems to us, a few problems with such an account. First, it is not clear that Barbados is ‘more’ developed than other Caribbean countries; its high levels of GDP per capita come with some very troubling trade-offs in terms of the inflationary cost of living, particularly of land and staple goods. Second, it is unlikely that such development, however it might exist, has anything to do with the early signing of the EPA. Finally, it is notable that, in the recent debates within the region, Barbados is often singled out as the country that is most reticent to *implement* both the EPA and many components of the CSME. Ironically, it is Guyana, the supposed laggard in terms of signing, which is often cited as one of the best implementers.
- 13 Confidential interviews with CRNM officials, Brussels and Geneva, January and February 2009.

References

- Alter, Karen J. and Sophie Meunier (2006) ‘Nested and Overlapping Regimes in the Transatlantic Banana Trade Dispute’, *Journal of European Public Policy* 13(3): 362–82.
- Bernal, Richard L. (2008) *Globalization: Everything But Alms, the EPA and Economic Development*, Kingston, Jamaica: The Grace Kennedy Foundation, http://ctr.sice.oas.org/trc/Articles/GRACE_Lecture-2008.pdf (accessed 10 July, 2009).
- Bernal, Richard L., Mark Figueroa and Michael Witter (1984) ‘Caribbean Economic Thought: The Critical Tradition’, *Social and Economic Studies* 33(2): 5–96.
- Best, Lloyd (1992) ‘The Contribution of George Beckford’, *Social and Economic Studies* 41(3): 5–23.
- Bishop, Matthew L. (2011) ‘Lost in Translation? EU Development Policy in the Anglophone and Francophone Eastern Caribbean’, *European Journal of Development Research* 23(3): 337–53.
- Bishop, Matthew L. (2012) *The Political Economy of Caribbean Development: A Comparative Analysis*, Basingstoke: Palgrave Macmillan.
- Bishop, Matthew L. and Anthony Payne (2010) ‘Caribbean Regional Governance and the Sovereignty/Statehood Problem’, The Centre for International Governance Innovation (CIGI) Caribbean Papers, No. 8, <http://www.cigionline.org/publications/2010/1/caribbean-regional-governance-and-sovereignty-statehood-problem> (accessed 20 December, 2010).



- Booth, David (1985) 'Marxism and Development Sociology: Interpreting the Impasse', *World Development* 13(7): 761–87.
- Bretherton, Charlotte and John Vogler (1999) *The European Union as a Global Actor*, London: Routledge.
- Brewster, Havelock (2003) *The Caribbean Single Market and Economy: Is it Realistic without Commitment to Political Unity?* Georgetown, Guyana: CARICOM Secretariat.
- Brewster, Havelock, Girvan Norman and Vaughan Lewis (2008) 'Renegotiate the Cariforum EPA', *Trade Negotiations Insights* 7(3): 8–10.
- Brown, William (2000) 'Restructuring North-South Relations: ACP-EU Development Cooperation in a Liberal International Order', *Review of African Political Economy* 27(2): 367–83.
- Chaitoo, Ramesh (2010) *Services and Investment in the CARIFORUM-EC Economic Partnership Agreement (EPA)*, Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On, 22–23 April, Barbados.
- CRNM (2008) 'CRNM Note on CARIFORUM Economic Partnership Agreement', Proceedings of the COMSEC-Sponsored High Level Technical Meeting: EPAs — the Way Forward for the ACP, April 7–8, Cape Town, South Africa, <http://www.thecommonwealth.org/files/177256/FileName/RNM%20COMSEC%200408.pdf> (accessed 5 June, 2009).
- Deere, Diana, ed. (1990) *In the Shadows of the Sun: Caribbean Development Alternatives and US Policy*, Boulder, CO: Westview Press.
- Demas, William G. (1965) *The Economics of Development in Small Countries with Special Reference to the Caribbean*, Montreal: McGill University Press.
- ECLAC (2005) *Strategies of 'Industrialization by Invitation' in the Caribbean*, Port of Spain, Trinidad: Economic Commission for Latin America and the Caribbean: <http://www.eclac.org/publicaciones/xml/7/23587/L.68.pdf> (accessed 23 July, 2010).
- ECLAC (2009) *Report of the Expert Group Meeting on the CARIFORUM-EU Economic Partnership Agreement*, Port of Spain, Trinidad and Tobago: Economic Commission for Latin America and the Caribbean.
- Falkenberg, Karl (2010) *Concluding Remarks: Regional Integration Agreements and the Promotion of Sustainable Development: A View from Europe*, Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On, 22–23 April, Barbados.
- Gavin, Brigid (2007) 'The EU-ACP Economic Partnership Agreements: What Impact on Development?', *Institute for International Integration Studies*, Discussion Paper No. 224, <http://www.tcd.ie/iiis/documents/discussion/pdfs/iiisd224.pdf> (accessed 27 May, 2010).
- Gibb, Richard (2000) 'Post-Lomé: The European Union and the South', *Third World Quarterly* 21(3): 457–81.
- Gill, Henry (2010) *CARIFORUM EPA Negotiations: Objectives, Political Oversight and Technical Preparations*, Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On, April 22–23, Barbados.
- Girvan, Norman (1973) 'Dependency Economics in Latin America and the Caribbean: Review and Comparison', *Social and Economic Studies* 22(1): 1–33.
- Girvan, Norman (2006a) 'Towards a Single Economy and a Single Development Vision', Collaboration with the CARICOM Secretariat and the Special Task Force on the Single Economy, Georgetown, Guyana: CARICOM Secretariat, http://www.caricom.org/jsp/single_market/single_economy_girvan.pdf (accessed 27 May, 2010).
- Girvan, Norman (2006b) 'The Search for Policy Autonomy in the Global South', in Peter Utting, ed., *Reclaiming Development Agendas: Knowledge, Power and International Policy Making*, 73–89, Basingstoke: Palgrave Macmillan.
- Girvan, Norman (2009a) 'Some Lessons of the CARIFORUM-EU EPA', *Trade Negotiations Insights* 8(8): 8–9.



- Girvan, Norman (2009b) 'Implications of the EPA for the CSME', *Social and Economic Studies* 58(2): 91–128.
- Grant, Cedric (2000) 'An Experiment in Supra-National Governance: The Caribbean Regional Negotiating Machinery', in Kenneth Hall and Denis Benn, eds, *Contending With Destiny: The Caribbean in the 21st Century*, 447–99, Kingston, Jamaica: Ian Randle.
- Grugel, Jean (1995) *Politics and Development in the Caribbean Basin: Central America and the Caribbean in the New World Order*, Basingstoke: Palgrave Macmillan.
- Heron, Tony (2004) *The New Political Economy of United States-Caribbean Relations*, Aldershot: Ashgate.
- Heron, Tony (2011) 'Asymmetric Bargaining and Development Trade-Offs in the CARIFORUM-European Union Economic Partnership Agreement', *Review of International Political Economy* 18(3): 328–57.
- Heron, Tony and Gabriel Siles-Brügge (2012) 'Competitive Liberalization and the "Global Europe" Services and Investment Agenda: Locating the Commercial Drivers of the EU-ACP Economic Partnership Agreements', *Journal of Common Market Studies* 50(2): 250–66.
- Hettne, Björn (1995) *Development Theory and the Three Worlds* 2nd edn., Harlow: Longman Scientific and Technical.
- Hettne, Björn (2008) 'Editor's Preface: Development, Security and Culture', in Björn Hettne, ed., *Sustainable Development in a Globalized World: Studies in Development, Security and Culture* Vol. 1, ix–xxxxi, Basingstoke: Palgrave Macmillan.
- Humphrey, Errol (2008) 'CARIFORUM EPA Negotiations: Initial Reflections on the Outcome', *Proceedings of the EU DG Trade-organised Workshop on the CARIFORUM-EC EPA*, February 13, Brussels, <http://trade.ec.europa.eu/doclib/html/137754.htm> (accessed 10 July, 2010).
- Hurt, Stephen R. (2010) 'Understanding EU Development Policy: History, Global Context and Self-interest?', *Third World Quarterly* 31(1): 159–68.
- Hutton, Will (2002) *The World We're In*, London: Little, Brown.
- Jessop, David (2010) 'What Happened to the Cariforum-EU EPA?', *Trade Negotiations Insights* 9(3): 1–3.
- Kaplinsky, Raphael (2005) *Globalization, Poverty and Inequality: Between a Rock and a Hard Place*, Cambridge: Polity Press.
- Levitt, Kari (1996) 'From Decolonisation to Neoliberalism: What Have We Learned About Development?', in Kari Levitt and Michael Witter, eds, *The Critical Tradition of Caribbean Political Economy: The Legacy of George Beckford*, 201–21, Kingston, Jamaica: Ian Randle.
- Levitt, Kari (2005) *Reclaiming Development: Independent Thought and Caribbean Community*, Kingston, Jamaica: Ian Randle.
- Lewis, Vaughan A. (2007) 'What Purposes for Caricom Integration Today?', Sir Arthur Lewis Distinguished Lecture, Institute of International Relations, University of the West Indies, http://sta.uwi.edu/nlc/2008/documents/Lewis_Lecture_full.pdf (accessed 6 July, 2010).
- Lewis, W. Arthur (1950) 'The Industrialization of the British West Indies', *Caribbean Economic Review* 2(1): 1–39.
- Lewis, W. Arthur (1954) 'Economic Development with Unlimited Supply of Labour', *Manchester School of Social and Economic Studies* 22(2): 139–91.
- Lewis, W. Arthur (1955) *The Theory of Economic Growth*, London: Allen and Unwin.
- Lodge, Junior (2010) *A Review of the Negotiations of, and Provisions in, the CARIFORUM-EC EPA*, Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On, April 22–23, Barbados.
- Meyn, Mareike, Christopher Stevens, Jane Kennan, Nick Highton, Sanoussie Bilal, Corinna Braun-Munzinger, Dan Lui, Jeske van Seters, Colette Campbell and John Rapley (2009) *The CARIFORUM-EU Economic Partnership Agreement (EPA): The Development Component*,



- Brussels: European Union, DG for External Policies: <http://www.odi.org.uk/resources/download/3222.pdf> (accessed 20 December, 2010).
- Morrissey, Marietta (1981) 'Towards a Theory of West Indian Economic Development', *Latin American Perspectives* 8(1): 4–27.
- Payne, Anthony (1984) 'Introduction: Dependency Theory and the Commonwealth Caribbean', in Anthony Payne and Paul Sutton, eds, *Dependency Under Challenge: The Political Economy of the Commonwealth Caribbean*, 1–11, Manchester: Manchester University Press.
- Payne, Anthony (1998) 'The New Politics of Caribbean America', *Third World Quarterly* 19(2): 205–18.
- Payne, Anthony (2008) *The Political History of CARICOM*, Kingston, Jamaica: Ian Randle.
- Payne, Anthony (2009) 'The Missed Opportunity: Building a CARICOM Developmental State', *Brown Journal of World Affairs* 16(1): 137–49.
- Payne, Anthony and Paul Sutton (2001) *Charting Caribbean Development*, Gainesville, FL: University of Florida Press.
- Payne, Anthony and Paul Sutton (2007) 'Repositioning the Caribbean within Globalisation', Centre for International Governance Innovation (CIGI) Caribbean Papers, No. 8, <http://www.cigionline.org/publications/2007/6/repositioning-caribbean-within-globalisation> (accessed 20 December, 2010).
- Phillips, Nicola (2005) 'US Power and the Politics of Economic Governance in the Americas', *Latin American Politics and Society* 47(4): 1–25.
- Ramphall, Davin (1977) 'Postmodernism and the Rewriting of Caribbean Radical Development Thinking', *Social and Economic Studies* 46(1): 1–30.
- Ravenhill, John (1985) *Collective Clientelism: The Lomé Conventions and North-South Relations*, New York: Columbia University Press.
- Ravenhill, John (2004) 'Back to the Nest? Europe's Relations with the African, Caribbean and Pacific Group of Countries', in Vinod K. Aggarwal and Edward A. Fogarty, eds, *EU Trade Strategies: Between Regionalism and Globalism*, 120–46, London: Palgrave Macmillan.
- Sanders, Ronald (2010) 'Commentary: Negotiating from Weakness: Review of European Agreement Needed', *Caribbean Net News*, 25 April, <http://www.sirronaldsanders.com/viewarticle.aspx?ID=167> (accessed 5 July, 2010).
- Silva, Sacha (2010) *Crafting a Common Caribbean Market Access Offer*, Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On, 22–23 April, Barbados.
- Sinclair, Scott (2010) 'Negotiating from Weakness: Canada-EU Trade Treaty Threatens Canadian Purchasing Policies and Public Services', Canadian Centre for Policy Alternatives, <http://www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/Negotiating%20From%20Weakness%20EU%20Canada.pdf> (accessed 20 December, 2010).
- Skelton, Tracey (2004) 'The Pan-Caribbean: Diversity and Semblance', in Tracey Skelton, ed., *Introduction to the Pan-Caribbean*, 1–13, London: Arnold.
- Stevens, Christopher (2008) 'Economic Partnership Agreements: What Can We Learn?', *New Political Economy* 13(2): 211–23.
- Stevens, Christopher (2009) *The CARIFORUM and Pacific ACP Agreements: Challenges Ahead?* London: Commonwealth Secretariat.
- Sutton, Paul (2006) 'Caribbean Development: An Overview', Development Policy Review Network, Leiden, http://www.dprn.nl/uploads/regional_expert_meeting_reports/No.%209%20-Caribbean.pdf (accessed 20 December, 2010).
- Thomas, Clive Y. (1974) *Dependence and Transformation: The Economics of the Transition to Socialism*, New York: Monthly Review Press.
- West Indian Commission (1992) *Time for Action: Report of the West Indian Commission*, Bridgetown, Barbados: The West Indian Commission.



- Williamson, John (1990) 'What Washington Means by Policy Reform', in John Williamson, ed., *Latin American Adjustment: How Much Has Happened*, 5–20, Washington DC: Institute for International Economics.
- World Bank (2005a) *A Time to Choose: Caribbean Development in the 21st Century*, Washington DC: World Bank, <http://siteresources.worldbank.org/LACEXT/Resources/317250LAC.pdf> (accessed 5 May, 2009).
- World Bank (2005b) *Towards a New Agenda for Growth*, Washington DC: World Bank, http://siteresources.worldbank.org/LACEXT/Resources/258553-1122984920359/OECS_Towards_a_New_Growth_Agenda_complete.pdf (accessed 5 May, 2009).

About the authors

Matthew L. Bishop is a Lecturer in International Relations at the Institute of International Relations, University of the West Indies, Trinidad and Tobago. He is the author of two forthcoming books: *The Political Economy of Caribbean Development: A Comparative Analysis*, and, with Jean Grugel, *Democratization: A Critical Introduction*, 2nd Edition (both Palgrave Macmillan). Matthew is also the managing editor of the *Caribbean Journal of International Relations*.

Tony Heron is a Professor of International Politics at the University of York. His recent books include *The Global Political Economy of Trade Protectionism and Liberalisation* (Routledge, 2012) and *Pathways from Preferential Trade* (Palgrave Macmillan, forthcoming). Tony is co-editor of *New Political Economy*.

Anthony Payne is a Professor of Politics and Co-Director of the Sheffield Political Economy Research Institute (SPERI) at the University of Sheffield, UK. He has published extensively in the fields of development, governance and globalisation, often with specific reference to Caribbean issues. His most recent book, jointly authored with Nicola Phillips, is called *Development* and was published by Polity Press in 2010.