

GUYANA'S EPA CONSULTATIONS
International Conference Center
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REMARKS BY SHRIDATH RAMPHAL

- A. I want, first of all, to put these Consultations about the draft EPA in their proper context, given the large amount of misinformation there has been:
- B. When the D.G of the RNM initialled the EPA with the representative of the EU (Amb Falkenburg whom I join in welcoming here – the ‘messenger’ that is, not necessarily ‘the message!’) on 16 December 2007 he was not committing the CARICOM countries (or CARICOM itself) to sign an EPA in those terms. He was authenticating the text as the text that had been negotiated. By that act of initialling Caribbean countries, or CARICOM, did not become obliged under international law, treaty law (or WTO rules), to sign the EPA in that form – or at all.. Their ‘consent to be bound’ requires a further policy decision and a formal step – in this case, signature. Moreover, they are not precluded by international law, by treaty law (or WTO rules), from renegotiating that initialled agreement, This much is clear from general international law and more specifically from the 1970 Vienna Convention on the Law of Treaties. For anyone who wishes to confirm this I refer you to articles 10 and 17 of the Convention
- C. I say this because it has been suggested, nationally and regionally, that since ‘we’ have initialled the EPA, Governments are obliged to sign the initialled text. That is simply wrong. This consultation is about wholly legitimate action. No one should feel constrained by that act of initialling alone. Too many have taken refuge in that misconception implying that we have to do ‘the right thing’ and sign – when to sign this agreement in its present form may be the ‘wrong’ thing for generations of West Indians.
- D. But there are threats. .As we concluded Cotonou we wanted to keep open the possibility that the Caribbean – or any other Region, or all - may not conclude an EPA with Europe. In that situation, (i.e. no EPA) Europe gave the assurance in art.37.6 of the Cotonou Agreement that it:

‘will examine all alternative possibilities, in order to provide these countries with a new framework for trade **which is equivalent to their existing situation and in conformity with WTO rules.**’

In 2005 the EU, in an act of ‘pre-emption’, determined that the only ‘alternative’ to concluding an EPA would be access to Europe under the GSP scheme or MFN provisions. This interpretation of article 37.6 has been contested; but the threat

remains and cannot be ignored - if the Caribbean does not act collectively: higher tariffs.. Moreover, this threat of trade disruption proved potent in the final stages of the negotiations. This threat of higher tariffs is Europe's version of "a new framework for trade which is equivalent to (our) existing situation.": broken promises, perverse interpretations, the threat of sanctions – for that is what it is. Those threats could not be applied to the Caribbean across the board, were we to act in unity – much less to the ACP as a whole. Those are the realities.

D. In my intervention I want to make 3 points on the EPA – and I will do so Chair, within your time limits. The first is to do with reciprocity, the second with the ACP and the third with Caribbean regional integration.

E. As regards **RECIPROCITY**:

It doesn't take 'rocket science' to work out that if you place a burden of equal magnitude on one who is weak and another who is strong that you have enlarged their relative inequality. 'Reciprocity' as a principle has a ring of fairness about it; but that is as between equals. Between factors of unequal strength and capacity, 'reciprocity' is pernicious. If you say that – 'you with your hundreds and we with our millions shall have the same right of "establishment' – the same right to do business – in each other's country, have you produced a fair result? If you put a heavyweight and a featherweight in a ring and say 'fight' – you are both bound by the 'Queensberry rules' - have you staged an equal contest? How obvious it seems that this is wrong. Yet if there is a mantra that is recited throughout the EPA it is 'reciprocity'. In fact it is made the credo of the EPA

You would have thought the Europeans would know better; and of course they do. Centuries ago, Aristotle in his 'Ethics' propounded the doctrine that: as between unequals, equity requires not reciprocity but proportionality. The Caribbean, the ACP, have long fought for proportionality. It was at the heart of the Lome experience. It is at the root of the call for 'special and differential' treatment for developing countries. It is the central principle of fairness that requires movement towards 'proportionality' by special developmental measures in trade agreements between rich and poor countries. But reciprocity has trumped development in the EPA .

COTED Ministers have voiced their dissatisfaction. Christiane Taubira - a sister from French Guiana in the French Assembly and a special Evaluator of the EPAs for President Sarkozy – the current President of the European Union – has condemned the 'anti-developmental character of the EPAs.' This week, Glynis Kinnock, the co-Chair of the ACP-EU Joint Parliamentary Assembly has called :on Commissioner Mandelson – "to look again at these crucial agreements".

And Caribbean people have understood the lopsided shape of the EPA. There is a chorus of opposition – not to economic partnership arrangements with Europe – but to these arrangements: **the trade unions, manufacturer's associations, civil**

society whom the EU constantly calls, under its governance hat, on Caribbean governments to heed, **Opposition political parties**, and even some in Government, **religious groups**, and **academia** at its most respected levels have all called on Caribbean governments to pause, review, renegotiate before this region's fate is sealed by ill-advised signatures that commit us to a new era of European dominion.

But it is worse than this. Reciprocity is at the heart of a wider struggle. What has foiled the attempts of the developed countries to install in the WTO its anti-developmental model of free trade – at Singapore, at Seattle, at Cancun, at Doha and now at Geneva? It is the refusal of the developing countries as a body to accept the kinds of 'reciprocal' arrangements we seem so ready to settle for in the Caribbean EPA. Are we opting out of that struggle? Of course we are not, We were in line with the G77 in Geneva even while we were talking about signing the EPA which runs ahead of the WTO agreements. So we are agreeing with Europe what we are resisting in the WTO. Can we sustain that contradiction? I think not.

To begin with, the EPA will become the benchmark agreement for everyone else dealing with us. We will have no choice but to grant the same concession to Canada and to the US and to any others with whom agreements may be subsequently negotiated. Therefore, let us understand; this is an agreement with the world. It's a global giveaway – reciprocity for all. And yet we haven't had a policy discussion regionally of this fundamental policy shift. At the very least, signing on to this EPA is premature. Whistling in the dark is understandable; signing in the dark is positively reckless. And remember; this EPA is of indefinite duration – forever. We wouldn't do that in our personal lives. How can we justify doing it for generations to come?

This week the Jamaican Minister of Foreign Affairs has said that he has found an exit strategy in article 244.3 of the EPA.: 'Denunciation'. It would be interesting to hear from the EU whether Brussels shares that view; and whether Europe has an 'exit strategy' too. Is this what Guyana is being invited to do – go through a marriage ceremony contemplating divorce?

F. As regards **the ACP**.

Here the misinformation is contrived and unforgivable – at least by Guyanese. The ACP was conceived in Brussels by the Caribbean and born here in Georgetown – on the Demerara foreshore - 33 years ago. The Georgetown Accord is its Charter. The Caribbean should be its Trustees. What is it? And how relevant to the EPA? Why should we take any notice of it in deciding whether to sign or not?

The ACP is the grouping of African, Caribbean and Pacific States that entered into trade and economic relations with Europe when Britain joined the EEC. It is the grouping that negotiated on the basis of solidarity the Lome Convention that was to last for 25 years. And in the Georgetown Accord these 71 countries agreed

‘to define a common stand for the ACP Group vis a vis the EEC on matters covered by the Lome Convention and on the various issues tackled by international bodies and liable to affect the implementation of the Lome Convention’.

Today, for EEC, read EU, and for the Lome Convention read Cotonou and EPAs.

The Europeans learned a lesson from this unity and were determined never to face it again. They compelled the ACP to negotiate the successor agreement to Lome beyond the bridging agreement of Cotonou on a regional basis - what were to become the EPAs; Six EPAs. The ACP protested to the end this structural division – the Caribbean as loudly as anyone else. But the ACP had a fall-back. Europe could force the structural division; but the ACP could determine to maintain solidarity in negotiating. And it so determined; again, the Caribbean to the fore. The ACP would coordinate negotiating positions and not leave themselves exposed as separate regional groups. They would not allow the old European policy of ‘divide and rule’ to prevail once more. But this resolve was patchy; and the Caribbean was particularly guilty in actually pursuing a policy of outdoing other ACP regions in initialling a ‘full’ EPA with the EU. No other ACP region has so far agreed to a full EPA with Europe. Eighteen African and two Pacific countries, faced with the European threat to impose punitive tariffs, have initialled “Interim EPAs”. Only we in the Caribbean have so far done what Europe wanted - and made a virtue of it.

The ACP Summit meets on 2 October in Ghana. The EPAs are on the Agenda. Can we not wait for that opportunity of review with our brothers; to hear their views at the highest level, share ours with them, develop a joint strategy for dealing with Europe – as we promised ourselves. Are we going to foreclose that option within weeks of our meeting with them, by signing the Caribbean EPA. Is our ‘partnership’ with Europe now more special than our bonds with Africa?

ACP solidarity is not an abstract concept. But for ACP solidarity the rum industry in the Caribbean would probably be dead by now. When the Lome Convention was being concluded in 1974 there were 10 issues unresolved. In a special last-ditch session, agreement was reached on 9. Only 1 stood in the way of a Convention with which Africa was by then happy. That 1 outstanding issue was not of interest to Africa. It was Rum – of interest to the Caribbean. Africa said to the Commission : if you do not settle ‘rum’ with the Caribbean we will not conclude the Convention. They settled. Our salvation was African solidarity. Today we seem to have forgotten all about this; all about solidarity - which we still need. We seem more comfortable with Europe’s ‘reliability’ than Africa’s fraternity. Some are even boasting that among the 6 regions we have beaten Africa to the tape. What we have done, or are threatening to do is to abandon Africa in the struggle for economic justice. Worse still, we are offering the EU weapons against Africa in Europe’s continuing campaign of coercion to bring the 4 African regions into line. If the Caribbean can sign up, why can’t you? Europe tells them. Let Africa – and the Pacific - know from this Consultation that stakeholders in Guyana keep solidarity with them.

And in our rush to conclude we have gone even further in the MFN clause which precludes us from pursuing special arrangements among developing countries. South-

South cooperation is discouraged, for if we offer Brazil, India, China or MERCOSUR anything more favourable than the EPA gives to Europe, Europe has the right to ask for the same. What then of Guyana;’’s developing relationship with Brazil? What of India’s wish to join the CDB? Suppose the Caribbean wishes to repay China’s generosity to build cricket stadia by special trading concessions? This EPA does a demolition job on South – South aspirations.

G. Finally a word about ourselves – about Caribbean Integration.

I do not have to tell this audience that economic integration is our policy priority. For over 40 years, from CARIFTA Community from the Treaty of Chaguaramas to the GrandAnse and Rose Hall Declarations Caribbean Governments and people have nailed their flag to the mast of regional integration. Today the Caribbean Single Market and Economy is our collective vision of the future. Getting to it is not easy; and we have been far too slow in making progress; but that is where we have to go within the context of our response to Caribbean domestic needs and the compulsions of globalisation. It is a mature concept of Open Regionalism. When the Cotonou Agreement looked to the future EPAs with Europe we were careful to enshrine among their objectives the promotion of regional integration within ACP Groups. I know how insistent we were about this. I was there.

But Europe had its own objectives – what was to be revealed as the ‘Global Europe Project’ – a scheme, as Norman Girvan has described it: “to use bilateral trade agreements to prize open developing country markets to European firms and secure binding WTO-plus commitments to keep them open”. In its emphasis on reciprocal trade and investment, liberalisation and its binding of neo-liberal policy regimes, the EPA fulfils Europe’s objective and jeopardises ours. It does not address the ‘development deficit’ that had informed the Lome Convention - the legacy Europe would like to forget of centuries of colonial exploitation. WTO ‘compatibility’, not answering development needs, was the hallmark of the negotiations. Liberalisation of trade and investment became the litany. If the claims of development had to be sacrificed on the altar of liberalisation; so be it.

But worse, WTO compatibility was interpreted by the EU to include – at the behest of EU Service Firms, ‘Services’. - and the ‘Singapore issues’ which developing countries, including the Caribbean, have successfully resisted in the WTO – and still are: ‘Investment’, ‘Intellectual Property’ ‘ Competition Policy’, ‘Government Procurement’. The WTO plus package – all now within our ‘partnership agreement with Europe.

Where does all this leave our regional integration project? Will partnership with Europe turn our Caribbean dream into a nightmare? The answer is yes. Our best technical assessment is that ‘the CSME, an incomplete project of regional integration for engagement with globalisation, has been superseded by the Cariforum-EU EPA.implementation of the EPA in its present form will probably lead to the eventual abandonment of the CSME project’ a probability heightened by the fact that the Caribbean is signing the EPA as separate states. I commend to you all Norman Girvan’s

technical paper **Caribbean Integration and Global Europe: Implications of the EPA for the CSME.** [<http://normangirvan.info>]

Our only response now has to be a collective one. Let us collectively put signing on hold until after the ACP Summit in Accra. Then let us, with the rest of the ACP, engage the EU. The EU needs the 6 EPAs even more than any one Region needs it. Don't let us sell ourselves short. There will be threats of many kinds and at many levels. But if we have unity among ourselves in the Caribbean and with the rest of the ACP, we will prevail.

If not, the birth pains of the Caribbean EPA will foretell an anguished partnership and shattered Caribbean dreams.

Thank you, Chair.