

EPA: ‘The Dawn of a New Era’?*

Clive Y. Thomas**

With the signing of the CARIFORUM – EC, EPA on October 15, 2008 by 13 CARICOM Member States, the EC now boasts in international development circles that this Agreement is not only a genuine “partnership of equals” but also is the “first genuinely comprehensive north-south trade and development agreement in the global economy” (see ICTSD, Editorial, Trade Negotiations Insight (TNI), Vol. 7 Number 8, 2008). Concurrently, on the occasion of the formal signing of this Agreement, the then Minister of Foreign Affairs, Foreign Trade and International Business of Barbados spoke on behalf of CARICOM Member States. Copies of this speech have been widely disseminated. It has also been reprinted in TNI Volume 7 Number 8, November 2008, under the title: “The Dawn of a New Era: Caribbean Signs EPA with EU”. By reputation this speech has been lauded as a masterly exposition in support of the Agreement and an eloquent rebuttal of regional critics of the EPA. From my perspective as one of the critics of the EPA, it is certainly well-written, but also perhaps unintendedly, reveals several of the key flaws in the Agreement and thus calls into question the wisdom of the decision by CARICOM’s political leadership to proceed with its signing in the present form. Let us review the central propositions in this speech.

Speaking on behalf of his colleagues, the Barbadian Minister made it very clear that ultimately:

“Our signature of the EPA agreement on October 15, represents a fundamental signal to the rest of the world that Caribbean

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** Distinguished Professor (Economics) and Director, Institute of Development Studies, University of Guyana.

countries are *maturely and decidedly breaking with a long loved past that has now passed*” (my emphasis) (Sinckler, 2008).

Myself and, to the best of my knowledge, other critical analysts of the EPA have never sought to represent the Region as having “a long loved past” with Europe. If anything, our position is to the contrary. If in the past the Region had secured some advantages in regard to its economic relations with Europe, this was never put forward, as the Minister seems now to be doing, as a past that was loved or, as he puts it “enjoyed and longed for to continue”. For us, Europe’s relations with the Caribbean have always embodied fierce inequalities just as indeed the present EPA does. To suggest otherwise is an alarmingly provocative misreading of both Caribbean historical experiences and the analytical perspective of the critics of the EPA. After all, the legacies of Caribbean-European relations are too entangled with episodes of colonial excesses, human bondage, and other brutal forms of economic exploitation to be considered in an endearing manner as a long loved past. It is quite regrettable that such a misleading categorization could be foisted on the several serious constructive critics of the EPA in the Caribbean and elsewhere.

The Minister has also based his case on the need to be pragmatic and practical, rather than theoretical and ideal. As he puts it:

“Clearly there are those who ... will always say we have not got enough and to keep on negotiating until you get all you want. But surely they too understand that this is impractical and *the reality of the agenda set for us* does not allow us that luxury” (my emphasis) (ibid, 2008).

This statement, unintendedly perhaps, confirms what critics of the EPA have been pointing out: its agenda has been set *for* the Region and not *by* the Region. This is a very important acknowledgement, which no doubt led to the further acknowledgement by the Minister in his speech: “with the signature of the EPA the Region embraces an uncertain future”. As the Minister puts it, this in turn requires that the pressing task before the Region:

“Is *to set in motion* a CARIFORUM – wide process at both regional and national levels to create effective mechanisms and structures ... to take advantage of the opportunities which this EPA presents” (ibid, 2008).

In support of this, he goes further, to indicate that Barbados had established an EPA Coordination and Implementation Unit, along with several other CARICOM Member States. Remarkably, he then describes the purpose of those bodies as being:

“Charged with the *responsibility of studying the entire agreement* and devising strategies and programmes to enhance the capacity of Ministries and private sectors to implement, engage and exploit this agreement (my emphasis) (ibid, 2008).

This statement certainly raises several concerns. If at this level of Government it is admitted at the time of the signature of the Agreement that there is still a need *to study the entire Agreement* is distressing! It is reasonable to ask: How can an indefinite trade Agreement, *not yet studied in its entirety*, be signed on to by responsible Authorities? This is another remarkable, if again unintended, admission to the correctness of many of the criticisms directed at the CARIFORUM, EC, EPA and the processes attendant to its negotiation.

Development Support

Underscoring the imprecision and lack of specific time-bound commitments to provide development support in the Agreement the Minister is reduced to urging the EC to honor its best-endeavor commitments on this score. The speech emphasises the need for:

“The timely delivery of necessary financial support ... vital if the EPA is to achieve the objectives which both sides set out in their negotiating mandates” (ibid, 2008).

It is evident from this statement why the Minister very early into his speech had referred to the “uncertainty which the Region has embraced with the signature of the EPA”! In fact it must have been somewhat embarrassing, for the spokesperson for CARICOM, on such an occasion, to have to urge:

“Our EU partner must be *reminded* of their commitment to provide development support to buttress regional integration, facilitate the implementation of the EPA commitments, and improve supply capacity and competitiveness” (our emphasis). (ibid, 2008)

From the standpoint of critics of the EPA, it is against everything that the Region should stand for that the Minister would have to use such an occasion to plead that the EU's Aid for Trade (AfT) facility be used as a source of "additional funding for the implementation of a CARIFORUM EPA". As I have been at pains to point out in my writings on the EPA, the AfT is not an EPA- specific proposal. Indeed it was formally laid by the EC at the WTO in an effort to mobilize developing countries support at the Hong Kong Ministerial. By making this plea therefore, on the occasion of the signing of the CARIFORUM-EC, EPA the Minister, as spokesperson for CARICOM has explicitly acknowledged the wisdom in the many criticisms of the AfT and the EPAs, as being vague, imprecise, non-specific, and not legally time-bound.

While proclaiming that the CARIFORUM – EC, EPA contains a "declaration that the region will benefit from an equitable share of [the EU's AfT resources]" the Minister goes on to admit:

"It must be pointed out that to date, the modalities governing access to the AfT resources of EU member states have not yet been properly elaborated despite the fact that these were to have been in place since the end of last year ... Failure to satisfactorily do so or to meet those commitments to their fullest extent will not only compromise the implementation of this agreement and permanently damage our future relation" (ibid, 2008).

There is, when all is said and done, the faintest trace of a threat to EU– CARICOM relations. Alas, this is too late!

The aim of my critiques of the CARIFORUM-EC, EPA has always been to secure improvements to its arrangements. I sincerely believe that those who have been publicly associated with critiques of the EPA process share the same position. In that spirit I would hope that this examination of this proclamation of the "dawn of a new era" would encourage CARICOM leaders to distance themselves from such embarrassing excesses especially on the auspicious occasion of the formal signing of the EPA text.

When all is said and done the CARIFORUM-EC, EPA was formally signed even as the private housing market bubble had burst in the United States leading to a gargantuan

credit crunch financial crisis and recession worldwide. Indeed, the data now show that the US was in a formal recession since the ending of 2007. The spread of these occurrences in the US around the world, and to Europe in particular, was breathtaking in its speed, scope, depth and complexity. From this standpoint, the signing of the EPA could not have been timed worse.

The ramifications of these effects on CARICOM Member States will be formidable since their main markets for goods and services are in disarray, remittances from its diaspora are declining, portfolio losses to CARICOM firms and wealthy individuals will be considerable and investment flows to the Region, including official development assistance are in jeopardy! There are of course many other negative outcomes, but enough has been indicated here to show that the EPA has come into effect in a most discouraging economic environment for all parties concerned.