







Q

Home ► All Journals ► Review of International Political Economy ► List of Issues ► Volume 18, Issue 3 Asymmetric bargaining and development tr

Review of International Political Economy > Volume 18, 2011 - Issue 3

2.050 29

Views CrossRef citations to date Altmetric

Original Articles

Asymmetric bargaining and development trade-offs in the CARIFORUM-European Union Economic Partnership Agreement

Tony Heron

Pages 328-357 | Published online: 19 Oct 2010

 https://doi.org/10.1080/09692290.2010.481916 **66** Cite this article

> Sample our Politics & International Relations Journals >> Sign in here to start your access

Full Article

Figures & data

References

66 Citations

Metrics

➡ Reprints & Permissions

Read this article

ABSTRACT

On 15 O

and Pac

(EPA) wi

widespre

individu

cons asks

numerou

content

this que

wider in

of devel

We Care About Your Privacy

We and our 843 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. Privacy Policy

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

List of Partners (vendors)

n, Caribbean I Accept eement Essential Onl motives of Show Purposerticle we cifically, it containing he ACP was to address build on the actions

uth regional

and bilateral FTAs. On this basis, the article stands back from the complex details of the agreement to analyse its wider significance, especially in terms of the presumed trade-off between the immediate economic benefits of improved and more secure market access, against the longer term costs of sacrificing the regulatory autonomy, or policy space, deemed necessary to pursue the type of trade and industrial policies deployed successfully in the past by both developed and (some) developing countries. Put simply, the article seeks to ascertain why ultimately CARIFORUM signed an agreement, what it gained from the negotiations and at what cost.

Q KEYWORDS: African, Caribbean and Pacific group asymmetric bargaining; CARIFORUM economic partnership agreements European Union policy space

ACKNOWLEDGEMENTS

The research for this article was facilitated by the financial support of the UK Economic and Social Research Council (ESRC) First Grant Scheme (Award No. RES-061-25-0198). The bulk of the research was conducted while I was a visiting Research Fellow at the Caribbean Policy Research Institute (CaPRI), Kingston, Jamaica, in 2009. I would like to thank John Rapley and the rest of the CaPRI team for their hospitality, support and encouragement during my stay. I would also like to thank Matthew Bishop, Nicola Phillips, Sheila Page and Tony Payne, plus the three anonymous reviewers, for their helpful input, comments and suggestions. Any errors that remain are solely my own

responsi X Notes 1. The M) was esta Caribbean Commu accession RIFORUM of the la public, **Antigua** Grenada nes, Surinam tially refused

to sign only to do so five days later on 20 October. Haiti, which qualifies for EU

unilateral trade preferences as a Least-Developed Country (LDC), signed on 11 December 2009.

- 2. Cotonou Partnership Agreement, Article 36.1.
- 3. The rest of the article draws extensively on interviews and background briefings with CRNM staff, government officials, representatives of private sector and other relevant non-governmental organisations, conducted in the Caribbean in January–February 2009. It also draws on a series of follow-up interviews conducted by Matt Bishop with EU and Caribbean officials in Brussels and Geneva in February 2009. I would like to thank Matt for very kindly giving me access to the transcripts from these interviews. At the request of interviewees, all subsequent references made to the interviews are anonymous.
- 4. World Trade Organisation (WTO), 'Regional trade agreements', http://wto.org/English/tratop_e/region_e/region_e.htm (accessed 16 June 2009).
- 5. Many of these coalitions are cross-cutting in membership and policy objectives. In terms of the issues explored in this article, it is notable that through membership in these coalitions Chile, Colombia, Costa Rica, El Salvador, Guatemala, Mexico and Peru have all fought against the Singapore issues while simultaneously agreeing to such measures in FTAs with the US. Likewise, members of CARICOM at various points in the run up to the Cancun Ministerial actively resisted the inclusion of many of the same issues within the Doha Round, which subsequently ended up in the final text of the CARIFORUM-EU EPA.

hotween the G. 6. This h X W. Bush ent of 'fast exibilities in track' or the 'rule nally stipulate ean would oriented be eligib ne revised texti versio. uld have been res bean. hence p rtunity. See, for more

- 7. In the case of the 1975 Sugar Protocol (SP), for example, the ACP benefited from a complex system of supply-side management, domestic-price support, export subsidies and import protection, which created guaranteed export prices for eligible sugar producers approximately three-times higher than average world market prices. On the reform of the SP, see ftn. 12.
- 8. As John Ravenhill (2004: 120) explains, the main rationale for the creation of the ACP was to find a means of accommodating Britain's former colonies but to somehow exclude the Asian Commonwealth, because the economies of India and Pakistan, even though classified as low-income, were comparatively large and sufficiently diversified to be perceived as a threat by import-competing interests in Europe. The happy coincidence of geography and development thus provided a solution, on the grounds that the economies of Africa, the Pacific and the Caribbean were of a 'comparable economic structure' and unlike the larger and more diversified economies of South Asia. The demarcation was hardly ideal, however, since it led to the bizarre situation where the Bahamas was included on development criteria but not Bangladesh! (Ravenhill, 2004: 145, ftn. 4).
- 9. In November 2007, the five countries of the East African Community (EAC) 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.

10. Interestingly, the origins of the EBA lay in the Doha negotiations rather than the Cotonou Agreement, which partly explains the imperfect fit between the former and the

trade co X sense that it offers xcept arms otonou. For and mur instance ble es the provision high(otonou allow nce may tas are often seem lik pointed 2003). s for WTO-Against plus cov Agreement.

- 11. Confidential interviews: Geneva, Switzerland, February 2009; Kingston, Jamaica, January 2009.
- 12. It is worth noting that, during the 30th Annual Conference of CARICOM Heads of Government, held in Guyana 2–4 July 2009, the decision was taken to rename the CRNM as the Office of Trade Negotiations (OTN) and to redefine its operational remit. Among other things, the OTN has now been re-incorporated into the CARICOM Secretariat. These changes are seen as a direct result of the fallout from the EPA negotiations, where the quasi-autonomous status of the CRNM was widely criticised in the region. The controversy surrounding the CRNM provides an interesting commentary on the EPA process as a whole, which is premised on using collective regional institutions to negotiate what are in effect a series of bilateral FTAs.
- 13. Confidential interviews with CRNM officials, Geneva, Switzerland, February 2009.
- 14. Confidential interviews, Jamaica, 29 January 2009.
- 15. Along with the justifications dealt with here, the CRNM (2008: 2) policy briefing also mentions the importance of EPA as a 'forceful signal to both investors and development partners of the earnestness of a [sic] Caribbean's programme of economic reform'.
- 16. In 2006, the EU moved to a 'tariff only' banana regime based on a most favoured nation (MFN) rate of €176 per tonne; in December 2009, however, EU came to a new agreement with the Latin American banana producers which saw the MFN rate cut immedia¹ nade until a X final MF to an end one of the the minican prospec e followed Republic an analc nounce unila the dome. benefici Caribbea St. Kitts and Nevis), a a of approxir the ability

to offset the effects of the price reduction by increasing the volume of exports is

tempered by the presence of an 'anti-surge' safeguard mechanism within the CARIFORUM agreement. Furthermore, Caribbean sugar producers have faced significant price competition since September 2009 when beneficiaries of the EBA became eligible for duty- and quota-free treatment, while the EPA does little to assuage the probability of further EU price reductions as part of the ongoing reform of the CAP.

- 17. Confidential telephone interview with a senior CRNM official, Kingston, Jamaica, 8 January 2009.
- 18. Confidential interviews, Geneva, Switzerland, 3 February 2009.
- 19. Confidential interviews: Geneva, Switzerland, February 2009; Kingston, Jamaica, January 2009.
- 20. Although Article 24 of GATT 1947 stipulates that FTAs must cover 'substantially all trade' (hence the need for reciprocity), in practice WTO members have been unable to agree on what in strict legal terms this actually means to the extent that the Committee on Regional Trade Agreements has been unable to reach agreement on the legality or otherwise of any of the current crop of FTAs. In its previous FTAs the EU has adopted a quantitative interpretation of 90 per cent of all trade thus enabling it to exempt much of agriculture from market opening commitments and this seems to be the template that has informed the CARIFORUM agreement. Since the EU has liberalised 100 per cent of its goods sector, CARIFORUM would arguably need only to liberalise around 80 per cent of imports, rather than the 87 per cent actually agreed to, in order to meet this quantitative interpretation. Furthermore, taking into account the

dynamic bilateral x blume of IM would have be above. He extent to remain

21. And account 21. And account 21. And 22. An

sufficient to preclude CARIFORUM from signing an FIA with China, Brazil, Hong Kong,

- Singapore, Mexico, Taiwan, the Association of South East Asian Nations (ASEAN) and the Southern Common Market (MERCOSUR) without offering MFN treatment to the EU.
- 22. The 1984 CBERA stipulates that eligible countries must not provide preferential treatment to products of developed countries that are likely to have adverse effects on US commerce. It remains to be seen whether or not the CARIFORUM agreement falls into this category, but it is at least theoretically possible that US officials could invoke this provision to justify withholding preferences or, perhaps more likely, insist on reciprocal market access equivalent to EPA.
- 23. Confidential interviews, Ministry of Trade, Belmopan, Belize, 3-6 February 2009.
- 24. During the Hong Kong ministerial in 2005, the EU pledged to contribute €2 billion a year to the WTO's Aid for Trade fund by 2010 half coming from the Commission and half from member states. This commitment is, however, far from assured: a 2008 European Commission report (cited in South Centre, 2008b: 22) acknowledged that while the Commission itself was close to reaching its annual €1 billion contribution, members states would need to increase their collective spending by approximately 56 per cent in order to match the Commission's contribution. It hardly needs to be added that the onset of the global financial crisis makes the likelihood of this happening even less likely.

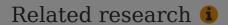


Source: Springer Science and Business Media LLC

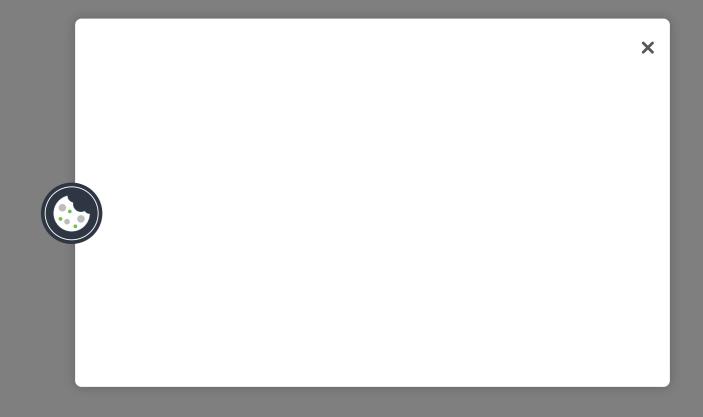
Tensions in the discourse and practice of the European Union's Aid for Trade

Source: Informa UK Limited

Linking provided by **Schole**plorer**







Information for Open access Authors Overview R&D professionals Open journals Editors **Open Select** Librarians **Dove Medical Press** Societies F1000Research Opportunities Help and information Reprints and e-prints Advertising solutions Newsroom Accelerated publication Corporate access solutions Books Keep up to date Register to receive personalised research and resources by email Sign me up Taylor & Francis Group Copyright © 2024 Informa UK Limited Privacy policy Cookies Terms & conditions Accessib X

