

Cajoling the Caribbean

Competition Policy in the CARIFORUM
Partnership Agreement

By R.M. Wiering

"I fear the Europeans - even when they bring gifts."

M. Claxton, 2008b: p. 22

Written by Robbert Wiering (s4010779), Radboud Universiteit Nijmegen, Management Faculty
Political Science Master Program - International Relations, year 2010/2011

Supervisor: A. Wigger

Handed in on July 6, 2012

Table of Contents

Introducing the EPA.....	4
1. Theory.....	8
1.1 Challenging mainstream IR theories	8
1.1.1 Ontology and the agent-structure debate	8
1.1.2 Neorealism and neoliberalism.....	9
1.1.3 Challenging Constructivism	14
1.1.4 Summary.....	17
1.2 A critical theory approach	17
1.2.1 General attributes of critical theory	18
1.2.2 Ontological foundation of the critical approach	19
1.2.3 On the internationalization of the state and the social relations of production	23
2. Epistemology and methodology.....	25
2.1 Epistemological issues	25
2.2 Methodology	27
2.3 Operationalization.....	28
3. Explaining the CARIFORUM EPA.....	30
3.1 A framework for the CARIFORUM EPA.....	30
3.1.1 The European Partnership Agreements	30
3.1.2 Neo-colonialism and Yaoundé.....	33
3.1.3 The Lomé Conventions	34
3.1.4 The Cotonou Agreement	38
3.2 Explaining the changes	40
3.2.1 Neo-colonialism and Yaoundé.....	40
3.2.2 The failure of embedded liberalism/Lomé	41
3.2.3 The Cotonou Agreement	44
3.3.1 On the European Partnership Agreements	47
4. Conclusion	53
List of resources.....	57

Introducing the EPA

There has always been a special connection between Western Europe and what is generally referred to as the Global South. This connection can often be depicted as one between master and slave, of exploiting and being exploited. Although this may seem something of the distant past - the colonial era - even after independence, former colonies, now known as the African, Caribbean and Pacific states (henceforth: the ACP states), maintained a special relationship with their former overlords in Europe until well after the Second World War. This came for instance in the form of preferential trade agreements. More recently the EU¹ has sought to normalise the relationship and to establish more equality as trading partners. It was in the late 1990s that the European stated that colonial relations were to be a thing of the past, no longer to be used as an excuse for demanding preferential treatment (Commission, 1997). ACP states seemed convinced that 'normalisation' was in their best interest if they wanted to meet the future head on. In the year 2000, the Cotonou Agreement was signed, taking a definitive step in the direction of removing many of the benefits the ACP previously enjoyed. Most notably, it included the abolition of the differentiation and non-reciprocal trade preferences, while market liberalisation became a new credo. The Cotonou Agreement was however merely a framework treaty, paving the way for the conclusion of so-called European Partnership Agreements (henceforth: EPAs). In contrast to Cotonou and its predecessors, EPAs were not concluded between the EU and all the ACP states unified as one signatory partner, but between the EU and several sub-regions within the ACP. One of these regions is the Caribbean, who organised itself in a regional treaty organisation called CARIFORUM in 1992.² So far, CARIFORUM has been the only region which has concluded a comprehensive EPA. In all other ACP regions, negotiations have led to nothing more than interim EPAs – agreements dealing with a limited range of topics compared to those in a comprehensive EPA and/or involving only a part of the states in the group. This is for example the case in the Pacific region and SADC (Commission, 2012; South Centre, 2008).³

The signing of the CARIFORUM EPA on December 16, 2007 only occurred after three and a half years of long and conflict-ridden negotiations. The negotiation process as a whole, but also particular details of the Treaty have been fiercely contested from the very beginning. Much of the contestation concerned the extensive trade liberalisation central to the EPA. The European

¹ Throughout the text, the EU will be referred to as EU when talking about post-Maastricht events. When it concerns pre-Maastricht, it will be referred to as EEC.

² CARIFORUM consists of the following states: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. These are in fact the members of the Caribbean Community (CARICOM), plus the Dominican Republic.

³ The interim EPA involving the Pacific is only signed by Fiji and Papua New Guinea and so far only ratified by the last (May 25th, 2011), even though the Pacific group contains 13 other island states (Commission, 2012). Also, it only concerns trade issues. The South African Development Community (SADC) interim EPA is only signed by four of its seven members and its content is fragmented. It went 'live' on May 14th, 2012, being the first of the African interim EPAs to do so (Commission, 2012).

Commission (henceforth: EC), but also the Caribbean organisation responsible for the negotiations, the Caribbean Regional Negotiation Machinery (henceforth: CRNM) have always maintained that the Treaty was good thing for both parties, but particularly that it would have a positive effect on the economic position of the CARIFORUM member states. The treaty was argued to be necessary because the existing arrangements were no longer WTO-compatible. Opponents have however voiced serious doubts about those positive effects and emphasized that the EU will eventually gain much more from the EPA than the CARIFORUM states. The EU, with a GDP 185 times higher than that of CARIFORUM (in 2005) has been argued to abuse its political preponderance resulting from its economic might to gain entry to previously foreclosed markets (Oxfam, 2006). This market access, it was argued, will merely benefit European business, while the exposure of Caribbean industries to highly competitive European companies will have an adverse effect on the economic prosperity of the region as whole (see, *inter alia*, Brewster et al, 2008).

The EPA did not only include chapters on trade in goods and services, but also contained provisions on competition. Competition policy is a regulatory area seeking to protect competition on both the private and public level. It deals in a narrow sense with matters of state aid and market abusive behaviour of companies, such as cartels and other restrictive business practices, or mergers and acquisitions. In a wider sense, it also concerns trade related issues, foreign direct investment and the privatisation of formerly state-owned enterprises (Stewart, 2004). Competition policy has become increasingly important in EU policy over the last decades and has become a central ingredient in the governing the relationship with EU trading partners (Buch-Hansen and Wigger, 2011). The CARIFORUM EPA does not prescribe specific competition rules, but it entails a commitment to make them stricter. This would create a level playing field for Caribbean and European firms alike. Critics fear that this 'level playing field', a term borrowed from sports and entailing a notion of 'fair play', can never be realised because of the massive economic power imbalance. The adoption of stricter competition rules might for example imply that Caribbean states have to give up state supports for local companies - for this can be seen as creating an unfair advantage in relation to their European counterparts (South Centre, 2008).

Despite the fact that severe criticisms on the content of the text remain, the Treaty has been presented by the signatories as a new step in trade serving the development of the Caribbean region. This raises the question of why CARIFORUM agreed to sign the EPA in the first place. Hence the central focus of this thesis is to *explain the acceptance by CARIFORUM of this new Treaty despite the fact that it was highly contested, by paying special attention to the inclusion of competition policy*. In other words, what political struggle preceded the inclusion of competition rules into the Treaty? Who were the supporting forces, and who the opponents? Who has won? Have there been political concessions? The answer will be sought not just in the events surrounding the negotiation of the

EPA, but also in the wider context of the historical connections between the signatory partners. A diplomatic relationship usually does not abruptly change overnight. In order to find out how the EPA came to be accepted, one therefore has to look at the development of the underpinning (trade) relationship over time. Why has the EU been so eager to implement competition policy, and why does CARIFORUM accept such rules which according to critics, interfere so heavily with the freedom to decide how to manage its economy?

Studying the political struggle that led to the inclusion of competition provisions in the CARIFORUM EPA is scientifically relevant for several reasons. First of all, it is the first and only full EPA concluded so far, and might possibly function as a blueprint for EPAs to follow. Revealing political power in this case might provide important insights for comparison with other political science studies on EPAs that might be concluded with the ACP countries, as well as new insights in the mechanisms and political processes of the bilateral negotiations that the EU undertakes with the Global South more generally. More practically, the regions of other negotiation groups might be confronted with the same arguments for and against including the competition provisions as CARIFORUM, and might learn from the negotiation process. This is very likely, considering the fact that the EU wishes to include competition issues into the EPAs with other regions (South Centre, 2008). Furthermore, the very fact that CARIFORUM was so quickly in signing a treaty that contained such far-reaching implications is in itself interesting, as the negotiations of other EPAs have ended up in a stalemate. Secondly, this study can bring forth information on what drives the EU in conducting the EPA negotiations in general, and, more precisely, it will uncover where EU interests in that matter come from. The EU as such is, after all, not a single entity with uniform ideas, but subjected to various interest groups with heterogeneous motivations. The same can be said of CARIFORUM, albeit it is a region is far less advanced in terms of integration than the EU, but has to deal with conflicting interests as well. Thirdly, the fact that all this takes place in a context of changing global power structures, this study contributes to understanding the widespread shift toward bilateralism, at the expense of multilateralism.

From a theoretical point of view the central question guiding this thesis is also relevant, as it deals specifically with the element of change. It will be argued that the change in the relationship between the EU and CARIFORUM was informed by a distinct neoliberal reasoning. Mainstream IR theories are not well-suited for dealing with the concept of change, as well as a range of other characteristics of the EPA process. Neorealism has difficulties to explain cooperation in general, including regional integration. Neoliberalism, with its focus on institutions, fares marginally better, but shares neorealism's overwhelming lack of inclusion of actors other than states. This would deny political agency to an overarching institution such as the CRNM, which played a crucial role in getting the EPA accepted in the Caribbean. Constructivist theories do not focus on states, but instead give

primacy to ideas. However, they fail to explain why a certain idea prevailed above others and can therefore not explain *why* free trade and competition policy became part of the EPA (Bieler and Morton, 2008). Moreover, these mainstream theories take the world as they find it and do not call into question existing relationships and institutions, one of the reasons why Cox (1981) referred to these theories as problem-solving as opposed to critical theories. A critical approach helps to reveal parts of the political struggle that other theories fail to notice. It is particularly useful for probing power dimensions beyond the mere state interactions. It allows for looking at social forces other than the state and specifically leaves room for how these power relations emerged and evolved alongside changes in the organisation of production. Situating social forces within those relations, hereby exposing the underlying power structure, makes it possible to find out *why* a certain idea came to dominate (Bieler and Morton, 2008). A critical theory moreover “develops a dialectical theory of history concerned not just with the past but with a continual process of historical change and with exploring the potential for alternative forms of development” (Bieler and Morton, 2004: p. 86). In other words, it contains an emancipatory commitment. This is important when looking at the EU/CARIFORUM relationship. The interaction has been shaped by a colonial past, which in turn shaped the power relation between the former colonizer and the colonized. The colonial heritage and the way the Caribbean states deal with this in important ways played into the negotiation process (Claxton, 2008a).

The thesis is structured as follows. Chapter one will present a more extensive elaboration on the mainstream theories and their shortcomings. Placing this discussion into the framework of the agent/structure-debate, it will be shown why neorealism, neoliberalism and constructivism turn a blind eye to certain actors and processes considered essential in answering the research question. This analysis will be followed up by the presentation of the general attributes of critical theory, after which the theoretical framework and its ontological foundation for this thesis will be worked out. The theoretical framework is inspired by Cox (1981, 1983 and 1992). The second chapter discusses the epistemological implications of the theoretical framework and presents the methodology, as well as operationalization of the theoretical concepts used in the analysis. The third chapter entails the empirical analysis, the core of this thesis. After an introduction, analysing the explanandum of this thesis, the remaining parts focus on the explanans, the explanation for why competition rules were included into the EPA the way they are. The fourth chapter presents the conclusion and discusses future avenues for further research.

1. Theory

1.1 Challenging mainstream IR theories

This chapter assesses the explanatory power of mainstream IR theories, namely neorealism, neoliberalism and social constructivism. In this thesis the goal is to explain the changes in the relationship between the EU and the ACP. As already hinted at in the introduction, there are a number of inherent flaws in mainstream theories. Here, it will be made clear in a more thorough manner why this is so, and why these flaws are problematic. In the following, these theories will not be tested, but challenged on the basis of their ontological focus and explanatory power.

1.1.1 Ontology and the agent-structure debate

This section will deal specifically with ontology, the units of analysis, as well as the way in which they explain how interests are generated and how social power relations can change. It shows how the different theories look at the world and how they deal with structure and agency. The agent-structure debate in political science, which became particularly prevalent in the late 1980s with the work of Dessler (1989), Hollis and Smith (1990) and Wendt (1987), is vital to understand critical theory and the ontological foundation of this thesis. In the words of Cox (1992: p. 144):

“Ontology lies at the beginning of any enquiry. We cannot define a problem in global politics without presupposing a certain basic structure consisting of the significant entities involved and the form of significant relationships among them...There is always an ontological starting point.”

Ontology tells which ‘things’ are considered relevant in explaining what one wants to explain. In relation to agency and structure, ontology not only defines which one matters more, but also how they relate to each other. This relation is, however, where the problem lies. While there is growing agreement on the fact that the one cannot be fully understood without the other, it has turned out to be very difficult to successfully develop theories that account for both the power of agents and the constraining and enabling relevance of structure (see, *inter alia*, Dessler, 1989: p. 443; Carlsnaes, 1992: pp. 245-248). As Wendt (1987: p. 338) properly puts it: “[we] lack a self-evident way to conceptualize these entities and their relationship.”

Attempts to solve the problem generally involve making either agent or structure prior to the other. The structuralist approach, sometimes referred to as methodological holism or collectivism, puts the structure before the agent. Structural determination results in individual action, which, in

this approach, is considered a function of social order (Carlsnaes, 1992: p. 249). This kind of approach is, for instance, evident in constructivism, especially in the 'Wendtian' state-centric version. Here, structure, as a constellation of norms, plays an important role in shaping the behaviour of the individual actors, namely states. Section 1.1.3 deals with this approach in greater detail. The agent-centred approach, also known as methodological individualism, puts agents before structures, which are seen as the source of social order. Every event is hence traced back to the actions of individual agents (Carlsnaes, 1992: p. 249). This methodological individualism surfaces in neorealism, which puts the state in the centre of attention, albeit it claims to be a structural theory. According to Waltz, the structure emerges from the interaction between units, and only then does it become a force in itself (Dessler, 1989: p. 448). The next section will critically deal with this and other elements of neorealism and neoliberalism.

1.1.2 Neorealism and neoliberalism

Neorealist theory is a contemporary variant of realism, whose principles can be traced back through history to illustrious names like Thucydides and Machiavelli. In the field of International Relations, neorealism was given shape by the writings of Kenneth Waltz, most notably in his 1979 *Theory of International Politics*. Waltz (1979: p. 82) formulates the idea that we can determine the nature of the international system based on three characteristics: its ordering principle, the way in which units are differentiated and the distribution of capabilities. These three factors determine the structure of the international system. Given the absence of an all-encompassing authority to keep everyone in line, ordering principle of the system is one of anarchy. This state of anarchy determines the interests and behaviour of the units: they are guided by a continuous struggle for survival as their primary objective. After all, only survival matters, so security is vital. As a result, units have evolved into the shape that grants the highest survival rate. Neorealism only recognizes the state as a relevant actor, and it is the behaviour of the state the theory tries to explain, and on top of this, only its *external* behaviour (ibid.: pp. 95-97). The parsimonious neorealist considers the state for all intents and purposes to be similar to a billiard ball; it only matters how they react with one another, not what internal power structures look like. In order to survive states have to be independent and therefore avoid differentiating, because this would mean that for some functions a state would have to depend on others. As a result, states have become 'like units' in order to prevent this from happening (ibid.: pp. 95-97). This attitude is a result of the anarchical nature of the system. States have to prioritize survival all the time and be very wary of the actions of other states. They distrust each other, expect others to cheat (as there is no overarching authority enforcing rules) and attach great importance to relative gains (Waltz, 1979; Mearsheimer, 1990). The distribution of capabilities refers to the polarity, which is the only variable that can actually change in the otherwise rigid structure (Waltz 1979: p.

97). The prediction of neorealists like Waltz is that states will try to prevent a state from getting too powerful by balancing against it (ibid.: p. 126). This can cause states to cooperate despite the dangers involved (the aforementioned cheating and the importance of relative gains), for leaving a potential *hegemon* unchecked is even more dangerous. Walt (1985) believes that states will not only balance against power, but also against threat: while normally states would join the weak side against the strong, they can sometimes join the strong state - referred to as bandwagoning - if a different state is considered to be a greater threat. Schweller (1994) suggests that states can also use bandwagoning if it is in their favour to do so. Whatever is the case, states *are* in fact able to cooperate, steered by the impulses of the system. The distribution of capabilities will lead to behaviour that is believed to maximise the chance of survival. Sometimes this will mean cooperation, but given the mistrust that dominates the inter-state relations, these instances of cooperation are bound to be short-lived and will cease to exist once the threat that led to balancing has disappeared (Waltz 1979: p. 126). The behaviour of the agent, which is the state, is what ultimately matters. This is what makes neorealism a methodological individualist theory. The structure provides powerful incentives, but only because it is the state that continuously reproduces the system and thereby instils this constraining power into the structure. The state is locked in this reproductive behaviour, for failing to do so would mean being destroyed by the other actors that do not. Ultimately, the agent - the state - has primacy over the structure, for it would not exist without its prior actions.

When it comes to explaining the relation between the EU and CARIFORUM in general and the inclusion of competition policy into the treaty in particular, neorealism suffers from several shortcomings. As a grand theory, neorealism is not interested in matters as detailed as competition law, so it does not offer an explanation for changing policy courses. Instead, it tries to paint a bigger picture, one of interaction between powerful states in relation to a (potential) hegemon, focusing on power, security and self-interest. The actions of minor powers like the ACP are not considered relevant, turning the explanation into a rather one-sided affair by mainly focusing on large powers. This is however problematic in so far as this explanation only considers states as relevant units of analysis and claims that their ever-shifting internal affairs have no influence on the anarchic system, which is basically a constant (Hobson, 2000: p. 23). This completely ignores the possibility that there were non-state actors who played an important role in constructing the EU/ACP relationship in general and the CARIFORUM EPA in particular. Because neorealism tends to focus on the military might of states, it ignores the more subtle power politics that play a role in the relationship between states. The EU itself is a big puzzle for neorealists, because its persistence defies predictions. Recall that neorealism is rather sceptical with regard to the possibility of enduring interstate cooperation. It can happen, but only if the conditions are right, for example when threatened by the rise of a potential hegemon. Even then, the cooperation will last only as long as needed - that is, for the

duration of the threat - and states are not going to be willing to give out of hand those matters that directly relate to their own security. Even if the cooperation is institutionalized, these problems cannot be contained; institutions are just another arena in which states vie for power (Mearsheimer, 1994-1995). Neorealism states that the EU could only exist because the US saw it as a useful ally against the Soviets. The power of the US, and its military presence in Europe, alleviated the chance of cheating, pacifying inter-European aggression. When the USSR collapsed however, Europe was no longer needed as an ally and would thus be abandoned by the US (Collard-Wexler, 2006). Neorealism predicted that it would revert to its pre-Cold War state of instability and anarchy (Mearsheimer, 1990). Clearly, this has not happened. A problem implicit to this statement (and methodological individualism in general) is that it does not only overly focus on the actor, but also turns this actor into a monolithic entity. It turns a blind eye to the way in which a state came to be organised by letting it speak in one voice. A voice, on top of that, that has fixed needs and preferences. This denies agency to actors that make up the state and tries to influence the direction to which it moves.

Turning the EU into a state-like entity, which might be a work-around solution for the fact that the EU is highly problematic for neorealist theory, runs into similar problems: it drowns out the great variety of actors, institutions and processes that make up this allegedly monolithic identity. Member States and non-states actors have diverging interests. Institutions like the European Commission enjoy a certain degree of operational autonomy and may reflect certain interests above others. In turn, these actors are not single-mindedly coherent either. The flaw is that states as well as the EU are seen only as agents, rather than structure, or a terrain on and through which actors can exert influence. The emerging EU state apparatus, for example, has taken on a life of its own. The Commission has a certain liberty in making its own policy and setting its own goals. It can issue directives that are binding on the Member States after they have adopted them jointly in the realm of the Council with the European Parliament and can even penalize private companies and states for violating European competition rules. It cannot be denied that the Member State governments play a crucial role; however, for them and the forces that they consist of, the EU acts as a structure by setting rules and creating expectations. On a smaller scale, states do the same for competing interest groups within their boundaries. A similar account can be given for CARIFORUM, which, as will be shown, is also a complex interaction of actors who are both bound by and interact with the member state governments and the region. These actors also include, for example, transnational companies who try to influence the direction of EU policies, and directly or indirectly play into the political struggle within the CARIFORUM.

Neoliberalism, an offshoot of neorealism might be able to solve some of the above mentioned problems. For neoliberalism, as in neorealism, states are considered the principle actors, who base their behaviour on their conception of self-interest; they are rational egoists. Anarchy is

also accepted as ordering principle. The neorealist assumptions and ontological focus is added to the importance of international institutions, which are considered capable of influencing conceptions of self-interest (Keohane, 1993: pp. 271-273; Dunne, Kurki and Smith, 2007: p. 111). Neorealist and neoliberalist, or neo-utilitarianists as Ruggie (1998) calls them, tend to converge in their views on issues where little mutual interest exists. However, in cases where there is mutual interest, neoliberals are less pessimistic than neorealists: in such instances, cooperation can be beneficial, and states might be tempted to look past relative gains (Keohane, 1993: pp. 277-278). Neoliberalism is thus explicitly conditional: it only predicts cooperation when the condition of mutual interest is met. When states can achieve their goals by blocking cooperation, they will do so instead (ibid.). These goals involve not only surviving, but also the maximization of utility, or welfare. The maximisation of wealth plays an important role. The inclusion of wealth, as 'the pursuit of marketable means of want satisfaction', makes clear that neoliberalism is closely connected to the world of political economy (Keohane, 2005: p. 20).

If the conditionality of mutual interest is met, states might attempt to cooperate. Cooperation can in turn lead to the creation of a regime, provided that a hegemon kick-starts the process. International regimes are "principles, norms, rules and decision making procedures around which actor expectations converge in a given issue-area" (Krasner, 1982: p. 185). These sets of rules, sometimes but not necessarily formalized in institutions, help ease cooperation. Neoliberalism accepts neorealism's idea that there is no higher authority above the state. Because of this, states will have to create incentives for themselves and others to follow those rules. However, they will only do so if they expect to gain from it. Choosing to join or create a regime is therefore a decision based on a cost/benefit-analysis reflecting the power and interests of the states. Regimes have to serve a purpose, and they are not just some independent organisation. Once established however - and this is where neoliberalism differs from neorealism - they can be quite durable and can affect the behaviour of states, by changing the outcome of the cost/benefit-analysis. As Keohane and Martin (1995: 42) put it:

"Institutions are important "independently" only in the ordinary sense used in social science: controlling for the effects of power and interests, it matters whether they exist. They also have an interactive effect, meaning that their impact on outcomes varies, depending on the nature of power and interests."

Regimes can help solve issues of cheating and coordination, because they improve transparency: through the framework of the regime, states can gain insight in their partner's preferences, expectations and intentions, Not only do institutions deter cheaters by imposing costs (to name a

few: financial penalties, loss of reputation, exclusion from the benefits the cooperation can provide), but they also provide a way out of the Prisoner's Dilemma that normally leads to a suboptimal outcome (Axelrod and Keohane, 1985: p. 228). This is done by introducing the 'shadow of the future': a concern for what is to come (ibid.: p. 232). The game is thus not played once - turning it into neorealism's zero-sum game - but repeatedly, again and again. A greater concern for the future means a higher chance that cooperation ensues. It is argued that this is especially true in economic relations, where certainty about the future is important (ibid.) Trade and investment are of little use if one cannot make an assessment of possible risks and chances. Regimes provide the means to create an iterated game and thus increase the shadow of the future. Because of the costs involved in creating an institution, states are often unwilling to abandon them. They can thus become a continuous platform through which states share and receive information and play a role in monitoring adherence to the rules.

Neoliberalism side-steps the difficulties neorealism has with the EU/CARIFORUM because institutions are given a more prominent role. However, neoliberalism exhibits similar flaws as its neorealist counterpart. The state is still considered to be the primary actor that through a process of methodological individualism is turned into the same monolith as in neorealism. The theory does however allow some agency to institutions, though it is quick to add that institutions are highly instrumental. The way in which the identity of states and institutions comes about is almost as unimportant for neoliberals as it is for neorealists. The position of institutions remains therefore rather ambiguous in the end. They are as much shaped by the international arena as they shape the arena itself, and constrain the actions of states by introducing the shadow of the future. Granted, it is an improvement over neorealism, though only a small one. To understand the EU/CARIFORUM relationship and the reasons for its change, the role of state- and non-state actors needs to be reconsidered, as well as the processes which shape them. It is an interaction between these actors and the interests they represent that ultimately provides the key to understanding.

These interests form another important issue. It was previously established that neo-utilitarianists see states as black boxes. States are in this sense granted absolute domestic agential power, for they have the ability "to make domestic or foreign policy as well as shape the domestic realm, free of domestic social-structural requirements or the interest of non-state actors" (Hobson, 2000: p. 5). Externally, however, this agential power is close to zero: states have neither agency "to shape [international politics] nor mitigate the logic of anarchy" (ibid.: p. 18). The primacy of the anarchic system leads to national interest being externally dictated. The unitary state is forced by the system's invisible hand to pursue its own survival, as a rational actor (ibid.). It has no other option, because not doing so puts the state at a comparative disadvantage, or might even lead to its 'death'. A neoliberalist would add that a state will also always try to maximise its utility. The result is,

however, the same: national interest is posited as a purely exogenous affair. It is a *material* interest, independent from any ideas or interests that might be present inside the state. In this way, the state is separated from society (Cox, 1981: p.86). All this, in turn, leads to neorealism only possessing a reproductive logic. In the words of Cox (1981: p. 92): “this mode of reasoning dictates that, with respect to essentials, the future will always be like the past”. Because of this, both theories are unable to explain change; they lack the necessary transformative logic (Cox, 1981; Ruggie, 1986).

Cox considers the fact that neorealism makes the production process and the power relations related to this an inherent part of national interest problematic (Cox, 1981: p. 96). The production of goods and services is responsible for creating wealth in a society, which in turn empowers the state. It is the power of the state that is critical in neo-utilitarianism, but the way in which it came into being, internally, is filtered out and thus simply ignored. The power relationship between those who control, and those who execute the tasks of production, and the conflicts that are inherent in this relationship, receive no theoretical attention (Cox, 1981: p. 96). Both theories thus take the world as they find it. In case of the ACP/EU relations, this means that it is simply accepted that the EU is in a more powerful position than the ACP, and consequently, makes use of this. While this might be true, it does not offer an explanation on how this came about or why the way in which the relation was formalised (that is, through Cotonou and the EPAs) is going through some radical change. After all, the power difference is considered to be static. Consequently, one needs to look beyond those obvious power relations and take into account historic, societal processes and the emergence of specific interests. These interests clash and this clash can have a material grounding in the particular outlook of how production is organised. Neo-utilitarianism is unable to do so, because it is what Cox defined as a problem-solving theory. Problem-solving theories examine reality at face value (Cox, 1981). Reality is analysed at a particular historical juncture as fixed, consisting of purely material factors of power and wealth on a macro level, void of ideational factors. The changed course in the relation between the EU and CARIFORUM, and the inclusion of competition policy would hence need to be related to a new mutual interest in cooperation. Neoliberalists however fail to theorize where these new mutual interests find their origin. They seem to be exogenous from the theoretical model, and appear as *deus ex machina*. The role of ideas is important, because they help explain the content of policy, but not why ideas can change. A theory that does take this into account is social constructivism, which can remedy some of the problems that were located within neo-utilitarianism.

1.1.3 Challenging Constructivism

Whereas neo-utilitarianism gives primacy of the material, however without locating specific interests of different actors in the material foundation of power, constructivism prioritises the ideational.

Constructivism arose as a response to rationalist theories like neorealism and neoliberalism, criticizing their limited focus on the material (Hobson, 2000: p. 145). Counting the number of nuclear missiles, the size of the population and available resources more generally was considered not satisfactory to explain political processes. *Brute facts*, which are facts considered true or false independent of belief, can only become relevant in light of the meaning that is given to them, constructivist claimed. In contrast, they emphasized *social facts*, which are “those facts that are produced by virtue of all the relevant actors agreeing that they exist” (Ruggie, 1998: p. 12). Accordingly, whether or not a state owns a nuclear weapon is irrelevant, but what matters instead is the collective idea about that state’s intention in relation to the weapon. As Ruggie (ibid.: p. 13) explained, social constructivism busies itself with finding the “nature, origins, and functions of social facts”. Unlike neorealism, constructivism is not a roughly homogeneous research program, but comes in many shapes and forms. Different branches have their own approach and ideas. Ruggie (ibid.: p. 33-34) highlights several core features that bring together the different viewpoints, the most important one being that constructivists problematize the identity and interests of states. Whereas neo-utilitarianists take these things as given, constructivists argue that “meaningful behaviour, or action, is possible only within an intersubjective social context” (Hopf, 1998: p. 173). Anarchy, the key motivator for neo-utilitarianism, is meaningless without grasping the norms that guide behaviour. This led Wendt to his well-known statement that “anarchy is what states make of it” (Wendt, 1992). Accordingly, structure and agency are mutually constitutive: agents give meaning to structure by collectively employing constitutive rules and practises, while at the same time the pressure of the system socializes the agents. This process feeds back into the identity and interests of states. Through interaction, states acquire an identity based on their image of themselves and others, and the image others have of the self. Knowing who you are, in turn, leads to a set of interests and actions based on that (Hopf, 1998: p. 175). In this way, norms, social practise and identity inform a state to what is appropriate behaviour. It is thus not simply the need to survive that constrains a state; there are also social normative structures to take into account (Hobson, 2000: p. 146).

Like neo-utilitarianism, constructivism suffers from a number of shortcomings. It too has difficulties with explaining agency. Wendt, for instance, focuses on the unitary state as a prime actor, similar to neorealists (Bieler and Morton, 2008). He basically puts the state back in the black box, denying agency to those domestic actors who help constitute the identity and interests of the state. Checkel (1998: p. 340-341) claims that constructivists are overly focused on structure and preoccupied with explaining how norms (the structure) affect agents (states and other decision makers), thereby losing sight of the constitutive effects of agents on that structure. Framed in terms of the agent-structure debate, the problem here is thus that constructivism awards primacy to

structure, leading to what is called methodological holism: it reduces individual action to a function of social order (Carlsnaes, 1992: p. 249).

Since constructivism has many branches, it would be unfair to hold the above objection against all constructivists. All branches however do suffer from the fact that they are “agnostic about change in world politics” (Hopf, 1998: p. 180). They fail to explain *why* certain changes took place, *why* certain ideas became dominant, and *why* some actors prevailed while others did not. Bieler and Morton (2008: p. 107-109) attribute this flaw mainly to constructivism’s focus on the ideational that results in a lack of appreciation of the link with the material. For example, when analysing the work of Blyth, they find that “(...) ideas and material conditions are treated as two independent entities based on their external relationship to one another, which are then combined in a functional relationship as independent and dependent variables” (Bieler and Morton, 2008: p. 108). This however disregards the material structure of ideas, which is considered crucial in critical theory. Ideas are not autonomous or free floating, arising out of political vacuum. Or as Adler puts it: “Statements are turned into facts not only by the power of discourse, but also by gaining control over the social support networks and the material resources of organizations and networks” (Adler, 1997: p. 333). This statement is made in the context of criticizing postmodernism, but can equally well be made here, when discussing constructivism (Bieler, 2001: p. 97). For this very reason, constructivism is unable to provide an answer to the ‘why-question’: by ignoring the fact that ideas have to be rooted in material conditions of production and the social forces that follow from it, it is unable to see the underlying power relations that empower certain ideas and actors, while leaving others without any influence. The struggle to get one’s ideas accepted is thus part of the more general struggle for dominance, or as critical theory has it, hegemony (Bieler, 2001: p. 98). This has clear repercussions for this study here. As will be demonstrated in the empirical analysis of the EPA process, ideas have changed, because there has been a shift in the underlying power relations dominating the EU/ACP relationship.

Change is the last, but certainly not the least of the problems of constructivism. Constructivism certainly can explain political change. A range of authors try to explain the acceptance of new norms (see, *inter alia*, Finnemore and Sikkink, 1998; Price, 1998). What these authors do, however, is explain *how* a certain norm came to be accepted, but not *why*. In a constructivist understanding, advocates of new norms, so-called norm entrepreneurs, promote new norms because of an intrinsic notion of the correctness of the norm (and hence, vice versa, because of a personal conviction of the incorrectness of the existing norm). Finnemore and Sikkink (1998), for example, have developed a theoretical framework on how a norm is adopted through a ‘norm cascade’, according to which signatory parties (states) emulate each other’s behaviour and this process increases in speed once a certain tipping point is reached and the norm gets accepted by an

ever wider constituency. The centre of theoretical gravity is however to explain how change might occur once a norm gets accepted; it does not touch on the subject of why certain norm entrepreneurs, and not others, came to advocate a particular norm. By linking the reasons for a norm emergence to individual disagreements with existing norms shares some traits with methodological individualism. Eventually however, norms that have passed the tipping point and consolidate are seen as part of the structure; through their daily practice (Hopf, 1998: p. 180), but the origins of change remain shrouded in mystery.

1.1.4 Summary

All theories that have been discussed fail to theorize the concept of change in a satisfactory manner. Both neo-utilitarianism and constructivism lack the necessary explanatory power to explain the changing relationship between the EU and CARIFORUM and the role of competition policy. Neorealism and neoliberalism explicitly block out the processes of interest intermediation within the state, while at the same time leaving no room for other agents, which renders these theories power blind. Identity is taken as a given; states are power-seeking and only focus on surviving, security maximisation and/or wealth in a hostile world. In a neorealist world, enduring inter-regional cooperation, such as between CARICOM and the EU, does not occur. As a matter of fact, neorealism has a hard time theorizing the EU and CARICOM to begin with. It focuses on the state and cannot cope with the supranational elements of the EU, and its involvement in state policy. Neoliberalism fares somewhat better, although it too ignores actors and interests other than the state. Constructivism then does problematize identity, while leaving room for other actors than the state and introduces ideational variables that address the content of policies. Yet, while neorealism and neoliberalism concentrate too much on the material, constructivism loses sight of it in favour of the ideational. In case of the EU/CARIFORUM relationship, both need to be taken into account. Ideas on the role the EU has to play in developing the ACP-states, for example, give shape to the content of specific policies. At the same time, however, material factors are also important. While they explain how something happened, they cannot tell us *why* it did. The next section will introduce a critical theory approach that overcomes these theoretical gaps.

1.2 A critical theory approach

A critical theory approach can remedy many of the above identified shortcomings, but at the same time also has its own caveats. The first part addresses critical theory more generally. This will be done by looking more closely at the agent-structure debate, which will help determine the ontology, that is, the question of what social reality and which 'things' and processes are invoked by the theory (Dessler, 1989: p. 445). This will lay the foundation for the next part, which will expound in detail

upon the historicist method developed by Cox (1981). Paragraph four then, deals with the implications for the internationalization of the state and production.

1.2.1 General attributes of critical theory

If the essence of critical theory were to be captured in one sentence, it would probably be the famous quote by Cox (1981: p. 87): “Theory is always *for* someone and *for* some purpose”. Being a critical theorist means being aware of the fact that theory does not exist in a vacuum, and is shaped by social and political time and space (ibid.). Theory is never value-free, something that is only too frequently forgotten or denied by reference to scientific objectivity. By ontologically focusing on a particular social phenomenon or power dimension, others dimensions are by definition disregarded, which contains implicitly or explicitly a bias towards the interests of certain socio-economic groups. Critical theory is not more biased or normative than non-critical theory, but rather seeks to discuss and admit this bias explicitly. Furthermore, critical theory differs from problem-solving theory in its purpose. It is not meant to smooth the working of existing relationships and institutions, but instead tries to find out how these relationships and institutions came to be, how they change over time, and also how they might be changed. In doing so, it steps away from accepting the ‘prevailing world order’ and tries to chart the underlying power relations and interests involved (Worth, 2011: p. 359). In the words of Farrands and Worth (2005: p. 43):

“Critical theory [...] engages a particular problematic: one that is precisely concerned with how to make sense of the world, and of our consciousness of the world and our being-in-the-world, and of our capacity for subjectivity and agency, set against a background of enormous political forces and structures that appear to render us without voice, agency or critical reflexivity.”

Critical theory rejected the view of independent and seemingly objective science (Roach, 2008). It focuses on the role that social science can play in understanding, but also changing, perspectives on knowledge and power, without losing sight of the position of the scientist himself within this web. Being critical, in this sense, thus does not only refer to looking past the obvious, but also includes emancipatory and utopian elements. It tries to expose the way in which knowledge is used as an instrument of control and at the same time proposes alternative orders (Worth, 2011: p. 359).

Roach (2008: p. xvi) captures the characteristics of critical theory in four core principles, which set it apart from mainstream, problem-solving, theory. The first one is the reflexive attitude that was exposed in the above. The critical theorist realises the relativity of his own point of view, and tries to mediate this by explicitly engaging the assumptions that he/she makes. The second

principle is the focus on the mutability of political structures (ibid.). This refers to the focus of critical theorists on the possibility of change. Critical theory dedicates itself to showing how political structures that appear to be permanent, are in fact only so because of political power and ideological control by certain groups. The critical theorist thus tries to look beyond existing power structures, in an effort to show the malleability of structure and the possibilities for change. In short, he does not take the world he sees for granted. The third aspect is the fact that it is an open-ended, interdisciplinary approach, rooted in both ethical concerns and social and economic relations of production (ibid.: p. xvii). Critical theory does not believe in the possibility of history coming to a close, but rather conceives it as open-ended, dialectic interplay of structure and agency, without a teleological end point. On top of that, knowledge can never be complete and we hence cannot make truth claims. The fourth attribute of critical theory is the fact that it offers us an integrative analysis of social reality (ibid.). This allows us to view the changing landscape of the international realm. To summarise: critical theory introduces a reflexive approach and attempts to look beyond reality by continuously questioning hegemonic views that appear as common sense. The question why certain events took shape in the way they did takes centre stage.

1.2.2 Ontological foundation of the critical approach

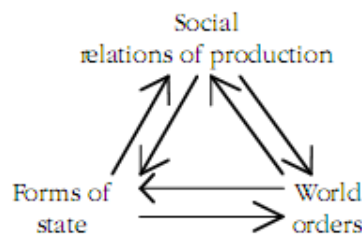
While the previous section dealt with critical theory in general, the focus of this section will be on critical theory as it was posited by Cox in 1981. Similar to the sections on mainstream theory, the first thing to do is take a look at its ontological foundation, in light of the agent-structure debate. Recall that the mainstream approaches favour either agency or structure, without finding a proper way to value each in its own right. The approach developed by Cox focuses on analysing a framework for action – the historical structure - that changes over time, dependent on a particular configuration of forces and political agency (Cox, 1981: p. 97). These configurations, or epochs, flow over time from collective human action (Bieler and Morton, 2001: p. 17). Precisely because they are a result of collective human action, one can learn about the social world by going through history to “analyse the changing mental processes of the makers of history” (Bieler and Morton, 2001: p. 17). The idea is that social relations at a particular time have partly been given shape by relations in the past, which by definition requires historicising political struggles. While intangible and non-transparent back then, in the present they appear as a given, for they have real, material, impact upon social interaction now. Agents are seen as exposed to certain enabling and constraining structural conditions, but also as having the freedom to pick their own strategies to change the structure, and in turn influence the conditions for the future. In this way, structure does not determine the action of agents, which would reduce them to a purely reactionary puppet on a string. The very crux is that because agents are not forced into particular action, they have the ability to bring about structural

change. In other words, they “may move with the pressures or resist and oppose them, but they cannot ignore them” (Cox, 1981: p. 98). In terms of the agent-structure problem:

“What emerges (...), is a concern with the structural conditions of existence, the realm of necessity, initially inherited from past forms of thought, and action, as well as concern for the realization of agency, the realm of freedom, that is both determined and determining.” (Bieler and Morton, 2001: p. 19).

It was mentioned that the historical structure is the result of a particular configuration of forces. This configuration is represented in limited totalities: it does not represent the complexity of the whole world - that would be impossible, for everything needs to be seen in its specific context - but only a particular sphere of human activity in its historically located totality (Cox, 1981: p. 100). Cox divides the historical structure into three of such spheres which collectively make up the social ontology: the social relations of production, forms of state and world orders (Cox, 1981: pp. 100-101). They are interrelated and stand in a dialectic relation to each other; a change in one brings about change in another, though this relationship is not unilinear (ibid.: p. 101). Figure 1 shows the three spheres in a model.

Figure 1: Spheres in the historical structure



Source: Cox, 1981: p. 101

Production, here, entails much more than the fabrication of goods. It also refers to the production and reproduction of all the norms, institutions, knowledge and social relations that come before the actual production of physical goods, and are required for it (Cox, 1989: p. 39). Specific patterns that emerge are called modes of social relations of production, and they consist of a configuration of social forces - the main agents within this category - that busy themselves with the process of production. These social forces can arise on the basis of class identities, but also other forms of collective agency, like gender, ethnic and religious groups (Bieler and Morton, 2001: pp. 22-23). Social forces do not have to be bound to the territory of the state; some of them extend well beyond the borders, or might even not be bound to a state at all. This can for instance be seen in the

emergence of the transnational managerial class that Cox speaks about or Robinson's transnational capitalist class (Cox, 1981; Robinson, 2004). Cox detected an increasing internationalisation of the relations of production: production becomes fragmented and transnational, financial capital is prominently present in investments, and a class 'defending' this system arose (Cox, 1981: pp. 109-113). Transnational corporations move their facilities around the globe to places where production is cheapest, or outsource their activities. Headquarters are maintained in states that offer the best fiscal environment, and corporations are not afraid to change location if that serves them better. Executive positions are no longer only filled by nationals; instead, the managerial class draws on distinguished personnel from across the globe. This led to what both authors call the rise of a transnational class, a class both *in-itself* and *for-itself*: its members both objectively share a similar position in the global economy, and are subjectively aware of their shared interests, meaning they can be expected to act collectively (Robinson, 2004: p. 38). They do so through institutions like the WTO, the IMF and the World Bank, which because of the internationalisation of the state have a profound effect on the policy of states (Cox, 1981: p. 111).

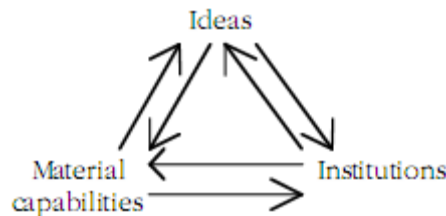
The forms of state refer to a particular relationship between state and society, between public and private. As such, the state is considered dependent on the configuration of social forces. Unlike the aforementioned neorealism, Cox's approach does not take the identity and interests of the state as exogenous. That does not mean, however, that the state is only ideational, as it is for constructivists. The state is a social construct, a fiction that is nonetheless real: it exists in the subjective mind of a group of people, but becomes objective through action. People act as if the state has real existence and the prerogatives of the entity are enforced by real people. The state thus has an objective, physical impact upon our lives (Bieler and Morton, 2001: p. 22).

In the conception of Cox, state power and interest are organised through so-called historical blocks. This concept, taken from Gramsci, refers to the way in which leading social forces within a state "establish a relationship over contending social forces" (Bieler and Morton, 2004: p. 90). This relationship is not one of equality, but implies that the dominant social class pacifies subordinate classes by integrating different class issues into the system that is promoted within society (*ibid.*). It is the way in which a hegemonic force deals with demands from other groups. The state is thus "a condensation of a hegemonic relationship between dominant classes and class fractions" (*ibid.*: p. 92). In the view of Cox, the formation of a historical block is an internal process. Yet, this internal process can, after hegemony has been formed, orientate itself outwards and make connections with like-minded social forces elsewhere, in an attempt at global hegemony (Cox, 1983). This is the third sphere, the sphere of world order.

But the model does not stop here. The dialectic between the three spheres does make clear how they influence each other, but it leaves out the way in which a particular set of forces arose

internally. To mediate this, Cox introduced three more forces, or *potentials*, that interact within each limited totality of the spheres, comprising the historical structures (Cox, 1981). These forces are material capabilities, ideas and institutions, as represented in figure 2.

Figure 2: Elements in the structure



Source: Cox, 1981: p. 98

The relationships here are reciprocal; however looking at a specific historical case might reveal the direction of the lines of force (Cox, 1981). Material capabilities refer to technological and organisational capacity, natural resources and equipment, and the wealth to command these. Ideas come in two categories, one of intersubjective meanings regarding the way in which society behaves and interacts, the other collective images of social order held by different groups of people. Intersubjective meanings tend to be broadly shared throughout a particular historical structure, while collective images can vary wildly. They offer visions on an alternative world order (ibid.). Institutions provide the means to stabilise and anchor a particular order. Institutions can become an instrument of hegemony, in that they enforce prevailing order and offer a way to channel conflict (ibid.). The social ontology thus consists of three different structures that interrelate and influence each other. In turn, each of these structures or spheres is made up of a particular configuration of forces or possibilities for social agency. To give an example: the world order under the *Pax Britannica* is explained by Cox as a combination of undisputed sea power (material capabilities), the spreading of the norm of liberal economy (ideas), and a concentration of administrative functions in London (institutions) (ibid.: p. 103).

So what exactly is meant by hegemony? The neorealist interpretation is based purely on the military and economic 'dominance' of a state. Hegemony, hence is nothing else than preponderance. While this also plays some role in the critical theory perspective, the concept of hegemony used by Cox is much more subtle and encompassing. The leading social forces, occupying important positions within society, manage to get their ideas accepted in a broad consent, assisted by material capabilities and institutions (Bieler and Morton, 2004). It is a form of class rule, based on the ability to shape the constellation of ideas, material capabilities and institutions. It leads to control over the state, which is, after all, a condensation of power relations, and in extension, the coercive apparatus

that comes with it. However, hegemony in this sense is based on creating a system in which dominant ideas are seen as common sense not just by the leading social forces, but by the majority of society. Hegemonic forces try to create this consent not only by exerting political and economic, but also cultural, ideological and moral power (Palan, 2000). However, hegemony becomes manifest as both consent and coercion. In other words, hegemony requires consent, but there is always the threat of coercion by hegemonic forces. For example, having control over the state apparatus requires consent backed up by force. It is this process that leads to the creation of an historic block. The particular national hegemony can then spill outwards and establish hegemony through world order, by expanding a mode of production internationally (Bieler and Morton, 2004). Hegemony is framed in universal terms, disguising the narrow interests from a particular dominant or leading class by leaving room for other interests, such as those of subordinate classes, which generates the necessary support to see the hegemony as just and satisfactory (Cox, 1983). Hegemony is however not set in stone. There will always be subordinate groups that fundamentally disagree with the prevailing order and try to change it. By vying for a position of societal power through the mobilisation of other social forces they form so-called counter-hegemonies. Similarly, social forces from a different class can take over alongside changes in the ideas/material capabilities/institutions-triangle. Society is in this sense a constant political battlefield on which hegemony and counter-hegemony meet.

As part of the agent-structure discussion, it is worthwhile spending a few more words on the formulation of those universal terms. A particular kind of agent is at work here: the organic intellectual. Gramsci theorized that organic intellectuals are certain individuals that formulate the ideas that make up the hegemonic project, that is, to devise those ideas that are “able to transcend the particular interests of their own social group and brings the interests of the leading class into harmony with those of subordinate classes and incorporates these other interests into an ideology expressed in universal terms” (Bieler, 2001: p. 97). The hegemonic project is thus the strategy used by a leading class to gain control over subordinate classes. Organic intellectuals are inherent to any class, not just the leading forces. Counter-hegemonic forces thus also make use of them, hoping that their ideas catch on in the intersubjective mind and become ‘the logic thing to do’. Organic individuals create organic ideas - ideas that organise human masses - that link the material structure rooted in a particular constellation of social forces to the ideological, in an attempt to engrain them into the intersubjective minds of the struggling classes.

1.2.3 The internationalization of the state and the social relations of production

It is important to elaborate a bit further on the concept of state within critical theory perspective. Critical theory tackles emerging state apparatuses, such as the EU, indirectly, through the idea of the

“internationalized state” (Cox, 1981; Brand *et al.*, 2010). The state is seen as a condensation of a hegemonic relationship at a particular historical juncture. In the current age, capitalism is the dominant mode of production. Capitalism, Jessop (1992: 150) writes, “is a system of generalized commodity production. It has two main characteristics: private control of the material means of production and formally free labour power”. Labour is only formally free, for it is in itself seen as a commodity. Under capitalism, the primary struggle takes place between capital and labour. Marx argued that the state was basically nothing more than a vessel for capitalist interest. Yet, as Jessop contends, there is not one single capital (Jessop, 1992: 152). The state, as a condensation of not one, but a particular set of interests, does not from the outset favour one form of capital over the other (*ibid.*). It is, however, “structurally selective”, meaning that it is inherently biased toward capitalism *in general* (*ibid.*: p. 147-148). The particular set of interests of a particular configuration of social forces is prioritised above others.

In recent decades, this tendency to prioritize capitalist interests gave rise to a neoliberal world order, which is the hegemony of transnational capital at the global level (Bieler and Morton, 2001). It is characterized by the trans-nationalisation of production, which entails spreading different phases in the production process geographically, by outsourcing or relocating the production of certain goods and services, and moving them to those parts of the worlds that optimize gains. A transnational capitalist class came into being, which, through use of industrial and financial capital gave shape to the world economy. But this class does not just possess material capabilities; it also acquired ideological and institutional dominance. The internationalization - or globalization - of the state was brought about by creating an international system in which states had little choice but to participate. Financial aid provided by international institutions was made dependent on compliance with the norms set by those same institutions (Cox, 1981: p. 108). This can entail forced harmonisation of economic policies or projects of privatisation of state property. More in general, harmonisation is realised through institutions as the WTO, which sees to the fair - in the eyes of neoliberalism - compliance to trading rules. Under neoliberalism, states have internalized perceived external constraints brought about by the international system. They comply with (economic) rules set by institutions and created in bi- or multilateral trade negotiations. As such, the state is increasingly taking a back seat in these kind of issues; we can speak of a “denationalization and destatization of the state” (Jessop, 2002: 195-199). Tasks that were traditionally the prerogative of the national state, have become dispersed not only to different levels, - decentralization or delegation to sub- as well as supranational levels (*ibid.*) – but also to a variety of governmental and non-governmental actors.

2. Epistemology and methodology

The previous chapter expounded upon the ontological side of critical theory and tried to answer the question of what actors and processes are relevant for the analysis. This chapter will first engage with the question how researchers can gain knowledge of this world, and more generally, what is knowledge in the first place? Secondly, the methodology to acquire knowledge used in this thesis will be explained.

2.1 Epistemological issues

The question of *what is knowledge and how do we acquire it* became increasingly relevant for political science in the 1980s, resulting in what is now known as the fourth debate in IR. It focuses on issues of explaining and understanding, positivism and post-positivism, and rationalism and reflectivism (Dunne *et al.*, 2007: p. 20). Key to this debate is the matter of the supposed epistemological primacy over ontology, the question of whether or not to account for unobservable events, and if yes, how exactly. In the end however several authors argued that this debate was not very fruitful, and attempts were made to move beyond it (see, *inter alia*, Wendt, 1999; Houghton, 2008). This resulted in a - for this thesis more relevant - dichotomy of realism versus anti-realism. Here it will be argued that a critical realism-approach to epistemology is the most suitable one.

Positivism has long dominated IR theory. As a theory of science, most positivists adopt an empiricist epistemology. What this means is that the only knowledge that can be acquired, is that based on facts that can be experienced (Dunne *et al.*, 2007: p. 21). Positivism values the ability to observe above everything else; its motto is *esse est percipi*, to be is to be perceived (Dunne *et al.*, 2007: p. 21). According to a positivist understanding, there is no external world independent of human involvement, and non-observable events or structures have no scientific existence. This has been key to the epistemological and methodological primacy given over ontology: what cannot be observed and measured does not exist (*ibid.*). Theories are tested on deductively derived hypothesis, which are believed to reveal the regularities in the social world. Neorealism can be placed in this category. Its model is based on measuring the raw power of states and the polarity of the system as determinants for behaviour. How they come to this behaviour is irrelevant. Post-positivism then is, very crudely put, anti-positivism. While there is not one single interpretation of post-positivism, post-positivist tend to agree on the fact that, contrary to what positivists believe, there is no objective world which can be known (Houghton, 2008: p. 119). Post-positivists think in terms of language discourses, arguing that we understand the world around us through a lens of language and interpretation. The world, in this perspective, is a social construction (*ibid.*).

It is easy to see how this debate ends in an unsolvable stalemate. Proponents of both perspectives hold on to radically opposed ideas on the interpretation of reality. Yet paradoxically, positivism and post-positivism also have a great deal in common, which provided the opening for moving beyond the debate: they share the same *theory/problem solution field*, in that they are both anti-realist (Patomäki and Wight, 2000: pp. 216-217). This refers to the denial of a reality independent of what humans think of it, or the failure take proper account of the ontology underlying epistemology (ibid.: p. 223). While positivists (and thus neorealists) see only that what can be experienced through human senses, post-positivists and their interpretative epistemology recognise only discourses, without which events have no meaning. This line of reasoning makes that both introduce an epistemic fallacy: they reduce that what is to what we can know about it (Danermark *et al.*, 2002: p. 21). Epistemology is given primacy over ontology. However, ignoring ontology causes certain problems. Positivists, who operate beyond the 'boundary of boredom' - that is, who adhere strictly to methodological procedures, treating non-observable theoretical entities as nothing more than pure fiction - do have to account for the fact that to be able to experience, there needs to be someone to experience it (Patomäki and Wight, 2000: p. 218). Post-positivists, on the boundary of negativity - those on the extreme end denying the existence of any objective independent of discourses - still need to answer the question of 'who constructs the discourses, and for what reason?' (ibid.: p. 217)

An alternative philosophy of science is critical realism, which brings us back to matters of ontology.⁴ According to Patomäki and Wight (2000: p. 223), critical realism "provides an alternative "problem-field" which embeds the social within the material without reducing one to the other". The previous chapter was devoted to explaining that critical theory acknowledges in its ontology both the material and the ideational. These two are considered inseparable and function in a dialectic relation. This attitude is reflected in critical realism. To avoid the epistemological fallacy, critical realism takes into account the *intransitive* and *transitive* dimension of science. The *intransitive* refers to the ontological dimensions, that is, the primary object of scientific knowledge. The *transitive* side is the epistemology: our knowledge of the ontological. The theories developed about the objects of science, connect science with reality (Danermark *et al.*, 2002: p. 23/206). According to Bhaskar, who laid the foundation for critical realism, we have to distinguish between three ontological domains: the *empirical*, the *actual* and the *real* (Danermark *et al.*, 2002: pp. 20-21). The empirical domain is where we experience things, but we experience only through theory. The actual domain is where events take place whether we experience them or not. Also, what we experience is not necessarily

⁴ Critical realism is related to scientific realism, with whom it has a lot in common. Wendt explicitly places his version of constructivism in this tradition. Interesting as it may be, I will not go into scientific realism. Suffice it to say that critical realists such as Patomäki and Wight (2000) criticize it for not taking proper account of both the material and the ideational. For more on scientific realism, see *inter alia* Dunne *et al.*, 2007; Chernoff, 2002.

what is really happening, since we experience it as seen through a theoretical lens. The real domain, then, is that which can produce events in the world, or what we call mechanisms (ibid.). To take neorealism as an example again: while a neorealist only looks at the empirical dimension of state power and tries to predict behaviour based on that, critical theory also tries to account for the underlying structures that exists, independent from human intervention (Patomäki and Wight, 2000: p. 223). These different levels do not have to be in sync with each other. The independent material level may have capacities which exist without ever being actualized, while at the same time we do not fully experience the basis for this capacity (ibid.).⁵

So where does this put critical realism, epistemologically? Critical realism is epistemologically relativistic: it is believed that experimentation and observation is still necessary, but contrary to empiricists, this is not considered to be enough. After all, observations only touch upon the empirical dimension, leaving out the deeper layers of the actual and the real (Danermark *et al.*, 2002: p. 22). Because the *transitive* is not certain knowledge - for it is only a derivative of the *intransitive* - all knowledge is fallible. Knowledge is a social product, embedded as it is in theories, discourses, and pre-existing scientific work (Patomäki and Wight, 2000: p. 224). This does not mean, however, that no judgment about the value of relative knowledge can be made. Because it is ultimately knowledge of an independently existing reality, it is possible to designate some knowledge as being a better explanation than other. This is, however, not an ultimate truth claim. Critical realism is thus epistemologically, but not judgmentally relative (ibid.).

2.2 Methodology

Because theory does not dictate the research method, it follows that critical realism adopts a methodologically pluralistic approach. The starting point for critical realism, opposed to more positivist approaches, is not a detected anomaly for a theory, but a “phenomenon of interest” (Patomäki and Wight, 2000: p. 224). Knowledge of the phenomenon is acquired through a process of confronting “*retroductive* theoretical *hypotheses* about intransitive objects and *evidential statements* generated in and through transitive enquiry” (Jessop, 2005: p. 43). *Retroduction* is the act of trying to come up with hypotheses on what the real world must be like, in order for a certain *explanandum* to be realised. This approach is radically different from conventional inductive and deductive ones. The evidential statements are acquired through observing and experimenting.

⁵ Patomäki and Wight (2000: p. 223) use the example of a nuclear arsenal. While Wendt (1999) may claim that the power of a nuclear missile is intersubjective, because it depends on the owner, his intentions, and our collective ideas about those intentions, the missile itself has inherent material capabilities that cannot be denied. These capabilities are present independent of the question of whether they are at a certain point made visible, that is, possible to experience. At the same time, the innate capabilities of a nuclear missile are beyond our range of experiences, for they are not directly visible.

Science is a practical social activity, and the vision on methodology reflects this. Questions on method are thus relational to the character of the object and purpose of the research (Danermark *et al.*, 2002: p. 40). For this thesis, this means that it is important to acquire knowledge on the inclusion of competition provisions in the CARIFORUM EPA and to acquire insights in the underlying power relations that made this result become actualized. In order to reveal the specific constellation of material capabilities and social forces, a large body of primary and secondary sources will be used. In addition to official documents from involved states and institutions, speeches and websites of officials, as well as books and articles concerning the topic have been included. In an attempt to incorporate different points of view and increase the validity of the results, the method of data triangulation has been applied. Like this, the empirical evidence has been corroborated through the use of different data sources. It is very important to note that in the available literature, there is a strong bias towards focusing solely on the EU. Many researchers have busied themselves with questions on EU policy and development, from many different perspectives. Unfortunately, the same cannot be said about the Caribbean, making it harder to come to a balanced judgment on both parties. Albeit to a lesser extent, also this thesis on the basis of the data available has reproduced this bias.

2.3 Operationalization

This section seeks to make operational the abstract theoretical concepts outlined in chapter two, by making them convertible for the empirical analysis. In the above, structures have been defined as limited totalities, comprised of a certain constellation of material capabilities, ideas and institutions. Ideas represent the views on how society interacts and how social order should be given shape. For the purpose of this research, ideas will be analysed by the way they are voiced by a variety of relevant agents, both governmental and non-governmental. It includes for instance heads of state and other elements of governments, intergovernmental organisations, grassroots movements, business and aid organisations. The ideas voiced by these agents will provide information about the structure they are functioning in. The material capabilities can traditionally be identified by looking at factors like wealth and military strength. Military strength is recognised not as the amount of available forces, but as the ability to dominate foreign territory. Wealth in turn is found in the way trade and aid flows between different agents. This links back to the modes of production and the resulting relations of production. Combined with organisational capabilities, the ability to command those factors determines 'who controls what'. When analysing the EU/CARIFORUM relationship, this will focus on finding out which agents had access to the negotiation process, how they got in that position, but also how they managed to eliminate those agents with opposing interests. Institutions then can be seen as a condensation of the other two elements. Institutions can be used to formalise

modes of production and the distribution of power and wealth - that is, the material capabilities - and at the same time promote certain ideas on the organisation of society. In this sense they form a reflection of prevailing power relations. Yet they have an independent effect as well, in that they can influence both the ideas and material capabilities. Studying institutions thus involves looking at the purpose of their creation and the ideas they support, but also the way in which they try to further their own agenda. The necessary information will be gained by looking at statements made by (representatives of) institutions, be it in speeches or through written statements.

The structures are affected and reproduced by the actions of agents. When discussing Cox's theory, social forces and collective agency already came up. It was highlighted that states are explicitly not the only, or even the most important, actors. The idea is to take a look at the influences of social forces that establish hegemony, and those who oppose it. It is a question of class, as was illustrated by the inclusion of the transnational managerial class. This class works through institutions like the WTO and the IMF, and is also organised in the World Economic Forum (WEF). It is thus highly relevant to take the actions of those institutions into account. Other relevant actors are the EU and CARIFORUM/CARICOM. Within these institutions one can distinguish other actors, such as the European Commission (henceforth: EC) and the CRNM on an institutional level. The actions of states also should not be forgotten. A special type of agent, one which played an important role in the theoretical outline in the above, is the organic individual. Organic individuals were presented as linking the material with the ideational, matching the interests of the subordinate classes with those of the leading class. They are the ones translating the hegemonic project in terms acceptable for all or when they are part of a subordinate class, try to inspire change. In essence, most of the material that will be used comes from organic individuals; it includes for instance the writings of scientists arguing for or against the EPA, reports from (governmental) advisors and publications by interest groups. Finally, the hegemonic or counter-hegemonic projects that these individuals take part in and help to take shape are distinguished by use of information existing scientific literature offers on this issue. Special attention will be given to elements of coercion and consent, given the important role they play in making acceptable a hegemonic project. These elements will be sought in the language used in order to convince negotiation partners and other stakeholders of the necessity of certain proposals, as well as in the way in which the results of these negotiations are framed in agreements.

3. Explaining the CARIFORUM EPA

Now that the theoretical background has been established, this chapter analyses the acceptance of the CARIFORUM EPA by the Caribbean states of the ACP. Section 3.1 discusses the explanandum: the adoption of the CARIFORUM EPA against the backdrop of the evolution of the relationship between the EU and the Caribbean over time. The situation created by the CARIFORUM EPA, which forms the most rigorous change in the EU/CARIFORUM relationship so far, did not appear out of nowhere. It will be argued that there are several distinct phases in this relationship, which ultimately led to the current situation. These consist of a neo-colonial phase and the Yaoundé Conventions, the decades of Lomé, the framework treaty of Cotonou and finally the EPAs. The most important changes that took place between phases are the inclusion of competition policy, the reciprocity of the trade agreements and the inclusiveness of the treaties. Section 3.2 will then show that each of these phases and the treaties they brought forth can be explained by looking at the constellation of forces at work, but more importantly, how a change in these forces led to new phases.

3.1 A framework for the CARIFORUM EPA

3.1.1 The European Partnership Agreements

The CARIFORUM EPA so far stands at the apex of a series of changes that came about in a period of around sixty years. It is not only the latest reincarnation of the EU/ACP relationship; it is also the one that contains the most rigorous realignment of this relationship. The most striking element of the CARIFORUM EPA in light of this research is the fact that it contains detailed provisions on competition policy. As will be shown below, none of the previous treaties went this far. The Agreement is also a herald of change because of the fact that it actively splits up the ACP into six smaller groups. Finally, reciprocity became a guiding principle in the treaty, putting the Caribbean states on a schedule to open up the majority of its markets to EU businesses. The next paragraphs will look at these issues in a more detailed way.

The competition policy elements in the EPA find their origin not just in its precursory Cotonou Agreement, but also in the current trade-negotiation round of the WTO, the Doha Development Round. The Round was characterized by a distinct polarization between the developed and the developing world (Jawari and Kwa, 2003). Major breaking points were the so-called Singapore Issues (SIs). These entailed the call for inclusion of rules on trade and investment, competition, trade facilitation and government procurement practises within the WTO framework. In particular the EU was a strong promoter of the inclusion of more stringent competition policy during

the Singapore Ministerial agenda in 1996, especially favouring a multilateral regime (Lee and Morand, 2003: p. 16). The aim was to create a framework of multilateral agreements that would settle these trade issues (Evenett, 2007). The underlying goal of the EU (and also the US) was to use competition policy as an export-promoting instrument and a way to smoothen transnational mergers, aiming to create a level playing field in which transnational companies can compete on equal terms with local companies (Hoekman and Holmes, 1999). Given the power imbalance between transnational and local companies, especially in those developing states however, such a level playing field is an illusion (Third World Network, 2009). At the Cancun Ministerial of 2003 the developing states refused to negotiate on the inclusion of the SIs. Despite intimidation and attempts to break up the alliance of developing states the Ministerial ended in an impasse (Narlikar and Tussie, 2004). The SIs were subsequently removed from the agenda. The EU however saw the EPAs as a perfect opportunity to reach its goals in a more controllable setting: in negotiation with small subgroups of the ACP. So it happened that the issues that developing states were unwilling to accept in the context of the WTO, were included in the context of the EPA. Besides competition policy, the CARIFORUM EPA contains several items that were not agreed upon in the multilateral WTO negotiations, such as issues on investment, public procurement and trade in services (see Thomas, 2008: p. 9 for a more complete list). The EPA therefore goes much further than what is required under WTO rules and is therefore referred to as “WTO-plus” (South Centre, 2008: p. 15).

On a fundamental level, the goals of the competition rules have become more single-minded compared to the late Cotonou Agreement (see subsection 3.1.4). No longer is competition an instrument in securing for instance sustainable industrialisation (Cotonou, Article 45), but it has become an end in itself: Article 128 states that “the Parties recognise the importance of free and undistorted competition in their trade relations”. The article speaks of how Parties should reach undistorted competition, not how it helps them achieve higher goals (South Centre, 2008). Furthermore, for CARIFORUM the EPA assumes a degree of integration that has not been reached thus far (Girvan, 2008a). When it comes to competition policy, CARICOM states have made a start with this on their own in the Revised Treaty of Chaguaramas (2001), but it does not come close to the level of detail and cooperation required by the EPA. The EPA demands in Article 127 that within five years the parties (that is, CARIFORUM – the EU already has these rules in place of course) have established competition rules and a competition authority. While a competition authority been started up in 2008 - funded by the EU (Caribbean Community Secretariat, 2011) – it was still understaffed and thus not yet fully operational in 2011. On top of that, while it should have been at the centre of a CARICOM competition network, not all members have actually created a national competition authority yet, or have even failed to implement competition policy altogether (Fair Trading Commission Barbados, 2011). The requirements made by the EPA are feared to intervene

with the ability of CARICOM to establish its own appropriate set of competition rules, even though no specific format is suggested. Even so, the EPA does provide a framework by demanding the elimination of rules incompatible with its proper functioning (South Centre, 2008). Last but not least, the EPA does prescribe strict rules concerning state aid and state monopolies in Article 129. These things are allowed, but within five years should be reformed in such a way that they do not discriminate between Caribbean and EU nationals (EPA Article 129(4)). This results in a de facto national treatment of EU nationals in domestic Caribbean markets. This is well beyond WTO requirements, which only concern import and export by state enterprises (South Centre, 2008).

The second major change in the EU/CARIFORUM relationship is the fact that the EPA is explicitly based on reciprocity. This means that in return for duty-free access to the Community market, the benefiting states had to accept the same access. This is also known as 'reverse preference'. This required, according to the EC, in order for the treaty to be compatible with the WTO requirements. The GATT allows free trade areas with reciprocal tariff concessions beyond MFN level, only when "substantially all" trade is liberalised within a "reasonable length of time" (GATT Article XXIV). Hence the CARIFORUM EPA foresees the liberalisation of nearly 90% of the export to the Caribbean, while most Caribbean states enjoy 97% duty-free export to the EU. The liberalisation of the CARIFORUM markets will take place in a time span of 25 years, around 52% being realised when the EPA enters into force (ECLAC, 2008: p. 7). This break with the past became the most contested element of the EPA, creating an intensive debate between opponents and proponents of liberalisation, between those who thought this would destroy the Caribbean markets versus those who believed it would save them (see, *inter alia*, Oxfam, 2006; Bernal, 2008; Curran *et al*, 2008; Thomas, 2008). This will receive more attention in Section 3.2.

The third important change that took place is the splitting up of the ACP. In line with the arrangements made under the 2000 Cotonou Agreement (2000: Chapter 2), the 79 ACP states split up in different groups that were to negotiate with the EU on an EPA. These are SADC (Southern Africa), ESA (East Africa), ECOWAS (West Africa), CEMAC (Central Africa), the Pacific Forum (Pacific countries) and CARIFORUM (Caribbean). These different groups were then to continue negotiations separately, using the provisions of Cotonou as a framework. This step is remarkable because until the EPA, the EU had always made arrangements with the ACP as a whole. The EPA marks therefore a step from inclusive multilateralism to a much more bilaterally orientated scheme. Even within the six regions negotiations take place on different tracks, as is clearly shown by the conclusion of interim EPAs with elements of groups, or even single members (Commission website, 2010). The decision to split the ACP is highly controversial, for it allows for 'divide and rule' tactics and has the potential to hinder ongoing regional integration (see *inter alia* Oxfam, 2006; Thomas, 2008).

3.1.2 Neo-colonialism and Yaoundé

These controversies around reciprocity and inclusiveness however have been playing a role in the EU/CARIFORUM relationship ever since the Second World War (Faber and Orbie, 2008). Competition policy played a role mostly in the later stages. In that sense, the recent changes has not been something completely new, but are rooted in the very core of the EU/ACP dialogue as it has been going on for the last decades. The answer to why the CARIFORUM EPA came to be therefore has to be sought not just in the present, but also in the past and the way in which the relationship developed. The next subsections will therefore set out the changes and establish the different time periods that were important in the development from colony to European Partner, starting with the post-war period.

In the late 1940s and the early 1950s, European states sought to rebuild what had been devastated during the war. By that time, most colonies in the Far East had been abandoned, but ties with the African states in particular had been rekindled (Grilli, 1993: p. 5). Those states that still held on to Overseas Countries and Territories (henceforth: OCTs) sought to make good use of it, for instance as a source of cheap primary commodities (Gruhn, 1976: p. 4). The position of the OCTs was very weak. Politically, they had no voice on the international scene. Economically, they were entirely dependent on their metropolitan country. In the (pre-war) colonial era, the economies of the colonies had been tailored to the needs of their European overlords. European commodity traders controlled the markets, plantations were owned by foreigners, and exclusive mining contracts were often in the hands of European companies (Hoogvelt, 2001: p. 30). This did not change fundamentally in the post-war period. For this reason, this period is generally indicated as neo-colonial, for even after gaining independence, the newly formed states found it nearly impossible to escape from the ties with the colonizer. The reason for this is not only the economic dependence - also referred to as 'resource bondage' - but also that the protection of private property abroad had become an important part of international law (ibid.: p. 30). The colonies could not simply reclaim what was once rightfully their own.

The first change to the position of the ACP came with the creation of the European Community in 1957, with the Treaty of Rome. It established a free market within which national companies could enlarge their consumer base (Buch-Hansen and Wigger, 2011: p. 59). The Treaty also included provisions that extended this free market to the OCTs (Treaty of Rome, 1957: Articles 131-136). France made this a condition for its accession, as a way to not only include trade preferences, but also to share the burden of its overseas aid (Gruhn, 1976). In case of the Caribbean, this meant that a handful of French OCTs became part of the EEC.⁶ European companies in

⁶ The territories of Guiana, Martinique, Guadeloupe, Saint-Barthélemy and Saint-Martin

possession of precious colonial resources (not only in the Caribbean, but also in Africa) could thereby easily export their goods to the EC market without tariff barriers.

During the 1960s many of the OCTs became independent and were no longer covered by the provisions in the Treaty of Rome, so the need for a new legal document arose. In 1963 this resulted in the Yaoundé I Convention. In contrast to a large number of African states, this treaty had no direct consequences for the Caribbean area as many of the OCTs previously covered by the Treaty of Rome did not acquire independence yet. Yaoundé I, and also the later Yaoundé II (signed in 1969), established a hub-spoke relationship between the EEC and eighteen (predominantly French-) African states. It created a free trade area between each state and the EEC, though not automatically between the African states themselves (Gruhn, 1976). Even so, the Convention was inclusive in that it treated all eighteen states as a group, negotiating on a notion of legal parity with the EEC Member States (Twitchett, 1974). Of equal importance here is however the fact that the trade preferences in Yaoundé were granted on a reciprocal basis (*ibid.*). Though in theory Yaoundé did not demand complete reciprocity, it became common practice to grant such access (Gruhn, 1976).

3.1.3 The Lomé Conventions

In the late 1960s and the early 1970s, the economic and political landscape changed radically. Two decades of explosive growth in the West culminated in a major economic crisis. This also had consequences for the relationship between the EC and the ACP, which again went through a change. It is at this moment in time that a larger part of the Caribbean area started playing a more visible role in the EU/ACP relationship. Most of the Caribbean islands were part of the British Commonwealth, so when it was finally allowed to join in 1973, Caribbean states that were now independent could participate in the negotiation of the successor of Yaoundé II. The successor was signed on February 28, 1975, in Lomé, Togo. Hence, it became known as the Lomé I Convention.

Lomé I seemed to change the EU/ACP relationship in several profound ways. Ortoli, president of the European Commission at the time, stated that “the event in which we are taking part today constitutes a major turning point in the international economic relations in the second half of the twentieth century - in fact, in history itself”, while Baba Ca, the Chairman of the ACP Council of Ministers, called the agreement “revolutionary” (Kiplagat, 1992-1993: p. 602). It was suggested that Lomé broke radically with the past, aiming to be a Treaty not based on unequal neo-colonial relations, but one of equality. According to the preamble, there is a commitment to “establish on the basis of complete equality between partners, close and continuing cooperation in a new spirit of international solidarity” (Lomé I, 1975: preamble). Next to equality another element of change in the Convention was the introduction of non-reciprocity. Whereas the EEC is bound by the Convention to open its markets to goods from the ACP states, eliminating tariffs and quantitative restrictions, the

ACP states themselves did not have to return the favour. The only concession made by the ACP states was that the EEC would benefit from Most Favoured Nation (MFN) treatment (Lomé Convention, Article 7). States awarding each other MFN status have to treat each other equally; concessions made to one MFN partner apply to all others. On paper at least this appears to be a radical break with the reciprocal Yaoundé regime, one that was positively welcomed by many commentators. *The Courier* (1975: p. 23), for example, when analysing the Lomé Convention, applauded “the outstandingly favourable character of the Community’s offer”. The same source, however, also hinted that “in return the ACP countries have accepted lists of exceptions put forward by the Community”, without elaborating on this any further (ibid.)

Taken at face value, the trade provisions of Lomé I seemed to be an improvement for the former colonies. With the elimination of reverse preferences and discriminatory treatment of manufactured and agricultural products, coupled with an increase in aid, the ACP states seem to have been able to improve their situation. It seemed more equal than Yaoundé and offered more than the alternatively available GATT regime (Dolan, 1978: p. 370-371; Minta, 1984: p. 956). However, some elements of the Convention undermine this progress. First of all, the inclusion of the MFN status for the EEC actually strengthened its position as tariff concessions could be extended to those bilateral relationships that did not previously have them (Dolan, 1978: p. 373). Lomé granted this status to all EEC Member States, where this first existed only in selected bilateral relationships. This meant that ACP states granting privileged to each other now had to extend those to the entire EEC. This potentially hurt inter-ACP trade, as the economically weak states would be less willing to grant each other privileges. Of similar importance were the exceptions made for products covered by the Common Agricultural Policy (CAP), which allowed the Community to unilaterally include CAP additions in the list of exceptions. The CAP was (and still is) a highly restrictive instrument that serves to protect EEC farmers from generally much cheaper products from outside the market. In essence, the EEC retained the instruments to protect its own competitiveness, despite promises on unrestricted access to its markets (Minta, 1984: p. 959). For the colonies this meant that though reverse preferences were eliminated on paper, in reality it was made extremely difficult to make use of the advantages offered by the Convention. ACP states were discouraged from trading amongst each other on preferential basis, because this would extend to the EEC states as well. The result of this was that the focus would remain on the EEC market, similar to ‘the old days’ of Yaoundé.

The second major change consisted of the designation of the ACP states as a single customs area, coupled with a stringent set of rules of origin. This is surely a major change with the past practice, as Yaoundé established 18 separate free trading zones. Yet the rules of origin, which ensure that only products from within the area covered by the Convention reap its benefits, appear to be skewed in favour of the EEC. Products not *wholly obtained* within the ACP only benefitted from the

duty free import when a substantial amount of value was added. At the same time, the Convention also listed a large number of processes that excluded products from original status (Dolan, 1976: p. 373; Mytelka, 1977: p. 75). These rules, though presented as a way to protect the Convention area against outsiders, had as a side-effect that they discourage the export of processed goods from the ACP to the EEC, an activity that plays an important role in the ACP export pattern (Dolan, 1976: p. 373). It is made very hard for ACP assemblers to use non-EEC parts in their production, for they would no longer benefit from the duty free import. EEC producers were thus in a position where they could replace outside sellers. On top of that, they could produce and assemble their parts in the cheaper ACP states and benefitted from the duty free import afterwards (ibid., p. 374; Mytelka, 1977: p. 75). All these provisions served to preserve the international division of labour in which the ACP had been put in the role of both producer of primary goods and importer of processed ones.

Further evidence of this preservation of the division of labour can be seen in the stabilization of commodity export earnings, or STABEX.⁷ Codified in Article 16, this mechanism was incorporated in order to remedy “the harmful effects of the instability of export earnings and (...) thereby enabling the ACP States to achieve the stability, profitability and sustained growth of their economies”. In order to do so, the Community provided for a fund to compensate the loss of earnings caused by price or quality fluctuations of primary commodities. Those primary commodities form the mainstay of ACP export. Presented as a way to afford some protection for those states, Article 17 of the Convention provided for a list of twelve products that qualified for financial compensation.⁸ This compensation, however, was not easily qualified for.⁹ Though imported manufactured items increased in price each year, the Community further refused to incorporate an indexing mechanism for the products covered by STABEX, meaning the reference point did not automatically increase (Dolan, 1978: p. 375). This system meant that only the existing level of production had some protection, leaving no room for an increase in production or diversification. Last but not least payment could also be unilaterally denied by the EEC if the Commission judged that either the decline in export earnings was the result of a trade policy that is discriminatory toward the EEC or the system came into application, unjustified by the economic situation (ibid.: p. 376). Despite lofty promises in the Convention, it is hard to see Lomé as a partnership among equals in the light of the above. Compared to Yaoundé there had definitely been changes, but a closer look revealed that the caveats introduced into the text undid much of the initial suggestion of improvement for the ACP. The structural trap stayed intact, for in order to maintain the stability, the ACP had to continue to act in their capacity as supplier of primary commodities. The fact that produce for the domestic market

⁷ The acronym is taken from the French *Système de Stabilisation des Recettes d'Exportation*

⁸ These were Groundnut, cocoa, coffee, cotton, coconut, palm/palm nut/kernel, raw hides/skins/leather, wood, fresh bananas, tea, raw sisal, iron ore.

⁹ See for more details on the requirements for example Dolan, 1978.

was not taken into account when calculating a loss, and that the Commission was given great discretion in the application of the rules on exclusion from payment, further lay bare that the ACP states were kept in their old role of producer of primary commodities. All these rules and requirements greatly discouraged diversification and increase the dependency on the EEC market (Ravenhill, 1984; Gibb, 2000; Mytelka, 1977).

Lomé I was renewed every five years. Only Lomé IV lasted for ten years, from 1990 to 2000 - apart from a mid-term revision. The processes of renegotiation after Lomé I can best be characterised by the ACP states trying to maintain what they had, while the EU desperately tried to claw back what it had given away at Lomé I (Wright, 2001: p. 8). In post-Lomé I era, the EEC was undergoing radical changes. The changes in the EU attitude run parallel to developments both at a world scale as well as those taking place within its own borders: the rise of *neoliberalism*. This new paradigm was reflected in the development of the relationship between the EU and the ACP states, just as embedded liberalism formed the broader ideological framework for the Yaoundé and Lomé Conventions. Neoliberalism unfolded itself as a worldwide system in which financial capital played the main role. By deconstructing barriers to the movement of capital, it became easier to move it around the globe. The result was a situation in which capital became disconnected from the state. This neoliberal state is one that holds competition and free markets above all else and strongly defends private property. It should limit itself to core tasks, leaving the rest up to markets and individual responsibility. The ideal government is small but strong, tailored to facilitate the needs of capital and impose and/or create market systems (Harvey, 2007). Transnational corporations (TNCs) benefitted highly from this, since they were able to take their profits and losses in those states that were most favourable. For neoliberals, the market is sacrosanct: when left to its own devices, it is believed to foster perfect competition and efficiency. Interventionist government policies would only disturb the free flow of markets. Competition policy started playing an increasingly large role, being the instrument with which states could be kept in line and market discipline could be maintained and controlled. The idea of free and unhindered competition found its way into the EU/ACP relationship as well, though this did not happen overnight.

After the excitement over the commodity power in the early 1970s and the accompanying cry for a new international division of labour, it quickly became clear that the expected change was not going to occur, or at least, not in a way that the ACP states had envisioned it. "The spirit of Lomé", as it was so optimistically called, evaporated (Brown, 2000: p. 373). After Lomé I, the commodity power of the Third World did not increase, but instead decreased. During the 1980s, prices for primary commodities were exceedingly low, creating financial difficulties for many an ACP state. Lomé II and III, signed in 1979 and 1984, did not change much to the 1975 agreement, despite the international system that was slowly changing around it. The negotiations did not manage to

incite as much enthusiasm as Lomé I did; even worse, they became increasingly obscured from the public eye (Dickson, 2000; Lister, 1997).

It was not until Lomé IV, 1990 that the relationship again started changing in a more noticeable way. Lomé IV introduced political conditionality and support for the (IMF/WB-imposed) structural adjustment programs (SAPs) to the provisions on aid. Under Lomé IV, money was taken out of the EDF and used to help finance the IMF/WB-imposed SAPs, bringing the fund under stricter EU control (Brown, 2000; Hurt, 2003). Political conditionality involved making the granting of aid dependent on the effort to adhere to certain principles, most notably human rights and multiparty democracy. Under Lomé IV bis, the mid-term review, those principles, along with rule of law and the rhetoric of 'good governance', were made an essential element of cooperation (Brown, 2000; Dickson, 2000; Elgström, 2000).

3.1.4 The Cotonou Agreement

Lomé IV ended in 2000 and this presented the EC with an opportunity to turn the EU/ACP relationship around. Its 1996 Green Paper on relations between the European Union and the ACP countries, which was to be the launch of the post-Lomé debate, stated that the new relationship enabled "the kind of world development that is more compatible with European political and social values" (European Commission, 1996: p. IV) and that "the Union must redesign its aid policy towards the ACP countries from scratch (...) the colonial and post-colonial age is over" (ibid.: p. 11). The Cotonou Agreement, signed on June 23, 2000 in Cotonou, Benin, opened the door toward a political and neoliberal approach to the relationship. It was explicitly political, opposed to the Lomé Conventions that were at least by the Commission always labelled as non-political and non-ideological (Brown, 2000). Even though it does not abolish completely that what had been built up since Lomé, the language of the Convention was different, putting significantly more emphasis on neoliberal principles (Hurt, 2003). It did not simply focus on trade and aid, but also tried to steer the development of the relationship in a certain direction more openly than previous Conventions. Article 1, which stated the objectives of the Treaty, explicitly referred to the need for the ACP states to integrate into the world market and to stimulate trade and private investment (Cotonou Agreement, Article 1). This was further backed up by Articles 20 and 21, which highlighted the need for reforms that enable the growth of the private sector. Even more so than under Lomé IV, aid was made dependent on the respect of human rights, rule of law and the promotion of democratic principles (see for instance the Preamble). STABEX and SYSMIN disappeared. Most of the preferential trade provisions of Lomé had been maintained, however. Reciprocity was therefore still in effect. The Cotonou Agreement was not meant to change this. Instead, it had to function as a framework treaty

for a new type of instrument: the European Partnership Agreements. As was shown earlier, it was in the EPA that reciprocity was phased out.

Cotonou was the first Convention to introduce wording on competition policy. It was not yet as strict as the text in the EPA and competition was not seen as a goal in itself. Article 45(1) stated that “[t]he Parties agree that the introduction and implementation of effective and sound competition policies and rules are of crucial importance in order to improve and secure an investment friendly climate, a sustainable industrialisation process and transparency in the access to markets”. The Article included no timeframe or model provisions, other than an obligation to implement some sort of competition policy. This was in line with the 1996 Green Paper, in which the Commission did nothing more than suggest that competition policy should be implemented in order to prepare the ACP for liberalised markets (Commission, 1996). Apart from introducing competition policy into the Agreement, another important change was introduced. While Lomé dealt with the whole ACP at once, Cotonou meant a return to a less inclusive format. It foresaw that instead of the ACP as a whole, different subgroups would each negotiate their own, reciprocal treaty with the EU.

Despite the fact that ‘partnership’ is again a term often used in the Convention, it is safe to say that it is the EU that held all the power in the ‘new’ relationship: the ACP states had to live up to all kinds of standards to be eligible to aid, while the EU had all stringent obligations on its part removed with the deletion of STABEX and SYSMIN. It is Brussels that decided on the amount of money to be allocated, based on need and performance. How this performance was going to be measured, was left rather vague (Article 3 of Annex IV). The partnership under Cotonou can thus be described as one “where one partner has no rights at all, the other perfect arbitrariness” (Raffer, 2001: p. 19). On top of that, the principle of non-reciprocity - already somewhat of a farce under Lomé - was again about to be overturned, while at the same time the Agreement foresaw the breaking up of the ACP group. The subgroups were to face the EU alone, further highlighting the fact that equality has not been reached yet. The removal of the stability schemes robbed the ACP of a hint of economic certainty. With the EPAs around the corner, full exposure to the free market was at hand. The conclusion of the CARIFORUM EPA showed what this meant: far-reaching trade liberalisation, the creation of a ‘level playing field’ on the markets and a strict schedule for setting up competition policy to ensure compliance.

3.2 Explaining the changes

3.2.1 The old division of labour

Having seen in the above the way in which the EU/ACP relationship changed over the years, this section will deal with explaining why the ACP and – from the 90s on - CARIFORUM accepted this, despite the fact that it often did not appear to be in their best interest. In the early post-war years Caribbean states, as well as many other ACP states still lived under the reign of their colonial overlords. The key feature of the post-war period, roughly from 1945 until 1970, was a world order generally referred to as the *Pax Americana* (Cox, 1981: p. 103). This specific world order went paired with a specific form of state in the West: the Keynesian welfare state. It featured a strong interventionist state that aimed for full employment and controllable inflation, by means of strict regulation of financial flows (Buch-Hansen and Wigger, 2011: p. 58). This approach was co-constituted by a particular social relation of production in certain production sectors in the Western industrialised states which proved highly successful for the European countries, but did little for the impoverished Third World (Harvey, 2007: p. 11). Fordism, named after the revolutionary way of producing cars invented by Henry Ford, entailed mass production of cheap consumer goods, facilitated by economy of scale through assembly lines (see, *inter alia*, Buch-Hansen and Wigger, 2011; Harvey, 2007). Under Fordism, the colonies were used as producers and exporter of primary, unprocessed commodities that were in high demand in the EEC. Simultaneously, they offered a market for offloading cheap consumer goods produced in the EEC (Hoogvelt, 2001: p. 30). For the colonies this meant that they consumed what they did not produce and produced what they did not consume (Girvan, 2008c: p. 1). This could have been unproblematic, were it not for the fact that the imported - processed - goods were of higher value than the exported primary resources, which in the long run severely hindered economic and development of the colonies. On top of that, prices for the primary commodities were (and continue to be) highly volatile, which exposed them to great economic instability. This disadvantageous position meant that those states became structurally trapped in a spiral of underdevelopment.

In short, the relationship between the ACP and European states was clear-cut at this point in time. European states fell into the mould of the *Pax Americana*, adopting the accompanying social relations of production and Keynesian welfare state. The ACP, in their role as extensions of their European dominators, could do nothing but follow. They did not own their resources and could not control their political, economic and military destiny (Hoogvelt, 2001). Their inclusion as Associates under the Treaty of Rome was no different; it was a matter of 'take it or leave it' and was introduced without consulting the inhabitants of the Associations involved (Gruhn, 1976; Kiplagat, 1992-1993). The fact that the Conventions were based on reciprocity should therefore not be taken as a sign that

there was a situation of equality. The ACP states under Yaoundé might have gotten rid of direct political and military control, the fact remained that the economy was still tailored to suit the needs of the Western powers. The lack of control over the own means of production continued to be a problem. The international division of labour remained intact, forcing the economies of the ACP into a role of servitude (Hoogvelt, 2001). African leaders agreed to the Convention, which despite containing catchphrases such as economic diversification and industrialisation was a continuation of the old neo-colonial relationship, out of pure economic necessity. Under French rule they had become completely dependent on France and their independence did not solve this problem (Gruhn, 1976; Kiplagat, 1992-1993). Moreover, they desperately needed the funds granted under the European Development Fund arrangement (ibid.). In the end, the OCTs had very little leverage in their dealings with the EEC, making it a rather unequal partnership.

3.2.2 *The New International Economic Order*

The post-war system, with its Fordist mode of social production and Keynesian form of state proved highly successful and stable for about twenty five years. It was later labelled *embedded liberalism*, referring to the way in which market processes and corporate activity was both enabled and restrained by a structure of state-enforced rules and regulations (Ruggie, 1982; Harvey, 2007). In the industrialised West, it created intense economic growth, while at the same time mediating class friction by allowing for real influence of labour unions and left wing political parties (Harvey, 2007: p. 12). Yet the negotiations for the successor of Yaoundé II, which had to be finished in 1975, took place against a background of a crumbling system. The paradigm of embedded liberalism, that in effect managed to prolong the colonial relations in the postcolonial era, started to break down in the late 1960s (Hoogvelt, 2001). The Fordist regime was inherently rigid: it depended on the ability to expand in order to acquire economies of scale and to sell large quantities of standardized products. As such, it could not deal well with changing demands and consumption patterns, increased competition and cyclic recession (ibid). Together, these factors led to overproduction. During the post-war period of strong growth this was not a problem as wages increased alongside productivity and GDP growth, which created the necessary aggregate demand. Also, the Keynesian, interventionist state facilitated mass consumption by aiming for full employment, rising wage levels and social welfare (ibid.). When growth and profitability started to decline in the late 1960s, overproduction and underconsumption led to stagflation, unemployment and mounting costs for the maintenance of the welfare state. A first reaction by capitalists was to move manufacturing plants to a select number of Third World states, in order to reduce the cost of labour and escape the growing pressure of trade unions (ibid.). Yet in the end, this was not enough to solve the problems in Western Europe. Corporate expansion had been the key for survival for some industries, but at this point

there simply were no more new markets to expand to. Two oil crises further intensified the problems. The stable post-war system, the first period in the EU/CARIFORUM relationship, came to an end.

This offered an opportunity to create a relationship built on a new foundation. Indeed, the decision by the OPEC to reduce output and increase prices made the members of the EEC acutely aware of their vulnerability related to raw commodities (Ravenhill, 1979-1980). This did not only concern oil, but also food supplies like sugar, tea and coffee. Europe was very eager to gain access to those goods and was willing to make concessions for it as well. The EEC on the one hand did not want to lose its valuable interests in its former colonies and the accession of Britain, along with its subsidiaries, presented an opportunity to reformulate this desire in a new treaty (Gibb, 2000; Wright, 2001). The commodity power on the other hand suddenly gave Third World states a kind of leverage they had not witnessed before and they saw an opportunity to change the way the relationship had been given shape in the past. There was a perception that the power difference between the North and the South was decreasing, due to the growing importance of access to resources (Ravenhill, 2002). The circumstances of that time seemed to have empowered the ACP states, resulting in what can rightfully be called a counter-hegemonic discourse focused on breaking the dominance of the North (Cox, 1979). This had already started in 1955 with the Bandung Conference of Asian and African states and in 1964 with the creation of UNCTAD, the UN organ dedicated to trade and development and especially concerned with the needs of developing states (Kiplagat 1992-1993; UNCTAD official website). In 1974 this culminated in the Declaration on the Establishment of a New International Economic Order, or NIEO, in the United Nations (UN, 1974). In the NIEO, developing states demanded their fair share of the world riches; these demands included for instance unhindered access to their own resources (which meant the removal of foreign interests), more stable markets for those resources, better market access in the North and - important for the Caribbean - special attention for the position of developing island economies, to name but a few (Demas, 1978; UN, 1974). But it was also an ideological battle: the NIEO was a response to Northern liberalism and its prerogative of the free market. It tried to break through the hegemony of liberal thinking and its truth claims. Economics, it was suggested, was a matter of ideology flowing from particular power relations, instead of being universally valid (Cox, 1979). Though the Declaration was made at a UN level and thus involved states, the attempts to formulate a counter-hegemony ran much deeper. As Cox (*ibid.*: p. 259) puts it:

"Though the term "international" [...] connotes a limitation of the issue to relations among countries, the debate cannot be so artificially constrained and has ranged inevitably into domestic and transnational structural issues. Structures here encompass the relationships

among regions within countries, among different industries and economic activities, among different modes of production, and among social classes, as well as those among countries of different groupings. This debate brings into focus theories concerned with imperialism, with the causes of underdevelopment, and with the physical limits to growth.”

This last addition is important because it points to the fact that theoretical and political discussions were strongly interrelated with the NIEO. Sometimes they were combined in the same person, where academics were actively engaged in the political debate, or vice versa (*ibid.*). Here one finds a clear example of organic intellectuals, people who tried to connect theory and practice in an attempt to influence politics and turn it into ‘the logical thing to do’. In case of the NIEO, these intellectuals were politicians and academics backed up by institutions and (non-governmental) organisations trying to get their message for an alternate world order heard, a world order in which the Third World would receive fairer treatment. These intellectuals moved in different networks of ideas, trying to reach consensus and “ultimately toward a new hegemonial ideology” (*ibid.*: p. 260). In the English-speaking Caribbean states these organic intellectuals could for instance be found in the so-called New World Group, created in the 1960s. This intellectual current did not have a formal manifesto, but its members - including Norman Girvan and Havelock Brewster, both very active in the current EPA debate - were however unanimously devoted to establishing a Caribbean mode of thinking about society, politics and economics rooted in local history and experiences, away from predetermined models instilled by colonial inheritance. The process of decolonisation played an important role, for it was the legacy of colonialism that prevented the Caribbean from reaching its true potential (Claxton, 2008a, 2008b; Girvan, 2010). The plantation economy, as it is called, has shaped Caribbean society and economy; a pattern that needed to be broken (Girvan, 2010). The role of plantations as well as the influence of TNCs (like those involved in the exploitation of primary goods such as bauxite) prevented governments from breaking away decisively from the past, they claimed (*ibid.*). Girvan was one of the Caribbean academics who actively took part in the NIEO debate, while at the same time being thoroughly linked to the Caribbean political scene (Girvan, 2007).

Of course, the debate is not only focused on the side of the Third World. Cox also distinguishes a monopolistic liberalist idea which is linked to the world order as it prevailed at that time in the industrialised states. As one of its most important coordinators, Cox identifies the Trilateral Commission (Cox, 1979: p. 260). It defended the existing division of labour and saw little in the NIEO and its plans for a reshuffling of the cards. The same can be said for many academics/politicians acting as organic intellectuals who represented what can be called the establishment (*ibid.*). It was this that the NIEO, as a counter-hegemony, had to overcome. And at first glance, it seemed that the NIEO agenda actually managed to have steered the EU/ACP relationship in

a different direction, aided by the fact that the ACP managed to operate in surprising unity (Gruhn, 1976; Kiplagat, 1992-1993). It appeared to be more inclusive than Yaoundé, introduced non-reciprocity and was based on equality. It was however already pointed out that upon closer inspection, these changes turned out to be less radical than they seemed, or were even counterproductive.

The preamble shows clear signs of attempts to concede elements to the NIEO demands. It speaks for example of a commitment to “establish on the basis of complete equality between partners, close and continuing cooperation in a new spirit of international solidarity” and a resolve “to establish a new model for relations between developed and developing States, compatible with the aspirations of the international community towards a more just and more balanced economic order” (Lomé I, 1975: preamble). The STABEX scheme can in theory also be considered as a response to the NIEO, seeing how it should stabilise the income from markets many Third World states are dependent on. In the end however there was only so much the European partners were willing to concede, given the precarious economic situation in the Member States. It would’ve been naive to think that decades of inequality would change practically overnight (Gruhn, 1976; Kiplagat, 1992-1993).

3.2.3 A neoliberalist turn

After twenty five years of Lomé, in 2000 its successor Cotonou came into existence, as the first EU/ACP Treaty in which competition policy played a role. Cotonou further differed from its predecessors by being much more politically and ideologically underlined. There is clearly a new approach to cooperation, one in which the ACP states are invited to take on their own development. EU Member States, but also the Commission, had made a turn toward neoliberal ideas during the time of the Lomé Conventions. Ruling elites had pressed governments into adapting rules that facilitated business interests. Under the guise of individual freedom, they were persuaded to limit the involvement of the state in matters of economy (Harvey, 2007). Before the arrival of the Cotonou Agreement the Commission did not get the opportunity to incorporate the emerging neoliberal ideas into the relationship with the ACP states. The expiration of Lomé offered the perfect opportunity to incorporate new insights into the cooperation. The fact that competition policy showed up at this time is therefore not very strange. Competition policy is an integral part of neoliberal ideas, for it is the tool used to create a 'level playing field' and secure access to markets. The language of the competition provision clearly echoed this, even though they did not provide a strict template or timeframe. Article 45(1) of the Cotonou Agreement stated that “[competition policies] are of crucial importance in order to improve and secure an investment friendly climate, a sustainable industrialisation process and transparency in the access to markets”. On the side of the ACP

however, the need for such neoliberal reforms had not taken hold to the same extent. The ACP heads of state reacted to the Commission's Green Paper by means of the Libreville Declaration of 1997. It expressed agreement with regard to the need for poverty eradication, but the approach was different. In the declaration, they expressed their fear for the fast and rigorous liberalisation of the markets the EU envisioned, so instead they opted for more nuance. The new treaty was to respect the unity and solidarity of the ACP states, while simultaneously recognise the special need of the impoverished members of the group. Special and differential treatment is a necessity if one wants to create a level playing field (Libreville Declaration, 1997). Ironically, the EU used the argument of a level playing field in its attempt to get the ACP to adopt stricter competition policy (Commission, 1996). The authors of the declarations also wished for the treaty to support existing regional integration projects, which do not necessarily coincide with the ideas of the creation of blocs the EU suggested. It was feared that the EU approach would be detrimental to the fragile attempts at regionalisation made throughout the ACP (Byron, 2005). Finally, contrary to EU demands, the ACP states ask for the continuation and enlargement of the STABEX and SYSMIN funds (Libreville Declaration, 1997).

Then how did the final document, which deviated so much from ACP demands, get the approval of those states? The interesting thing about the Cotonou Agreement is that the EC negotiators managed to introduce elements of both consent and coercion into the negotiation and the treaty, convincing the ACP states of the necessities and advantages of the new model. The consent can be found in the focus on the concept of partnership. In its Green Paper the Commission tried very hard to discredit the way in which the partnership had worked out in the past, arguing that it hindered the fulfilling of expectations of equal partnership (Commission, 1996). The Commission found that the economic situation of the ACP states had not improved and that the Lomé system had failed to live up to its promises (Commission, 1996). Despite costly price stabilization instruments like STABEX and SYSMIN, Lomé had not resulted in economic prosperity of the ACP states. The EC suggested that the failure to properly organise the supply side of the ACP markets subsequently led to a failure of Lomé to improve their integration into the world economy (Commission, 1996). The ACP contribution to EU trade, as a percentage of the total value, had indeed declined significantly during the 1980s and 1990s, becoming increasingly irrelevant both economically and geographically, in addition to the economic difficulties those states were already in (Gibb, 2000; Wright, 2001). The failure of the ACP states to develop was blamed on interventionist governments and anticompetitive practises that hindered efficiency and progress. The road to improvement had to lead to integration in the world economy; the new approach to developing the ACP states was therefore through trade liberalisation and free competition. STABEX and SYSMIN had to be abolished, for they were said to foster inefficiency and to distort the free market (ibid.). The Cotonou Agreement was presented as a

solution, an attempt to bring back the equality. The text frequently featured words as *dialogue* and *partnership*, giving the impression of a meeting of equals. On the same note, the Agreement suggested that the ACP states are responsible for their own development. Basing aid on a system of frequent reviews, the ACP states would own it to themselves whether they would get it or not (Hurt, 2003). That this was a fallacy has been pointed out in the above. In the area of competition, the language used was very considerate when it came to the demands of the ACP: competition policy had to be implemented "with due consideration to the different levels of development and economic needs of each ACP country" (Cotonou Agreement Article 48(2)). The fact that the competition part of the Agreement is somewhat of a hollow phrase would have made this something that is easily agreeable on by the contracting parties. For the ACP states it would have confirmed that their special needs (which they also voiced during the time of the NIEO, and later in the Libreville Declaration) were respected, while for the EC it would leave plenty of room to press for favourable competition policy when dealing with individual states, or smaller groups.

To further convince the ACP states of the benevolence of Cotonou, the EU resorted to coercion. This came in the form of a 'need' to create WTO-compatible trade agreements (Hurt, 2003). Several elements of the Lomé regime were already deemed unlawful under the GATT rules, but the EU and ACP states managed to get a waiver each time. The last waiver was granted in 1994 and lasted till the end of the Lomé regime. The Commission concluded that subsequent WTO (which followed up the GATT arrangements in 1995) rulings had confirmed that Lomé style preferences were to be replaced, instead of continuing to seek exceptions from it (Commission, 1996). The problem was that Lomé offered discriminatory non-reciprocal trade preferences, which is prohibited. Non-reciprocity should by the rule also be extended to other trading parties (due to the MFN principle), but the WTO allows a deviation from this when it concerns preferences granted to LDCs. Yet this only counts when all LDCs can profit from it, not just the ACP states. An additional problem is that not all the ACP states are considered LDCs. The Commission suggested in its Green Paper (1996) that to solve these problems, the parties had to not only aim for trade liberalisation, but also for the breaking up of the ACP. Claiming that the ACP had always been an artificial construct anyway, born out of historic reasons, the entity would do better if it would be split in regional units, allowing for more differentiated and effective agreements. By making a further distinction between the agreements offered to LDCs and non-LDCs and by letting in more LDCs, the problem of discriminating non-reciprocity could be avoided. By the year 2008, the non-LDCs were to have concluded reciprocal trade agreements - the EPAs - while for the LDCs non-reciprocal alternatives were to be sought.

It is important to realise that while those rules are explicitly presented as a *fait accompli*, they are not in any way set in stone. The current rules are the result of negotiations and are therefore nothing more than *political* constructs (Hurt, 2003). As such, they can also be changed; a

coalition of the EU and the ACP states would be able to make a powerful stance in the WTO. The fact that the EU argues that there is no other way than to accept those rules says more about the attitude of the EU than the rigidity of the WTO. Apart from the fact that WTO regulations are not definitive, they are also open to discussion. This becomes very clear in the discussion on the demand that 'substantially all trade' has to be liberalised in a Free Trade Agreement. The EC maintained that this means at least 90%, but this norm is entirely of its own making; no conclusive WTO case-law exists on this (ibid.). So despite requests from the ACP in general and CARIFORUM in particular, the Cotonou Agreement offered no alternative from the WTO-compatible EPAs. The EU simply maintained that there was none, other than the hugely unfavourable - compared to Lomé - Generalized System of Preferences (GSP); as will be shown below, this attitude deeply affected the way in which the EPA negotiations were conducted in the Caribbean.¹⁰

3.2.4 The EPA and the failure of counter-hegemony

Within the negotiation surrounding the CARIFORUM EPA, one can clearly distinguish two different approaches, which seem to reflect those at play during Lomé several decades earlier. First of all there is the pro-EPA movement that feels the Caribbean should embrace the chances offered by a world of open markets and free competition. They present the erosion of preferences and the introduction of reciprocity not as a threat, but as an opportunity that could lead to greater prosperity and economic development. The second approach is, not surprisingly, opposing the EPA and defends this position by pointing to the unfairness this unequal partnership would entail. The critics do not stop at pointing out the potential harm the EPA might cause. Instead, they continuously try to show how free trade with the EU can never be fully free, because it is the EU who ultimately holds the power (Heron, 2009). How these groups interacted and what this meant for the EPA is the goal of this section. The first group represents a neoliberalist establishment composed of the EC and Caribbean elites who managed to set the agenda. They aimed to get the EPA accepted by relying on the familiar mixture of creating consent and coercion. The whole negotiation process surrounding the CARIFORUM EPA as they framed it can be nicely summed up by Mandelson (TNI, 2007: p. 3), then Commissioner of DG Trade, who stated that:

“[t]here is certainly no Plan B that offers either the same development benefits or can improve on ACP market access to Europe. In theory we could fall back on the GSP system,

¹⁰ It should be added that the Cotonou Agreement *did* offer an alternative for the LDCs, thus solving the discrimination issue. The lack of alternatives should thus be understood as a refusal to look for alternatives for those states that were not LDCs, which includes most of CARIFORUM. The LDCs amongst the ACP states, as well as a couple of previously excluded LDCs, were granted Lomé-equivalent duty- and quota-free preferences under what is now known as the 'Everything but Arms' (EBA) arrangement. This created new problems however, since LDCs would no longer have any incentive to participate in EPA negotiations (Heron, 2009). This weakened the position of non-LDCs and divided the ACP states.

but this would be a big step backwards in terms of preferential access and lost opportunities for regional integration for almost all ACP countries. That's why there is such a clear commitment to get an EPA system in place by the start of 2008."

While writing on the Cotonou Agreement, where this argument was also used, it was already pointed out that this was nothing more than a political fiction. Yet the crux is that the important actors in the negotiation appeared to believe that it was true, or at least maintained that it was. The fact is that neither the EC nor the Caribbean negotiators seriously contemplated any alternative route. The debate was framed in such a way that the EPA seemed to be the only logical option, turning it into a powerful tool of coercion. Failure to conclude the EPA would result in economic tragedy, and it would be because the WTO forced the EU to take this step. This point of view was subsequently used to normalise the EPA option, making it into the right thing to do. And for the EU, it *was* the right thing to do. Or at least, the EC (DG Trade), in charge of the negotiations, felt this way. The neoliberal approach toward the internal market (see, *inter alia*, Buch-Hansen and Wigger, 2011) had also found its way into its relation with the Third World. The belief that a free and undistorted market would solve all problems was thought to apply to the same extent to developing states (Byron and Lewis, 2007). In order to advance, the ACP would have to embrace the principles of the free market, for this would encourage trade and investment, which would in turn lead to poverty reduction. Development in the old sense - that is, based on aid instead of the belief that the free market would correct all ill - was marginalised in the negotiation process by putting DG Trade exclusively in charge. DG Development was not allowed to play a role of significance (ibid.). The European Commission embraced and also cultivated the idea that the old model of development with its focus on non-reciprocity was outdated and dysfunctional. Opposition to the EPA was ridiculed and portrayed as being against globalisation, short-sighted and a danger for the economic future of CARIFORUM (witness Director-General of the CRNM Dr. R.L. Bernal, 2008). As a result of this, those primary actors involved actually believed that this was true, beginning with the leaders of the Caribbean states. Gonzales (2008: p. 2) describes how governments felt that the EPA as it was presented, was "the best deal on the table" that was still within WTO parameters. A good example of the attitude of most Caribbean leaders is Mr. Sinkler, Minister for Foreign Affairs in Barbados. After signing the EPA, he declared that "[o]ur signature (...) represents a fundamental signal to the rest of the world that Caribbean countries are maturely and decidedly breaking with a long loved past that in fact has now passed" (2008: p. 1). Addressing EPA critics, he adds "(...) we must move on" and "to keep on negotiating (...) is impractical and the reality of the agenda set for us does not allow us that luxury" (ibid.). These statements clearly reflect that there is full acceptance of the *fact* there is no other way. Note that it even speaks of the "agenda set *for* us", suggesting that CARIFORUM itself had little say in

the matter (Thomas, 2008b: p. 2). Also noteworthy is the reference to a long loved past. It is hard to believe that there is such a thing in the Caribbean, seeing that it has been shaped by slavery and Western imperialism. Those critical of the EPA do not long for a continuation of some cherished past. On the contrary: “[f]or 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” (ibid.).

This argument does point in the direction of another element of the acceptance of the EPA situation: the colonial history. The influence of the colonial era is still felt today and affects the way in which decisions are made and defended. This starts with the language that is spoken in the Caribbean states. For most of the region, the main language is English, French or Spanish. This language is used in education, communication between different groups in the state, or with the outside world. Yet, taking over the language of one’s former oppressor means also taking over certain modes of thinking, ways of expressing oneself, as well as attitudes and assumptions (Claxton, 2008a).¹¹ It is also through language that many of the Caribbean intellectuals and ruling elites adopted Western modes of thinking and a Western world view. Education also plays a major role, since most academic and senior professional staff has received training at Western universities, turning them into staunch advocates of the Western mode of thinking (ibid.). “The successful implementation of the EU’s world view of the region and its future” into the minds of those holding influential positions considerably aided the acceptance of the EPA (ibid.: p. 2). It is telling that the attempts to instil a Caribbean theory of society and economy inspired by regional experiences, promoted by the New World Group, seemingly failed to have any effect. Caribbean elites continue to turn their gaze to the West, instead of embracing their own roots (ibid.: p. 14). What is at play here is a process of disempowerment: the colonized have been made inferior to the colonizing power (Girvan, 2008c). Language reflects the demeaning attitude toward the colonized and by taking over the language, the colonized take over this view on its own culture (Claxton, 2008a). The totality of all these factors forms a powerful explanation for the acceptance of the EPA. Even if the average Caribbean citizen has little in common with its European counterpart, those intellectual and ruling elites working out a trade agreement can actually relate quite well. They might have gone to the same universities, share the same ideas and speak each other’s language. This certainly would have facilitated “a meeting of minds” between actors in the EPA negotiation (ibid.).

¹¹ Claxton herself provides several clear examples. She mentions the singing of Christmas songs on ‘dreaming of a white Christmas’ (2008a: p. 4) or the use of ‘black’ as an indicator for something bad - “Tout n’est pas complètement noir en Afrique”, she quotes a French Minister for Cooperation saying without a trace of irony (ibid., pp. 5-6).

This can be seen most clearly in the functioning of the Caribbean Regional Negotiation Machinery (CRNM), whose role had been minor during the Cotonou negotiations, but had been crucial for the CARIFORUM EPA. Prior to and during the EPA negotiations the organisation managed to acquire a highly independent position and was steered by its influential Directors in a direction sympathetic to neoliberal ideas. Sir Shridath Ramphal, the CRNM's first Chief Negotiator, distinguished scholar, diplomat and equal amongst Caribbean leaders, openly pleaded for a pro-active response to the *imperative* of reciprocity (Grant, 2000: p. 34). Under his guidance, the CRNM became much more than just a department under the Caribbean Community Secretariat. Instead, it reported directly to Caribbean heads of government. The CRNM exercised state-like power in the matter, even though it consisted only of technocrats that had not been elected democratically and could not be held accountable by the citizens they were supposed to serve (see, *inter alia*, Girvan, 2008b; Thomas, 2008; Heron, 2009). Because the material was highly technical, manpower was limited and interests were highly diverse, Caribbean states failed to keep in check the negotiations by the CRNM and allowed it to dominate the agenda. In some states, not even a single person was assigned full-time to monitoring the EPA process (Girvan, 2008b). Another dubious element is the fact that those technocrats received training from the very organisation they were supposed to negotiate with: the EU (Canterbury, 2010). Coupled with the fact that characters such as Ramphal were already known for their neoliberal tendencies, it does not come as a surprise that the CRNM failed to consider non-EPA alternatives. It embraced the programme set out by the EC and accepted the deadline-driven nature of the process. The CRNM was, on top of that, eager to be the first to sign the first comprehensive EPA, believing that this would grant them certain advantages unavailable to other negotiation groups (Girvan, 2008b).

The fact that the CRNM limited itself to the options presented by the EC did not just affect the decision making by governments; it also had an effect on Caribbean stakeholders and the public at large. An overview of stakeholder involvement created by the Shridath Ramphal Centre in 2009 shows that stakeholders were for a large part dependent on CRNM sources for their view on the EPA. The CRNM being so closely involved in the process, this information was heavily skewed in favour of the EPA. Even worse, the CRNM participated actively in attempts to ridicule opposition to the EPA. This shows once more the effort that had been put in trying to make the neoliberal EPA the one and only option for CARIFORUM. The document with frequently asked questions on the Treaty, created by the CRNM, is called 'Fact vs. Fiction' (2008). Criticism is consistently labelled as fiction and subsequently dismissed as nonsense. For example, it is called a fiction that because the Singapore Issues were dismissed during Doha, they should not have been included in the EPA (CRNM, 2008: p. 4). The argument that these issues create a level playing field completely ignores the objection that these issues might not be equally applicable throughout the world, because of different economic

circumstances (South Centre, 2008). More in general, anti-EPA sentiment is portrayed as being detrimental to the economic development of the region. A region which, it was claimed, has no other solution than to adjust as well as possible to the demands of the modern global market (Bernal, 2008). This outlook had successfully penetrated the highest layers of decision makers; high-profile anti-EPA activists Girvan and Brewster, both renowned and respected Caribbean scholars in the EPA-debate, were heard by the heads of state, but even their plea did not manage to change anything about the content of the agreement, or prevent any state from signing it (CaPRI, 2010: p. 11).

Having accepted the neoliberal foundation and its inevitable focus on reciprocity, the CRNM was also very clear on the inclusion of competition policy: "Given the existing obligation [...] CARIFORUM's acceptance of substantive rules addressing competition policy were never in issue" (Cunningham, 2008). Despite the many critical reports that had been written on this topic (by *inter alia* Oxfam, 2006; Keet, 2007; South Centre, 2008), competition turned out to be not contested at all at the negotiation table itself. All the negotiators wanted was development-orientated language, whereby development referred to the development of CARICOM competition policy, which they got in the form of deadlines and the promise of cooperation (ibid.). The EC wanted a neoliberal trade agreement supported by clear rules on competition; on this topic it met no resistance, for its partners had already embraced its guiding ideology and did everything in their power to spread the idea.

It was already mentioned that there was resistance to the CARIFORUM EPA, or the EPAs in general. In the EU itself, this resistance manifested itself on different levels. A committee of the British parliament openly condemned the cynical, manipulative way in which the EC was negotiating (Thomas, 2008: p. 14); the European Parliament asked questions about the development dimension of the EPA; and on the level of civil society, NGOs (Stop-EPA-Now, EPA Watch, Oxfam, South Centre)) voiced critical comments on the EPA and its negotiation process. All this contrasts starkly with the situation in CARIFORUM, however. The only consistent protest came from a small group of academics, several of which were there at the time of the New World Group. However, they failed to incite much excitement among the general public. As Girvan – one of the de facto leaders of the resistance – openly admits their protest came much too late and focused too much on the technicalities (Girvan, 2009). He even goes so far to call it "intra-elite communication", lacking in ability to acquire strong political and societal support due to its non-accessible discourse (ibid.: p. 12). It is here where one can detect the difference from Lomé primarily. There were no structural attempts to come up with an alternative for the Caribbean, no communities of politicians/academics attempting to connect their views on society with likeminded groups. In short, no coherent counter-hegemony arose in the CARIFORUM states or beyond. The same can be said about the ACP in general. Unlike at the time of Lomé I, there was no broad basis for protest, no collective demand for

a different future, supported by the ACP at large. The framework put in place by the EC was not challenged, the focus on WTO-compatibility and neoliberal principles not undermined. As one CARIFORUM negotiator stated, there was simply no political will for a summit between ACP heads of State to change WTO deadline (Arthur, 2008: p. 13). There was, in short, no revival of the NIEO. The neoliberal discourse had seeped into the Caribbean mode of thinking to a point where even its staunchest critics, with roots still in the New World Group, fail to look past the options it dictates.

4. Conclusion

Having set out the empirical part in the above, this final section will give a definitive answer to the question central to this thesis: *paying special attention to the inclusion of competition policy, what explains the acceptance by CARIFORUM of the European Partnership Agreement despite the fact that it was highly contested?* After that there will be room for avenues for future research.

It has been argued that the acceptance of this treaty was the result of not one, but a series of policy changes throughout the history of the EU/CARIFORUM relationship, or more broadly the relationship between the EU and the ACP states. The first period that was distinguished was that of neo-colonialism and the Yaoundé treaties, roughly between 1945 and 1975. In the early years, many ACP states were still colonies of EEC Member states and as such enjoyed very little freedom to pursue their own agenda. Even after gaining independence, the ACP states were still highly reliant on their former colonizers. They were used as producers of primary commodities which were shipped off to their colonisers. In return, they were forced to import processed goods, resulting in a structural trap of underdevelopment. It was clear that the EEC Members at that point were able to control the ACP militarily as well as economically. This economic dominance originated from the fact that Western corporations owned most important production facilities such as plantations. This whole system was in turn made possible by a world order known as *Pax Americana*. As such, the acceptance by the ACP states of this situation was not so much acceptance as much as resignation. ACP leaders were aware of the precarious situation their states were in and their position of dependence gave them no way to break out of it. Yaoundé was therefore characterised by coercion more than consent. A viable counter-hegemony was not available at that time.

This contrasted starkly with the period that followed, defined by the Lomé Conventions. Where Yaoundé was based on reciprocity, Lomé for the first time introduced a system of trade based on non-reciprocity. Even though elements of the Convention were, when analysed more closely, not as progressive as they appeared to be, it was nonetheless a remarkable change over the Yaoundé regime. Not just because of the changing content, but also because of the situation surrounding the negotiations. The social relation of production known as embedded liberalism came to an end, because systemic weaknesses led to economic crises. Coupled with perceived commodity power of the Third World, the negotiations on a new regime resulted in an ideological battle as well. The cry for a so-called New International Economic Order, the desire to improve the position of developing states in the international system and make them profit from their own riches, clashed with neoliberal ideas on the division of labour. It was truly a clash between hegemonic and counter-hegemonic forces, a battle that was fought on many levels. Governments, international

organisations, academics, grassroots movements, politicians, many played a role in furthering the debate. In the Caribbean itself, ideas similar to NIEO were voiced by the New World Group, consisting of individuals active both in the academic as well as the political world. In the run-up to Lomé, there existed thus a situation in which the material capacities were now perceived not to be fully in favour of the EEC side of the relationship. There was uncertainty about the future of commodity markets and the Third World expected opportunities to take its fate in its own hands. At the same time, a powerful and surprisingly well-organised movement arose, demanding a paradigm change in the relationship between developing and developed states. However, the EEC Member States had vested interests in retaining a degree of control in ACP affairs and the NIEO was not able to replace the existing neoliberal agenda. Yet the representatives of the neoliberal project were forced to concede more than under Yaoundé. The text of the Lomé Conventions show clear signs of attempts to create consent within the ACP, for example by including STABEX and SYSMIN, but more importantly, by creating a regime based - in theory - on equality and non-reciprocity.

The optimism that came over the Third World in the early 70s did not last. Instead of restoring the balance between North and South, the position of the ACP states in relation to the EEC became one of increased marginalisation. After twenty five years of Lomé regime, the EU, represented by the EC, decided to move away from the NIEO-inspired view on aid and development and instead aim for a regime based on the free market. The Commission made clear that Lomé was a dead end that would not lead to development of the ACP. Instead, liberalisation of trade was presented as the new road to success. The Cotonou Agreement came into existence as a framework for a new type of agreement, the EPA. In the Western world, the system of embedded liberalism had made room for that of neoliberalism in the years leading up to Cotonou. Governments were no longer seen as the driving force behind economic progress; instead they were to facilitate the proper functioning of the free market. This free market was thought to function best when left to its own devices, which would lead to the greatest welfare and highest efficiency. Competition policy forms an integral part of this system, as it is the tool used to open up markets and for making sure that they stay open. These neoliberal ideas were supported by powerful institutions like the WB and the IMF - institutions which helped out ACP states in need in exchange for neoliberal adjustment programs. Also the EC became an advocate of neoliberal ideas, which had an effect on the EU/ACP relationship. Though non-reciprocity was allowed to exist for the time being (until the new EPAs were concluded), the ACP states were coerced into accepting Cotonou by threats of WTO-incompatibility. The EC claimed to have no choice but to change the regime. Backed up by the fact that 25 years of Lomé did not bring much improvement to the ACP - putting the EU once more firmly into place as the economic giant - the Commission convinced the ACP negotiations to put their faith in the Partnership agreements to be concluded.

The subsequent signing of the CARIFORUM EPA formed the most encompassing change so far. It was signed not by the entire ACP, but only by a subgroup, it laid out a timeframe for phasing out non-reciprocity and it contained extensive wording on competition policy. The negotiations were characterised by extremely narrow framing. Just like the Cotonou Agreement was a 'necessity', so was the EPA presented as the only way to continue trade relations in a sensible way. The main actors in the negotiations found each other in a neoliberal consensus on the future of CARIFORUM, setting the negotiations down a path that could have no other outcome than trade liberalisation and the accompanying competition policy. The EC was by far the most powerful actor on the scene. Not only was it backed by the economic might of the EU Members, it was also able to organise itself in a way that could not be matched by CARIFORUM. Caribbean governments lacked the manpower to make an effective stance against the bureaucratic machinery of the EC. The EC found an ally in the CRNM, which operated highly independent and managed to steer the process on the side of CARIFORUM. Sir Shridath Ramphal, a highly distinguished Caribbean politician, played an important role in this, by upgrading the role of the CRNM and setting it on a clear path toward neoliberalisation. The independent position of the CRNM made it possible to pursue this neoliberal agenda. It did everything to discredit and ridicule the opposition to the EPA. Many societal actors were in turn dependent on the CRNM for information on the process, which led to bias in their judgment. The CRNM has also been criticised for failing to properly consult stakeholders. This turned the process into an elite project, in which a meeting of neoliberal minds was able to determine the outcome. Despite the many critical reports written on competition policy, it is not surprising that it was no real issue at the negotiation table. There was after all already consensus on the principles that were to underlie the new treaty. This consensus was barely challenged by serious opposition from within the Caribbean. Protest came too late and opposed to during the NIEO, it failed to connect with the general public. More than a viable counter-hegemony, the protests were technical side-notes, lacking a vision on an alternative reality for the Caribbean. As a result, those involved in the process remained convinced that signing the EPA was the only right thing to do, as a standing testimony to the power of coercion and consent.

Avenues for further research

This thesis tried to cover several decades of EU/ACP relationship and though this is helpful for placing the recent changes into an historical context, this leaves room for closer inspection of specific timeframes. For example, it might be worthwhile to investigate why a viable counter-hegemonic project managed to arise in the years leading up to the Lomé Convention, while such a project failed to materialise in during the EPA process. Another interesting question that comes to mind is the comparison with the EPA negotiations with other groups. In the introduction reference was made to

the interim EPAs signed by the Pacific group and SADC. It would be interesting to find out if those interim EPAs reflect the CARIFORUM EPA in any way - as was the expectation of some of its opponents (South Centre, 2008) and why, or why not, this is so. Did opponents manage to make a stand against the EC there and how was this opposition organised? When it comes to competition policy and the Caribbean, a possible avenue would be to find out why CARICOM had already been introducing competition policy of its own. Was this already a neoliberal intervention, or were there other motivations for it? In a broader perspective it would be useful to take a look at competition policy in other free trade agreements concluded by the EU, with more powerful partners outside the ACP. Does the EC impose competition policy as aggressively on other parties as well? This question could also be asked in a multilateral context, by taking a closer look at the Doha Development Round and the successful resistance of developing states against the inclusion of the Singapore Issues. Finally, the explanatory power of this thesis could benefit a more in-depth explanation on the changes on the side of the EU and in particular the role of Member States herein. In the end, the story of the EU/ACP relationship is one of change: from master/slave to equals and partners, but more importantly, competitors on the world market. The narrative is not complete without fully embracing both sides of the story, so this includes an understanding of the changing attitude of EU Member States.

List of resources

- Adler, E. (1997), 'Seizing the Middle Ground: Constructivism in World Politics', *European Journal of International Relations* 3: 319-363.
- Arthur, O. (2008), 'The Economic Partnership Agreement Between CARIFORUM and the European Union and The Building of a Post-Colonial Economy in the Caribbean', Public lecture given at the Errol Barrow Centre for Creative Imagination, March 11, 2008. Available at <http://www.acp-eu-trade.org>. Last visited on June 24th, 2012.
- Axelrod, R. and R.O. Keohane (1985), 'Achieving Cooperation under Anarchy: Strategies and Institutions', *World Politics* 38(1): 226-254.
- Bernal, R.L. (2008), 'Globalization: Everything but Alms. The EPA and Economic Development'. GraceKennedy Foundation Lecture 2008. Jamaica: Phoenix Printery.
- Bieler, A. (2001), 'Questioning Cognitivism and Constructivism in IR Theory: Reflections on the Material Structure of Ideas', *Politics* 21(2): 93-100.
- Bieler, A. and A.D. Morton (2001), 'The Gordian Knot of Agency-Structure in International Relations: A Neo-Gramscian Perspective', *European Journal of International Relations* 7(1): 5-35.
- Bieler, A. and A.D. Morton (2004), 'A Critical Theory Route to Hegemony, World Order and Historical Change: Neo-Gramscian Perspectives in International Relations', *Capital & Class* 28: 85-113.
- Bieler, A. and A.D. Morton (2008), 'The Deficits of Discourse in IPE: Turning Base Metal into Gold?', *International Studies Quarterly* 52: 103-128.
- Brand, U., C. Görg, and M. Wissen (2010), 'Second-Order Condensations of Societal Power Relations: Environmental Politics and the Internationalization of the State from a Neo-Poulantzian Perspective', *Antipode* 43(1): 149-175.
- Braveboy-Wagner, J.A. (2008), *Small States in Global Affairs: The Foreign Policies of the Caribbean Community (CARICOM)*. New York: Palgrave MacMillan.
- Brown, W. (2000), 'Restructuring North-South Relations: ACP-EU Development Co-operation in a Liberal International Order', *Review of African Political Economy* 27(85): 367-383.
- Buch-Hansen, H. and Wigger, A. (2011), *The Politics of European Competition Regulation. A Critical Political Economy Perspective*. London: Routledge.
- Byron, J. (2005), 'Singing from the Same Hymn Sheet: Caribbean Diplomacy and the Cotonou Agreement', *Revista europea de estudios latinoamericanos y del Caribe* 79: 3-26.
- Byron, J. and Lewis, P. (2007), 'Formulating Sustainable Development Benchmarks for an EU-CARIFORUM EPA: CARIBBEAN Perspectives'. Available at <http://www.acp-eu-trade.org>. Last visited on June 24th, 2012.

- Canterbury, D.C. (2010), *European Bloc Imperialism*. Leiden: Brill.
- CaPRI (2010), 'The Economic Partnership Agreement. Towards a New Era for Caribbean Trade'. CaPRI Report published on September 6th, 2010 on <http://www.capricaribbean.org/reports>. Last visited on January 25th, 2012.
- Caribbean Community Secretariat, 'The CARICOM Competition Commission', http://www.caricom.org/jsp/community/competition_commission.jsp. Last visited on January 18th, 2012.
- Carlsnaes, W. (1992), 'The Agency-Structure Problem in Foreign Policy Analysis', *International Studies Quarterly* 36(3): 245-270.
- Checkel, J.T. (1998), 'The Constructivist Turn in International Relations Theory', *World Politics* 50(2): 324-348.
- Chernoff, F. (2002), 'Scientific Realism as a Meta-Theory of International Politics', *International Studies Quarterly* 46: 189-207.
- Claxton, M. (2008a), 'The CARIFORUM-EC EPA Seen in a Wider Context', (2008b), 'Culture, Trade and Globalisation', Part of *Norman Girvan. Caribbean Political Economy*, <http://www.normangirvan.info/culture-and-development/>. Last visited on January 25th, 2012.
- Collard-Wexler, S. (2006), 'Integration Under Anarchy: Neorealism and the European Union', *European Journal of International Relations* 12(3): 397-432.
- Cox, R.W. (1979), 'Ideologies and the New International Economic order: Reflections on Some Recent Literature', *International Organisation* 33(2): 257-302.
- Cox, R.W. (1981), 'Social Forces, States and World order: Beyond International Relations Theory', (1983), 'Gramsci, Hegemony and International Relations: An Essay in Method' (1992), 'Towards a Posthegemonic Conceptualization of World Order: Reflections on the Relevancy of Ibn Khaldun' in Cox, R.W. and Sinclair, T.J. (1996), *Approaches to World Order*. Cambridge: University Press.
- CRNM (2008), 'CARIFORUM-EC Economic Partnership Agreement. Fact vs. Fiction.' Office of Trade Negotiations CARICOM Secretariat. Available at http://www.crnrm.org/index.php?option=com_docman&task=doc_details&gid=261&Itemid=95. Last visited on January 25th, 2012.
- Curran, L., L. Nilsson and D. Brew (2008), 'The Economic Partnership Agreements: Rationale, Misperceptions and Non-trade Aspects', *Development Policy Review* 26(5): 529-553.
- Danermark, B. M. Ekström, L. Jakobsen and J. Karlsson (2002), *Explaining Society. Critical Realism in the Social Sciences*. London: Routledge.
- Dolan, M.B. (1978), 'The Lomé Convention and Europe's Relationship with the Third World: A critical

- Analysis', *Journal of European Integration* 1(3): 369-394.
- Dessler, D. (1989), 'What's at Stake in the Agent-Structure Debate?', *International Organization* 43(3): 441-473.
- Dickson, A.K. (2000), 'The Demise of the Lomé Protocols: Revising European Development Policy', *European Foreign Affairs Review* 5: 197-214.
- Dunne, T., M. Kurki, and S. Smith (2007), *International Relations Theories. Discipline and Diversity*. Oxford: University Press.
- ECLAC (2008), 'The CARIFORUM-EU Economic Partnership Agreement (EPA): An Assessment of Issues Relating to Market Access, Safeguards and Implications for Regional Integration. Available at <http://www.normangirvan.info/>. Last visited on June 30th, 2012.
- Elgström, O. (2000), 'Lomé and Post-Lomé: Asymmetric Negotiations and the Impact of Norms', *European Foreign Affairs Review* 5: 175-195.
- European Commission (1996), COM(96) 570, *Green Paper on the Relations between the European Union and the ACP Countries on the Eve of the 21st Century*.
- European Commission (2006), *Global Europe: Competing in the World. A Contribution to the EU's Growth and Jobs Strategy*. Brussels: European Commission.
- European Commission (2010), *Regions: Africa, Caribbean, Pacific*. Available at <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/africa-caribbean-pacific/>. Last visited on June 22nd, 2012.
- Evenett, S.J. (2007), 'Five hypotheses concerning the fate of the Singapore issues in the Doha Round', *Oxford Review of Economic Policy* 23(3): 392-414.
- Faber, G. And J. Orbie (2007), 'The EU's Insistence on Reciprocal Trade with the ACP Group. Economic Interests in the Driving Seat?' Paper prepared for the EUSA Tenth Biennial International Conference.
- Fair Trading Commission Barbados (2011), 'State of Competition Law in CARICOM', printed in Business Monday newspaper, April 25th, 2011.
- Farrands, C. and O. Worth (2005), 'Critical Theory in Global Political Economy: Critique? Knowledge? Emancipation?', *Capital and Class* 29(1): 43-62.
- Finnemore, M. and K. Sikkink (1998), 'International Norm Dynamics and Political Change', *International Organization* 52(4): 887-917.
- Gibb, R. (2000), 'Post-Lomé: The European Union and the South', *Third World Quarterly* 21(3): 457-481.
- Girvan, N. (2008a), 'Caribbean Integration and Global Europe. Implications of the EPA for the CSME', <http://www.normangirvan.info>. Last visited on January 25th, 2012.
- Girvan, N. (2008b), 'The Caribbean EPA Affair: Lessons For the Progressive Movement'. Part of

- Norman Girvan. *Caribbean Political Economy*, <http://www.normangirvan.info/the-caribbean-epa-affair-lessons-for-the-progressive-movement/>. Last visited on January 25th, 2012.
- Girvan, N. (2008c), 'The Post Colonial Economy and Society: Facing the Challenge'. Prepared for presentation at the Regional Forum of Projects Promotion Ltd., St. Vincent and the Grenadines, February 11th, 2008.
- Girvan, N. (2009), 'Some Lessons of the CARIFORUM-EU EPA', *Trade Negotiations Insights* 8(8): 8-9.
- Gonzales, A.P. (2008), 'CARIFORUM's Decision to Sign the EPA', *Trade Negotiations Insight* 7(8): 2-3.
- Grant, C. (2000), 'An Experiment in Supra-National Governance: The Caribbean Regional Negotiation Machinery'. Available at <http://www.acp-eu-trade.org>. Last visited on June 24th, 2012.
- Grilli, E.R. (1994), *The European Community and the Developing Countries*. Cambridge: University Press (paperback edition).
- Gruhn, I.V. (1976) 'The Lome Convention: Inching Towards Interdependence', *International Organisation* 30: 241-262.
- Harvey, D. (2007) *A Brief History of Neoliberalism*. Oxford: University Press.
- Heron, T. (2009), 'Understanding the CARIFORUM-European Union Economic Partnership Agreement. Paper prepared for the British International Studies Association annual conference.
- Hobson, J. (2000), *The State and International Relations*. Cambridge: University Press.
- Hoekman, B. And P.S. Holmes (1999), 'Competition Policy, Developing Countries, and the World Trade Organization'. World Bank Policy Research Working Paper No. 2211, October 1999.
- Hoogvelt, A. (2001), *Globalisatization and the Postcolonial World. The New Political Economy of Development*. Houndmills: Palgrave (2nd ed.).
- Hopf, T. (1998), 'The Promise of Constructivism in International Relations Theory', *International Security* 23(1): 171-200.
- Hopf, T. (2002), *Social Construction of International Politics. Identities & Foreign Policies, Moscow, 1955 & 1999*. Ithaca, NY: Cornell University Press.
- Houghton, D. (2008), 'Positivism 'vs' Postmodernism: Does Epistemology Make a Difference?', *International Politics* 45: 115-128.
- Hurt, S. (2003), 'Co-operation and Coercion? The Cotonou Agreement between the European Union and ACP States and the End of the Lomé Convention', *Third World Quarterly* 24(7): 161-176.
- Jawari, F. and A. Kwa (2004), *Behind the Scenes at the WTO: the Real World of International Trade Negotiations*. London: Zed Books (updated edition).
- Jessop, B. (1990), *State Theory. Putting Capitalist States in Their Place*. Cambridge: Polity Press.
- Jessop, B. (2002), *The Future of the Capitalist State*. Cambridge: Polity Press.
- Keet, D. (2007), 'Economic Partnership Agreements (EPAs). Responses to the EU Offensive against ACP Development Regions'. Transnational Institute, available at www.tni.org. Last visited on June

- 30th, 2012.
- Keohane, R.O. (1993), 'Institutional Theory and the Realist Challenge after the Cold War', in *Neorealism and Neoliberalism: the Contemporary Debate*, New York: Columbia UP.
- Keohane, R.O. and L.L. Martin (1995), 'The Promise of Institutional Theory', *International Security* 20(1): 39-51.
- Keohane, R.O. (2005), *After Hegemony. Cooperation and Discord in the World Political Economy*, Princeton and Oxford: Princeton UP (Princeton Classic Edition).
- Kiplagat, P.K. (1992-1993), 'Fortress Europe and Africa Under the Lomé Convention: From Policies of Paralysis to a Dynamic Response', *North Carolina Journal of International Law and Commercial Regulation* 18: 589-632.
- Krasner, S.D. (1982), 'Structural Causes and Regime Consequences: Regimes as Intervening Variables', in *International Organization* 36(2): 185-205.
- Lee, M. and Morand, C. (2003), Canadian Centre for Policy Alternatives. Available at <http://www.policyalternatives.ca>. Last visited on June 30th, 2012.
- Libreville Declaration (1997), adopted by the First Summit of ACP Heads of State and Government. Libreville, Gabon, 7 November 1997.
- List, M. (1997), *The European Union and the South. Relations with Developing Countries*. London: Routledge.
- Mearsheimer, J. (1990), 'Back to the Future: Instability in Europe After the Cold War', *International Security* 15(4): 5-56.
- Mearsheimer, J. (1994-1995), 'The False Promise of International Institutions', *International Security* 19(3): 5-49.
- Narlikar, A. and D. Tussie (2004), 'The G20 at the Cancun Ministerial: Developing Countries and their Evolving Coalitions in the WTO', *The World Economy* 27(7): 947-966.
- Oxfam International (2006), 'Unequal Partners: How EU-ACP Economic Partnership Agreements (EPAs) Could Harm the Development Prospects of Many of the World's Poorest Countries'. Briefing Note, September 2007.
- Palan, R. (2000), *Global Political Economy. Contemporary Theories*. New York: Routledge.
- Patomäki, H. and C. Wight (2000), 'After Postpositivism? The Promises of Critical Realism', *International Studies Quarterly* 44: 213-237.
- Price, R. (1998), 'Reversing the Gun Sights: Transnational Civil Society Targets Land Mines', *International Organization* 52(3): 613-44.
- Raffer, K. (2001), 'Cotonou: Slowly Undoing Lomé's Concept of Partnership', Discussion paper prepared for European Development Policy Study Group. Available at: <http://www.edpsg.org/index.pl>. Last visited on January 25th, 2012.

- Ravenhill, J. (1979-1980), 'Asymmetrical Interdependence: Renegotiating the Lomé Convention', *International Journal* 35: 150-169.
- Ravenhill, J. (1984), 'What is to be done for Third World Commodity Exporters? An Evaluation of the STABEX Scheme', *International Organisation* 38(3): 537-574.
- Ravenhill, J. (2002), 'Back to the nest? Europe's Relations with the African, Caribbean and Pacific Group of Countries', Working Paper PEIP-9, 1 December.
- Roach, S.C. (2008), *Critical Theory and International Relations: A reader*. New York: Routledge.
- Robinson, W.I. (2004), *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*. Baltimore: Johns Hopkins University Press.
- Ruggie, J.G. (1982), 'International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order', *International Organization* 36(2): 379-415.
- Ruggie, J.G. (1998), *Constructing the World Polity: Essays on International Institutionalization*. London: Routledge.
- Schweller, R.L. (1994), 'Bandwagoning for Profit: Bringing the Revisionist State Back In', *International Security* 19(1): 72-107.
- Shridath Ramphal Centre (2009), 'EPA Implementation Stakeholder Analysis: The CARIFORUM Context'. Available at <http://www.shridathramphalcentre.org/>. Last visited on June 30th, 2012.
- Sinkler, C. (2008), 'The Dawn of a New Era: Caribbean Signs EPA with EU', *Trade Negotiations Insight* 7(9): 1-2.
- Smith, S. (1996), 'Positivism and Beyond', in Smith, S., K. Booth and M. Zalewski (1996), *International Theory: Positivism and Beyond*. Cambridge: University Press.
- South Centre (2008), 'Fact Sheet No. 8. Competition Policy in Economic Partnership Agreements (CARIFORUM Text)'. *Analytical note*, April 2008.
- Stewart, T. (2004), 'An Empirical Examination of Competition Issues in Selected Caricom Countries: Towards Policy Formulation'. Published by the Sir Arthur Lewis Institute of Social and Economic Studies. Available at http://sta.uwi.edu/salises/pubs/mono/comp_caricom.html. Last visited on June 30th, 2012.
- The Courier, 'Lomé Dossier', reprinted from *The Courier* 31, March 1975.
- Third World Network (2009), 'EU EPAs: Economic and Social Development Implications: the Case of the CARIFORUM-EC Economic Partnership Agreement. TWN Report, February 2009.
- Thomas, C. (2008a), 'CARICOM Perspectives on the CARIFORUM-EC, Economic Partnership Agreement', in *A First Look at the Political Economy of North-South Partnership Agreements: The CARIFORUM-EC, EPA* (forthcoming).
- Thomas, C. (2008b), 'EPA: The Dawn of a New Era?', in *A First Look at the Political Economy of North-South Partnership Agreements: The CARIFORUM-EC, EPA* (forthcoming).

- Trade Negotiations Insight (2007), 'EPAs: There is no Plan B. An Interview with Peter Mandelson', *TNI* 6(5): 1-3.
- Twitchett, K.J. (1974), 'Yaoundé Association and the Enlarged European Community', *The World Today* 30(2): 51-63.
- Ward, I. (2009), *A Critical Introduction to European Law*. Cambridge: University Press.
- Walt, S.M. (1985), 'Alliance Formation and the Balance of Power', *International Security* 9(5): 3-43.
- Waltz, K.N. (2000), 'Globalization and American Power', *The National Interest* 59: 46-56.
- Waltz, K.N. (2006), *Theory of International Politics*. Boston, Mass.: McGraw-Hill (24th ed.).
- Weiler, J. (1991), 'The Transformation of Europe', *Yale Law Journal* 100: 2403-2483.
- Wendt, A. (1992), 'Anarchy is What States Make of it: the Social Construction of Power Politics', *International Organisation* 46(2): 391-425.
- Wendt, A. (1999), *Social Theory of International Politics*. Cambridge: University Press.
- Worth, O. (2011), 'Where Did the Critical Go?', *Journal of International Relations and Development* 14: 358-365.
- Wright, S. (2001), 'A Unified or a Fragmented Cooperation? ACP-EU Negotiations within the Cotonou Partnership Agreement'. Paper presented at the Seventh Biennial Conference of the European Community Studies Association, May 31-June 2, 2001 in Madison, Wisconsin.
- UN General Assembly (1974), A/RES/6-S-6)3201 *Declaration on the Establishment of a New International Economic Order*. Available at <http://www.un-documents.net/s6r3201.htm>. Last visited on June 30th, 2012.