

## Regional Realities: Caribbean Contextualization of the Post-Cotonou Negotiations

4-6 July, 2018

Bridgetown, Barbados



Over three days in Bridgetown, Barbados, Caribbean civil society actors convened to collectively analyze and strategize towards upcoming post-Cotonou negotiations between the European Union (EU) and the ACP (African, Caribbean, and Pacific) group of states, in which a new trade agreement will be crafted as the previous Cotonou agreement comes to an end in 2020. This three-day workshop brought together a broad swath of social movements working on issues of food sovereignty, climate and trade justice, labor, and women's and indigenous rights, and it included participants from the private sector, academia, and government.

Organized by the Caribbean Policy Development Centre (CPDC), with the active support of Regions Refocus and Third World Network-Africa, the session examined the region's past experiences with trade agreements, as well as opportunities to develop

common analysis and strategies to influence the post-Cotonou negotiations. The workshop situated the Caribbean participants in three key overlapping contexts: as members of the ACP coalition, as a region that engages independently with the EU, and as a region that engages with the EU through the ACP. Discussions were further stimulated by presentations from EU and African Union (AU) representatives on topics such as the impact of right-wing growth in the EU on negotiations, and the common interests binding the African and Caribbean regions. The following report seeks to distill the rich, cross-movement discussions that took place during the meeting and collate the key points of action that emerged, by first laying out the trade history informing present economic structures, then summarizing regional contexts under which negotiations shall take place, and finally by laying out the Caribbean priorities and strategies participants identified to take into policy discussions.

## Trading with Europe Past and Present

### *Past: Free Trade for Whom?*

In analyzing regional experiences with implementing the Cotonou Agreement and Economic Partnership Agreements (EPA), many participants found the EU's promises of development to have fallen flat, suggesting the Caribbean had not truly benefitted from opening ACP markets to trade with the EU. The EU's insistence on liberalizing ACP imports, often without reciprocation, structures ACP economies for European profit, perpetuating an exploitative relationship that has its roots in colonization. Alongside the EPAs, the [EU's Raw Materials Initiative](#), for example, was highlighted as an attempt to guarantee European companies access to various minerals and ocean resources within Africa.

Caribbean civil society resisted the EPA during its negotiation, recognizing that its provisions were not sufficient to transform their economies in a meaningful way. They had advocated for ACP countries to first develop their markets and industries before considering trade liberalization. Without this, they had warned, the hailed "market access" would not translate into market **presence**, leaving the EU to benefit grossly from "free" trade. Similarly, the Cotonou agreement, despite containing priorities such as aid and governance, fails to deliver on the promises of development in the region.

The economic relationship between the EU and ACP countries impacts the issue-specific work civil society participants undertake: agriculture and food sovereignty are de-emphasized, for instance, in the name of trade liberalization. While tourism and cultural industries are promoted—perhaps overly so given the European private sector’s disproportionate profit in this realm—real development benefits are yet to be gained in the region. Participants also called for gender impact assessments across economic sectors, to review and address the EPAs impact on Caribbean women.

### *Present: New Language, Old Structure*

The framework for the post-Cotonou agreement includes separate regional compacts anchored by a foundational agreement across all three ACP regions. On the surface, this appears to address regionally-specific concerns and allows space to construct a different framework for ACP-EU relations. However, regional civil society participants voiced concern that the essential features of the foundational agreement, as well as European trade ambitions, may limit this potential. One analogy was offered: even if much of the negotiations are now in three regionally-specific “buildings,” (compacts) each building may have the same “furniture” (policies), such as support for private investors or unrestricted access to extractives. Cross-regional solidarity is therefore critical to pool analysis of common threats and resist a “divide and conquer” strategy in the new arrangement.

Participants noted that new issues (such as “just transition” or the “blue economy”) and seemingly progressive language may only serve as a smokescreen to maintain the EU’s goal of trade liberalization, ultimately continuing to undermine economic transformation for ACP economies. Even worse, this re-articulation could work to diffuse the underlying Neo-liberal logic into new arenas. For example, in relation to the blue economy, the [EU’s stated mission](#) is to secure “**unrestricted**” or “undistorted” access to markets and extractive sectors. “New” trade areas such as government procurement must be closely monitored, as Europe may introduce these issues in an attempt to gain concessions from ACP countries they have not yet secured in other arenas.

Also of concern is the bolstering of private investment and tax governance in the EU’s negotiating mandate, evident in repeated reference to the role and development of the

private sector and private financing. By contrast, in the existing Cotonou agreement, the private sector is included under the umbrella of non-state actors. The new focus on tax governance, underpinned by political pressures within the EU, is a cause for concern as Caribbean countries are targeted for being “tax havens” by countries in the global North that are tax havens themselves.

In addition to raising concerns about the terms of the post-Cotonou agreement, participants highlighted faults in its proposed monitoring and implementation mechanisms. The EU negotiating mandate mentions systems to monitor the progress of the EU-Caribbean partnership, but it fails to include any financing to support this monitoring. In the past, CARIFORUM (the body of Caribbean nations belonging to the ACP group of states) did not receive any specific resources or support for EPA implementation. Reference to financial support in the Cotonou agreement translated in practice to limited support that was stretched to also accommodate EPA implementation. In the absence of this funding, ACP civil society and policymakers are at a disadvantage in securing the fulfilment of promises in the Cotonou agreement.

A parting message from one participant was for civil society to “trust their instincts” going forward into the post-Cotonou negotiations. While some had originally hailed the Cotonou agreement as outstanding, Caribbean civil society foresaw the havoc that would be wreaked. Going forward, they must again trust their experiences to uncover the trade structures and power dynamics underpinning the post-Cotonou agreement.

## Regionally Contextualizing Post-Cotonou Negotiations

In addition to trade history, participants discussed the regions political history and trajectory, which has shaped the Caribbean’s positionality prior to post-Cotonou negotiations. In the post-independence period, “people’s movements” flourished and imagined alternative economic systems that sought to transform and benefit Caribbean economies and societies. However, this progressive engagement and policy making wilted with the introduction of the International Monetary Fund (IMF) and structural adjustment in the region. Neo-liberalism rose in the post-IMF era, changing the nature of economic analysis and policy in the region. An era of technocratic leadership ensued, and civil society was maligned for opposing neoliberal policies such as the EPA.

### *Intra-ACP Relations*

Participants also took on the task of analyzing the ACP itself, and how diverging priorities within this partnership can impact the negotiations. For example, while the African Union (AU) has expressed interest in negotiating with Europe alone, outside the ACP arrangement, African and Caribbean civil society affirmed their desire to maintain cross-regional solidarity in the post-Cotonou negotiations. However, despite regionally-specific concerns, there is ultimately more that unites the ACP, especially with regards to their position in their political economy vis-à-vis Europe. ACP cooperation is needed both to understand the common challenges presented by the EU and to build relationships recognizing the common position of the three regions in the global economic order and their desire to transform this.

It was also noted that **Pacific** states recently completed their regional consultations to approve negotiating priorities and the mechanisms for negotiations. Pacific civil society flagged priorities such as oceans governance, climate change and disaster resilience, Aid for Trade, cultural industries, services, and more. Regionally, they also face similar dynamics of more countries signing onto IEPA (Interim Economic Partnership Agreements), underpinned by LDC (least developed country) graduation and the threat of loss of access to the EU market. [In a recent petition](#), Pacific civil society decried the EU's agenda of raw material and market access at the expense of ACP countries and their development, and called for a post-Cotonou outcome that truly supported development and economic transformation.

With regards to the ACP as a structure itself, participants sought to strengthen its autonomy and facilitate intra-ACP collaboration outside of trade with Europe. The [Eminent Persons Report](#) was cited with respect to its recommendation of greater independence for the ACP, exploring a move away from a relationship with the EU which was solely based on financing. Moreover, the report states that the ACP needs to establish its own financing mechanisms to facilitate the secretariat. This is particularly pertinent as the ACP mandate reverted back to the traditional relationship with the EU. To this end, it was said that the ACP mandate does not seek to advance or change the relationship with the EU, and will only prolong traditional debates, especially in the area of finance.

### *The Caribbean and the EU/UK*

With insight from European civil society, participants also surveyed the current landscape of **the EU**. Brexit is not expected to have an immediate impact on existing trade arrangements with the EU. A new relationship with the UK is likely to simply “rollover” the existing arrangements the country has as part of the EU, as the UK seems averse to discussing a new arrangement with the Caribbean for the next five to ten years. However, the economic value of any potential post-Cotonou agreement has shifted for ACP countries with the withdrawal of the UK, which was among the top three financial contributors to the EU. It may then be in the interest of the Caribbean to negotiate separately with the UK and the EU, as Brexit could present an opportunity to “reopen” and shift existing trade relations.

In the context of Brexit, participants also identified the tactical need to foster relations with newer EU members. Their lack of colonial ties to the Caribbean brought both concern and optimism: while newer EU members may not see a basis for aid and trade with the Caribbean, it presents an opportunity to construct alternative relations outside the neo-colonial model.

### *ACP-EU Relations*

Participants also discussed shifting circumstances in the EU and its impact on future ACP-EU relations. As migration and security is captured drawing growing political attention in Europe, these narratives have increasingly entered into the sphere of trade. Economic security, nationalism, and isolationism (especially in the wake of the global financial crisis), have de-prioritized aid in the EU and generally fostered a more competitive approach to the outside world. This is evident in recent changes to the GSP (Generalized System of Preferences), which exclude countries with a higher per capita income than \$4,000 USD from receiving development aid, providing leverage for the EU in trade negotiations. Even more recently, the EU’s change in broad trade positioning has examined how other global trade investors such as China approach developing countries, namely to emulate their technique of providing financing towards specific returns.

Lastly, a presenter flagged the EU’s proposal to establish a mechanism to coordinate with ACP states in international fora. Such a mechanism may harm more than help, as ACP states form a significant portion of the G90 states of the World Trade

Organization (WTO), which stands with emerging and developing countries against industrialized nations and defends their right to policy space and support.

**China** became another key topic of discussion, namely the country's increased engagement with the ACP as a potential alternative for trade and infrastructural loans at a pace that could come to exceed the West. The *Belt and Road Initiative* in particular was noted as a key example of the significant support China could lend. However, participants were keen to taper this potential with caution, recognizing the imperial ambitions of both China and the West (and the possibilities to play these ambitions off each other).

### Caribbean Priorities for Future Trade Deals

Many participants emphasized that the supposed benefits of trade liberalization rarely materialize for the Caribbean on any meaningful level. Going forward, Caribbean civil society is more skeptical of market “access,” repeatedly questioning if it will translate into market presence or, more deeply, economic transformation for Caribbean peoples' needs. More broadly, many noted the entire development model being pursued in the region has failed in the Caribbean, mainly serving to increase the gap between rich and poor. This connects pointedly with other contextual discussions on the need for, and historical flourishing of, alternative development models. Re-centering the role of the state in development planning (especially in the absence of a mature private sector to do so) was offered as one immediate option. The need for sustainable development and achievement of the sustainable development goals (SDGs) (especially given severe regional threats from climate change) underscored this need to move beyond the current market-driven economic model. In the meeting, regional civil society committed to aiding the process of defining an alternative, people-centered development model, regulated by sound policies and indicators.

Participants noted the critical importance of institutionalizing financing for development in any future agreements with foreign countries or organizations. Agreements focused on building financial sector enhancement did not result in direct financial investment into the region and could no longer be part of regional initiatives and agreements. **Foreign direct investment**, instead of foreign portfolio investment, is critical for the region to enhance the value-added profile of its economies. Foreign

portfolio investment does not lead to procurement of industrial dividends nor the industrial development critical in the region.

Participants also called for the extension of activities at the CARICOM Single Market and Economy (CSME) level, which was necessary to make sense of ACP and other bilateral arrangements. Moreover, industrial policies within the region also require attention, especially in the context of how technological advancements have created new industries and forms of “adding value” in the global value chain. The region needs to reexamine the CSME rules of origin, which do not correlate with all other trade agreements. A number of new projects which could be developed across the ACP could reinvigorate and provide a new program for the ACP and determine their priorities when engaging development partners.

**Climate change** is a major concern for civil society organizations, with deep, cross-cutting implications. Caribbean civil society called for climate smart agricultural systems, sustainable natural resource management systems, and climate change disaster reduction funding not only channeled to governments and regional bodies but also the needs of civil society-level.

With **agriculture**, participants highlighted the protection of smallholder systems – a pervasive practice in the Caribbean – as a priority, as well as the urgent need to bring youth into the sector. In terms of agricultural trade, participants noted the region does not receive full compensation for the true value of commodities in the global economy. Foreign consumers of Caribbean produce are often under the impression that these goods are produced in organic or semi-organic systems, which is not necessarily the case. The growth of genetically modified organisms (GMO) is also threatening indigenous food stocks.

**Services** was repeatedly raised as a core concern for post-Cotonou negotiations, given its economic importance in the region. This industry exists as a microcosm of the larger power dynamic, wherein market access does not translate into meaningful market presence for Caribbean industries. As mentioned, a hyper-focus on services (especially if the benefits are not truly gained), can also diminish other issues such as food security.

The **Blue Economy** was agreed upon as a regional priority that the post-Cotonou agreement will likely address. This priority can be found in the EU mandate as well, making it very likely to be a significant agenda item in negotiations. Pacific civil society has also affirmed this as a major issue. Participants noted that new agreements relating to the Blue Economy must clearly benefit Caribbean development rather than primarily outside interests.

Colonial injustices were also discussed as priority issues for many civil society representatives. Specifically, **reparations** were highlighted by several participants as a concern. First Nations/indigenous communities also noted the need to be included alongside other marginalized peoples, particularly given they often experience the effects of climate change most directly. More broadly, participants acknowledged that the existing economic structure – refashioned somewhat through recent trade agreements – has its origins in colonization. And, as one participant noted, until this colonial system and subsequent structures have been uprooted, attempts to secure issue-specific justice, such as gender equality, are bound to fail.

A participant also outlined CARIFORUM guiding principles, which originated in a [meeting of ministers](#) earlier in the year. These principles converge at some key points with the civil society priorities laid out in the CPDC meeting. Examples include mention of opposing the graduation principle based on *per capita* income, financing mechanisms, and broad mention of taking into account Caribbean vulnerabilities and including “youth, gender, and vulnerable groups” into negotiations.

## Tactics for Civil Society Influence

Equipped with this collective analysis, Caribbean civil society outlined possibilities for future engagement. Their broad recommendations for the character of this engagement included:

- Caution around “consultation,” understood as one element but not full, meaningful engagement in and of itself.
- Coalition-building across ACP, including with EU allies in civil society.
- Exchanging tactics for how best to engage with governments and negotiating teams, which several participants sat down to do in [a video interview](#)

- Funding engagement autonomously: for civil society, a collaborative arrangement was discussed as a method to sustain long-term impact. For regional institutions, a levy incorporated into future trade or investment agreements was offered as an idea, which would be used to directly finance regional bodies (or even regional civil society, as well as critical issues such as housing).
- Provide analytical support to often under-resourced negotiating teams through technically sound proposals, information, and analysis, thereby equipping them to better assert their true regional interests and power.

Participants continued on to identify specific fora they could leverage for promoting regional priorities and trade justice, including **international frameworks** such as the Paris Agreement. Participants analyzed the SDGs in detail, given the heightened influence of the framework on negotiations. A working group outlined several priority SDGs, while noting they must not be co-opted and that a people-centered development model was necessary to truly achieve these goals:

Priority	SDG
Role of the state - It was the position of this group that the perceived role of the state within the regional context was not being fulfilled. In this context CS sought to fill these gaps through robust partnerships with the state	17
Redefine the current relationship with the EU, with the view of forging an enhanced relationship which greater benefited the region	10, 16, 17
Gender equality and the empowerment of women and girls	5, 10, cross-cutting
Food sovereignty (beyond food security)	2, 14, 15
Meaningful employment opportunities	8, 9
Climate justice	13, 14, 15
Quality education	4

Another breakout group mapped existing platforms for CS engagement:

National	Non-State Actors Advisory Panels (NSAAP) – Barbados, Dominica, Antigua and Barbuda, and St. Lucia
Regional	Program Management Committee; Technical Working Committee (TWC), established with the EU CSO NSA Desk within CARIFORUM ( <i>This mechanism has not been implemented.</i> )
Global*	Civil Society Forum (CSF) ACP NSA Forum EPA Consultative Committee  * Group noted that most global mechanisms were not functioning well to date.

This group also crafted proposals for civil society participation in the post-Cotonou process at each of these levels:

National	Further implementation of regional NSAAP  Additional financial support at the national level
Regional	Greater support to CSO through the provisions of the Caribbean Regional Indicative Programme (CRIP)  Greater involvement of regional committees in the context of policy development  Establishment of greater lines of communication and information facilitated through the CRIP with focal point organizations

	<p>Space for the ACP Forum to actively link with the global process mechanism</p> <p>Enhanced support for capacity building and programming with respect to the SDG</p> <p>Creation of the CARIFORUM NSA Desk, in an effort to establish a clear channel of participation emanating out of the region</p>
Global	<p>ACP CSO-NSA office in Brussels to ensure greater CS participation</p> <p>Establishment of an ACP representative, supported by three additional representatives from each territory (Africa, the Caribbean and Pacific states);</p> <p>Formulation of a general ACP Forum to feed input into the ACP CSO-NSA office;</p> <p>Establishment of regional forums in the context of feeding relevant information from the masses into the process and;</p> <p>It was agreed that a percentage of ACP funds should be allocated towards improving participation established within this mechanism.</p>

By the end of the convening, a working group was formed for coordinating and disseminating information among Caribbean civil society. In the short term, the group planned to map and target key dates and events for upcoming negotiations. A smaller, cross-regional group also formed with the goal of enhancing cooperation between African, Caribbean, and Pacific civil society.

Bringing together diverse civil society actors (from unions, women’s rights groups, indigenous struggles, environmental justice, and more), this workshop facilitated not only cross-movement strategizing but a collective **analysis** of the post-Cotonou negotiations. Participants carried into the room their own histories, struggles,

disagreements, and concerns— ranging from experiences with the EPAs to regional climate change challenges to the damages of foreign portfolio investment. They then pinpointed not only Caribbean realities and priorities, but the deeper economic structures underpinning the EU’s agenda in the post-Cotonou negotiations, agreeing on the need for all three regions to work in solidarity to transform their relationship with the EU.

The conclusions of Caribbean civil society resonated closely with a call for [“Equitable and Transformative ACP-EU Relations”](#) written by African, Caribbean, and Pacific civil society at a meeting in Accra, Ghana in the same year. This resonance is rooted in the economic structures that all three regions inherited from colonization and that have in turn been reinforced by EU trade deals since the Lomé Convention. Civil society from all three regions have now firmly opposed the extension of failed frameworks and unfulfilled promises into any post-Cotonou agreement. Economic transformation for ACP countries, and an equitable relationship with the EU, will need to be secured by strategic advocacy, careful monitoring, and continued resistance.