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Transnational Corporate Power: From Lomé to the CARIFORUM-EU EPA

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Transnational Corporate Power: From Lomé to the CARIFORUM-EU EPA

Abstract

The post-Lomé era, from the turn of the twenty-first century, marks a shift from an epoch of non-reciprocal preferential trade under successive Lomé Conventions to one of reciprocal trade within a free trade area under a neoliberal international economic order. Post-Lomé thus constitutes a new age in the relationship between the European Union (EU) and African, Caribbean and Pacific (ACP) states. In this context, there are several factors that distinguish the Lomé period of preferences from twenty-first century agreements between the EU and ACP states, and which have influenced this development in the Europe-ACP relationship. This article focuses on the influence of one particular factor on the evolution of relations between Western Europe and ACP states that is often overlooked or undertheorized in the predominantly state-centric analyses of same. It therefore investigates and demonstrates the connection between transnational corporate interests and the dramatic shift to the post-Lomé framework for engagement between the EU and ACP states, as well as the progressive neoliberalization of Lomé era agreements even before the dramatic shift in this relationship. The study establishes that the agenda for and outcome of negotiations on the Cotonou Agreement of 2000 largely reflects transnational corporate interests, and that the CARIFORUM-EU EPA of 2008 is also consistent with the pattern of their neoliberal pursuits.

Keywords

Transnational Corporate Power, CARIFORUM, EU, EPA

Introduction

A group of scholars has argued that the interests of transnational corporations (TNCs) have shaped the contents of preferential trade agreements in the era of neoliberal capitalism (1980-present). In this analysis, corporate power is thought to be deeply embedded in the structure, agenda and content of these agreements. This conceptualization of corporate power is often theorized as “transnational corporate power” where the accumulation of profits is enabled by the support, cooperation and assistance of those political and economic elites that derive benefits from “investment agreements” ostensibly negotiated by nation-states. This perspective is often absent in state-centric analyses of preferential trade and investment agreements in the neoliberal era, notwithstanding the centrality of state actors in the negotiation of these agreements.

Transnational corporate power has been the driving force behind neoliberal capitalism / capitalist globalization, and has significantly influenced the progressive neoliberalization of Lomé era agreements between Europe and African, Caribbean and Pacific (ACP) states. It has also spurred the transition to a post-Lomé era of reciprocal neoliberal trade and investment agreements between these parties. This article demonstrates the connection between corporate power and the neoliberalization of Lomé. In addition, it shows that the Cotonou Agreement of 2000 which marked the transition to a post-Lomé era, and the 2008 Economic Partnership Agreement (EPA) between the Caribbean Forum of ACP states (CARIFORUM) and the European Union (EU), are both consistent with the pattern of transnational corporate pursuits. The investigation of these linkages in the context of EU-ACP and, even more specifically, EU-Caribbean relations, remains undertheorized. This study is also fundamental for understanding the role of corporate power, whether directly or structurally, in constraining the already limited policy space in small, open, dependent, and vulnerable economies such as those in the Caribbean.

In the early postwar period, TNCs were primarily concerned with gaining access to foreign markets protected by high tariffs. Foreign Direct Investment (FDI) was an important strategy in achieving that objective. By the late 1960s, however, increasing international competition and rising wages led to declining corporate profits which provoked a change in the motivation for and nature of FDI. In response, production processes were internationalized - TNCs began to relocate simpler parts of production processes to low-wage developing countries. A defining feature of the latest phase of capitalist globalization from the 1980s has been the fundamental restructuring of these processes into ever smaller segments, with the location of various stages across multiple countries, creating cross-border production networks or global value chains. A marked increase in cross-border mergers and acquisitions allowed firms to reduce competition and control costs, and consolidated corporate market and economic power. Neoliberal trade and economic policies, advocated by TNCs in collaboration with political and other actors in dominant states, facilitated this era of capitalist expansion and profit.

The Lomé Conventions – Lomé I (1975-1980), Lomé II (1980-1985), Lomé III (1985-1990) and Lomé IV (1990-2000, including Lomé IV bis from 1995-2000) – constituted the framework for

trade and economic relations between the European Economic Community (EEC) ¹ and ACP states. These agreements, based on preferential trade and accompanied by European aid, allowed for products originating in ACP states – mainly agricultural products, as well as manufactures and semi-manufactures – to enter the EEC market without the imposition of customs duties and quantitative restrictions. ACP goods that competed with those protected by the EEC’s Common Agricultural Policy (CAP) were given more favorable treatment than that accorded to other states exporting the same products. Under the Lomé arrangement, there was no requirement for reciprocal preferential treatment for EEC members.

In parallel with developments within Europe and at the global level, later Lomé agreements increasingly contained provisions that reflected neoliberal trade and economic policies advocated by transnational corporations in collaboration with political and other actors in dominant states. Lomé-era agreements, however, stopped short of the dramatic shift that occurred at the turn of the twenty-first century with the transition to a post-Lomé framework for engagement between the EU and ACP states. To explain the evolution of Lomé and its contrast with the post-Lomé era, I first outline below the main elements of the Lomé accords. Second, I discuss the rise of transnational corporate power in Europe and the link between the latter and the progressive neoliberalization of Lomé. Lastly, I analyze the connection between transnational corporate power and the post-Lomé framework for EU-ACP / EU-Caribbean engagement, specifically the Cotonou Agreement and the CARIFORUM-EU EPA.

The Lomé Conventions

Some of the most salient features of the Lomé agreements were the special commodity protocols on sugar, bananas, rum, and beef/veal, and the compensation mechanisms established with the aim of stabilizing the export earnings of ACP states dependent on certain agricultural and mineral exports. The commodity protocols secured the EEC’s purchase of certain quantities of these products at guaranteed prices that were usually above world market prices. Taking into account ACP dependence on the export of mainly primary commodities and their vulnerability to fluctuations in earnings due to world market price volatility or shortfalls in quantities available for export, Lomé also established systems to provide for compensation in this regard.

The system commonly referred to as STABEX, established in Lomé I, guaranteed “the stabilization of earnings from exports by ACP states to the Community of certain products on which their countries are dependent and which are affected by fluctuations in price and/or quantity” (Article 16). The products covered by this scheme were mainly agricultural with the exception of one mineral product – iron ore. Similarly, Lomé II, under a separate and new title, established a system to assist ACP states dependent on mining sectors to “cope with a decline in their capacity to export mining products to the Community and the corresponding decline in their export earnings” in order to “remedy the harmful effects on their income of serious disruptions affecting those mining sectors and beyond the control of the ACP states concerned” (Article 49).

¹ In Lomé IV bis, contracting parties that were Western European were referenced collectively as the European Community as opposed to the European Economic Community which was the terminology contained in earlier iterations of the Convention.

Nine mineral products in total were eligible for compensation under this scheme. This “special financing facility” for mining products was assigned the acronym SYSMIN in Lomé III and is also referred to by some as MINEX. In addition, the Lomé Conventions provided for industrial cooperation as well as cooperation in other sectors, such as transport and communication, energy and agriculture, with the aim of facilitating ACP development. ACP states were also treated as one unit with regard to defining the origin of an export product (Dolan 1978, 373). Moreover, in every iteration of the Convention, the European Development Fund (EDF) made available certain quantities of aid for the purpose of supporting social and economic development in ACP states, including projects aimed at economic diversification, as well as to finance the systems for the stabilization of export earnings.

The literature on the Lomé Conventions is extensive and includes a range of views. The perspectives on the first Lomé Convention, in particular, “have varied from extremes of approbation to extremes of condemnation” (Parfitt 1981, 89). Lomé I was hailed by some as revolutionary, as representative of the New International Economic Order (NIEO),² and as a model for North-South relations (Dolan 1978, 369). By Lomé II, however, which did not differ greatly from Lomé I, “the flaws of the existing regime had become obvious” resulting in “much greater consensus among observers that Lomé 2 had fallen short of expectations than there had been over Lomé 1” (Parfitt 1981, 92).

A closer and critical examination of Lomé revealed that certain provisions such as those on trade “initially seemed more generous than they actually were” (Parfitt 1981, 92). Michael Dolan (1978) explains that laudatory views of Lomé I were understandable if comparing the latter to previous agreements such as the Yaoundé Conventions of 1963 and 1969 and the Arusha Convention of 1969 (371). In this light, the Lomé Convention appeared to have addressed the major criticisms of those previous agreements, and to have met many of the demands of ACP states (Dolan 1978, 371).

Several significant shortcomings became apparent, however, upon deeper examination (Dolan 1978, 369). These were particularly evident in the provisions on trade and aid which provoked many critical scholars to view the Convention as an instrument that institutionalized the traditional capitalist division of labor and the underdevelopment and dependency of ACP states. Timothy Shaw (1979), for example, contends that Lomé’s primary purpose was to facilitate trade and other economic exchanges between the EEC and ACP states, but that “because of the international division of labour that the states and corporations of Europe designed and established during the colonial period any increase in exchange means more of Africa’s raw materials being traded for more of Europe’s manufactured goods” (142). Although Shaw’s analysis focused on Lomé as it related to African states, this assessment was also quite applicable to the Caribbean.

² As described by the United Nations Economic and Social Commission for Western Asia (UNESCWA), the New International Economic Order (NIEO) “was a set of proposals put forward during the 1970s by some developing countries through the United Nations Conference on Trade and Development to promote their interests by improving their terms of trade, increasing development assistance, developed-country tariff reductions, and other means. It was meant to be a revision of the international economic system in favour of Third World countries, replacing the Bretton Woods system, which had benefited the leading states that had created it – especially the United States”.

Kojo Yelapaala (1981) explains, additionally, that the possibilities for trade expansion were relatively small for a few reasons, and that the preferential treatment of agricultural products was of little benefit to ACP states. Yelapaala clarifies that due to the characteristics of ACP products (a substantial portion being agricultural raw materials), as well as a higher market demand concentration, the EEC import demand schedule was relatively inelastic. This meant that any fall in prices would not result in a considerable increase in the quantities purchased. Furthermore, transnational corporations with substantial market power likely manipulated both the prices of these products and the quantities purchased. United Nations studies also found that transnational corporations were working to reduce their dependency on ACP raw materials as well as to diversify their operations (830-831).

Yelapaala argues further that the already “meagre trade expansion effects” and preferential treatment of agricultural products in the form of duty-free entry were even more greatly reduced by the increase in the number of beneficiaries of the Lomé Convention compared to previous Yaoundé agreements. Under Lomé, ACP countries that produced and sold similar products came into competition within the same preferential regime, limiting the possibilities for capturing greater market shares (831).

Similar products from non-ACP states also enjoyed preferential access to EEC markets under the latter’s Generalised Scheme of Preferences (GSP), and some benefits of Lomé were duplicated under the latter, as well as by the GATT’s Most-Favored-Nation (MFN) arrangement. Both the GSP and the MFN arrangement allowed some products included in Lomé to enter the EEC duty-free. Given that an estimated 75% of ACP exports were raw materials, they could enter the EEC duty-free under MFN treatment. Correspondingly, approximately 95% of ACP manufactures could enter the EEC duty free under either the GSP or MFN treatment. Yelapaala consequently concludes that the net product coverage under Lomé, as well as the benefits, were less than they appeared to be (831-832).

Additional factors also reduced the ability of ACP states to benefit from the preferential treatment of their manufactures. These included the characteristics of ACP manufacturing sectors, as well as limitations of the rules of origin provisions and the safeguard clause in the Lomé agreement. Nearly all ACP states in which there were manufacturing sectors were at an early stage of industrialization, a sizeable portion of their industry involving the assembly and packaging of component parts from developed countries (Asante 1981, 665; Dolan 1978, 373). The rules of origin provisions which specified a minimum of 50% value to be added in ACP states to qualify for duty-free entry to EEC markets, disqualified most ACP manufactures from benefiting from this opportunity given that they were usually unable to meet this requirement (Asante 1981, 665-667).

While ACP manufactures did not significantly benefit from Lomé provisions, the rules of origin, as well as the classification of the ACP group of states as a single customs unit, *did* benefit EEC multinationals wishing to establish industries in ACP states. This was particularly so if component parts were obtained from EEC states, given that materials from both the Community and ACP states were considered to be originating products (Asante 1981, 665).

The schemes created to stabilize export earnings of ACP states for shortfalls in earnings from agricultural and mineral exports, STABEX and SYSMIN, respectively, also came under criticism. Funding allocated for each, for example, was considered to be greatly insufficient for their purposes, making it unlikely that the resources available could adequately respond to shortfalls in the earnings of ACP states due to fluctuations in the price or quantities of ACP primary commodity exports. Each was also criticized for their limited product coverage, which some scholars viewed as discriminatory against countries that did not export the commodities covered by the schemes (Asante 1981, 667).

In the case of SYSMIN, for instance, ACP states were only eligible for compensation if earnings fell short of the specified average with respect to the 9 minerals covered by the scheme. Notably, these 9 minerals were of utmost important to the EEC. The ACP's demand that the list of products covered by SYSMIN include 8 additional minerals of great significance to their own economies, was rejected by the EEC. The list could be extended but this decision was entirely up to the EEC. Moreover, SYSMIN would not benefit countries that did not export to EEC markets the minerals covered by it (Rajana 1980, 94-95).

STABEX and SYSMIN, moreover, were seen to disincentivize export expansion and diversification. In this context, Lynn Mytelka explains that STABEX did not attempt to stabilize the price of commodities, but rather merely compensated for shortfalls in export earnings of the listed commodities (cited in Asante 1981, 668). As Dolan (1981) notes, by providing "a minimum, and almost static, price support level", the terms of STABEX implied that "the EEC supports the present levels of agricultural exports, but... will not support ACP growth in the agricultural sector" (375).

In addition, ACP states eligible for financial transfers may be denied compensation if the European Commission ruled that the reduction in export earnings was the result of a policy that discriminated against the EEC, such as a trade policy that increased domestic processing of commodities and decreased the quantity available for export in its raw state (Dolan 1978, 376). This circumstance led various scholars to conclude that "STABEX in effect penalizes efficiency", and that by "penalizing domestic production, STABEX tends to support the ACP states' function of supplying raw materials, hindering policies which would lead towards increased industrialization and development" (376). Similarly, Asante (1981) contends that these limitations of STABEX disincentivized diversification of ACP export markets, as well as diversification away from specific exports, which discouraged domestic industry and consumption (668).

The safeguard clause in the Lomé agreements, furthermore, reinforced the circumstances identified above. The safeguard allowed for the prohibition of duty-free access to European markets if imports receiving preferential treatment threatened to disturb a sector of the European economy. A commonly referenced example was the EEC's expression of intent to use the clause to limit textile imports from ACP states in accordance with the Multifibre Arrangement. In this connection, Parfitt (1981) expresses the view that the actions of the EEC violated the "spirit of trade liberalization in which the Convention is supposed to have been concluded" and "put a brake on the expansion of one the ACP's few dynamic export-oriented industries" (90).

In addition to the critiques identified above, aid accompanying the Lomé regime was often viewed as insufficient to respond to the most urgent needs of ACP states and slow to be disbursed. Funds were disbursed on the basis of decisions made solely by the EEC and not necessarily in partnership with ACP states as the Convention purported to promote. In addition, commitments were concentrated on capital-intensive industries aimed at the export of raw materials. Aid thus also appeared to facilitate a continuity in the conceptualization of financial and technical corporation, leaving ACP states no less vulnerable to unstable market prices (Asante 1981, 667).

The rhetoric of the Lomé agreements generally promoted equality, partnership, and cooperation between the two blocs that were parties to them, as well as the development needs of ACP states. Other provisions of the same agreements, however, undermined and inhibited the achievement of exactly these principles and objectives. There was some disconnect between the rhetoric of the Lomé Conventions and the reality of their contribution to advancing ACP development. While the Lomé regime indeed accorded non-reciprocal preferential treatment to ACP states and provided aid for various projects through the EDF, the circumstances of ACP states remained largely unchanged throughout its duration. In fact, the terms of trade between the EEC and the ACP steadily declined over the course of the 25 years of Lomé.

Some scholars have expressed the view that the terms of trade between the EEC and ACP states may have been worse without the preferential treatment afforded to the latter under the Lomé regime, that EDF aid provided necessary funding to various ACP states for a range of purposes, and that there were successes in which some non-traditional ACP exports benefited from the the Lomé agreements. The non-traditional exports that experienced some successes were mainly cases in which ACP states enjoyed a preferential advantage in the EEC linked to the CAP, or due to other restrictions on competing exports from non-ACP developing states (Cosgrove 1994, 228-229).

Nevertheless, there was a general consensus that the circumstances of ACP states did not meaningfully improve in spite of the Lomé regime. The terms of trade between the EEC and the ACP had, on the contrary, steadily declined. Later assessments of the Lomé regime essentially confirmed this conclusion made by numerous earlier analyses. Many of the critiques were, for example, confirmed in Carol Cosgrove's (1994)³ examination of the record of ACP exports to the European Community, and the problems associated with ACP trade performance in that market.

More recent data referred to in Cosgrove's (1994) piece, showed that the value of duty-free access to the EEC market was still not of great significance to ACP states almost twenty years later, since approximately two-thirds of ACP exports could enter the EEC market duty-free in

³ The data presented in Cosgrove's (1994) analysis is widely referenced and useful in so far as it allows for an important comparison of the implications of Lomé from 1975 to the early 1990s. A number of her comments, as well as her final conclusion that ACP states should help themselves instead of seeking assistance externally, were however, contradictory to the evidence she presents in her piece. Her assessment of the opportunities available to ACP states or recommendations regarding action that they should take disregard the external factors that have prevented their ability to pursue policies that could have advanced their development, including those mentioned by scholars that have critiqued the Lomé agreements.

any event under the GSP or MFN arrangement. Cosgrove (1994) also demonstrates that the ACP share of the EEC import market “declined fairly steadily” since 1975 in comparison to exports from other developing countries and that, in the 1990s, ACP exports were still dominated by a small group of primary commodity exports which accounted for 54% of ACP exports in 1992 (225).⁴ Furthermore, although 27% of ACP exports in the same year were classified as processed or manufactured, this represented an increase of only 7% from 1976 to 1992 (Cosgrove 1994, 227).

In addition to several new factors such as the constraints of Structural Adjustment Programs (SAPs), a 1993 report confirmed that the Lomé rules of origin and the CAP prevented ACP states from most effectively utilizing the latest iteration of Lomé’s trade provisions, contained in Lomé IV (Cosgrove 1994, 237). Moreover, Cosgrove’s (1994) examination of the problems associated with ACP export performance reveals that various objectives of the Lomé regime aimed at building the capacity of ACP states to expand or diversify their export sectors, industrialize, acquire appropriate technology, develop or improve products, and enhance transportation, communication, distribution or competitiveness, were generally not successfully achieved.

Transnational Corporate Power in Europe, The Uruguay Round, and Lomé

Lomé agreements evolved against the backdrop of capitalist globalization, increasing transnational corporate power, the influence of the latter in propelling the shift to a neoliberal economic order, a debt crisis that adversely affected the global south, and the decreasing importance of ACP states for Europe, notwithstanding European interest in deeper liberalization of ACP markets in keeping with the contemporary movements in this direction. A closer examination of successive Lomé agreements reveals evidence of the impact of these factors on their evolving provisions. It is first, however, important to understand the rise of transnational corporate power in Europe given its central role in the continued deepening of European integration and the EU’s promotion of economic globalization, in order to appreciate the transformation of Europe-ACP relations.

The European Roundtable of Industrialists (ERT), created in 1983, is one demonstrative manifestation of the rise of transnational corporate power in Europe and its influence on the progressive neoliberalization of policy therein. Corporate lobbying and a commingling of economic and political interests, underpinned by the increasing predominance of neoliberal ideology, began in individual states such as the US in the 1970s. Even within Europe by the late 1970s, British Prime Minister Margaret Thatcher is hailed alongside US President Ronald Reagan, as leading the shift at the political level from a Keynesian approach to economic policy to a new neoliberal economic order.

By the early 1980s, the inability of policymakers to respond to the high inflation, growing unemployment and declining growth which characterized Europe in the 1970s, prompted the then CEO of Swedish car manufacturer Volvo, to embark on a campaign to encourage growth as

⁴ Cosgrove (1994) identified 7 primary commodities that dominated ACP exports: crude petroleum, uncut diamonds, cocoa beans, wood, coffee beans, copper and fruit (especially bananas) (227).

well as the development of industry and infrastructure in Europe. Supported by the CEOs of other large European corporations and the then European Commissioner of Industry, the ERT was formed, modelled on the Business Roundtable established a decade earlier in the United States. In the beginning, the ERT was split between corporations favoring protectionist policies and those favoring free trade globally. Ultimately, the interests of the latter became the ERT's unanimous objective (Balanyá et al 2003, 20, 21, 24). Comprising 17 members at its outset, the ERT today "includes CEOs and Chairs from around 60 of Europe's largest companies in the industrial and technological sector" (European Roundtable of Industrialists 2022).

Since the 1980s, several factors have facilitated the increasing power and influence of transnational corporations in Europe. These include economic and political alliances between big business and the European Commission, the organization of European decision-making, an explosion of mergers and acquisitions that resulted in a concentration of corporate power, and the growing establishment of corporate lobbies and corporate-funded think-tanks. The latter became instrumental in propelling developments within and outside of Europe that aligned with transnational corporate interests. The relationship between the European Commission and big business, for example, changed from a more critical approach in the 1970s to one that steadily morphed into "the current virtual symbiosis between the EU's key political and economic actors" (Balanyá et al 2003, 4).

Specifically, in the 1980s, the Commission began to actively engage industry and encouraged the involvement of large corporations in Brussels. Links between business and politics, of course, aren't new and were already well-established at national levels. A critical element in the ERT's lobbying success, however, has been its "access to the Brussels bureaucracy". In this period, it was also the European Commission that enthusiastically encouraged the wave of corporate mergers that resulted in corporate concentration. These further facilitated the "disproportionate bargaining powers held by TNCs, and thereby their corporate dominance in political decision-making" (Balanyá et al 2003, 4, 7, 8, 10, 20).

Post-war recovery in major economies resulted in increasing global competition, enabled by unprecedented technological advancements that facilitated the globalization of production processes. These also occurred alongside various crises and declining economic growth, as well as declining profits for large corporations. Efforts to cut costs and maximize profits in the context of being globally competitive became the focus of large corporations, and united big business and politics in various core economies, including several in Europe, as well as at the regional level in Brussels.

While the "explicit goal" of the European Commission's industrial policy of the 1980s was to ensure that large European firms could become "European champions" that could easily contend with US and Japanese competitors, increasing "European industrial competitiveness within the global economy has always been the ERT's main objective". In this context, the ERT was created with "the express intention of reviving the unification process and shaping it to the preferences of European corporations". Joined in their objectives, the ERT has played a major "agenda-setting role" at the regional level in Brussels, "pushing for deregulation, liberalization and other measures to increase the international competitiveness of European industry". These policies are beneficial to transnational corporations as they gain from economies of scale which

allow them to “centralise and automate production, and relocate to regions with lower wages and more relaxed regulations” (Balanyá et al 2003, 5, 9, 20, 26).

The ERT’s distinctive role in the shift in European policy direction to favor big business and economic globalization is most visible in the late 1980s and early 1990s. The ERT, for example, strongly supported the creation of the Single European Market, Trans-European Networks (TENS) for improved inter-European transport, and the 1991 Maastricht Treaty which established the foundation for European Monetary Union. Following the achievement of these objectives, “the ERT has more recently focused on the mainstreaming of complementary policies encouraging competitiveness, public policy benchmarking, and its new buzzword ‘innovation’”. With the end of the Cold War, the ERT also launched a vigorous lobby in support of EU enlargement into Central and Eastern Europe given the attractiveness of these new markets for neoliberal capitalist expansion (Balanyá et al 2003, 19, 26).

The process behind the creation of the Single European Act (SEA) in 1986, which forms the legal basis for the Single European Market, provides a more detailed example of the ERT’s central influence. It also demonstrated the monopoly held by transnational corporate interests in the direction of policy in Europe. Research uncovers that although the European Commission had been seeking to further efforts to remove trade barriers within the Community with proposals it put forward since 1984, “pressure from industrial leaders for the unification of European markets” was a decisive factor in pushing forward the process. Jack Delors, then President of the European Commission, and Lord Cockfield, then European Commissioner, are two of the personalities credited with the coming into being of the SEA. Delors revealed in a 1993 television interview, however, that the ERT was one of the main forces behind the creation of the Single Market. Lord Cockfield “eventually admitted” that the White Paper he prepared, considered to be the basis of the SEA, “was influenced by the ERT’s action plan” (Balanyá et al 2003, 21-22).

ERT Chairman at the time, Wisse Dekker, of Philips, had released an ambitious proposal in 1985 which outlined a five-year plan “to remove barriers, harmonise regulations and abolish fiscal frontiers”. A speech encouraging same made by Jack Delors and Lord Cockfield’s White Paper both bore strong resemblance to Dekker’s plan. The latter was also accompanied by an intensive ERT campaign to lobby governments not initially enthusiastic about such a progressive proposal for deeper integration. The Commission, furthermore, is said to have disregarded other voices in deciding on the SEA, “including critical reports from among their own ranks”, such as the conclusions of the Task Force Report that the Commission itself had ordered, given the Report’s “ominous inventory of possible negative effects” of the SEA. The result was that “the ERT got its free trade zone with 340 million consumers and the Commission saw the relaunch of European integration that it desired”. Once concluded, the ERT’s focus became the “speedy implementation” of the agreement (Balanyá et al 2003, 22).

The rise of transnational corporate power in Europe and the objectives their lobbies aggressively seek to accomplish mirror the broader trend in this regard. Mergers and acquisitions, including cross-border processes, facilitated by neoliberal policies, have concentrated power in the most globally competitive firms (Balanyá et al 2003, 7). As seen in Europe, and as is the case elsewhere, the shift to a neoliberal economic order has been achieved through the actively close

collaboration between big business and politics at all levels – national, regional and, as I will shortly examine more closely, international.

Large corporations, having consolidated considerable market, economic and political power, played a central role in the restructuring of the global economy since the 1970s, utilizing their influence to actively propel the shift to a neoliberal economic order characterized by the deregulation of financial markets, the privatization of public services, greater concentrations of wealth, the easing of business regulations and, consequently, reduced protections for workers and the poor. The interests of the corporations that have become dominant in the neoliberal era - those in the financial and information technology sectors - are those which have come to shape the rules of international trade and direct the content of intergovernmental trade and investment agreements (Cox 2019, 19).

The restructuring of the global economy was supported by political and economic alliances including core capitalist states such as the US, those in the EU, and Japan, “transnational corporations with vested interests in expanding production and financial operations at lower costs, and elites within developing countries with close ties to transnational capital”. Cox (2019) has labelled these collaborative networks of actors - transnational interest blocs (5, 10, 31).

The economic and political alliances between transnational corporations and states, as well as the active involvement of corporate lobbies in advocating the adoption of neoliberal policies, are also evident at the international level. Their close collaboration worked in a similar fashion, for example, in the Uruguay Round of GATT negotiations, which began in 1986 and concluded in 1994 with the establishment of the World Trade Organization (WTO).

Seen at the regional level in Europe, there has also been a significant imbalance between the representation of transnational corporate interests and other interests, including those of civil society, at the international level. Evident during the Uruguay Round of GATT negotiations and in the subsequent operation of the WTO, big business and their lobbies have unparalleled access to high-ranking political decision-makers in this setting, are selected to chair various committees charged with policy-making, and possess unmatched resources that easily fund their vigorous lobbies as well as think tanks.

Just as TNCs played a decisive role in the direction of policy in Europe since the 1980s, the Uruguay Round embodies “many of the demands of transnational capital”, and the “WTO and its international trade regime” thus represents “the most obvious international advocate and agent of the neoliberal international order” (Tabb 2004, 294, 289). William Tabb (2004) explains, for example, that “the redoubled US efforts” for the Uruguay Round to begin “were the result of strenuous lobbying by U.S.-based TNCs, especially in the area of trade in services”. In addition, during this Round of trade talks, “representatives from TNCs chaired and staffed all of the fifteen advisory groups set up by the US administration to develop US negotiating positions”. For these reasons, it is not surprising “that the GATT and WTO favored transnational over national capital interests” resulting in the bias that forms the basis of the system (305, 306).

Similarly in Europe, the European Round Table of Industrialists which consisted of leading European-based TNCs such as Philips, Nestle, Bayer and Unilever, among others, also had

access to the highest levels of government and their technical staff. There was, moreover, coordination of the business agenda by governments at the international level such as at more formal meetings of the World Economic Forum, as well as at gatherings such as the Transatlantic Business Dialogue. Like other main organizations, the membership of the latter comprised CEOs of the largest transnational companies (Tabb 2004, 306).

Tabb explains further that while the WTO considers civil society to be important partners and welcomes their contributions, the majority of accredited civil society organizations have been business interests. One reason given for the massive street demonstrations at WTO meetings was the exclusion of trade unions and NGOs from those discussions, while business associations and individual firms were “routinely major influences in global governance”. For example, at WTO Ministerial meetings in Geneva, Singapore and Seattle, the “most influential non-governmental actors were corporate lobbyist – advisers”, whereas grassroots organizations that oppose the neoliberal agenda “have had no direct entry to the WTO” (Tabb 2004, 305-306).

Major international financial institutions essentially forced the adoption of structural adjustment measures throughout the developing world since the debt crisis in the 1980s and 1990s, which led to the widespread implementation of free market policies. The World Trade Organization, however, “extended and standardized the neoliberal system across the global south in one fell swoop” (Hickel 2018, 177). The WTO expanded the definition of trade from the exchange of goods to include several new areas, principally the trade in services, intellectual property rights and investment measures. Additionally, it instituted a more stringent dispute resolution mechanism. These developments resulted in a strong imbalance in the new rules of international trade in favor of the most powerful transnational corporate interests tied to core capitalist states.

With the establishment of the WTO, developing countries lost much of the special treatment they had succeeded in obtaining under the GATT, as well as the flexibility that the latter had facilitated. Developing countries really had no choice but to accept the agreement even though such a decision was technically optional. After more than a decade of structural adjustment, their economies were even more dependent on Western markets for survival. Countries of the global south consequently subscribed, notwithstanding the fact that it represented the opposite of what they needed for meaningful and sustainable development (Hickel 2018, 177).

The impact of major factors such as capitalist globalization, increased transnational corporate power, the shift to a neoliberal economic order, and the debt crisis is seen in the evolution of the Lomé conventions. Lomé I was essentially concluded at a time in which neoliberal ideology began to come into direct conflict with Keynesian socio-economic theories. Although the global economy had been transforming in parallel, the early 1970s was characterized by the continuation of decolonization efforts, the concern of colonial powers about future relations with their colonies and former colonies, and increasing solidarity among developing countries as well as their desire to have their concerns addressed.

The year 1961, for example, saw the creation of the Non-Aligned Movement (NAM) whose members supported self-determination and, thus, were opposed to colonialism and imperialism. In 1964, the United Nations Conference on Trade and Development (UNCTAD) was established, as well as the Group of 77 (G77) at the end of UNCTAD’s first session. UNCTAD became a

forum utilized by the G77 to advocate a New International Economic Order that addressed the gross inequity in the contemporary system (Tabb 2004, 293).

In 1971, under the GATT, a Generalized System of Preferences (GSP) was instituted which allowed preferential treatment for goods from developing countries, thereby according special and differential treatment to developing countries within the world trading system (Tabb 2004, 293; GATT 1971, 1). In addition, ACP states were still important sources of primary commodities for Europe, as well as markets for European manufactured goods. The oil crisis was credited with creating the fear that the same fate could befall other commodities of importance to Europe such as sugar, uranium, coffee and cocoa (Montana 2003, 72, 84). A combination of these factors gave ACP states the strongest bargaining position it seemed to ever have in negotiating with Europe, notwithstanding that the final agreement was not as generous as it may have appeared to be.

The Lomé regime was rooted in the long history of relations between Europe and ACP states although it officially began at the end of the period of formal colonization in which certain colonial powers, such as France and later Britain, wished to maintain their imperial economic system in the post-war era (Murray-Evans 2019, 42). It was, additionally, based on an understanding of development that acknowledged that developing countries required special treatment to facilitate their advancement.

Lomé I (1975) and Lomé II (1980), which were largely similar, included some elements that were consistent with the ascendancy of neoliberal ideology. A more pronounced shift, however, was seen in later Lomé Conventions. Earlier agreements, for example, did include references to liberalizing capital flows to allow foreign investments to move capital into markets with fewer restrictions (Lomé I), and to facilitating the conditions necessary to deregulate local economies in order to incentivize the profitable relocation of foreign capital (Lomé II). These initial iterations of the agreement, nonetheless, still largely reflected the understanding of international trade in the earlier postwar period which entailed the exchange of goods, securing greater market access for the latter, and reducing trade barriers such as tariffs and restrictions in quotas.

As developments progressed globally (increased capitalist competition, the globalization of production and the rise of transnational corporate power), within Europe (rise of transnational corporate power in Europe and deepening European integration) and internationally (the Uruguay Round, and the use of the debt crisis by IFIs to enforce structural adjustment policies throughout the global south), the focus in later Lomé Conventions expanded from a concentration on trade in goods (primary commodities/raw materials, and manufactured products) to a wider range of activities, including services and investment promotion and protection. The agreements, then, already began to shift from trade to trade and investment-type treaties before the post-Lomé era of drastic change. In addition, the disbursement of aid becomes more conditional, even then signaling a change in European priorities and in their approach to development (assistance).

With specific regard to services, for example, while there was a subtle change in Lomé II which makes the reference more ambiguous (Title IX), provisions on services in these earlier conventions were generally in the context of cooperation. They largely referred to remuneration

for various types of professional services, and to non-discrimination against nationals, companies or firms of parties to the agreements in the provision of same. Lomé III (1985), significantly, began to prioritize the development of services in cooperation between the two parties, included services not previously mentioned such as shipping, as well as included more detailed provisions on specific services such as those related to tourism.

By Lomé IV (1990), there was an unambiguous expansion of the definition of trade to include services, linking sectors not so explicitly tied to trade in earlier conventions such as transportation, communications, and tourism. This occurred, then, even before the conclusion of the Uruguay Round. The evolution of Lomé corresponded with broader contemporary trends at the global level that sought to expand trade into new areas for capital accumulation, primarily areas of importance to transnational corporate interests.

In later Lomé conventions, there were also several additional developments that coincided with those taking place globally. For example, by Lomé III, there was emphasis on private investment (mentioned only briefly in Lomé II and not at all in Lomé I), developing the private sector (mentioned once in Lomé II and not at all in Lomé I), investment protection (not explicitly mentioned in earlier conventions at all), the market, and policies that promoted market freedom and financialization. There was, in addition, stronger language on subcontracting arrangements that facilitated the incorporation of ACP states into global value chains, even though the references reflected an early stage in the promotion of same.

By Lomé IV, moreover, aid became more conditional, just when developing countries were in the midst of a debt crisis. For example, there was an entirely new section on ‘Debt and Structural Adjustment Support’ reflecting European endorsement of the move by international financial institutions to attach financial assistance to the adoption of such policies in support of neoliberal objectives throughout the global south. These provisions appeared alongside references to respecting the right of ACP states to determine their own development strategies and priorities. This rhetoric, which feigned respect for ACP sovereignty became almost, if not entirely, meaningless, when juxtaposed with measures to support structural adjustment since this very approach removes that right by prescribing a set of policies that must be followed in exchange for financial relief and support, usually to the detriment of the economic growth and development of ACP states.

There is evidence, then, of the progressive neoliberalization of Lomé-era agreements between Europe and ACP states between 1975 and 1995. These reflected developments occurring within Europe and globally that supported the interests of transnational capital such as greater liberalization and trade expansion, deregulation, privatization, and investment protection. Although there was movement in this direction, however, the Lomé conventions stop short of the dramatic changes that occurred in the post-Lomé framework for engagement between Europe and ACP states.

Corporate Power and The Post-Lomé Framework for Europe-ACP Engagement

The post-Lomé framework for engagement enshrined in the Cotonou Agreement of 2000 and in the CARIFORUM-EU EPA of 2008 is consistent with the pattern of transnational corporate pursuits within Europe and globally.⁵ This new era followed a period of corporate power consolidation, a transition to a TNC-influenced neoliberal economic order as the dominant paradigm globally, the debt crisis in the global south and the use of same by international financial institutions to enforce the adoption of neoliberal policies throughout the developing world, the continued deepening of EU integration and expansion, including following the end of the Cold War, and Europe's changing priorities in line with those of transnational corporate interests – primarily a focus on competitiveness, accumulation and facilitative policies in this regard.

So, how did these factors influence the post-Lomé framework for engagement? The literature on the subject of Europe-ACP relations converges on two direct triggers that, against the backdrop of all of the above, propelled the dismantling of Lomé-era terms of engagement in favor of a relationship in which neoliberal policies formed the rigid base – evolving policy norms within the EU, and the wider trajectory of the international trade regime towards ever deepening trade liberalization, and in which rules became more enforceable (Murray-Evans 2019, 9).

Murray-Evans (2019) explains in useful detail how the parallel evolution of the long history of relations between Western Europe and ACP states, and international trade rules, particularly those on special and differential treatment (SDT) and dispute resolution as enshrined in the GATT and subsequently the WTO, influenced the movement toward and the outcome of the Cotonou Agreement. This author argues that these factors provided the institutional context that facilitated the possibility of reforming the Lomé regime which began in the 1990s. Until that point, the relationship between Europe and ACP countries evolved alongside GATT rules on SDT, at times responding to similar pressures to accommodate the needs of developing states, but “driven by divergent priorities and imperatives”, which brought these two components of the existing trade regime into conflict before their later alignment (Murray-Evans 2019, 40).

In 1993, the European Union launched its Single Market. In addition to facilitating the free movement of people, goods, services and money within Europe (European Union 2022), the completion of the Single Market resulted in the establishment of a single set of EU import rules. The latter, in combination with “the increased legislation and enforceability of multilateral trade rules on SDT as a result of the launch of the WTO in 1995” created a situation in which the special relationship between Europe and ACP states based on non-reciprocal preferential treatment was finally challenged, specifically, the EU's banana regime and “by extension the unilateral preferences that it provided to ACP countries under Lomé” (Murray Evans 2019, 40).

These challenges in the WTO directly prompted the reform of the Lomé -era relationship between Europe and ACP states. They also presented European policymakers already weary of Lomé -era trade policies with a timely and convenient opportunity to advocate for changes that would open ACP markets. In this regard, these actors argued emphatically that committing to reciprocal trade liberalization was the only way to maintain the relationship while respecting

⁵ In this last section of this article, it should be noted that when I speak of the EPA, I will speak mainly to the CARIFORUM-EU EPA given that it is the focus of this study. The same conclusions may not apply in the cases of EPAs concluded with other ACP sub-regions. For a detailed discussion on why this is, see Murray-Evans (2019).

international trade rules. This argument was based on a “strict and legalistic interpretation of GATT/WTO rules that were, in reality, a great deal more ambiguous than EU policymakers claimed”. Nonetheless, that same ambiguity made it difficult for those opposing the European Commission’s approach (including various EU Member States and the European Parliament) to put forward concrete counterproposals that appeared to be similarly supported by international law (Murray-Evans 2019, 40, 41, 58).

Approaches to development prior to the establishment of the WTO, whether bilaterally between Europe and ACP states or in the context of the GATT, reflected the thinking advocated via UNCTAD by newly independent developing countries in the 1960s and 1970s - that due to their disadvantaged position in international trade, they were not obliged to provide reciprocal preferences to advanced economies. In addition, developing countries were eligible to receive special and differential treatment (SDT) under GATT in the form of exemptions from GATT rules, such as to facilitate protection of their infant industries. While this was a more informal, non-binding undertaking since 1971, special and differential treatment was enshrined in the GATT in 1979 (Montoute and Virk 2017, 15-16).

Lomé Conventions, especially earlier agreements, reflected this ‘structuralist’ understanding of development and various elements of the New International Economic Order that underpinned them. The preamble of Lomé I, for example, acknowledged the existence of structural barriers to development and pledged to work on establishing a new archetype for relations between developed and developing countries that addressed the imbalances in the existing economic order. In this context, many developing countries were able to pursue their own industrialization policies with little to no encroachment on their policy space. With the growing emphasis on neoliberalism since the 1980s, however, there was a shift away from this structuralist understanding to a rejection of same. Skepticism grew with regard to the ability of SDT in the form of non-reciprocity and preferences to facilitate development. Instead, the idea that development failures were an endogenous problem caused by inefficiencies at national levels emerged as the dominant perspective (Murray-Evans 2019, 45, 49).

It should be noted that the European approach to development as enshrined in Lomé-era conventions always appeared to be in contravention of GATT rules, specifically GATT Article XXIV and the 1979 Enabling Clause. Article XXIV provided an exemption to the principle of non-discrimination permitting countries to form customs unions or free trade areas in which substantially all trade was liberalized and in which parties to the agreement received preferential treatment. The 1979 Enabling Clause allowed for more favorable treatment to be provided to developing countries universally, the only sub-category among them eligible for more special treatment being Least Developed Countries (LDCs). Having provided non-reciprocal preferential treatment to a sub-group of developing countries that were not all LDCs, the Lomé Conventions were not in conformity with these criteria. Despite a GATT ruling in the early 1990s that recognized this, “the permissive nature of the GATT legal system meant that the latter went unchallenged for an extended period” (Murray-Evans 2019, 47).

The establishment of the WTO cemented a shift away from the structuralist understanding of development and SDT which permitted non-reciprocity in favor of developing countries, to a neoliberal approach which emphasized non-discriminatory liberalization for everyone. Under the

WTO, developing countries were made to follow the same rules as advanced economies. SDT under the WTO now involved “technical assistance and transition periods designed to facilitate the gradual integration of developing countries into the global economy rather than allowing them to avoid integration altogether” (Murray-Evan 2019, 50). Furthermore, while the Lomé Conventions legally codified an approach to development that reflected a structuralist perspective, SDT provisions as reformed in the context of the WTO, (just as under the GATT pre-WTO), “are largely non-binding, and the nature and extent of the concession to be made are at the discretion of the industrialised countries” (Murray-Evans 2019, 47; Montoute and Virk 2017, 16).

The new Dispute Settlement Understanding (DSU) which came into effect under the WTO strengthened the dispute settlement process and made blocking legal challenges much more difficult. Practices that had developed under GATT’s ambiguous rules, including “schemes like Lomé”, were now significantly more likely to be successfully challenged based on WTO rules (Murray-Evans 2019, 50). The challenge to the EU’s Single Market banana regime within the WTO by states that claimed that it violated the principle of non-discrimination, which resulted in the infamous ‘banana wars’,⁶ however, ultimately coincided with an alignment between the EU’s interests and the direction of multilateral trade.

While there had been a disconnect between EEC trade and development policy and multilateral trade rules in the era of Lomé, from the 1990s, “any remaining commitment within the European Commission to the ideas that had underpinned Lomé was disappearing”. These Conventions also increasingly came into conflict with other areas of EU foreign policy. During the 1990s, “EU’s primary external trade policy was the pursuit of further multilateral trade liberalization, particularly with regard to new generation trade issues such as competition, investment, intellectual property rights and technical barriers to trade” as it sought to “build a multilateral trade system based on the set of trade and trade-related rules that governed Europe itself, and with the EU at its center”. A re-thinking of the Lomé-era approach to its relationship with ACP states therefore began before the end of the Uruguay Round and any challenges that arose within the WTO. (Murray Evans 2019, 50-51).⁷

Although states are at the forefront of international affairs, state-centric analyses of neoliberalism, European integration, the WTO, the proliferation of preferential trade agreements and Europe-ACP relations obscure the dominant influence of transnational corporations that collaborate closely with state and non-state representatives. The previous section established the

⁶ Following the creation of the WTO, Lomé-era privileges came under severe threat, particularly the mainstay of four Windward Islands in the Caribbean - bananas. In 1996, the US, together with Mexico, Guatemala, Costa Rica and Ecuador filed a complaint with the WTO that Lomé’s Banana Protocol unfairly discriminated against Latin American banana producers (which included US MNCs), and should be discontinued. Although the regime was amended as a result, it was still deemed unacceptable by both the US and the WTO in 1999, and led to further amendments by the EU in order to conform to WTO rules. The liberalization of trade in agricultural products was a severe threat to Caribbean economies at the time given their heavy dependence on the export of this specific crop as well as on Lomé preferential treatment, without which the industry could not survive (Ahmed 2001, 2-3). A waiver was obtained for continuation of Lomé preferences from 2000-2007, after which time the EU and the Caribbean were expected to conclude an agreement that conformed to WTO-rules. Ultimately, both the sugar and banana industries, central to Caribbean economies, were destroyed.

⁷ Murray-Evans (2019) has cited a number of different authors in connection with these points, namely Woolcock (1999), Elsig (2007), Evenett (2007) and Barker (2012).

deepening ties between transnational corporate interests and the European Commission since the 1980s, and their unmistakable and assertive presence at national and regional levels in Europe, and at the international level such as at the Uruguay Round and the WTO. Transnational corporate interests are also central to the negotiation of preferential trade agreements (PTAs). The negotiation of PTAs also reflects the operation of transnational interest blocs.

The EPAs can be understood as part of this wider trend towards the turn of the century “in which major trade powers such as the EU and US increasingly sought deep and comprehensive trade liberalization via PTAs, often with developing countries”. As the Doha Development Agenda suffered numerous setbacks and the pursuit of deeper liberalization stalled in the multilateral arena, developed countries increasingly pursued these objectives via the negotiation of PTAs. The dominant framing of the rationale for this, referred to as forum shifting, is that more powerful states are able to apply power asymmetries when in negotiations with weaker partners to achieve their aims. While some argue that this theorization does not always entirely explain the outcome of PTA negotiations, the dominant narrative does largely appear to fit the bill with regard to the CARIFORUM-EU EPA (Murray-Evans 2019, 15, 40).

The US, for example, “pursued such agreements from as early as 2000 as part of a strategy of ‘competitive liberalisation’... aimed” at using “a combination of bilateral, regional and multilateral negotiations to induce the opening of foreign markets to US exports and the external adoption of US-style economic regulations” (Evernett and Meier 2008, cited in Murray-Evans 2019, 18). While a widely referenced 1996 European Commission Green Paper and other EU documents in the 1990s informed the agenda and outcome of the Cotonou Agreement of 2000, the EU had issued a moratorium on the conclusion of new PTAs during the initial phase of the Doha Development Round. Given the deadlock that obtained at the international level, however, “the EU abandoned this strategy and from 2006 adopted a policy dubbed ‘Global Europe’, under which it sought PTAs” with several countries and regions, following which it also concluded the CARIFORUM-EU EPA (Murray-Evans 2019, 18).

Since the creation of the WTO, bilateral and regional trade agreements have evolved to incorporate provisions in new areas that secure greater protection for investments by encroaching on the domestic policies of formally sovereign states. Dani Rodrik (2018), for example, explains that with regard to bilateral and regional trade agreements, “[b]usiness is rarely far from the actual negotiation” and that it is in fact “commonplace for business lobbyists to wait just outside the negotiation room and influence the outcome in real time” (84). Rodrik (2018) explains further that their significant influence in the expansion of trade into new areas within these agreements is “rarely exercised through the naked application of power”, but rather by persuading policymakers and the wider public that their goals advance public interests (85).

Business interests influence negotiation processes as members of various trade advisory groups that are established for the purpose of negotiations, and business lobbies sometimes form a larger part of national delegations than official government representatives. Governments also come to rely on the knowledge and expertise of business lobbies to negotiate these “complex regulatory changes”, as the latter help to define various issues as well as garner additional support from other transnationally oriented business groups. This accordingly results in the formation of close partnerships between business lobbies and governments in the negotiation of bilateral and

regional trade agreements. In addition to exchanging votes and providing funding to lobby against regulations, firms “offer expertise and political support in exchange for access to the elaboration of specific stakes” (Woll and Artigas 2007, cited in Rodrik 2018, 86).

The widely cited negotiation of the North American Free Trade Agreement (NAFTA) involving the United States, Canada and Mexico provides an illustrative example. Membership of the US Business Roundtable overlapped with the membership of the US Trade and Advisory Committee which was responsible for negotiating the specifics of the agreement. The corporate sectors most engaged in the restructuring of production on a global scale, such as those tied to “industrial and consumer electronics, telecommunications, pharmaceuticals, computers, agribusiness, auto manufacturers and the most globally competitive textile and apparel manufactures” were most disproportionately represented in the negotiation process (Cox 2019, 32). Although trade advisory committees in principle include a broad range of stakeholders, in reality “business representatives and trade associations are by far the dominant group” (Rodrik 2018, 87).

The Cotonou Agreement signed in Cotonou in 2000, which replaced Lomé as the new basis for relations between the European Union (EU) and ACP states reflects “to a large extent the agenda set out by the European Commission in a series of papers and negotiating mandates in the lead up to 2000” (Murray-Evans 2019, 40). It was also of fundamental importance to the negotiation of the EPAs as it established the goals, principles, and scope of those agreements (Bernal 2013, 30). The post-Lomé framework for cooperation between the EU and ACP states (specifically the Cotonou Agreement and the CARIFORUM-EU EPA) appears to be consistent with the objectives that the European Commission and by extension the TNCs that strongly influenced EU policy sought to achieve in the context of those agreements. The post-Lomé framework represents a dramatic shift from the Lomé era of preferential trade in several ways.

First, the Cotonou Agreement signaled the end of the non-reciprocal preferential treatment accorded to the ACP group of states under the Lomé regime. In this context, the Agreement committed ACP states to negotiating with the EU separate regional Economic Partnership Agreements that were compatible with the rules of international trade as updated and institutionalized in the WTO. To negotiate the EPAs, the ACP, previously treated as a single bloc, was split into 6 separate regions as designated by the EU (later 7 regions).

Negotiating EPAs with ACP sub-regions reflected the EU’s “growing focus on interregional relations with developing countries and on its own role as a model” for both cooperation and regional integration (Murray-Evans 2019, 54). While support for ACP regional cooperation was always part of the Europe-ACP framework for engagement, the strengthened emphasis also represented a movement away from the idea of ‘closed’ to ‘open’ regionalism, that is, the replacement of protectionist trade policies with regional integration schemes that “could serve as building blocks for an open, liberal, multilateral trading system” under the WTO, that would be ‘open’ meaning “non-discriminatory to outsiders and based on liberalisation of “substantially all trade”” (Montoute and Virk 2017, 14).

Second, the Cotonou Agreement also differentiated ACP states into Least Developed Countries (LDCs) and non-LDCs, enabling the former to retain Lomé-era privileges under the Everything But Arms (EBA) initiative, which allowed virtually all LDC goods non-reciprocal duty-free

access to EU markets. Special treatment of LDCs is WTO-sanctioned. The division of the ACP into sub-regional groups by the EU as well as the treatment extended only to LDCs, however, resulted in tensions in the negotiation of the EPAs given that LDCs were included in each sub-regional group required to conclude an EPA with the EU, while at the same time allowed to continue engagement with the EU under the terms of the previous trade and cooperation regime (Flint 2009, 87).

Third, differentiation also featured with regard to the EU's approach to development cooperation, including the availability of aid, under the Cotonou Agreement. Aid was, in principle, previously available to all ACP states. The EU approach to cooperation under the new arrangement, in contrast, takes into account the levels of development, needs, performance and long-term development strategies of ACP states as outlined in Article 2 of the Cotonou Agreement (Arts 2003, 99-100). Under these terms, the EU chose to be much more selective in its use of resources in ACP states (Gerrick 2004, 140).

Fourth, in addition to central governments, the actors involved in EU-ACP engagement were widened to include non-state actors such as local and regional authorities, civil society, and the private sector. According to Regina Gerrick's (2004) assessment, the private sector appeared to receive the most attention within the expanded group of actors evident, for example, in their ability to access funds through the European Investment Bank (EIB) without state guarantees (140).

The CARIFORUM-EU EPA, which came into force in 2008, was the only comprehensive agreement concluded between the EU and a regional grouping of ACP states before the expiration of the 2007 deadline for the completion of said negotiations, and remains the only comprehensive EU-ACP EPA to date. The EPA focuses on cooperation in the context of the expanded trade agenda, and is a permanent agreement, although there are provisions for negotiating amendments as deemed necessary. The EU-CARIFORUM EPA is distinguished from the Lomé-era of non-reciprocal preferential trade in that it is deemed to be WTO-compatible.

The WTO-compatibility of the EPA is based on reciprocal preferential trade between the two blocs of contracting parties within a Free Trade Area, and it no longer discriminates among developing countries in ways not permitted by the rules of international trade. More special treatment is now only accorded to ACP as well as non-ACP Least Developed Countries (LDCs), which is consistent with current international trade rules. The kind of preferential treatment accorded by the special Protocols on bananas, sugar, rum and beef and veal under Lomé came to an end, following successful challenges to some of these by WTO member states, along with the schemes dedicated to the stabilization of export earnings on specific agricultural and mining products of ACP states.

The EPA expands the coverage of trade cooperation to include detailed coverage of trade in services, as well as other new areas such as intellectual property and trade-related investment measures, in keeping with developments at the international level. Also notable in this context is that the EPA contains WTO-plus provisions that are more detailed and extensive than the agreements reached internationally. It even includes provisions on issues that were rejected at the

international level, namely, investment, competition, and government procurement, commonly referred to as the “Singapore Issues” (Girvan 2009, 100). In addition, the EPA established a dispute settlement mechanism that operates independently to that provided for in the context of the WTO.

Conclusion

The Cotonou Agreement of 2000 and the CARIFORUM-EU EPA of 2008 represented a dramatic departure from the Lomé era of engagement between Europe and ACP states. While Lomé agreements progressively reflected a more neoliberal approach in keeping with developments within Europe and globally, particularly in the 1990s, they stopped short of the provisions that characterized post-Lomé agreements. The establishment of the WTO in 1995 significantly expanded the definition of trade to include such new areas as the trade in services, intellectual property and investment measures which feature in preferential trade agreements such as the CARIFORUM-EU EPA. These agreements even include provisions that go beyond that reached at the international level on these new generation trade issues.

In the post-Lomé era, the focus of trade cooperation shifted from a focus on goods and on the reduction or elimination of tariff and non-tariff barriers at state borders to “behind the border” issues that affect the domestic policies of states. Transnational corporate interests, in collaboration with state and non-state actors in the context of transnational interest blocs were also seen to be central to influential transitions to neoliberalism, to expanded rules of international trade and to the shift in orientation of bilateral and regional trade agreements to include new generation issues, including those rejected at the international level. There is, as a result, currently less of a distinction between trade and investment treaties, as trade agreements now include significant investment protection provisions that represent the interests of the most dominant transnational corporate interests.

This article has demonstrated a connection between transnational corporate interests, the neoliberalization of Lomé agreements, and the post-Lomé era of EU-ACP engagement, specifically the agenda and outcome of the Cotonou Agreement and the CARIFORUM-EU EPA. This is an aspect typically underexamined in state centric analyses of same. Much space exists for further research on the Caribbean region, and for ongoing study of the CARIFORUM-EU EPA even more particularly. It is hoped that this article can contribute to further investigation of the pattern of TNC pursuits in the context of the CARIFORUM-EU EPA in order to better understand the extent to and ways in which they were involved in that agenda and outcome, whether directly or more indirectly given the structures already well in place by the start of those negotiations.

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