

The View from Europe
By David Jessop

Will Caribbean rethink its EU relationship?

Last week, St Lucia's Prime Minister, Kenny Anthony, issued a warning about Europe's future relationship with the Caribbean.

Speaking in his capacity as outgoing Chair of CARICOM, he suggested the possibility of a reassessment as a result of the EU's changing development policy towards middle ranking economies.

Speaking to CARICOM Heads Government in Haiti, Dr Anthony suggested that such changes may lead to Europe, as well as CARICOM, having to determine not just the diplomatic, but also the political value of the existing relationship. His remarks echoed those of St Vincent's Prime Minister, Ralph Gonslaves, at the EU-CELAC summit in Chile, who reminded Europe that the relationship between the EU and CARIFORUM was not just economic but 'profoundly political'.

Europe's approach to development after 2014 will, in effect, graduate almost all Caribbean nations other than Haiti out of bilateral development assistance. Although other options have been considered in Brussels, these would involve applying a formula that would reduce the amounts available to individual nations in the Caribbean and parts of Africa to an absurdly low level.

The new policy is intended to place the future development emphasis on the world's poorest nations; move most development assistance for the Caribbean, other than Haiti, from national to regional support; and place its focus on issues such as private sector development, the environment, security and other cross cutting themes, using, most probably, delivery vehicles other than CARIFORUM.

Speaking about what has, in recent months, become a focus of attention for Caribbean Ministers and diplomats, Dr Anthony said that the proposal by the EU to introduce the concept of 'differentiation' to determine support for ACP Countries could not have come at a worse time for Caribbean economies. They were caught, he suggested, in the most debilitating economic crisis since independence. Europe, he said, has made it clear that they may refine the principle, but they will not retreat from implementation.

Dr Anthony also made the point that the relationship with Europe was becoming even more one sided, with the EU, as he put it, 'seemingly having its way at every turn, on every occasion'.

In truth, Europe's latest unilateral policy change is just one of countless examples over many years of the European Commission taking policy decisions irrespective of the spirit or word of its treaties with the ACP and the Caribbean, or the need to consult.

From 1997 on, when the EC unilaterally abrogated the Caribbean's preferential arrangements for rum, it has in effect been marginalising the once special relationship through its actions on trade.

The list of policy announcements that have changed the relationship is extensive: the premature liberalisation of the preferential arrangements for rum, bananas, sugar and rice; the refocusing of

the EU's development priorities; granting all least developed countries duty and quota free access in 2001 when the ink was still drying on new preferential arrangements under the Cotonou Convention; the erosion of ACP preference through the further widening of access to the EU market; the effective division of the ACP through the creation of separate regional EPA agreements; threats to impose the Generalised scheme of preferences (GSP) if the Caribbean did not sign the EPA; the absence of any significant level of new development assistance associated with the EPA; the negotiation of free trade agreements with Central American, Andean, and other nations; and now the move to end bilateral development assistance.

The St Lucia Prime Minister's remarks have taken a long time coming but go to the heart of the Caribbean's future relationship with Europe. If nothing special is left, then the relationship will become transactional.

Despite much residual goodwill from those who work with the region in Brussels, they are a minority. Few people in the European Commission know or really care about the Caribbean. For the many in Brussels who make or introduce policy towards other parts of the world, there is little awareness of the detail of the painstakingly negotiated treaties or transitional trade arrangements that the Caribbean and the ACP have laboured over. Instead, the closeness has been lost and those from European nations with no historic ties pick apart the words and diminish their original intent.

What is clear is that a Europe of twenty seven nations now sees the world very differently to the former colonising powers, whose outlook too has changed. Instead of a mutual belief in interdependence and a shared economic and political history, and despite the recently agreed Joint Caribbean EU Partnership Strategy, the Caribbean has become for most in Europe relevant only in relation to security, its political voting weight in multilateral institutions, and immigration.

As a consequence there is little likelihood of a change in Europe's approach to differentiation.

To make matters worse, the signs are that all development assistance will suffer following an agreement to reduce Europe's overall budget.

In early February EU leaders agreed to cut Europe's budget for the first time in the Union's history. One by-product is that the 2014-2020 development budget will be significantly reduced with cuts to the European Development Fund (EDF) of 10.1 per cent for the Development Cooperation Instrument (DCI) by around 16 per cent.

What this is likely to mean, if the European Parliament accepts the reduced EU budget, which is far from certain, is that the countries and regions that will feel this most will be middle ranking economies such as those in the Caribbean.

If the region is to respond politically, as the two Prime Ministers imply, then it needs to be clear as to how it is going to do so. It needs to start to frame the language of a relationship that is different. It needs to determine when and where it will withhold votes or support and consider how best to rebalance its future needs through support from newer partners.

None of this should be taken as meaning the Caribbean is blameless in its relationship with Europe, but rather to say that Europe and the Caribbean may be reaching the point at which their common history may start to diverge.

As Sir Ron Sanders pointed out in a recent lecture in London on the Commonwealth and China, much of the value in relationships comes down to shared values and behaviour. If in a Caribbean context,

Europe, and in particular its bureaucrats in Brussels, are unable to demonstrate in practical terms that they wish to engage with and support the Caribbean, the region will go elsewhere, learn metaphorically and actually a new language, and the EU's Caribbean policy will, over time, become an irrelevance.

David Jessop is the Director of the Caribbean Council and can be contacted at

david.jessop@caribbean-council.org

Previous columns can be found at www.caribbean-council.org

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