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Managing Neo-liberalisation Through the Sustainable Development Agenda: The EU-ACP Trade Relationship and World Market Expansion

Abstract

The EU suggests that it is committed to ‘sustainable development’ including through its institutionalized relationship with the states of the African, Caribbean and Pacific group of states in the Cotonou Partnership Agreement. This paper reviews this relationship with a view to outlining the way in which concepts like ‘sustainable development’ and ‘poverty reduction’ act as legitimation for processes of world market expansion. The paper reviews a range of interpretations of this relationship which view it either from a constructivist or material – Uneven and Combined Development perspective. We critique these interpretations and provide an alternative materialist reading.

Keywords: Sustainable Development; World Market; Cotonou; Constructivism; Historical Materialism.

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Introduction

This paper seeks to locate the EU's Sustainable Development Agenda, and its position within the 'post-2015 Consensus' within an analysis of neo-liberalisation of EU external relations. We argue that a specific focus on the EU's relationship with the African, Caribbean and Pacific (ACP) group exemplifies a multi-scalar project of neo-liberalisation, in which the discourse of sustainability is married to mechanisms that seek to manage the process of world market expansion within state-society complexes throughout the Global South and, simultaneously, the EU. In doing so we explore the range of alternative readings of the EU-ACP relationships and the wider literature on EU external trade.

The contribution of the paper is two-fold. We seek to place the EU-ACP relationship in a wider analysis of 'sustainable development', in line with the theme of this special issue, where sustainable development is located in a wider critical analysis of its relation to neo-liberalisation. Second, we offer a novel interpretation of EU-ACP trade liberalisation which acknowledges the contributions of the major interpretations of the relationship from realist, constructivist, neo-Gramscian and Uneven and Combined Development (U&CD) perspectives. However, by contrast, our interpretation rests on the location of these contributions in a wider understanding of world market expansion, and the politics of generalised competitiveness that is associated with this. The originality of our approach is to suggest in relation to realists, neo-Gramscians and promoters of U&CD, that the EU-ACP trade relationship should not be read merely as the EU securing competitiveness relative to the ACP. Our contribution relative to constructivists is to acknowledge the role of ideas but to suggest that these are important only in as much as they arise from material processes and have material affects, in this case, principally world market expansion and *generalised* competitiveness. The significant implications of this are wide ranging and discussed briefly in the conclusion, but are of importance to those wanting to contest what they see as the damaging social, political and economic effects of trade liberalisation in *both* ACP and EU societies. The discussion is therefore based on an interpretation of policy documents and a critique of the relevant secondary literature.

The paper proceeds in four main parts. The first explores the EU's Sustainable Development Agenda and the centrality afforded to market-led strategies and in particular trade

liberalization. The second documents the evolution of the EU-ACP relationship in the form of the Cotonou Partnership Agreement (CPA). The third explores the links between sustainable development and the Cotonou Partnership Agreement and the fourth examines a range of explanations for this relationship, identifying their weaknesses and advancing our own interpretation.

The EU's sustainability agenda

The EU has a long-standing policy commitment to 'sustainable development' running as far back as the 1997 Treaty of Amsterdam, Article 1 of which committed the EU and its member states to 'promote economic and social progress...taking account of the principle of sustainable development and within the context of the accomplishment of the internal market and of reinforced cohesion and environmental protection and... ensuring that advances in economic integration are accompanied by parallel progress in other fields'. It was also central to the much vaunted, if failed, Lisbon Strategy¹ and the current Europe 2020 strategy for sustainable and inclusive growth,² and more recently still to the EU's engagement with the UN's renegotiation of the Millennium Development Goals into the Sustainable Development Goals.³ A full review of these strategies is neither possible or necessary here; we offer instead just a brief identification of the six key features of the EU's engagement with sustainable development as a general objective throughout this period, and which, we argue, are broadly reflected in its relationship with the ACP. Beyond the long-standing nature of this commitment, the further five features are:

1. The commitment to securing sustainable development has long been seen as central to the *EU's external relations* with other states, and in particular with developing countries⁴.
2. The commitment to sustainable development is pursued *in partnership with a range of inter-connected international organisations*, including the Bretton Woods organisations, the WTO, the OECD and the UN⁵. The EU's institutional relations with the ACP group; partly a legacy product of formal 16th-19th Century imperialism, offers the EU an important strategic role in this partnership.
3. Through these external relations with ACP states and partnerships with international organisations, as well as its own internal reform processes, the EU's commitment to sustainable development is *universal*; being applicable to all societies at all development levels, characterised by 'shared responsibility, mutual accountability and

engagement by all'. Such universality is then inherently multi-scalar, linking local communities to the national, macro-regional and global levels.

4. The approach taken to *sustainable development is market based* and predicated on 'Private Sector Development'. The central thrust of sustainable development is to create and secure the conditions for increased trade, investment and economic growth.⁶
5. Sustainable development then is about the *promotion of world market expansion*, both intensively (market deepening) and extensively (market broadening), and within both the EU and the wider world. The promotion of world market expansion then requires trade liberalisation externally and internally, and domestic policy reform to secure generalised conditions of competitiveness and to cope with the domestic effects of this.

As other authors point out, this way of framing of 'sustainable development' as a continuation of pre-existing economic growth strategies is contradictory⁷ or a wholly neo-liberal construct.⁸ As Wanner⁹ notes, when arguing in similar terms about the current popularity of 'green growth' as an extension of sustainable development, what is actually being sustained is a process of neo-liberalisation. Of course this sort of analysis might easily be seen to support the notion that politically mobilised concepts such as sustainable development – and add to that 'inclusive growth', 'poverty reduction' – are powerful in and of themselves. Through showing the connection between the sustainable development understanding of EU external relations and the EU-ACP relationship we wish to show that ideas like this are significant, but only in as much as they are located in, and shape, material processes. As such, we argue that sustainable development as carried through the EU-ACP relationship, should be read as a component of the material process of world market expansion. The need to frame such a material project in more amenable terms – such as sustainable development – may always be present but is particularly acute at a time when the risks to world market expansion, from environmental degradation, natural disasters and socio-political tensions associated with poverty and inequality, are most apparent.¹⁰ It is in this context that the EU-ACP relationship can be viewed. It represents the longest –standing development cooperation between the EU and countries in the Global South and has come under continual pressure for liberalisation, particularly from the 1990s onwards. Those pressures are now framed as being in line with broader 'sustainable development' commitments.

Attempts to engender 'sustainable development' and secure trade liberalisation however are often not successful as blanket policies or through one-size-fits-all institutions. Classic

examples here are the substantively stalled WTO world trade negotiations or the failure of structural adjustment policies in the 1980s/90s. Rather policy frameworks to secure world market expansion and the consequent neoliberalisation require sensitivity to localised institutional, political, social and economic forms. Without this, reform might easily cause economic collapse or political back-lash, as in the case of the structural reforms promoted under the ‘Washington Consensus’ of the 1980s/early 90s. As such, agents promoting world market expansion are required to both cut across scales and to pursue reform in ways that recognise the need for localised and path dependent change. It is this that causes scholars such as Peck and Brenner to focus on the ways in which neoliberalisation operates differently at multiple scales¹¹ (i.e. as a multi-scalar process) and in ways that cuts across scales through institutional mechanisms (ie as both inter-scalar and trans-scalar, in the latter case where it jumps over an intervening scale, such as where international organisations bypass the domestic state and engage directly with sub-state actors). They also call attention to the ways that neoliberalisation, as a process, is an ongoing and variegated political programme.¹² It is in this context that we explore and understand the evolution of the Cotonou Partnership Agreement (CPA).

The evolution of the CPA since 2004

The EU has maintained an institutionalised relationship with the states of the African, Pacific and Caribbean group of states since the 1960s in the form of the Yaoundé and Lomé agreements. The Lomé relationship was reflective of a post-independence and paternalistic relationship between the EU and ACP, characterised by a broadly Keynesian approach to managed development. The Lomé conventions provided non-reciprocal trade preferential access for ACP goods to the EU market, commodity stabilisation measures to offset market volatility and development aid based initially on grants. Essentially Lomé embodied some elements of the collective demands of newly independent developing countries in the 1970s, as expressed, for instance, in the demands for, and declaration of, a New International Economic Order. By contrast Lomé’s replacement; the CPA – which was negotiated in the latter half of the 1990s – represented a clear attempt to ensure that the EU-ACP trade relationship became WTO compliant and in line with broader neo-liberal reforms.¹³

The CPA, incorporating the expanded membership of the EU and the now 79 ACP member states, provided a framework for the relationship for the new millennium. The geographical expansion of the range of the partnership means that taken together this represents a majority

of states within the United Nations and a total population of some 1.5 billion people,¹⁴ including most developing countries.¹⁵ The explicit aim of the CPA is to tackle poverty, create economic growth and develop governance, *via* 3 pillars of cooperation on (1) development, (2) political and economic reform; and (3) trade. It is funded by the European Development Fund (EDF), with ACP countries also receiving funds directly from the EU budget. The 11th EDF for the period 2014-2020 is €30.5 billion. The CPA entered into force in April 2003 and was revised in 2005 and 2010.¹⁶ In 2010 it was extended to incorporate new areas of climate change, food security, regional integration, state fragility, aid effectiveness, and importantly migration.

Much focus has been placed on the prioritisation of increased reliance on the private sector, and encouragement for ACP states to create enabling environments and conditions for private sector growth. As a corollary, the discourse of sustainability, codified in the 2015 Sustainable Development Goals, has been reframed as ‘inclusive and sustainable growth’ through private sector development and regional integration.¹⁷ The provision of PSD funds which accompany the EPAs are regarded as a catalyst to unlock private finance, although the Commission does envision the private sector operating in tandem with ‘social, traditional and cooperative forms of economy’.¹⁸

The prioritisation of private sector development reflects ongoing attempts to embed global market integration in path-dependent ways and increasingly sophisticated inter-scalar linkages between the EU and sub-regional, national and sub-national interests in the ACP. Through this there is a common tendency toward the creation of an attractive investment climate for capital, the provision of an infrastructure to valorise that capital and sufficient protections in the rule of law to ensure that surpluses can be realised:

‘Private financial flows, like remittances, foreign investments and finance from institutional investors, are already larger than all public resources combined. To fully capitalise on the potential of the private sector it is necessary to create enabling conditions for private initiative, trade and finance, for sustainable investments and decent employment creation, and to bring informal activities into the formal sector. It also requires a strong commitment by companies to catalyse private sector investment in areas

where market gaps exist and to engage in responsible practices as part of their core business strategies.’¹⁹

Central to this has been the substantive shift from Lomé’s non-reciprocal preferential trade regime between the EU and the ACP as a block of countries to a series of reciprocal, WTO compliant Economic Partnership Agreements (EPAs), based on regional groupings. The EPA negotiations began in 2002, and were due to be concluded by December 2007 however the process proved to be more difficult and lengthy than expected. Only the Caribbean region was able to meet the deadline, while, as we predicted in 2004²⁰ the negotiations with other regional groupings proved difficult. Moreover a coalition of resistance emerged (encompassing EU and ACP member states, civil society activists and NGOs) that challenged the liberalisation agenda on the basis of the potential threat it posed to the development of ACP economies, though the Commission continues to downplay these concerns.²¹

In the face of a lack of progress, inertia and dissent, ‘Interim Agreements’ were proposed and in some cases agreed. In 2011 the EU was able to leverage its position by threatening to withdraw preferential market access to the EU for any state that had not concluded and ratified an interim EPA. While trade with ACP countries represents only a small proportion of EU imports and exports, the EU is a major trading partner for ACP countries, being the main destination for its agricultural and manufactured products. The deadline of October 2014 was set for countries to either sign an EPA, fall under one of the new Generalised System of Preferences (GSP) schemes, or have no trade preferences at all. By the end of 2014 full or interim EPAs had been concluded with all 7 regions: West Africa, Central Africa, Eastern and Southern Africa (ESA), Eastern African Community (EAC), Southern African Development Community (SADC), the Caribbean, and the Pacific. The negotiations were concluded in the face of stalled multi-lateral trade liberalisation *via* the Doha Round, and at a time when the central role that the EU plays in ACP has been challenged by Brazil, China and India which are ‘strategically positioning themselves in these regions with an increased presence, growing investment and trade relations, and a growing cooperation portfolio’.²²

Through the reformulation of the relationship the EU has been able to fashion new trade relations with the ACP that are fully WTO-compliant, covering ‘substantially all trade’ (approx. 80%) in goods and services, investment and trade-related rules. The current agreements fall into three categories: Comprehensive Agreements that cover trade in goods

and in services, and agreement on other trade related measures; Goods Only EPAs that cover only the trade in goods but with ‘rendezvous’ clauses to extend the remit of the agreement; and interim Goods Only EPAs that cover only goods at present while ongoing negotiations for Comprehensive EPAs continue. The trade pillar of the EU-ACP relationship has been fundamentally transformed into a multi-pronged relationship with a variety of sub-regional groupings, better able to deal with variation in regional, sub-regional and national conditions. The rationale that underpins these reforms is explicitly framed in terms of ‘sustainable development’, based on regional integration to foster gradual integration into the world economy and the diversification from primary production to manufacturing.

While these relationships provide for reciprocal free trade and fully liberalised access to EU markets, they also allow for a transition period for the ACP states to adjust to liberalisation *via* protection of sensitive sectors. This enables legacy social and institutional structures to adapt to the pressures of competition in the world market and helps to offset (in theory at least) the scope for opposition. The Commission therefore rebuts claims about the coercive nature of EU – ACP relations by arguing that ‘EPAs respect national sovereignty – instead of imposing development strategies, EPAs ask countries to determine their own development strategies and the pace and sequence of reforms’.²³ Similarly, it points to the collaborative nature of the associated aid programmes, which it argues are created through dialogue with the recipient countries, allowing them to be tailored ‘to local needs and circumstances’.²⁴

Reciprocal but asymmetric arrangements are fully compatible with rules of the World Trade Organisation and allow for differentiation by taking into account the socio-economic circumstances of the partners. The concept of differentiation, including the targeting of both resources and particular trade provisions at the poorest and most fragile states, is one of 4 key principles of *Agenda for Change* that underpin the EU’s poverty reduction and sustainable development strategies. This requirement reflects the heterogeneity of the ACP Group whose membership ranges from middle-income countries to least developed and fragile states. Differentiation therefore is designed to cope with such variety, with the EU advocating ‘graduation’ from bilateral development for the more developed states.²⁵ The EU therefore not only advocates EPAs as inter-scalar institutional connections to secure differentiated pathways toward liberalisation, but also recognises this requires variegated institutional arrangements too.

The need to accommodate ACP LDCs within these new arrangements might appear unnecessary, as the EPAs seem to add little to the existing trade arrangements that they have with the EU. All LDCs already have duty free access to the EU *via* the ‘Everything But Arms’ scheme, however the Commission argues that their inclusion in the EPAs offer additional benefits. These include more flexible rules of origin; cooperation on trade related issues such as technical barriers to trade and improved infrastructure; enhanced regional markets and rules *via* integration projects; the safeguarding of local economies and prevention of trade disruption *via* gradual liberalisation and the embedding of relations within a ‘partnership of equals’ that cannot be altered without mutual agreement (in contrast to the EBA which is ‘granted’ by the EU).

Alongside differentiation, the principles of coordination, concentration and coherence are key elements in the alignment of the EU’s poverty eradication and sustainable development strategies with the broader liberalisation agenda. This is further evidenced *via* the negotiation and conclusion of a variety of agreements that both complement and extend each other. For example, the EPA negotiations, have been accompanied by the development of broader strategic partnerships, such as the Africa-EU strategic partnership, the Joint Caribbean – EU Partnership Strategy, and the strategy for a strengthened partnership with Pacific Islands. The Africa-EU Partnership integrates those African sub-Saharan countries that have been part of the Lomé/Cotonou relationship with Northern African countries, which are not part of CPA. The Cotonou and EPA processes then offer overlapping and inter-scalar mechanisms for tying varying trade liberalisation and sustainable development projects together; not in a neat and hierarchically ordered fashion but in a complex network of agreements and financing projects.

Heron and Murray-Evans²⁶ argue that the outcomes of the EPA negotiations so far are ‘sub-optimal’ in terms of the EU Commission achieving its original aims and subsequent attempts to expand the remit to of the agenda to include Trade in Services and ‘Singapore Issues’ such as ‘behind the border’ regulations in product markets and other public service provisions. Moreover, they point to the numbers of ACP states that have not signed the EPAs, and are instead linked to the EU *via* the ‘Everything But Arms’ Initiative or the Generalised System of Preferences. They attribute this the Commission’s failure to operationalise its ‘market power’ in the face of challenges and contestation from a coalition of support for the ACP.

However, this assessment underplays the achievements of the process so far. The seven EPA agreements that have been negotiated provide a framework for a 35 year process of gradual liberalisation which allows for the slow social, institutional, economic, political adjustment to full integration into the world market. While some of the agreements are not yet ‘comprehensive’, they contain provisions for the ongoing negotiation of the depth and range of the agreements. As such, the current agreements will be subject to ongoing reform and change rather than being an end point. Furthermore, the provisions that allow for differentiation provide for the sequencing of these reforms and timescales, and agency for the ACP states within these decisions. Those ACP states that are not currently signatories are included in these ongoing negotiations, whilst having their relations with the EU secured *via* other institutional provisions and regional arrangements, such as the Africa-EU Partnership. Finally, while the constitution of the regional EPA associations are still under construction, the EPA process has provided a mechanism for the sub-division of the ACP into smaller, and more manageable negotiating partners.

In these ways, the EPAs establish pathways of future reform for world market expansion, taking account of the need for this to respond to scalar differentiation. While the EU’s development policies, like other aspects of EU meta-governance²⁷ frequently fail, this then provides the self-reflective logic for further policy experimentation and reform. In that sense, attempts at inter-scalar neo-liberalisation ‘fail forward’.²⁸ Within this process, the EU has demonstrated some degree of relative autonomy, through its leadership and preferences for wide scale liberalisation and the expansion of the negotiating agenda, despite the expressed opposition by certain member states. Its aims reflect a wider institutional agenda, in line with other institutions of global governance.

Interpreting the ACP-EU relationship

There is a growing body of literature on the EU-ACP relationship. A range of debates are present, for instance about whether the CPA marked an essential break²⁹ or continuity³⁰ in the EU-ACP relationship, around the generally unequal nature of the partnership,³¹ about the overall effectiveness of the relationship in generating economic growth and poverty reduction³². There are four main rival critical interpretations of the relationship. The first sees the EU-ACP as predominantly a social construction, where key concepts such as ‘partnership’, poverty reduction, democratisation, and now, we might add; sustainable development, are infused with power relations to lock in the ACP to a dependent form of development.³³ The second, third

and fourth perspectives proceed from shared materialist foundations either in the quite different Gramscian,³⁴ U&CD,³⁵ or realist³⁶ traditions – which nevertheless see the ACP as subject to an unequal power relationship with the EU in which they are once again locked in to an ongoing relationship of inequality.

The basic unevenness in the EU-ACP relationship is featured in a range of analytical accounts. Carbone argues that 10 years on from the beginning of the Cotonou agreement ‘despite its emphasis on partnership, the patterns of asymmetrical relations of the previous century have been reinforced’³⁷. Hurt drew on an explicitly Gramscian analysis of material coercion and consent which undermined the idea of partnership and pointed to the manner in which the EU sought to ‘externalise’ responsibility for reciprocity by pointing to the pressures from the WTO.³⁸ Carbone concurs, arguing the ACP’s capacity to shape policy outcomes has been limited. ‘The negotiations of the EPAs, of course, show that the ACP has somehow managed to resist the EU’s agenda. But in general, the objective conditions in which ACP states find themselves place them in a weaker position. Moreover, the asymmetrical relationship has been strengthened by the EU’s actions deconstructing the ACP Group and undermining ACP Group solidarity’.³⁹ He argues that the promotion of norms appears paternalistic, with a gap between rhetoric and reality.

The constructivist line of argument associates EU trade policy with a broader projection of normative liberal goals in shaping world politics and the global economy.⁴⁰ While some constructivists share the liberal institutionalist perspective on the expansion of European ideas as benign, more critical constructivists identify the way liberal ideas are used to pursue and veil particular interests.⁴¹ They identify multiple competing liberal goals which result from internal interests shaping EU external policy. These partly contradictory liberal objectives then locate the site of social struggle in the construction of the idea of Europe, and European external policy.⁴² Critical constructivists emphasise a ‘new trade politics’⁴³ where the EU seeks ‘deep’ trade agenda of domestic reform in developing countries, often locking them in – through reciprocal free trade agreements to patterns of development likely to promote European ‘values’.⁴⁴ Indeed, Langan⁴⁵ shows how these normative European values in trade/aid partnerships with developing countries are often loudly trumpeted but subordinated to the goals of competitiveness at the point of implementation.

Many of these constructivist accounts of the EU-ACP trade relationship closely resemble our own depiction. For example Storey locates our earlier analysis⁴⁶ within his analysis of a normative Europe and its diffusion of ‘a particular and controversial ‘norm’ of economic governance’.⁴⁷ Langan too shows how EU external trade – including with the ACP – is used to drive a particular ‘moral economy’ in the ACP which suits the interests of EU capital, and is only thinly veiled by legitimating norms of rights, democratisation and poverty reduction.⁴⁸ Constructivist accounts however reject a materialist analysis due to its prior analytical focus on material as opposed to ideational processes.⁴⁹

By contrast, Andreas Bieler⁵⁰ argues that the EU-ACP relationship should be seen through a primarily materialist lens. He argues that EU external trade should be understood within the *Global Europe* strategy whose objective is to ensure the unequal competitiveness of EU produced commodities relative to those produced elsewhere. So the EU intends to lock ACP states into an uneven but combined trading relationship whereby dependence on EU markets for primary commodities is matched with imports of EU services and manufactured goods. This relationship also helps to offset claims for transnational working class solidarity on the grounds that workers and trade unions in the EU are placed in a contrasting material position to those in the global south. This approach partly speaks to the demands set out by Will Brown for an understanding of the relationship between ‘western’ and African states that simultaneously asserts the unevenness of bargaining relationships between different states and looks for the uneven and combined nature of societal differences and connections between very different forms of state/society relationship.⁵¹ Brown therefore advises caution in relation to big picture analyses which suggest an internally coherent and universal tendency among international actors seeking reform in African states or, the universal application of reform in these states without considering the specific difficulties of this process inside very different state-society relationships. It is necessary therefore to give space for different non-market and pre-capitalist forms of power within African states which have often frustrated the liberal reform efforts of international organisations.⁵² For Brown, this critique extended to our own earlier analysis of Cotonou⁵³, which he suggested that had overstated the coherence of the locking-in process.⁵⁴

From a more Gramscian underpinning, a number of authors⁵⁵ argue that the CPA represents a system to encourage greater competitiveness and has a more general significance in ensuring wider compliance with multilateral liberalisation. They argue that EU material and ideational

interests within the historical context of EU-ACP relations, are represented in EU efforts to ‘lock-in’ neo-liberalisation *via* EPAs, reducing their ‘policy space’ and undermining regional integration.

We have much sympathy with these materialist and critical constructivist accounts but we seek to differentiate our understanding somewhat. There is much to commend in Bieler/Brown/Hurt/Langan’s analysis. We share the analysis of the inherent tendency of capitalist social relations toward expanded reproduction. Following Neil Smith,⁵⁶ we also see this process of intensive and extensive expansion resulting in uneven patterns of development. However, we contend that development may *be* both uneven and combined, but that does not mean that U&CD explains this as a predictive law. Further, one consequence of Bieler’s analysis is that there is very little difference in his interpretation of the European Commission’s objectives in trade negotiations from a realist/mercantilist understanding⁵⁷ of the Commission pursuing its comparative advantage in services trade. We see it as important to once again assert the importance of seeing EU trade with the ACP, or developing and emerging market economies more generally, in the context of wider developments in trade liberalisation and world market expansion, leading to generalised competitiveness as opposed to merely the competitiveness of one state/regional bloc relative to others.

The EU promotes extensive world market expansion, through EU enlargement, external trade liberalisation and development cooperation and the broadening and deepening of the internal market. The outcome of this is that both labour and capital in the EU and its development ‘partners’ are exposed to increased generalised competitiveness. Within that more global objective the EU may also try to secure a greater proportion of the surplus value produced globally, through advantageous external trade deals, but this is a secondary objective to world market expansion. It is precisely this that explains why the EU seeks trade liberalisation with both developed (as in for example the various other liberalisation processes e.g. Trans-Atlantic Trade and Investment Partnership) and developing countries at the same time as it also seeks internal liberalisation. New sectors (e.g. digital, legal and public services) are targeted for both internal and external liberalisation in the full knowledge of the effects of competition in product and labour markets which have already experienced liberalisation and a resulting labour market polarisation. The Commission itself targets this polarisation as a high level policy problem (segmented labour markets, absolute and in-work poverty etc.) and acknowledges their cause as increased (including international) competition in these markets,⁵⁸ yet it continues to pursue

liberalisation in sectors currently protected.⁵⁹ The parallel here with pursuing trade liberalisation, private sector development and openness to MNCs in the global south, under the banner of ‘sustainable development’ and ‘inclusive growth’ is notable.

Concerns with relative comparative advantage may shape the pace of liberalisation and the relative enthusiasm of different member states, lobby and interest groups to support the Commission’s stance. However, the Commission itself remains implacably in favour of expanding and deepening the trade regime across and within sectors, internally, and externally with both developed and developing economies. Some sectional interests may hope to reap the benefits of U&CD but this is within an overall preference for the promotion of intensively and extensively expanded capitalist reproduction. As further support for our argument, the Commission continues to pursue trade liberalisation with countries which have been remarkably successful in recent years at catch-up industrialisation and trade competition *vis-à-vis* the EU, such as China. At the same time, the competitive threat posed by China, India and other emerging economies is used now as the logic for efforts to increase the competitiveness of EU societies, in the same way as the US and Japan were a generation earlier.⁶⁰ It is also a motivation to ensure that trade liberalisation progresses with some ACP states (e.g. Angola and South Africa) in the context of trade competition in these countries from China.⁶¹ In sum, we argue that U&CD may *describe* the result of trade liberalisation (and more broadly the combination of domestic social relations and international competition) in some sectors and between some places (including sub-nationally⁶²) but it does not necessarily *explain* it.⁶³

For an explanation we need to locate the EU-ACP trade relationship within a multi-scalar process of world market expansion, driven by the twin systemic pressures of competition, and class struggle.⁶⁴ Accordingly, while we attach importance to the universal force of competitiveness as a systemic property of an expanding world market, the consequences of this are socially and historically embedded and path dependent; resulting in myriad different hybrid institutional forms. Here what Brenner/Peck *et al.*⁶⁵ refer to as ‘variegated neo-liberalisation’ does not lead to simple convergence, but is characterised by the co-evolutionary variation in the institutional, ideological and material forms that Brown identifies, or what might be *described* as U&CD. World market expansion must take this path dependent form for a variety of reasons, including the specificities of domestic class and other struggles; inter-capitalist competition; the ways in which these struggles are permeated with international alliances and divergences; and the particulars of production and pre-existing trade relationships. Rather than

convergence, complex processes of inter-scalar policy borrowing and experimentation⁶⁶ occur through social struggles which sometimes seek to shape processes with tendentially universal characteristics – such as trade liberalisation, democratisation, environmental regulation – to best suit localised conditions. National and sub-national elites seek to promote their own interests, sometimes with, and sometimes against transnational capital. As Bieler⁶⁷ shows, this may produce elite coalitions with capital and organised labour, but at other times there will be more scope for transnational solidarism from below.

Trade liberalisation has been fully subject to these complex and dynamic struggles, unfolding within the context of a world market expansion that has altered the geo-politics of multi-lateral cooperation. As this has led to stalling multi-lateral trade liberalisation, elites and those with much to gain from further liberalisation, have sought other means, and regional and sub-regional arrangements have proliferated as a result. In that sense, and others, policy reform for neo-liberalisation is not universally successful and frequently results in failure. Far from halting the momentum behind neo-liberalisation though, failure is often used as a justification for further reform. In times of growth, it makes sense to use neo-liberalisation to ‘fix the roof while the sun shines’; in times of economic crisis neo-liberalisation is justified on the grounds that reform is then more urgently needed. When policy reform fails, it typically ‘fails forward’⁶⁸ with failure being the logic for renewed efforts to overcome barriers and opposition and to engage in more policy experimentation.

The ongoing changes to the EU-ACP relationship represents an inter-scalar reform process which is likely to exhibit different path-dependent social struggles at the sub-regional, state and sub-state scales, within pressures for trade liberalisation and market oriented reform. Ideas are significant here but only inasmuch as they emerge from material processes of social struggle and have material consequences, primarily in this case in relation to world market expansion. As Marx and Engels⁶⁹ famously argued in the 1840s, to assume that ideas have some life outside of material social struggles is a somewhat bizarre conclusion – and as we read it this is not what ‘constructivists’ argue; rather constructivism appears as the assertion that within processes of policy reform, ideas and the institutions that are shaped by them, matter. That much we concede. However, rhetorical principles and concepts such as sustainable development must be located within an understanding of world market expansion and the contradictory processes that this realises.

Conclusion

The evolution of the EPA trade regime between the EU and ACP remains characteristic of an attempt to ensure neo-liberalisation in the name of pro-poor and sustainable development. This is a multi-scalar process that is further entrenched *via* the regionalisation of the trade agenda on which the Cotonou reforms rest. The form of dependent development promoted by the 'partnership' is pro-market in orientation and attempts to secure and deepen the embedding of the world market in different national ACP contexts. This is not a simple process of homogenisation and policy convergence but embedding the world market in the domestic political economy – a process that even when subject to universal processes, most notably competitiveness, is always nationally specific and path dependent by necessity. Variagation in the extent to which trade is liberalised between countries, between sectors and the way in which liberalisation or even protectionism is justified and achieved are to be expected. As it has evolved the EU-ACP relationship has embraced and recognised this variegation.

The variegated reform that results from the EU-ACP relationship is much more expansive than mere trade liberalisation. It extends to social protection and other aspects of social policy and is veiled in the language of poverty reduction and sustainable development. Spreading the ideology of market freedom at the same time as enmeshing domestic society in the web of the world market is part of a proletarianising strategy which is common – even in its different policy experiments and institutionalised forms across the different EPAs and states. If this is about securing compliance with EU authored ideational frameworks for sustainable development, those ideas both spring from the material expansion of the world market and its contradictions, and have material effects – whether successful or not – in the forms of development that arise from them.

While policy reform is not always successful, this does not mean that alternative paths to development open up. Rather, restless policy experimentation is tried – in different funding arrangements and in different negotiating approaches between EPAs. That trade liberalisation and policy reform sometimes – *often* even – fail or stall is merely the invitation for further evolution. In the end, the EU's attempt at sustainable development is to sustain both world market expansion and the processes of variegated reform that it entails by establishing the multi-scalar governance mechanisms, that this can operate through. These include establishing alliances with major international organisations around key framing concepts such as

sustainable development and poverty reduction, the long-term institutionalised EU-ACP relationship as in the CPA, sub-regional cooperation in the EPAs and ‘deep’ domestic reform processes too.

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