The EU, CARIFORUM, AND CELAC: and the new multilateral alliance: the respecification and reconsolidation of old colonial ties in the era U.S. hegemonic decline.

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The ACP Group

The African, Caribbean and Pacific Group of States (ACP) is an organization created by the Georgetown Agreement in 1975. It comprises 79 African, Caribbean and Pacific states, with all of them, save Cuba, signatories to the "ACP-EC Partnership Agreement" that binds them to the European Union. There are 48 countries from Sub-Saharan Africa, 16 from the Caribbean and 15 from the Pacific.

ACP Regional Groups

- The West African Group
- The Central African Group
- Eastern and Southern African Group
- East African Community
- Southern African Development Community
- Pacific Group
- Caribbean Group

ACP Functions

- To support sustainable development in the groups of ACP countries and in the regions in which they are located.
- To encourage and support regional economic integration.
- To remove obstacles to trade and investment with the EU and EU countries
- To provide concessional access to the EU Market
- To support the right of member countries to regulate their economic activity
- To provide a platform for enhanced development cooperation including financial cooperation from the European Development Fund and from EU member States.

Asia’s Significance

- Asia’s giant share of the world’s population is becoming transformed into a giant share of the world market reflecting a convergence of population and power
- Asia’s regional economic ties are accompanied by an intense nationalism produced out of the decolonization process.
- This resulted in the expelling and nationalizing of colonial firms.

China’s Inter-Regionalism

- China is using its “tricontentinental” ties to the global south to penetrate regions and countries formerly colonized by Europe.
- These are the ties that are driving growth in Latin America.
- They are acting to meliorate and even reverse constraints to the region’s growth imposed by6 U.S. policy and practice in the region.

America’s Decline

- The United States has not been able to replicate China’s success and the enormous benefits it has derived from regional ties because of the pattern of its historical relations with Latin America.

U.S. Latin America Policy

- America’s decline is directly related to its historical pattern of economic and political relations with Latin America that has produced slow growth and constrained the region’s development possibilities.
- Latin America was negatively affected by American imposition of deregulation, privatization, and liberalization. Anti-statism prevented the rebuilding of companies with state monies and state coordination.

Consequences of Slow Growth

- Latin America now depends on China's demand for raw materials
- The region does not produce significant demand for U.S. products
- It does not provide significant profitable investment opportunities for American firms.
- Slow growth is responsible for enormous and increasing migration of the poor from to the United States, which puts a drag on U.S. wages. 14.1 percent of the U.S. population is now Latinos

The Consequences for the USA

- America now has a huge trade deficit with Asia.
- Ideally it should have a huge trade surplus with Latin America, which in turn should have a huge trade surplus with Asia, through the sale of raw materials.
- This triangular trade does not exist because Latin America’s import capacity is feeble
- Because of lack of growth and low demand, Latin America’s absorptive capacity for American goods is small so it can’t buy many U.S. goods.
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The Decline of the West

- The proportion of Global GDP produced by Europe, the United States, and Canada fell from, 68 percent in 1950 to 47 percent in 2003 and by 1950 it will FURTHER decline to less than 30 percent.
- The combined GDP of Europe, the United States, and Canada will double by 2050, whereas the GDP of the rest of the world will grow by a factor of five.
- Nearly 80 percent of the world's GDP growth will occur outside of Europe, the United States, and Canada.
- The Global middle class, those capable of purchasing durable consumer products will increasingly be found in what is now considered the developing countries of the world. The World Bank has predicted that by 2030 the number of middle class people in the developing world will be 1.2 billion—a rise of 200 percent since 2005. This means that the developing middle class alone will be larger than the total populations of Europe, Japan, and the United States combined.

Jack Gladstone,

EU-Latin American Potential

- In the face of Europe’s potential economic decline, Latin America and the Caribbean offer the EU unique opportunities for bi-regional economic collaboration.
- The EU is now positioned to fill in the vacuum left by the United States while at the same time reversing the pattern of U.S. Latin American relations that proved so devastating for both .

Latin America and the Caribbean has 600 million residents, a labor force of over 270 million, and a relatively low age dependency ratio of 53.9. (almost 54 persons below 15 and above 64 to the working age population between 15-64). The region enjoyed a healthy growth rate of 3.8 per cent between 2005-09, during a period of severe global depression.

THE CARIBBEAN FORUM OF AFRICAN, CARIBBEAN AND PACIFIC (ACP) STATES (CARIFORUM)

What is CARIFORUM?

The Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States (CARIFORUM) is the body that comprises Caribbean ACP States for the purpose of promoting and coordinating policy dialogue, cooperation and regional integration, mainly within the framework of the Cotonou Agreement between the ACP and the European Union and also the CARIFORUM-European Community Economic Partnership Agreement (EPA). The EPA Implementation Unit is subsumed under the CARIFORUM Directorate at the Headquarters of the CARICOM Secretariat.

Membership

There are sixteen (16) Participating States, namely:

1. Antigua and Barbuda
2. The Bahamas
3. Barbados
4. Belize
5. Cuba
6. Dominica
7. Dominican Republic
8. Grenada
9. Guyana
10. Haiti
11. Jamaica
12. Suriname
13. Saint Lucia
14. St. Christopher and Nevis
15. St. Vincent and the Grenadines
16. Suriname
17. Trinidad and Tobago

All Participating States, with the exception of Cuba, are signatories to both the ACP/European Union Cotonou Agreement and the CARIFORUM-European Community Economic Partnership Agreement (EPA). In this regard, they benefit directly from regional resources under Caribbean Regional Indicative Programmes financed by the European Development Fund (EDF) and also belong to the preferential trade arrangement with the European Union.

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The Group also allows observer status for other Caribbean territories. The following British and Dutch Overseas Territories and Countries (OCTs) have observer status in CARIFORUM:

Anguilla
Aruba
British Virgin Islands
Cayman Islands
Montserrat
Turks and Caicos Islands
Netherlands Antilles

The following French Overseas Departments in the Caribbean (DOMs) also have observer status in CARIFORUM:

French Guiana
Guadeloupe
Martinique

EU-CELAC

- The Community of Latin American and Caribbean States (CELAC) comprises 33 Member States from Latin America and the Caribbean including Spanish-, Portuguese-, French-, English- and Dutch-speaking countries.
- The European Union consists of 28 Member States.
- Together, the EU and the CELAC count 61 countries (almost a third of the members of the United Nations), eight seats at the G20, and over one billion people (approximately 15.5% of the world population)

Rationale

- EU and CELAC are natural partners seeking to deepen their strategic bonds in the social, political and economic areas.
- Together both regions can drive trade and investment to create jobs and growth; and promote lasting development to ensure high living standards and fight poverty and inequality globally.

Member states

CELAC comprises 33 countries speaking five different languages:

Eighteen Spanish-speaking countries (56% of the area, 63% of the population)

- Argentina
- Bolivia
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela

One Portuguese-speaking country (42% of the area, 34% of the population)

- Brazil

One French-speaking country (0.1% of the area, 1.6% of the population)

- Haiti

Twelve English-speaking countries (1.3% of the area, 1.1% of the population)

- Antigua and Barbuda
- Bahamas
- Barbados
- Belize
- Dominica
- Grenada
- Guyana
- Jamaica
- Saint Lucia
- Saint Kitts and Nevis
- Saint Vincent and the Grenadines
- Trinidad and Tobago

One Dutch-speaking country (0.8% of the area, 0.1% of the population)

- Suriname

Twelve countries are in South America, which accounts for 87% of the area and 68% of the population.

Growth and Trade Opportunities

- In 2013, the GDP of the EU amounted to €13.5tn and represented 17.5% of the world GDP. The GDP of CELAC countries was €4.6tn, accounting for 8.8% of the world GDP.
- In 2013, Brazil and Mexico were the biggest CELAC economies, with 3.1% and 2% of the world GDP respectively.
- The EU was the second trade partner for the CELAC region as a whole at a similar level with China and behind the United States.

- The EU remains the leading foreign investor in CELAC countries, with total FDI stocks amounting to €505.7bn in 2013. That is 10.3% of the €4.9tn EU FDI stocks abroad and approximately 35% of the CELAC FDI stock.
- Of that number, Brazil and Mexico were the main receivers. The EU was the major foreign investor in Chile, Argentina, Brazil, Bolivia and Venezuela.
- The EU FDI stock in CELAC countries is higher than the EU FDI stock in Russia, China and India combined (€319bn, 2013).
- In 2013, CELAC investments in the EU amounted to €135.5bn, accounting for 3.6% of the EU FDI inward stock. Of that, 42.9% came from Brazil (€58.2bn) and 16.7% from Mexico (€22.6bn).
- In the 2004-2014 period, the CELAC share in EU exports increased from 5.4% to 6.5%, while the proportion of CELAC countries in EU imports remained stable at around 5.9%.
- In 2013, EU exports amounted to €128.7bn (i.e. 14.1% of total CELAC imports) and EU imports amounted to €94.4bn (i.e. 11.4% of total CELAC exports). Brazil and Mexico were by far the EU's major trading partners, with total trade of €79.4bn and €48.2bn respectively, followed by Chile, Argentina, Colombia and Peru.

EU Development Assistance

- The EU is a leading donor in Latin America. In 2013, it committed almost €900 million as development aid to countries in Latin America and the Caribbean.
- For the 2014-2020 period, the EU has assigned approximately €3.5bn. This figure is based on bilateral, regional and thematic funds from the EU's Development and Cooperation Instrument (DCI) and the European Development Fund (EDF).

Research and Innovation cooperation

Scientific
partnership
for **global** challenges

Sharing
expertise
and **building**
alliances

747
participants
from Latin America and
the Carribean
in FP7 projects

834
researchers from Latin America and
the Carribean received
Marie Skłodowska-Curie
Fellowships

20
European Research Council grantees
from Latin America
and the Carribean

€100 Mio
FP7 funding
researchers
from Latin America and
the Carribean

> **5000**
researchers take part to the
International Research
Staff Exchange Scheme

Figures for Framework Programme 7 (2007-2013)
Cooperation continues in the new Horizon 2020 programme (2014-2020)