CHAPTER FOUR

THE RISE OF EUROPEAN AND ACP BLOCS
AND US HEGEMONY

Introduction

The main purpose of this chapter is to present the case in support of the proposition that US-led globalization paved the way for the emergence of EU bloc imperialism. It is divided into three parts, which first engages in a discussion of some relevant theoretical issues concerning regional blocs, second, assesses the rise of the European and ACP blocs, and third, analyses the exercise of US hegemony over the European Union. The theoretical discussion summarizes key issues in the debate on the rise of regional blocs in the current period of the globalization of the capitalist system of production and market exchange. Also, it provides a critique of these theories and advances the idea about alternative regional blocs as their counterpoint.

Second, it focuses on the coming to fruition of the EU, followed by a discussion on the emergence of the ACP Group of States. Third, it analyses the manner in which the US exercised its hegemony over the EU. The focus here is two-fold; first it scrutinizes the power-struggle between the US and the EU over the EU banana regime. Second, it dissects the class nature of the US-EU power struggle by providing evidence of the command that the owners of the US banana multinational corporations exert over US trade policy. Also, it details the manner in which the US banana multinationals forced-opened the EU banana market to bananas produced in Latin America. The main questions are: Why did the EU and ACP Group of States emerged as blocs? How did the US-led globalization prepared the ground for the emergence of its rival, EU bloc imperialism?

It takes the position that the actions taken by US banana multinationals and ruling elites to force open the European Union’s banana market to bananas grown in Latin America, “dollar bananas,” played a significant role in the emergence of European bloc imperialism. Because of these actions, the EU was forced to liberalize the Lomé Conventions, and the economic partnership agreement the conduit of EU bloc imperialism, is the end produce of that process.
Some Theoretical Considerations

Regional Blocs

The literature on regional blocs or regionalism in the current debate on globalization has never come to terms with the phenomenon of a hegemonic country paving the way for a regional bloc to become a bloc imperialist entity. In that literature regionalism and not globalization, is regarded as the fitting way to describe the changing activities of the state and corporate structures, globally. Regionalism is seen to be either compatible with neoliberal globalization or in competition with it. Europe, the Americas and East Asia are regarded as the major regional blocs characterized by the European Union, the North American Free Trade Agreement (NAFTA) and the proposed Free Trade Area of the Americas (FTAA), and the Association of South East Asian Nations (ASEAN) plus three China, Japan and South Korea. Contemporary capitalism is described as regional rather than global due primarily to the “strong regional biases to trade and investment flows as well as on the regional supranational political structures, which have been put in place” (Bowles 2008: 27).

According to Bowes (2008), there is considerable difference in the way regionalism at varying stages of development is occurring around the world meaning that it is not a homogenous phenomenon and that it may or may not be accompanied by neoliberalism. While each region has its own political dynamic, regionalism has a variety of purposes, and there is no common agreement about its relationship with globalization, since regional blocs are regarded as either “stumbling blocs” or “building blocs” for the global economy (Bowles p. 29). The “stumbling bloc” view is that the EU or the NAFTA for example, could lead to a return to the insularity of the imperialist trading blocs of the 1930s, while the “building bloc” perspective is that regionalism promotes greater “openness” and global integration. In this latter case regions are central to the dynamics of neoliberal globalization, hence regionalism is a neoliberal phenomenon.

Langenhove and Costea (2005) identified three generations of regionalism the first focusing on trade and economic integration, the second referred to as “new regionalism” that broadened integration to internal policies and regulations, and the third that emphasizes the role of regions as global actors. In their view the third generation of regionalism could lead to a new regional world order that is best