



Caribbean Perspectives

A collection of articles on the regional integration movement CARICOM
and economic and social issues in the Caribbean

Sandra Ann Baptiste



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Publisher

Carigold Signature LLC.

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ISBN # 979-8-89412-255-7

Printed by F&H Printing Establishment Inc., Guyana

Contents

Section A	7
History of CARICOM	7
Foreword - Ambassador Byron Blake, Former Assistant CARICOM Secretary-General	8
Acknowledgements	10
Introduction	12
Section B: The Pace of Integration	21
Haiti is Among Key Issues for Summit	22
Charles Hits Out at CARICOM Leaders	23
Summary of 1998 Summit Communiqué.	24
Packed Agenda for CARICOM Heads of Government	25
CARICOM Gives Haiti Last Chance	27
Grand Anse Declaration and Work Programme Behind Schedule.	28
CARICOM Records Mixed Performance.	29
Slow Boat to Unity	32
Bleak Future Seen for CARICOM	35
Leaders Urged to Show Commitment	36
Promises - the Slow Boat to Unity	38
Demas Warns Region No Time to Waste	39
Challenging Time for CARICOM Leaders	40
Special CARICOM Summit 1992	41
Review of 1992 CARICOM Summit	43
Cheddi Urges CARICOM to Re-order Priorities	45
Labour Movement Unhappy with Treatment by CARICOM Leaders	46
Forde Urges CARICOM Leaders to Focus on Jobs	47
Jagan Unhappy with Pace of Integration	48
Region's Governments Urged to Pay More Attention to Canada	49
Section C: Key Integration Issues	52
Moves to Get CARICOM Enterprise Regime on Stream	53
Efforts to Give CARDI New Lease on Life.	54
Financing Facility to be Set Up in 88'	55
Moves on to Launch Caribbean Investment Fund	56
The West Indian Commission: Listening to the People of the Region	57
Cheddi and Sandiford Cautious About Union.	59
Manning Initiative on Confederation	59
Bird Says Antigua Immigration Heavy-Handed	60
Free Movement in the Region Long Way Off	61
Dominica Remains Opposed to CARICOM Assembly of Parliamentarians	63
Sandiford Disappointed with Response to Barbados Initiative.	64
CAIC Urges Speedier Action on CARICOM Single Market	65

Section D: The Caribbean Development Bank (CDB) Perspective	67
William Demas on the Region's Challenges	68
U.S. Aid Cuts Forcing CDB to Expand Role	69
Better National Management Urged	70
CDB Head predicts Tough Times Ahead for CARICOM	71
Key Concerns for CDB	73
Strengthen Ties but Maintain Sovereignty	75
Section E: Intra-Regional Trade and Exports	76
The Trinidad-Barbados Trade Dilemma	77
The Changing Face of CARICOM Trade	81
Jamaican Flays CARICOM Governments	82
Trinidadians Backing Licences	82
Greaves Says More Trust Needed.	83
Call for Trinidad to Remove Stamp Duty.	84
Knight: Barbados and Trinidad Hold Key to Trade Issues	85
CAIC "Guardedly Hopeful" Over Trade	86
Trade Ministers End Two Days of Talks.	87
Rethinking of Tariffs Strategies Likely	87
Caribbean Warned Against Prolonged Dependence on Preferences	88
Trinidad and Tobago to Dismantle Trade Barriers by June.	90
Greenidge Rejects Pressure for Reduced Tariffs	91
Debate on the Common External Tariff Continues in the Region	92
Guyana Hopeful About Continued Protection for Rice Industry	93
Private Sector Worried About Reduction in CET	94
Who is Blocking Imports of CARICOM Fruits?	95
CARICOM Initiative to Improve Regional Competitiveness.	97
Private Sector Facing Tough Challenges.	98
Section F: The Rainford Era	101
CARICOM Gets a New Deputy Secretary-General	102
Roderick Rainford on the Caribbean Community.	103
Rainford Bows Out on a Note of Optimism	106
Outgoing CARICOM Chief Calls for New Secretariat.	107
Section G: Carrington at the Helm	110
CARICOM's New Chief Says Regional Movement at the Crossroads	111
New Secretary-General Pleads for Resources	112

Section H: Strengthening Regional Links	114
Barrow on the Bother of Visas	115
Chances Sought in Martinique Talks	115
Closer Ties Expected with Cuba	116
CARICOM Heads Rapped for Stance on Haiti	118
Regional Church Group Strengthening Links with Guyana, Cuba and Haiti	119
Observers Get Down to Task of Rebuilding Haiti	121
Section I: Focus on CARICOM Television Series 1992	123
P. J. Patterson - Prime Minister of Jamaica	124
Eugenia Charles - Prime Minister of Dominica	126
Dr. Kennedy Simmonds - Prime Minister of St. Kitts and Nevis.	130
Nicholas Braithwaite - Prime Minister of Grenada	133
Rueben Meade - Chief Minister of Montserrat	135
Section J: National Social and Economic Issues	139
Sunshine After the Rain: Barbados and the IMF medicine	140
Compton: Wage Restraint Key to St. Lucia's Economic Growth	142
Asgar Ally's Plan for Growth in Guyana	144
Trinidad and Tobago Trying to Rebuild Foreign Reserves	145
New Role for Caribbean Trade Unions Urged	147
Section K: "Caribbean Pulse" – Radio Documentary Series (1992)	148
The Rise and Fall of the Jamaican Dollar - Lessons for the Caribbean.	149
St. Lucia Confronted by Major Social Problems.	157
Dominica's Experiment with Economic Citizenship	159
Section L: Tourism Developments	162
Tourism: The Key to Economic Growth.	163
Nicholls: High Cost, Low Productivity	163
Blueprint Unveiled for Caribbean Hotels	164
CARICOM Backs Bequia Airport Project	165
Encouraging Prospects for Region's Tourism Industry	166
Troubled Times for Tourism Industry	167
Tourism's Future Looking Brighter	169
CTO Focuses on Improving Tourism Product and Airline Services	170
Tighten Security to Save Tourism	172
Exploit Eco-Tourism for All It's Worth	173

Section M: Commonwealth Issues	175
Meeting the Challenge of Southern Africa.	177
The Fight for Aid	178
Concern Over the Debt Problem	180
Commonwealth University on Vancouver Summit Agenda	182
Grant US Debt Relief – CARICOM Leaders	184
Sandiford Pushes for Sanctions	184
Mitchell Says It's Too Costly to Study Abroad.	185
Commonwealth Puts its Weight Behind OECS Political Union.	186
Canada Providing Aid to 10 Small States	187
Conference Has Taught Us Tolerance – Charles.	188
Commonwealth Leaders Gear up for Summit.	189
The Commonwealth Marks the End of the Ramphal Era.	191
Poor Global Economic Climate	194
CARICOM Leaders to Meet New Commonwealth Secretary-General	196
 Section N: Caribbean Perspectives	 198
Syndicated Columns	
2009-2014	
LIAT Needs Financial Support from More Caribbean Governments.	200
Long Overdue Focus on Effects of Crime in the Caribbean	201
PM Gonsalves: T&T Needs to be More Engaged with CARICOM	203
CARICOM's Stance on Venezuela Criticised	205
CARICOM Single Market Report Card.	206
Steering the Regional Integration Boat	209
CARICOM and the G 20 Summit in Toronto	210
Mixed Views on Moving the Regional Integration Movement Forward	212
CARICOM's Ongoing Challenges and Priorities for 2013	214
CARICOM Chairman Reports Progress in Key Areas.	216
CTO Targeting Investors During Caribbean Week in Toronto.	218
New Tourism Initiatives as CTO Celebrates Caribbean Week	219
Tourism Officials Urged to Address Taxation and Bureaucracy	221
A CARICOM Tourism Summit is Long Overdue.	221
More Commitment Needed to Boost Trade and Investment with Canada	222
CARICOM-Canada Trade and Development Agreement Part One	224
CARICOM-Canada Trade and Development Agreement Part Two	226
Ways to Expand Trade and Investment with the U.S. and Central America Being Explored	227
More Private Sector Input Needed to Expand Trade	229
Mixed Views on Calls for a New Regional Private Sector Body	231
Equipping the Region's Foreign Service	232

History of CARICOM

The Caribbean Community (CARICOM) is a grouping of twenty countries: fifteen Member States and five Associate Members. It is home to approximately sixteen million citizens, 60% of whom are under the age of 30, and from the main ethnic groups of Indigenous Peoples, Africans, Indians, Europeans, Chinese, Portuguese and Javanese. The Community is multi-lingual; with English as the major language complemented by French and Dutch and variations of these, as well as African and Asian expressions.

Stretching from The Bahamas in the north to Suriname and Guyana in South America, CARICOM comprises states that are considered developing countries, and except for Belize, in Central America and Guyana and Suriname in South America, all Members and Associate Members are island states.

While these states are all relatively small, both in terms of population and size, there is also great diversity with regards to geography and population as well as the levels of economic and social development.

Functional cooperation, in various conceptions, has always been a quest for countries of the Caribbean. From the early efforts for a political union which led to the establishment of the West Indies Federation (1958), to the deeper and more structured engagements of the Caribbean Free Trade Association (CARIFTA) (1965), to the more sustained measure of regional integration through a Caribbean Community (1973). The last, for Member States, offered the best prospect for Caribbean economic development.

CARICOM came into being on 4 July 1973 with the signing of the Treaty of Chaguaramas by Prime Ministers Errol Barrow for Barbados, Forbes Burnham for Guyana, Michael Manley for Jamaica and Eric Williams for Trinidad and Tobago. The Treaty was later revised in 2002 to allow for the eventual establishment of a single market and a single economy.

CARICOM rests on four main pillars: economic integration; foreign policy coordination; human and social development; and security. These pillars underpin the stated objectives of the Community –

- to improve standards of living and work;
- the full employment of labor and other factors of production;
- accelerated, coordinated and sustained economic development and convergence;
- expansion of trade and economic relations with Third States;
- enhanced levels of international competitiveness;
- organization for increased production and productivity;
- achievement of a greater measure of economic leverage;
- effectiveness of Member States in dealing with Third States, groups of States and entities of any description; and
- the enhanced coordination of Member States' foreign and foreign economic policies and enhanced functional cooperation.

CARICOM is the oldest surviving integration movement in the developing world. Its achievements along the way are many. Great strides have been made, particularly through functional cooperation in education, in health, in culture, in security. Its Single Market functions, and it is a respected voice in international affairs because of a coordinated foreign policy.

Source: CARICOM Secretariat

Foreword

Accurate and reliable information is the lifeblood of any integration process. It is particularly so in the case of a grouping as large and dispersed as the CARIBBEAN COMMUNITY (CARICOM) with the units all separated by vast expanses of water, and implementation is dependent on the private sector or governments at the local level. CARICOM has never had a significant communication outreach capacity, and its meetings have all been closed to the public and the media, although there were pre-and post-meeting press conferences with communiques or press releases and opportunities for interviews with individual delegates including Heads of Government.

Dissemination of information on regional integration was therefore dependent on the interest of the private media houses in the various Member States and their journalists. Sandra Ann Baptiste is one of a handful of journalists who developed a real interest in the integration process and in some of the key issues like trade, investment, tourism, and the private sector. She gave serious attention to national social and economic developments that often determine how national governments respond to regional decisions and commitments. Sandra Ann was charming, confidential, prepared, and knew how to get the most out of an interview in the shortest time. That she was a student of international relations and married print and broadcast journalism as demonstrated in the book were major assets. Her stories would be published timely and prominently; have wide circulation; and be fair to the issue and the provider of the foundational information. The fact that she covered the regional process over a very long period made her a reference. These built confidence and trust.

The various agencies for which she worked, or at least her superiors, understood or were made to understand the time commitment required to research and prepare and to report effectively and credibly on the technically complicated and politically sensitive issues that were often involved. This gave them standing in the Region.

In CARIBBEAN PERSPECTIVES, Sandra Ann pulls together, not from memory but in their original form, stories over a critical 30-year span of the integration experience. With the advantage of the 10 or so years before and integral involvement for most of the period, I attest that this Book is a treasure trove for regional policymakers and students of regional integration. The mining of this trove by policymakers might well convince them that there are few ideas not already considered to advance the regional economic integration enterprise. They might recognise that the challenge is for them as policy implementers in their various States to agree on those initiatives that are still relevant; adjust them to the current objective conditions; and proceed to implement on the agreed schedule. The materials provided in this Book make it clear that procrastination by a few States, not the same ones in each case, has been the death knell of many innovative ideas. Students will find ideas to which they can apply new information and technologies to demonstrate benefits, build critical mass, or identify pitfalls.

The Articles in Sections B (The Pace of Integration), C (Key Integration Issues), and E (Intra-Regional Trade and Exports) paint a good picture of the ebb and flow, the high, and low points in the movement overall, and from the perspective of individual Member States. They also reveal a movement constantly struggling to meet challenges from within and without by promoting innovative ideas. They show that after enthusiastic acceptance and public announcements, many of those ideas were stymied by a lack of action by a few players in the last stage of the implementation process. A study of these sections could assist in developing strategies as the Region seeks to revitalize the movement.

Effective administrative capacity is key to the collaborative relationship among sovereign states, especially where there are no, or only weak provisions for sanctions for failure to comply. This has been a recurring, more accurately, a continuing issue in CARICOM. The CARICOM Secretariat, headed by a Chief Executive Officer, the Secretary-General (SG) bears the responsibility. The period covered coincides with the Secretary Generalships of Roderick Rainford of Jamaica and Edwin Carrington of Trinidad and Tobago.

To empower or not to empower the Secretary-General in legal robe; to empower or not to empower by providing adequate finances or allowing the Institution to develop independent sources of finance are questions that have absorbed many hours of meeting time over the years. Sandra Ann's treatment of the two Secretaries-General, including the interviews in Section F and Section G are like bookends to the integration story. They reveal much about the challenges faced by Administrators charged with implementing major programmes without the required resources. The study of these sections could inform decision-makers about what needs to be done to strengthen the integration experiment as it enters its sixth decade.

Sandra Ann features in this Book in excess of a baker's dozen CARICOM Heads of State and Heads of Government; three Secretaries-General (William Demas the first Secretary-General never ceased being "SG"); and two Presidents of the Caribbean Development Bank (CDB). While these do not represent every Member State and every key regional Organisation I make bold to say that they represent every perspective not only on integration in CARICOM but CARICOM's relations with the wider Caribbean, the hemisphere, and the rest of the World.

As CARIBBEAN Leaders face the challenges of a hostile but engulfing global environment with a deeply ingrained tendency to divide and exploit, we recommend strongly that current leaders devote some time to the study of the views of those who once occupied the Chairs they now do.

We harbour no doubt that they will conclude that the path they are on of integrating their economies and working with their CARICOM family as the innermost circle, is the correct strategy.

We end by highlighting that now and in the proximate future the Caribbean faces complex and even existential challenges of types and nature never before experienced. These include climate change, international crime and criminal networks, food insecurity, unplanned migration, new and intrusive technologies, and a physically and economically hostile global environment in which major countries jostle for dominance and control. Confronting these challenges effectively will require more, not less intense regional cooperation and coordination. Given the nature of the challenges, including the rise of disinformation, credible information will be vital. Such information cannot be provided by transactional media houses and part-time or itinerant journalists.

Those will be used and abused without even knowing it. The emerging situation that is already here requires media agencies which, in addition to their commercial interests, have a strong commitment to the development of an independent Region. It requires journalists with a deep commitment and a sense of vocation. Veteran regional journalists of the ilk of Rickey Singh, Canute James, Paget De Freitas, Julian Rogers, Jones P. Maderia, and, of course, Sandra Ann Baptiste, are the models to whom our current and aspiring journalists should look.

Sandra Ann has done the Caribbean integration process an invaluable service in this easy-to-read body of work. I commend it.

Ambassador Byron W. Blake, CD, MSc. BSc.
Former Assistant CARICOM Secretary-General
21 March, 2024

Acknowledgements

Sincere thanks and gratitude to the following persons:

- My brother, Michael Baptiste, an editor for five decades, mainly with the Guyana Chronicle and Kaieteur News, who reviewed the original transcribed material, mostly from newspaper clippings, took great care to ensure its accuracy, and whose enthusiasm was an inspiration for me to complete this endeavour.
- Gail Bindley-Taylor, former United Nations broadcast/communications specialist which included NGO Relations, who also previously served as a Caribbean media manager, and is currently Associate Editor of Caribbean Business & Travel, for contributing to the editorial review.
- Marguerite Boodhoo-Buckmire, an administrative officer at the CARIFORUM Secretariat for nearly a decade, who spent many hours checking the transcribed material from newspaper articles and broadcast programmes, especially from the 1980's when there was no access to online material. Also, for contributing to the final version of the publication.
- Ralph Seeram, writer, former columnist and journalist with the Guyana Broadcasting Service (GBS) for editorial assistance in the final stages of the production of the book.
- Stephen Mok, Carigold Signature's talented Graphic Designer for close to 10 years, for his painstaking attention to detail and the many hours he spent putting this publication together.
- The late Montague Smith of the Guyana Graphic newspaper for allowing me to do an internship while at high school and hiring me as soon as I graduated.
- Hubert Williams, veteran editor and writer extraordinaire, for being a guiding light during my career, from my first job at the Guyana Graphic to the Caribbean News Agency (CANA), while we were both based in Barbados.
- Caribbean diplomat and negotiator, and former General Manager of the Guyana Broadcasting Service (GBS), Sir Ronald Sanders, for hiring me at GBS.
- The late Cecil Griffith, News Editor, veteran journalist and my friend, for his confidence in me as a senior journalist and assigning me to cover CARICOM issues and international meetings while at GBS.
- The late David de Caires, Founder and Editor-in-Chief of Stabroek News for publishing a lot of my work on CARICOM and inviting me to share my expertise with the editorial staff in the early days of the newspaper.
- The late Therese Mills, veteran journalist and Editor of the Trinidad Guardian for encouraging me to write articles on regional issues and publishing a lot of my material.
- The late Frank Pardo for my first job in Barbados at the newly-established Voice of Barbados.
- Trevor Simpson, former Editor-in-Chief at the Caribbean News agency (CANA) and Vic Fernandes, former General Manager of the Caribbean Broadcasting Corporation (CBC), for facilitating my coverage of many regional and international issues and events while based in Barbados for over a decade.
- The late Hugh Croskill, head of the British Broadcasting Corporation (BBC) Caribbean Service and former CANA colleague, for the opportunity to be the BBC CARICOM specialist while based in Barbados and in London.
- Rickey Singh, the doyen of Caribbean journalists, for being my inspiration and supporter, and from whom I learnt much about ethics and professionalism from my young days at the Guyana Graphic newspaper to our days in Barbados, and throughout our careers.
- The late William Demas and Dr. Bishnodat (Vishnu) Persaud, former Director of Economic Affairs at the Commonwealth Secretariat, my mentors throughout my media career, who contributed significantly to my thorough understanding of CARICOM and global issues impacting the region.

- Former CARICOM Secretary-General, Edwin Carrington, who educated me about the regional integration movement when CARICOM was launched and with whom I had a special relationship during his tenure in Georgetown and while serving at the African Caribbean and Pacific (ACP) Secretariat in Brussels. He encouraged me, while he was still CARICOM Secretary-General, to produce this publication.
- Former CARICOM Secretaries-General, Sir Alister Mc Intyre, Dr. Kurleigh King, and, especially Roderick Rainford, who were always accessible for both on and off the record discussions and interviews.
- Sir Shridath Ramphal, former Commonwealth Secretary-General, for being so accessible when I was in London and at Commonwealth Heads of Government Summits, and for affording me the unique and rewarding opportunity to be the Communications Consultant when he chaired the Independent West Indian Commission, which was set up by CARICOM Heads of Government in 1989.
- Sir Henry Forde, former Barbados Attorney General and the Barbados Labour Party (BLP) Government for affording me the opportunity to make Barbados my home, which led to my status as a Caribbean journalist.
- My family, especially my dad, the late John Baptiste, for appreciating my work as a journalist and encouraging me to reach for the stars, and my mom, Matt Baptiste, for her support during my media career.
- Ambassador Byron Blake, Former Assistant CARICOM Secretary-General, for enlightening me on key regional trade and economic issues and being accessible for many interviews over the years. I am especially thankful that he readily agreed to write the foreword for the book. I felt that he was the most suitable person to do so given his expertise on the regional integration movement and knowledge of key issues in CARICOM member states.
- Guyana's President, His Excellency Mohamed Irfaan Ali, for his appreciation of the material in this publication and immediate acceptance when asked to launch Caribbean Perspectives.

Photos in the publication

I am especially grateful to the following media organisations:

- The Nation Publishing Company, Barbados
- The Jamaica Gleaner
- the Trinidad Express
- The Trinidad Guardian
- Department of Public Information, Guyana
- I especially appreciate the many photos made available by former Guyana Chronicle outstanding photographer, Mike Norville.

Introduction

As a young journalist who joined the Guyana Graphic newspaper at 17 straight out of high school, I was always interested in getting more information about our Caribbean neighbours and aspired to one day visit and report on some of the countries in the region.

My interest in CARICOM started when I received a publication titled “Towards the Caribbean Community” from Edwin Carrington, then Director of the Trade and Integration division of the Georgetown-based CARICOM Secretariat.

When I was at the Guyana Broadcasting Service (GBS) during the early days of the regional integration movement, I got the opportunity to interview Heads of Government and Ministers from across the region whenever they came to the CARICOM headquarters in Georgetown for meetings. I often produced special programs focusing on individual member states during my tenure as Senior Reporter and, later, as Head of Current Affairs.

This stood me in good stead when in July of 1980 I joined the media in Barbados unexpectedly, due to the dangerous political situation in Guyana and events that unfolded at that time. During my tenure at the Caribbean Broadcasting Corporation (CBC) and the Caribbean News Agency (CANA), I covered many events in Barbados, across the Caribbean and internationally, and interviewed many decision-makers in government, the private sector, regional and international organisations.

Most of my work as a broadcast journalist, when I covered many regional and global issues, is not included in this collection. A lot of the material featured is taken from my collection of news and feature articles produced while based in Barbados and mostly while at CANA. The “Caribbean Perspectives” columns in the last section of the book were written after I changed careers and was a business and communications consultant.

My focus over the years was on the performance of the economies of CARICOM member states, intra-regional trade, tourism and the region’s external relations, specifically with the U.S., Canada and the European Union. For many years, I reviewed and monitored the implementation of decisions by CARICOM Heads of Government.

The material in Caribbean Perspectives was published by several media organisations, all of whom had their own writing style.

I was fortunate to have easy access to and cordial relations with many of the region’s Heads of Government and regional organisations, to work on assignments in all of the CARICOM Member states as well as in the French and Spanish speaking countries in the region, and to cover many international meetings in North America, Europe, Asia, the Middle East and Africa.

“Caribbean Perspectives” covers articles related to the pace of integration, key integration issues, in-depth discussions with CARICOM Secretaries-General, Roderick Rainford and Edwin Carrington. Included too are the views of one of the more recent Secretaries-General, Irwin LaRocque. Also featured are analysis of the region’s economies and integration issues by the Presidents of the Caribbean Development Bank, Sir Neville Nicholls and William Demas, who was the first CARICOM Secretary-General.

There is extensive material on regional and global trade developments, economic and social challenges in CARICOM member states and a focus on the region’s key foreign-exchange earning tourism industry. There is also a selection of issues at some of the Commonwealth Summits I covered for print media, including a feature on the sterling contribution of former Commonwealth Secretary-General Sir Shridath Ramphal.

This publication also features my “Caribbean Pulse” radio documentaries that examined economic and social issues in specific countries during the early 1990’s. This is followed by “Focus on CARICOM”, a television series featuring several CARICOM Heads of Government who assessed the state of the regional integration movement and critical regional issues during that period.

I was often present when major decisions were made and announced at CARICOM Summits and other high-level meetings. Several of the issues impacting the regional integration movement and CARICOM Member States that are covered in this publication still persist in 2024.

Having had the privilege and unique opportunity to have discussions with many Caribbean governments, business and civic leaders, I realised that the scope and volume of the material I produced and collected over three decades could be informative and educational for students pursuing studies in Caribbean Affairs and interested in the main issues during the early days of CARICOM.

As a graduate of the UWI Institute of International Relations, I believe that students of this institution could find that the material in Caribbean Perspectives provides insights and analysis on how the leadership in the Caribbean addressed the issues of the day.

I also hope that editors and journalists across the Caribbean will view this body of work on Caribbean issues as informative and timely, as we mark the 50th anniversary of CARICOM.

Sandra Ann Baptiste, M.A., CITP



The signing in Trinidad and Tobago of the Treaty of Chaguaramas that established the Caribbean Community and Common Market (CARICOM) on July 4, 1973.

From left are Prime Ministers Errol Barrow of Barbados, Forbes Burnham of Guyana, Dr. Eric Williams of Trinidad and Tobago and Michael Manley of Jamaica.

Standing at far right is the first CARICOM Secretary-General William Demas. Standing behind Dr. Williams is Barry Augustine, Protocol Officer, Trinidad and Tobago.

Source: CARICOM Secretariat



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Sponsorship

**Sincere appreciation to the following companies
which provided financial support
for the printing and distribution of this publication:**

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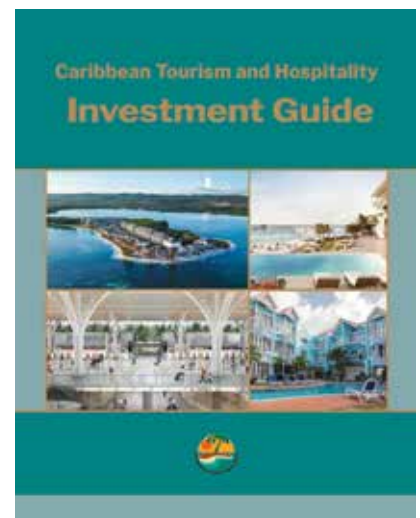
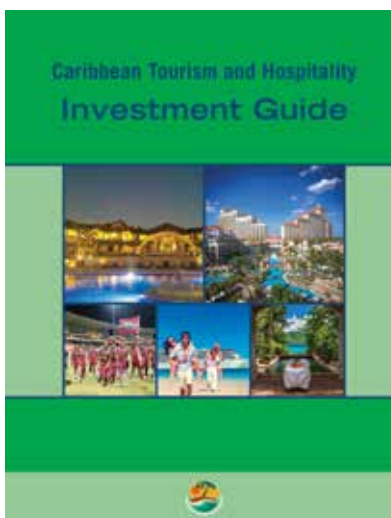
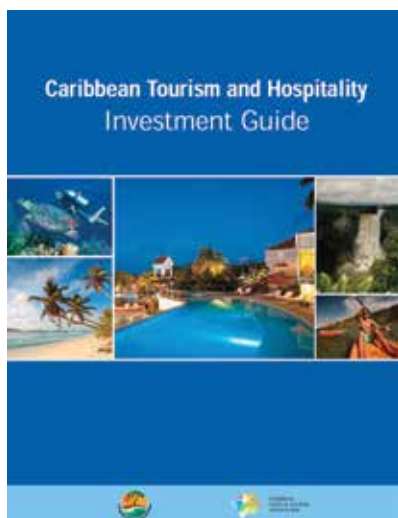
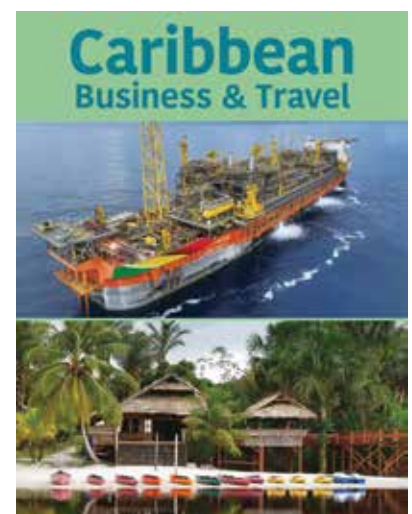
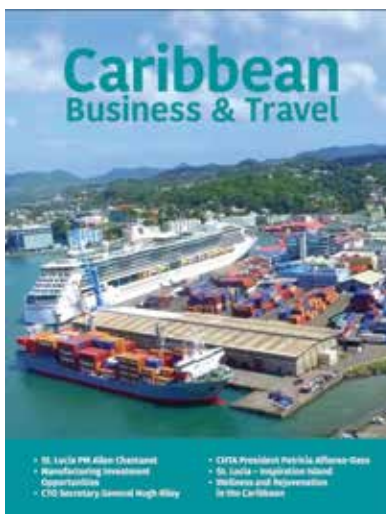
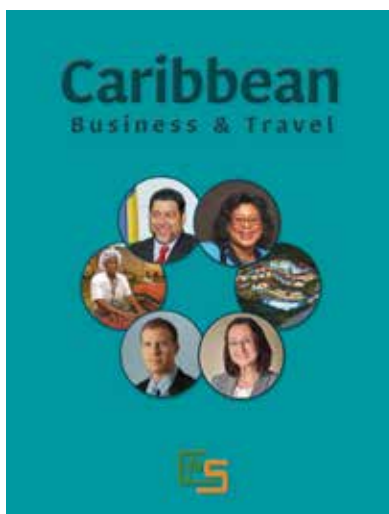
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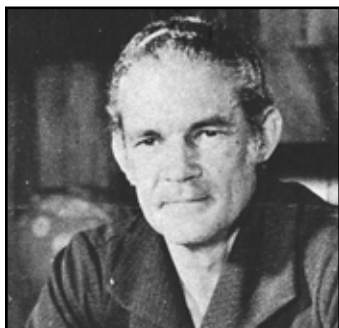


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Section B

THE PACE OF INTEGRATION



Michael Manley
Prime Minister
Jamaica



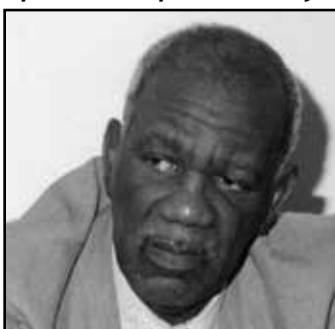
Dr. Cheddi Jagan
President
Cooperative Republic of Guyana



Dame Eugenia Charles
Prime Minister
Dominica



Sir John Compton
Prime Minister
St. Lucia



William Demas
First CARICOM Secretary-General



Roderick Rainford
CARICOM Secretary-General



Sir Henry Forde
Opposition Leader, Barbados



Pat Thompson
Executive Director, CAIC



Leroy Trotman
President, Caribbean
Congress of Labour (CCL)



Jean Augustine
Canadian Member
of Parliament

Haiti is among key issues for WI Summit

1988 - St. JOHN'S, Antigua - Efforts to keep on track a faltering plan for full liberalization of intra-regional trade before year-end, a unified response to the latest coup in Haiti and the search for a new CARICOM Secretary-General, will be among key issues before Caribbean Community leaders when they open their four-day annual Summit in Antigua and Barbuda on Monday.

All 13 leaders are expected to attend this ninth Heads of Government Conference at the spanking new U.S. \$70 million, 350-room Royal Antiguan Hotel, about five miles from St. John's, the capital.

High on the agenda will be a CARICOM response to Haiti's June 19 military coup that ended a four-month-old experiment with democracy, returning the French-Caribbean country to military rule under General Henry Namphy.

The Heads will seek to advance lagging plans for the creation of a CARICOM Export Bank (CEB) as well as facilitating regional joint ventures and will formally begin the search for a new CARICOM Secretary-General.

With Jamaican economist Roderick Rainford expected to leave when his five-year term ends in September, Guyana Foreign Minister Rashleigh Jackson and Dominica's Trade Minister Charles Maynard are said to be possible candidates to succeed him. The formal nominations are expected to come during the Summit, according to informed sources.

But, matters of trade, lifeblood of the 12-nation Caribbean Common Market, could well dominate the July 4-8 meeting, given the concerns just surfacing that all CARICOM countries may not be able to meet an agreed October 1 deadline for removing all remaining barriers to free trade, including stamp duties, import licensing and quantitative restrictions.

Some members of the sub-regional seven-nation Organization of Eastern Caribbean States (OECS) are known to favour a re-examination of the deadline. In fact, Dominican Prime Minister Eugenia Charles is on record as saying the fourth quarter timetable is unworkable because some OECS industries would not yet be able to withstand the extra competition from counterparts in CARICOM'S More Developed Countries.

But the main regional private sector voice, the Caribbean Association of Industry and Commerce (CAIC), has cautioned that to delay further would halt the process of reviving intra-regional trade and have an adverse impact on attracting investment.

After five straight years of decline, CARICOM trade last year chalked up its first increase - eight percent over 1986. The volume in the calendar year 1987 amounted to EC \$858 million, compared to EC \$796 million in 1986.

Against this background, the CARICOM Secretary-General, too, is anxious to see Common Market countries stick to their target date for dismantling trade barriers as agreed at the 1987 Summit. Rainford concedes there are reservations by some countries, but thinks a compromise can be worked out.

"One possibility is that even if a country or group of countries has difficulties with particular products we can still maintain the target date, but could make a derogation with respect to those products with which the countries have difficulty," Rainford said. Barbados and Trinidad and Tobago have taken the initiative and reciprocally removed their stamp duties on CARICOM imports, but other Common Market States - Belize, St. Lucia, St. Kitts and Nevis, and Grenada (which has imposed a value-added tax) - are yet to announce similar action.

Linked to the trade issue is the proposed Caribbean Export Bank, whose last deadline for establishment, January 1, 1988, passed with regional governments unable to mobilise the estimated U.S. \$50 million in equity being sought.

Going before the Heads will be the report of a British merchant bank, which has cast doubts on the feasibility of establishing the new facility. The bank was intended to provide financing for exporters in the thrust for stepped-up trade.

The leaders are being urged by the regional private sector to try to revive the U.S. \$100 million CARICOM Multilateral Clearing Facility (CMCF), the main payments mechanism for intra-regional trade, which collapsed in 1983 under the weight of Guyana's indebtedness.

The Heads said since 1986 that efforts were being made to find a workable solution to the difficulties that inhibit restarting the facility under which Guyana is still indebted to Barbados to the tune of U.S. \$57.6 million.

The CARICOM leaders will give some attention to the implementation of the CARICOM Enterprise Regime (CER), which is to facilitate the movement of capital, labour, and material for regional joint ventures. Nine countries have so far signed the CER agreement, but only one has ratified the accord. Similarly, only one country has initialed the complementary Regional Industrial Protocol.

"Trade is a bread and butter issue for the Caribbean People, but Haiti is also a serious matter as it relates to democracy and freedom in the region," Antigua and Barbuda's Trade Minister Hugh Marshall told CANA.

This was a signal that some leaders will be pressing for a firm CARICOM response to future relations with Haiti. The Heads will have to decide whether to suspend Haiti from the four CARICOM Standing Committees on which it has observer status - education, agriculture, health and labour - as suggested by Trinidad and Tobago.

Barbados, which did not recognize the recently deposed Leslie Manigat administration following the controversial January 17 elections, has also called for "strong collective action" by CARICOM on Haiti.

Jamaica, which did not favour strong action against Haiti when CARICOM leaders met in a controversial special session in Barbados in January, has denounced the June coup.

In the Haiti debate, CARICOM will also have to decide if it will throw its support behind the impoverished country's application to join the African, Caribbean and Pacific (ACP) bloc, in order to benefit from European Economic Community (EEC) aid under the Lome Convention. All CARICOM States are members of the ACP group.

The CARICOM leaders will consider proposals for setting up a Caribbean Court of Appeal, fine-tuned by a Select Committee of regional Attorneys General.

The Committee is recommending that this proposed successor to the British Privy Council comprise three judges and a President, who would be headquartered in one country, but with itinerant judges. Progress in the regional programme for Drug Abuse Abatement and Control will also be discussed in St. John's with some attention expected to be paid to a structured system for monitoring collaboration among Member States.

Also down on the agenda is a review of the 20 or so regional organisations which are CARICOM-financed or supported. Dominica is known to be concerned about the cost of running these entities compared with the benefits.

The discussions on external economic relations will centre largely on preferential trading arrangements with Europe (Lomé), Canada (CARIBCAN) and the United States (CBI) based on the review by a CARICOM Working Party.

A Suriname application for observer-status on the CARICOM Standing Committee of Transportation Ministers will again go before the leaders. Suriname already has observer status on the same four committees as Haiti.

Charles hits out at CARICOM leaders

1987 – BRIDGETOWN, Barbados - Dominica's Prime Minister, Eugenia Charles says there is an "unwillingness" among Caribbean Community (CARICOM) leaders to make the integration movement work. She feels this is one of the main reasons why the decline in intra-regional trade has largely continued since the last CARICOM Summit.

In an interview with the Caribbean News Agency (CANA), the Dominican leader was also critical of the work of the Guyana-based CARICOM Secretariat and says she will press for a review of its operations.

Charles left Barbados Wednesday night for Brussels for talks with European Commission officials.

St. Vincent and the Grenadines Prime Minister James Mitchell will join her.

She said that while economic difficulties in the larger CARICOM Member States and the collapse of a support payments facility affected the high level of trade, a lack of political will was the main contributing factor.

The Secretariat has reported a 13 percent decline in intra-regional trade for 1986, compared to an overall 3.5 percent decline for the previous year. The Dominican leader said bilateral initiatives seemed to be the only way to try to get trade moving, even though the multilateral approach was intended under the CARICOM Treaty.

The CARICOM Secretariat, Charles suggested, needs “to get off its heels” and concentrate its efforts on trade, industry and commerce, instead of devoting manpower and financial resources to other sectors like health, energy and shipping.

Charles said the Secretariat has often set “unrealistic deadlines” for implementing projects and one of its main setbacks was the failure to attract the right calibre of staff because of its location in Guyana, which has severe economic problems.

She said while the proposed Trade Credit Facility, targeted to be launched by July, would help to improve intra-regional trade, it was not the key ingredient for resuscitating trade. She envisaged serious difficulties in attracting the U.S. \$50 million from international donors for the U.S. \$75 million facility designed to provide pre-and post-shipment financing for CARICOM exporters.

“I think it is impossible to expect other countries from outside, seeing what their financial restraints are, to come in and put the facility on a footing for us. In that case, we must look outside the facility to see how we can engender trade and let the world see that we really need the facility.”

She also said CARICOM Member States were not fully aware of the ground rules for the new mechanism and some countries “were not prepared to go into another failure,” a reference to the collapse of the CARICOM Multilateral Clearing Facility (CMCF) four years ago.

Charles reported that trade between Dominica and Guyana has picked up since last July’s Summit, with Roseau purchasing sugar and other items from Georgetown, which has resumed imports of Dominican soap.

She said she was waiting until mid-year to deal with trade with Trinidad, since the new administration needed time to formulate its own policies, but she was concerned about a protectionist attitude among Trinidadian farmers.

The Dominican leader said Roseau was unable to sell much of its citrus to Barbados, despite continued efforts by her government. “Barbados has for years preferred to buy citrus from outside the CARICOM area. I think the Barbados government should investigate why this is so. It is certainly inferior to the citrus from Dominica which can supply all the citrus Barbados requires,” Charles said.

Highlights of the 1988 CARICOM Summit Communiqué

The Heads of Government

- Welcomed the “positive steps” taken to establish the CARICOM Enterprise Regime
- Agreed to declare 1990 the “Year of CARICOM Increased Food Production”
- Reaffirmed the need for export credit and insurance facilities to support the region’s drive to increase non-traditional exports, but agreed to defer for the time being, the establishment of a Caribbean Export Bank as an independent regional institution. They agreed instead to request the Caribbean Development Bank (CDB) to consider establishing a facility to provide export credit in priority areas and to mobilise the necessary funds for the operation of that facility.

- Commended the progress made towards the implementation of the Regional Programme for Drug Abatement and Control and endorsed the direction the programme had taken so far. They expressed their willingness to cooperate with other countries for the establishment of internationally acceptable standards to bring offenders to justice. The Heads of Government, however, voiced deep concern regarding the inadequate level of effectiveness of campaigns by major consuming societies against drug users within their own borders.

- Received and noted a status report on the review of the functioning of regional organisations and of the programmes administered by the CARICOM Secretariat and agreed that the review would examine the objectives and performance of the organisations and the Secretariat and undertake the most cost-effective means of attaining the agreed objectives.

- Agreed to a proposal by Belize for the establishment of a Standing Committee of Ministers responsible for Tourism as an institution of the Community.

- Reaffirmed their sponsorship of the candidature of Dame Nita Barrow of Barbados for election to the Presidency of the 43rd session of the United Nations General Assembly.

- Discussed recent developments relating to the Caribbean Basin Initiative (CBI) and concluded that while the American programme providing for duty-free access for Caribbean products entering the U.S. market had the potential to contribute positively to the economic development of the region, actual performance had fallen below expectations. This was primarily because the existing legislation had failed to deal adequately with critical areas such as investment and financial assistance, and had excluded several products in which the region had a production capacity and also because of protectionist measures introduced or threatened from time to time.

- Reviewed the performance of the region under the Lomé III Convention which is a trade and aid pact between African, Caribbean and Pacific (ACP) countries and the European Economic Community (EEC- now European Union). The CARICOM leaders expressed concern at the slow pace of implementation of the financial assistance programme under this Convention, particularly with respect to the Regional Programme. They noted developments in Europe in relation to the creation of a Single European Market by 1992 and expressed grave concern at the possible impact on Caribbean exports to this market, especially bananas. The Secretariat was mandated to do a study on the probable impact of this development on the Caribbean.

- Observed that Caribbean countries faced difficulties in obtaining access to international finance, particularly in light of reduced availability of loan financing and the increased cost of debt finance. They further noted that the threat of graduation from assistance from the multilateral development financial institutions created greater uncertainties about the future financing of Caribbean development. They recognised that, while there was need to improve their internal financial management, inflows of financial assistance on reasonable terms and conditions were still required from the international financial community.

- Welcomed the interest shown by a number of states and organisations in establishing formal relations with CARICOM.

- Anguilla announced plans to apply for membership; Suriname was accepted as an observer in the meetings of the Standing Committee of Ministers responsible for Transportation; the Netherlands Antilles was accepted as an observer in deliberations of the Conference of Ministers responsible for Health and of the Standing Committees of Ministers responsible for Agriculture, Education, Labour, Science and Technology, and Transportation; the Turks and Caicos received the green light for discussions on links with the Community.

Packed agenda for CARICOM Summit

1989 - ST. GEORGE'S, Grenada - Heads of Government of the 13-nation Caribbean Community (CARICOM) meet here this week for their 10th annual Summit, against the backdrop of a major improvement in intra-regional trade, but with the politically sensitive question of relations with Haiti back on the agenda, along with several recurring issues.

New agenda items include a proposal for the establishment of a Regional Capital Market-This is somewhat wider in concept than the Jamaica-mooted Regional Stock Exchange-and a Barbados call for the establishment of a "Quick Response" disaster relief mechanism in CARICOM.

Twelve of the 13 CARICOM leaders are expected to take part in the five-day annual parley at the 184-room Ramada Renaissance Hotel at picturesque Grand Anse, nearly four miles from the capital, St. George's. Antigua and Barbuda's Prime Minister, V.C. Bird, the outgoing CARICOM chairman, is not expected for the Summit, the highest decision-making body in CARICOM.

The meeting will be chaired by the aging Grenadian leader, Prime Minister Herbert Blaize, in what political observers here describe as an uneasy political climate linked to apparently worsening relations between Blaize, 71, and political leader of his ruling New National Party, Public Utilities Minister Dr. Keith Mitchell.

When the Summit is officially opened tomorrow (at the refurbished Grenada Boys Secondary School), one of the five speakers will be Jamaica's Prime Minister Michael Manley, a staunch regionalist, officially returning to the CARICOM fold following his re-election at the polls in February.

The formal opening will also hear addresses from Blaize, as well as Trinidad and Tobago's Prime Minister A.N.R. Robinson; his Kittitian counterpart Dr. Kennedy Simmonds, Guyana's President Desmond Hoyte, and the CARICOM Secretary-General Roderick Rainford.

Rainford feels that the "political tension" which characterized the discussions on Haiti at the ninth Summit in Antigua and Barbuda has all but dissipated. The situation in Panama is also expected to surface at the Summit, with Trinidad and Tobago expected to report on its participation in an OAS mission to the politically troubled Central American State.

The Caribbean Conference of Churches (CCC), along with some regional politicians, is also anxious to see some discussions at the level of the CARICOM Heads of Government on the political and economic situation in Guyana, which had recently been plagued by labour unrest stemming from an austere 1989 budget and long-standing allegations of electoral fraud and human rights abuses.

On the economic front, the Heads will be pleased with last year's solid 14.6 percent increase in intra-regional trade over 1987. However, the Secretary-General has noted that the volume of trade is still well below the 1981 peak of EC \$1.6 billion (EC \$1.37 to U.S. \$1.00). Intra-regional trade in 1988 was valued at EC \$983 million. Rainford said that with the present rate of increase the 1981 level could be achieved in about four years, but rising purchasing power in the once-buoyant Trinidad and Tobago market would be a key element. The 12 Common Market Member States agreed to remove all restrictions to intra-regional trade from last October, though the LDCs were granted exemptions for three years for a limited number of products.

While Rainford is encouraged by the fact that the "shouting matches" over trade have ceased in the Common Market, the Caribbean Association of Industry and Commerce (CAIC) has urged the region to aim more for an intra-regional target of 20 to 25 percent of total trade.

"That would give us something to aim for rather than reporting past performances. It's like operating a company without a budget," CAIC Executive Director Pat Thompson told CANA.

The CARICOM leaders will once again discuss the long-mooted CARICOM Enterprise Regime (CER), which sets out a new legal framework for encouraging regionally-owned and controlled companies in certain priority sectors of the economy and facilitating the movement of capital and skills.

Eleven Member States have signed, but only five have ratified the CER agreement, which went into effect after the fourth signature. Trade and financial matters aside, the Heads will also devote some attention to a proposal from Barbados for a coordinated CARICOM mechanism to respond to any Member State hit by a natural disaster. The proposal came in the wake of Hurricane Gilbert, which devastated Jamaica last September. Supplies and technical assistance, as well as money, were sent to Jamaica by its CARICOM partners on an ad-hoc basis.

The CARICOM leaders will again consider a 1987 Barbados proposal for the establishment of a Caribbean Assembly of Parliamentarians. Barbados' Prime Minister Erskine Sandiford just floated the idea at the St. Lucia Summit and is expected to give more specifics to his colleagues on how such a non-partisan body would operate.

Back on the Summit agenda, too, is the Trinidad and Tobago proposal for the setting up a Caribbean Court of Appeal to replace the British Privy Council as the region's highest court. The proposal was fine-tuned by a select committee of the region's Attorneys General and another report is due to go before the leaders.

The Heads will give further direction to a multi-pronged programme to fight the growing problem of drug trafficking and abuse in the area. The public awareness component of this programme is already underway, but work is yet to advance on areas such as the coordination of rehabilitation and treatment, epidemiology and legislative aspects. Trinidadian Prime Minister A.N.R. Robinson's call for an international court to prosecute drug dealers will also be addressed.

The Summit agenda includes as well as a review of regional institutions and programmes and discussions on the establishment of formal CARICOM links with the Netherlands Antilles, which has been granted observer status on some standing committees, the Turks and Caicos, with which exploratory discussions have been held since the 1988 Summit. Anguilla has expressed interest in closer CARICOM ties but not actually submitted an application for membership.

CARICOM gives Haiti last chance

1989 - ST. GEORGE'S, Grenada - St. Lucia's Prime Minister John Compton says the Caribbean Community (CARICOM) is putting the pledge of the Prosper Avril regime in Haiti's move toward democracy to the test.

The CARICOM leaders, now meeting here, yesterday issued a statement on Haiti announcing that the Foreign Ministers of the Bahamas, Jamaica, St. Lucia, and Trinidad and Tobago would visit Haiti in response to an invitation from the Haitian administration. The ministerial team will follow a CARICOM fact-finding team that visited Haiti from June 6 to 13.

"If the Haitians do not do something to honour their pledge then CARICOM will have gone as far as it can go," Compton said in an interview with CANA.

The St. Lucian leader said that the decision by the Heads was not to be interpreted as formal recognition by the 13-nation regional grouping of the current regime headed by General Avril. "We are using the Avril letter of invitation as a matter of diplomatic courtesy and nicety. We could not go into Haiti without their permission. We use that to have an entree with the Haitian people," he explained. "We are just accepting the fact that he (Avril) has the control."

On Panama, Compton said he was unsure exactly what role CARICOM could play in helping to resolve the situation there.

"We are in a position of being democratic nations without any history of military dictatorship, so we can take the moral high ground and use that as our only armour to urge the Panamanian people," Compton said.

He continued: "Another thing is the psychological impact, that the Panamanian people know they are not standing alone, that they have 13 countries in the Caribbean that will stand with them."

Compton said the Heads of Government statement on Panama was "conditional." "It's not a blank cheque," he declared. "Everything we do now is conditional on people getting back on the democratic road."

In a one-page statement on Panama issued on Tuesday, CARICOM leaders condemned the annulment of last May's elections. There was an "unwarranted assault on the democratic process by the military." They also reiterated that the problems in Panama should be resolved without foreign intervention and proposed that all economic and other sanctions imposed against the Manuel Noriega regime be withdrawn as soon as acceptable transitional arrangements were established.

"If there are talks with the Noreiga government and there's some sign that they are prepared to go back to the democratic process, then the sanctions are no longer necessary. The sanctions are now against the people really," Compton told CANA.

Grand Anse Declaration and Work Programme for the Advancement of the Integration Movement

1989 - At this our Tenth Meeting here in Grenada, we, the Heads of Government of the Caribbean Community inspired by the spirit of cooperation and solidarity among us are moved by the need to work expeditiously together to deepen the integration process to address the challenges and opportunities presented by the changes in the global economy. Accordingly, we set out a work programme and specific initiatives to be implemented over the next four years.

The Common Market

We are determined to work towards the establishment, in the shortest possible time, of a Single Market Economy for the Caribbean Community. To that end, we shall ensure that the following steps are taken not later than 4 July 1993, taking into account the need for the continuance of Special Measures for the LDCs:

- (1) The three Common Market Instruments required by the Treaty of Chaguramas — the Common External Tariff, the Rules of Origin, and a Harmonised Scheme of Fiscal Incentives — fully revised, agreed and effective by January 1991.
- (2) Customs cooperation and our Customs administrations strengthened to prepare ourselves for movement towards a Customs Union.
- (3) The signature by all of us to the Agreement establishing the CARICOM Industrial Programming Scheme (CIPS) by September 30, 1989.
- (4) The enactment, by January 1990 of the legislation required to give effect to CIPS and the CARICOM Enterprise Regime (CER).
- (5) A scheme for the movement of capital introduced by 1993 starting with the cross-listing and trading of securities on existing stock exchanges.
- (6) Technical work to commence immediately on the establishment of a regional Equity/Venture Capital Fund.
- (7) The CARICOM Multilateral Clearing Facility strengthened and re-established for current and capital transactions by December 1990.
- (8) Further arrangements for intensifying consultation and cooperation on monetary, financial and exchange rate policies by July 1990.
- (9) The removal of all remaining barriers to trade by July 1991.
- (10) Immediate activation of Article 39 of the Annex to the Treaty of Chaguramas in order to promote consultation, cooperation and coordination of policies at the macroeconomic, sectoral and project levels.
- (11) Arrangements by January 1991, for the free movement of skilled and professional personnel as well as for contract workers on a seasonal or project basis.
- (12) Immediate and continuing action to develop, by 4 July 1992, a regional system of air and sea transportation including the pooling of resources by existing air and sea carriers conscious that such a system is indispensable to the development of a Single Market and Community.
- (13) Greater collective effort for joint representation in international economic negotiations and the sharing of facilities and offices to this end, with immediate effect.

Development Issues

In examining the longer-term prospects for development, we recognise the primary importance of human development and scientific and technological capability to the modernization of the regional economy.

Accordingly, we adopted the resolution in Annex I on Human Resource Development and the University of the West Indies (UWI) which, among other things, recognises the pivotal role of the UWI and enshrines our commitment that it shall continue indefinitely as a regional institution.

Human Resource Development is of special value in the exploitation of new opportunities arising in the services sector through the development of information technology. We consider these possibilities to hold significant potential for economic growth and development. Accordingly, we shall initiate immediately, consultations with the private sector, trade unions and educational institutions to determine the specific strategies for taking full advantage of these opportunities.

We are conscious that people, rather than institutions, are the creators and producers of development. We acknowledge the special roles of the private sector, the trade union movement, the regional universities, the religious organisations, women and youth organisations, the various professions, other non-governmental organisations and people of all conditions of life in moving CARICOM forward.

In this connection, we agree to take the following steps:

- (1) The establishment of an Assembly of Caribbean Community Parliamentarians.
- (2) The establishment of an Independent West Indian Commission for Advancing the Goals of the Treaty of Chaguaramas as agreed in the Resolution at Annex II.
- (3) The convening of a Caribbean Economic Conference as agreed in the Resolution at Annex II.
- (4) The elimination, by December 1990, of the requirement for passports for CARICOM nationals travelling to other CARICOM countries.
- (5) The elimination of the requirement for work permits for CARICOM nationals beginning with the visual and performing arts, sports and the media travelling to CARICOM countries for specific regional events.
- (6) The organising of a series of events around 1992 to highlight our achievements in the areas of sports, the performing arts, literature and other areas of cultural endeavour, business and commerce and education. The series will commence with the staging of CARIFESTA in 1991 and include a major Trade Fair early in 1992 in Trinidad and Tobago.

We are acutely aware of the fragility of the environment on which our economies rest and of the myriad threats to that environment from internal and external actions and activities. To protect our environment, we support all international initiatives to safeguard the global environment and strongly endorse the Port of Spain Accord on the Management and Conservation of the Caribbean environment by our own Ministers responsible for conservation of the Environment.

Machinery for Inter-governmental Consultations

In order to ensure the full and timely implementation of the programme set out above, we shall intensify and make more frequent the contact and consultations among ourselves. We shall meet as often as necessary to advance the decision making and the implementation of this programme.

CARICOM records mixed performance

1990 - Georgetown, Guyana - One year after the deadline for the implementation of the CARICOM Enterprise Regime (CER), the majority of Caribbean Community (CARICOM) governments have failed to put in place the necessary legislation to give effect to the special legal framework to stimulate joint investment and production among Member States.

"The majority of Member States are yet to put the legislation in place," CARICOM Secretary-General Roderick Rainford said in an interview at the CARICOM Secretariat.

Heads of Government agreed at their 1989 Summit in Grenada that they would enact by January 1990 legislation required to give effect to the CER. In fact, Barbados remains the lone Common Market country to put the legislation in place.

Rainford attributed the long delay to the "overloaded legislative schedule" of some Member States, an argument which does not impress the Barbados Minister of Trade, Industry and Commerce, Evelyn Greaves. He declared prior to the July 1990 Summit that "there can be no excuses".

It was the question of ratifications that killed the first effort to implement the CER in 1979, when ten countries signed, but only St. Kitts and Nevis ratified the pact. The Secretary-General said he was hopeful that he would see a "significant advance" on the CER during the first half of 1991.

Rainford said that the Secretariat had received the necessary twelve signatures and four ratifications to bring the CER into effect but it could not operate unless Member States actually passed the necessary legislation. "If any two countries which have signed and ratified the CER pass the legislation, then joint ventures under the CARICOM Enterprise Regime can take place in either of those countries," he explained.

One decision of the Grand Anse Declaration of the Grenada Summit which has been translated into action is the move towards a Regional Stock Exchange, beginning with the cross-listing and cross-trading of securities among the three existing stock exchanges located in Barbados, Trinidad and Tobago, and Jamaica.

"The regional stock exchange itself will be part of the wider question of an integrated capital market. It will comprise other elements outside of the stock exchange. The significance of this first step in January is not only that we will have stocks on the three existing exchanges being traded, but also that it will produce a momentum for the rest of the process to follow in succeeding years."

Rainford noted that the CER, when it comes on stream, would complement the regional stock exchange in a positive way. "That's another reason, why quite apart from the CARICOM Enterprise Regime in its own right, why we are maintaining the momentum of the effort to get it fully operational both in terms of the administrative arrangements at the regional level as well as in terms of legislative requirements at the national level."

The Jamaican-born economist also disclosed that the CARICOM Industrial Programming Scheme was formally in effect as all Member States had signed the Protocol, which was scheduled to be in operation a year ago.

"What we are hoping to do is to move from the position where it is formally in effect to a position, hopefully during 1991 when we can have industries being identified, recognised and designated as regional industries and in terms of seeing the promoters, whether private investors or government, or mix, taking action to secure investment in those industries."

While most Common Market Member States have not adhered to the January 1, 1991 target date for the implementation of the Common External Tariff (CET), Rainford is expecting all 12 Common Market countries to have domestic legislation and the printing of the national tariffs in place "within the month of January," The CET, a customs duty placed on all goods imported from outside CARICOM, is designed to protect regional agricultural and industrial production as well as raise revenue for individual CARICOM states.

"I have just sent a communication to all Member States discussing and clarifying the matter (CET) and urging that they proceed as expeditiously as possible," said Rainford who was somewhat concerned about press reports that some countries were aiming to implement the (CET) between February and April.

Rainford said the implementation of the new Rules of Origin - which set out the conditions under which CARICOM-made goods qualify for duty-free treatment - would be effective in about two or three months time.

He explained that in relation to the Rules, the decision by the Council of Ministers was that the date for the implementation would be the date of the next first full calendar month after receiving notification of ratification of amendments to the Treaty of Chaguramas from all 12 Common Market countries as well as notification of domestic legislation being put in place.

According to the Secretary-General, the Rules of Origin would be implemented on one date for all Common Market countries while the CET would be implemented during January "even though you would have varying dates within that one-month timeframe."

As with the CER, CARICOM governments have failed to meet a number of other target dates set out in the Grand Anse Declaration and Work Programme. A CARICOM Commissioner, who was due to be appointed in October 1990, will now be named after a committee under the chairmanship of Antigua's Trade Minister, Hugh Marshall, meets in early February to decide on an appointment, which would then have to be approved by the wider membership of CARICOM. The Commissioner is expected to work closely with the individual Member States and the Secretariat to ensure the "effective and urgent implementation of all measures agreed on within the timetable set."

Despite failing, in several instances, to comply with the timetable set out in the Grand Anse Declaration and Work Programme, designed to prepare and lay the groundwork for a CARICOM Single Market, Rainford said several areas of progress were recorded in 1990. He referred to the West Indian Commission getting off the ground and holding well-attended wide-ranging consultations in CARICOM countries and to the completion of the Mills report, which provided a comprehensive review of regional programmes and organisations.

In addition, he said, the performance of intra-regional trade so far in 1990 was encouraging. Intra-regional trade was up by 10 percent for the first six months of 1990 compared to a similar period in 1989, from EC \$573 million to EC \$630 million. Common Market countries have agreed to remove all remaining barriers to the free flow of trade by July this year.

One of the Secretary-General's disappointments in 1990 was the failure by regional governments to take steps to facilitate the freer intra-regional movement of CARICOM nationals for purposes of travel and work. The Heads of Government agreed in Grenada to take the necessary legislative and administrative steps to make this a reality by January 1991.

"The follow-up has not been as timely as we would have wished at this point in time. I personally would have liked to see the effort advanced much further than it has." He adds: "One interesting thing is that in the context of the work of the West Indian Commission this has been one major area of interest that invariably comes up at all the hearings of the West Indian Commission." Programme AFFIRM - Arrangements for Freer Intra-Regional Movement - provides for CARICOM nationals travelling in the region to present identification other than passports. It also calls for the waiver of work permit requirements for professional and skilled CARICOM nationals working in the areas of the visual performing arts, sports and the media to participate in regional events.

Rainford is hopeful that the Secretariat would be able to report by the next Summit in St. Kitts and Nevis in July that the necessary steps have been put in place in keeping with the decisions in the Grand Anse declaration.

The question of adequate funding for the secretariat's expanding work programme is another issue that the Secretary-General would like to see settled. He is anxious for an increase in the annual budget which has been around EC \$10 million for the past few years. "We continuously face the challenge of stretching the budget dollar to the limit always looking at cost savings. At the same time, this has to be done in the face of a very expansive mood in the Community at the moment. We want the integration tempo to quicken. There are always demands for new programmes, so we're looking forward to the next meeting of the Council which will be a budget meeting".

The Council of Ministers, the second highest decision-making body in CARICOM, is due to meet on February 7 and 8 to be followed by an informal Summit of CARICOM leaders on February 26 in Port of Spain. The key agenda item at the Summit will be the Mills Report, which was critical of many aspects of the Secretariat's operations and the constant failure by CARICOM governments to meet deadlines set.

The report stated: "Notwithstanding rhetorical expressions proclaiming and declaiming the ideals and partial value of regionalism, many political leaders are often unwilling to surrender any elements of national sovereignty in pursuit of a wider regional goal."

The report went on to warn: "History, and the generation of Caribbean youth who will be moving onstage as the 21st century dawns, might not judge kindly the Community's failure to have met the challenge, and to have grasped the opportunity, presented to it by the Grand Anse Declaration."

Rainford said beyond the Mills report, he expected the CARICOM leaders to discuss relations with Haiti and Suriname as well as U.S. President George Bush's Enterprise for the Americas. He said that, in addition to Haiti's observer status on several CARICOM Ministerial Committees, there were plans to resuscitate the CARICOM-Haiti Joint Technical Group (JTG) which was established in 1984.

Responding to reports that calls for the relocation of the CARICOM Secretariat from Guyana would be discussed at the Trinidad Summit, Rainford said: "The Secretariat has not received any formal proposal for the matter to be placed on the agenda."

Slow boat to unity

Sandra Baptiste talks to Jamaican Prime Minister Michael Manley and other leaders about the struggle for an integrated market in the Caribbean

Caribbean World Magazine, London

1992 - Europe is not the only region suffering a difficult debate over the establishment of a unified market. This year the 13-nation Caribbean Community and Common Market (CARICOM) will be seeking to lay the groundwork for a Single Market by 1994. Of the five politicians behind the foundation of CARIFTA - transformed into CARICOM in 1973 - only Michael Manley (Jamaica) and V. C. Bird (Antigua and Barbuda) are alive and in power; the others were Errol Barrow (Barbados), Forbes Burnham (Guyana), and Eric Williams (Trinidad and Tobago), who have all died.

As in Europe, the Common Market idea will work only through great personal effort. Two of the political achievers in the region are Manley and Dame Eugenia Charles, the Prime Minister of Dominica.

Manley, who is 66, is a charming and charismatic politician whose leadership is widely respected in the Caribbean. He was out of power in Jamaica from 1980-89, when Edward Seaga's Government took the helm.

Elected in 1972, Manley was a devout socialist throughout the decade. He introduced electrification and health-care programmes, minimum wages, housing projects and nationalisation. He discouraged foreign ownership in Jamaica, developed close ties with Cuba and played a key role internationally in bringing together the developing nations in the Non-Aligned Movement.

At the end of the 1970s, however, Jamaica was in debt and Edward Seaga won a landslide. He was returned to power in 1984, when Manley boycotted the elections. During Manley's period in the political wilderness, he toned down his socialist rhetoric and has mended his fences with the United States. Manley believes that the key question is whether the region will be able to produce competitively and efficiently. He adds that it is unrealistic to expect any advantages in addition to those existing under the Lomé trade and aid pact between the EC and African, Caribbean and Pacific States.

Manley points out that Jamaica has taken steps to complete its move to a market economy. "The liberalisation of foreign exchange ensures that there is the most conducive atmosphere and environment to the export producer to go for broke and try to export".

He continues: "Until CARICOM countries are seriously willing to integrate their own economic structures - so that you have more powerful corporations, more rational use of your resources, greater strength with which to be competitive and to get out there and compete - it's going to be hard to get into those big markets."

"We pioneered the stock exchange to tell the region to integrate. If you integrate you will be stronger. Stop the little national prides and barriers that stop your capital becoming a regional phenomenon, pursuing economies of scale."

Manley has warned that the international community was getting negative signals from CARICOM's failure to implement many of its trade and other agreements which would be a prerequisite for the establishment of a Single Market. Over the past five years, CARICOM governments have implemented about 30 percent of decisions taken at their annual summits.

He seeks a stronger political will to ensure that CARICOM accords are translated into action. The region's leaders have been widely and harshly criticized during the consultations, which the independent West Indian Commission held in 1991 within the region, and in the United Kingdom and Canada.

Manley attaches a lot of importance to the work of the West Indian Commission which he hopes will help inject some badly needed dynamism into the movement.

In an interim report, the Commission, chaired by former Commonwealth Secretary-General Sir Shridath Ramphal called for "immediate action" in six areas: easier travel for West Indians within their own region; the free movement of skills in the region; steps towards a common currency; the creation of a Caribbean Investment Fund; creating the CARICOM Single Market and mobilizing for international negotiations.

Manley had hoped that the meeting of CARICOM Heads of Government in mid-February in Jamaica would focus solely on these areas. "There are certain short-term problems that you face in any integration process but it is justified by the tremendous transformation in your capacity to deliver progress if you do integrate," he said.

"If three entities as huge as Canada, the United States and Mexico look at the world economy and find it necessary to begin an integration process, the whole of mighty Europe with a history of one thousand years now puts warfare behind it and is going to integrate, who are we to think that we can afford not to?"

Dominica's Prime Minister Dame Eugenia Charles is a lawyer by profession whose political career goes back 35 years. Now 73, she is a tough, no-nonsense politician who is referred to as the Iron Lady of the Caribbean. She played an important part in the involvement of American troops in Grenada in 1983 when she went to Washington to see President Reagan on behalf of the region.

She has been severely critical of CARICOM, particularly the performance of the Secretariat. She wants it removed from Guyana - which has its own economic problems and has failed to attract enough residents from other islands.

Dame Eugenia is clearly frustrated. She complains that CARICOM programmes never get off the ground because little attention is paid to specifics like personnel, funding and responsibility for projects. Nor is she optimistic that CARICOM can be transformed into a Single Market by 1994.

To ensure its survival she sees the need for a revamping and relocation of the Guyana-based CARICOM Secretariat. She also seeks a pruning exercise to see which projects are priority and what funding is available to arrive at a "more realistic and affordable" set of programmes rather than "pie in the sky."

In the 1970s and 1980s, international recession and fluctuations in the price of oil have resulted in a slump in inter-island relations. However, there has been some successes-especially in education where British GCE exams have been replaced by exams based on Caribbean material.

There are still, nevertheless, troubles to be overcome. At their 1989 Summit in Grenada CARICOM leaders approved the historic Grand Anse Declaration, setting out target dates for major advances. Most of the deadlines have not been met. Of the 19 decisions taken at Grand Anse, only two have been implemented. Recently, Grenada became the first of the 13 Member States to honour a 1989 agreement to allow Caribbean residents to enter another CARICOM state without needing to produce a passport (driver's licences are sufficient).

The regional integration movement failed once again in 1991 to meet several deadlines which the Heads of Government set. The Common External Tariff (CET), a duty on goods imported from outside the region to give a boost to regional production, has not yet been fully implemented. Member States did not adhere to the December 31 target date for removing all remaining barriers to intra-regional trade. In addition, trade among the Common Market countries for the first half of 1991 compared to a similar period in 1990 was EC \$617 million (£128.5 million), slightly down from EC \$625 million (£130 million) and still a far cry from the 1981 peak year of EC \$1.6 billion (£333 million).

Two CARICOM projects which did succeed in 1991 were the limited start-up of a Regional Stock Exchange-involving the cross listing and trading of stocks of companies in Barbados, Jamaica, Trinidad and Tobago-and the establishment of a CARICOM Emergency Disaster Response Agency.

In 1992 the region will continue to feel the effects of the international recession. Tourism, its major industry, suffered from the Cold War and has been dealt a further blow with the collapse of Pan Am. Tourism is one area where there is room for cooperation, particularly because the outlook for this vital industry is far from rosy. The Barbados-based Caribbean Tourism Organisation (CTO) projected a hard winter, with little or no growth.

The CTO is more optimistic about the European market than the North American. A 5% increase in tourist arrivals from Europe is projected for the current winter season but the British market is expected to remain soft through the early months of 1992. However, CTO Secretary-General Jean Holder was "extremely cautious" about growth in arrivals from North America, given the US economy's failure to respond to stimuli such as lower interest rates.

One positive development was the historic mid-February meeting of CARICOM Heads of Government on the future of tourism, including the plans for the joint marketing of the region and facilities to lure more investment to the sector which is badly in need of capital for refurbishment.

The Caribbean Development Bank (CDB) says that all of the CARICOM countries, with the exception of Barbados, experienced some growth in 1991, but the region's economic performance on the whole was "not very good." Growth in the Gross Domestic Product (GDP) was less than usual in most cases. Guyana registered an increase in GDP of just over 4 percent for the first time in several years. And Trinidad and Tobago showed a rise of 2.5 percent.

"The region appears to be in for a period of slow or negative growth," says director of Economics at the CDB Dr. Keith Worrell. He forecasts that Antigua and Barbuda and Grenada will undergo serious financial difficulties as they try to trim large deficits to avoid a further deterioration in their economies.

The outlook for sugar is not particularly bright, nor is the future of Caribbean bananas in Europe from 1992. Dame Eugenia acknowledges that the European Commission will find it difficult to continue preferential treatment for Caribbean bananas; the EC is under pressure from Latin American producers demanding unfettered access at the end of 1992 to the huge European market of 320 million. The banana industry is vital to the economies of the four Windward Islands - Dominica, St. Lucia, Grenada, and St. Vincent and the Grenadines - and a major revenue earner for Jamaica and Belize. "We have to make sure that we produce excellent bananas and we must be prepared to cut down the cost of production; otherwise we will not be able to compete," according to Dame Eugenia.

The private sector bemoaned the fact that CARICOM was still not working properly. Pat Thompson, executive director of the Barbados-based Caribbean Association of Industry and Commerce (CAIC), said that the CER remained a "dead letter."

At the end of 1991 only three countries - Barbados, Guyana, and St. Vincent and the Grenadines - had put the legislation on the CER in place. Thompson said the CER could be implemented by those who were ready, if Barbados, Trinidad and Jamaica were to put the legislation in place - as they had done with the Stock Exchange. He felt that implementing legislation in CARICOM agreements should take priority.

To grasp the opportunities and lure investors, Thompson urged the Caribbean's private sector to gather intelligence - by lobbying, and by improving technology and trading relations. This would be done largely through a Caribbean Council for Europe, which is set for April.

"We have to take the initiative in the face of the Single Market in Europe, the problems in Eastern Europe and the USSR and the need for capital there. We will be very much on the back-burner, if on the stove at all, unless we take steps to make sure that we are being heard and our attributes are being presented to European investors."

CARICOM Secretary-General Roderick Rainford is hopeful about the Single Market, because many of the barriers to trade were dismantled between 1988 and 1990. "Free movement of goods is just one aspect of a Single Market."

The future direction of CARICOM, including a possible expansion of its membership to embrace some of the non-English speaking Caribbean countries, will depend on several things - the efforts and the patience of prime movers like Manley and Dame Eugenia, how soon the Windward Islands form their own political union, and, perhaps more importantly, the implementation of the wide-ranging recommendations of the West Indian Commission.

Bleak future seen for CARICOM

1992 - BRIDGETOWN, Barbados - As the region's Heads of Government prepare for an informal Summit in Jamaica, a retired distinguished West Indian diplomat has chided them for stalling on integration and has painted a somewhat gloomy picture of the future of 18-year-old Caribbean Community and Common Market (CARICOM).

"The future is a bit bleak until such time as the leaders are willing to grasp the nettle and take the political decision as to whether they want to be committed to integration and to come up with the different types of options from which the people should choose," says former Deputy Secretary-General of the Organisation of American States Val McComie.

McComie, who was second-in-command at the Washington-based OAS Secretariat for 10 years, says Caribbean governments have reneged on many of their agreements and are not in fact pushing ahead with steps to further unite people of the 13-nation CARICOM.

"Many of them have pulled back and are focusing on their national problems rather than on the regional question and this is a pity because events all over the world do indicate that the world is moving towards forming economic blocs and it would be impossible for the Caribbean to survive unless we are functioning as a Caribbean regional bloc."

Caribbean leaders, he says, are confronted with a dilemma given the current world situation and the fact that they have focused most of their efforts towards Caribbean unity on economic integration. "I have always felt that Caribbean integration should be approached not in the first instance from economic integration, but rather, on people or cultural integration," said McComie who has also served as Barbados Ambassador to the United States, Venezuela and Brazil.

He sees stepped-up functional cooperation as the main pillar for strengthening integration among the current membership of CARICOM and argues that consultation with Caribbean citizens should have been done when CARICOM was being launched in 1973.

"If the people were consulted by a referendum and if the answer was what I think it would be - yes - then I think it would be up to the governments and other interested people to come up with options for implementing a regional movement whether it would be federal or a confederation."

He believes that the establishment and work of the West Indian Commission, mandated by regional leaders to chart the future direction of the integration movement, was "putting the cart before the horse."

"There should have first been a decision by the people of the Caribbean committing themselves fully and irrevocably to some form of Caribbean regional organisation and then all the information the Commission has gathered, and all of its consultations, could have been useful in designing the type of integration movement that you would then have."

The Commission, he maintains, has only met with a minority of the West Indian public but concedes that its final report, which is due by mid-1991, will be useful.

McComie has lauded the Grenada, Trinidad and Tobago, and Guyana governments for their decision to remove the passport requirement for nationals from the region; a step that he feels is long overdue.

"There's no question in my mind that the difficulties, which many saw at the time of Federation about the dangers that would be passed to their economies if you had freedom of movement of people in the Caribbean, don't exist any longer."

West Indians, he adds, are not thinking of moving from one island to another primarily in search of employment. "My view is that the freedom of movement of peoples is as important as the freedom of movement of goods or even perhaps much more important." He forecasts that the move towards a CARICOM Single Market will be very difficult given the governments' poor track record in implementing a long list of decisions relating to trade and economic integration. The situation is compounded, he notes, because looming on the horizon is a hemispheric Common Market which will "willy nilly drag the Caribbean in."

“The first step of the Common External Tariff (CET) is fundamental to the creation of a Single Market and the difficulty and reluctance of some of the countries to even implement that decision doesn’t hold out much promise that the integrated market is something which will come about soon.”

Reacting to the four-tier phased approach to a Single Market proposed by the CARICOM Secretariat, the former Barbadian diplomat said: “The fact of the matter is that the Caribbean has to go in one boat or they will sink, that’s the reality and until that decision is taken, I think any other suggestion is a palliative and is not intended to address our fundamental problems.”

He also holds out little hope for the CARICOM Secretariat being upgraded to an executive-type Secretariat, similar to the European Commission in Brussels. “I don’t see that the governments of the Caribbean, as jealous as they are of their own prerogatives, are going to give that kind of power to a Secretariat. I don’t see it. That was exactly one of the reasons why the Federation collapsed - the difficulty in deciding how much power you are going to give to the Federal structure and to the individual state structure.”

On CARICOM’s image in the international community, McComie asserts: “Any grouping that establishes itself, formalises itself and announces that it has certain objectives, certain goals and if it doesn’t fulfill those objectives, then the rest of the world doesn’t look at it seriously.”

The former diplomat has also criticised Caribbean governments for failing to speak out on international reaction to efforts to get ousted Haitian leader Jean-Bertrand Aristide reinstated. “I don’t know whether the Caribbean understands the extent to which even Latin America looks to the Caribbean for guidance, and you might even say leadership, in a matter which takes place in the Caribbean region.”

He laments the fact that regional governments, with the exception of two, have not responded positively to requests to take Haitian refugees.

Leaders urged to show commitment

1992, BRIDGETOWN, Barbados - Caribbean Community leaders who hold an informal meeting in Jamaica this week are being urged by trade union and private sector leaders to put issues affecting job security in the region at the top of their agenda and to stop paying lip service to regional integration.

“We have to ask ourselves whether we are not taking two steps forward and three steps backwards,” says President of the Caribbean Congress of Labour Leroy Trotman, who has echoed recent concerns over the lack of action by regional governments on a range of issues agreed to at previous CARICOM conferences.

“The slow pace at which some things are progressing is causing contradictions to present themselves, is causing a whole lot of uncertainty to become part of our psyche and it is not good for people, because it then develops a certain suspicion among people and among leaders,” said Trotman who is acting General Secretary of the powerful Barbados Workers’ Union (BWU).

He said a number of issues raised by the regional labour body at the last Summit in St. Kitts and Nevis are yet to be addressed. Among these, is CCL involvement in filling the Labour Desk position at the CARICOM Secretariat in Guyana.

Trotman said while the CCL supports the calls for the free movement of labour within the region it believes that there should be a Social Charter which should be prepared and set up to protect workers from exploitation.

Noting that over the last ten years most Member States have experienced serious economic difficulties, Trotman suggested that the region’s governments re-examine what CARICOM was established to do versus what nationals want from an integration movement today.

“In many cases, the leaders have made errors and they misjudged the people and I think the people don’t want to come together in a single community. It hasn’t got to do with coming together, it has to do with developing the will to build in safeguards so that people, in the short term particularly, are still able to see that plans are made to secure their national positions in the circumstances of a unified Caribbean.”

On the trade front, the Barbados Manufacturers' Association (BMA) feels the region's leaders should come up with a joint position on trade policies which would not be in conflict with the trade liberalisation and other policies being advocated by the International Monetary Fund and World Bank.

BMA Vice President Bobby Khan says the prescriptions from the multilateral financial institutions run counter to measures like the Common External Tariff. Four eastern Caribbean countries - Antigua and Barbuda, St. Lucia, St. Kitts and Nevis and Montserrat - are yet to implement the CET, a duty placed on goods imported from outside the region and is designed to protect Caribbean agricultural and industrial production.

Khan feels there is an uneven playing field as far as CARICOM trade is concerned, as Barbadian manufacturers have to pay duties on inputs and raw materials and can no longer compete with other regional products.

The survival of the industry, according to Khan, requires that duties be placed on goods coming into Barbados from CARICOM countries where the producers don't pay similar taxes. The dilemma is that the BMA wants barrier-free trade within CARICOM.

The BMA official expressed concern that Trinidad and Tobago has retained its negative list, which is shutting out certain products from Barbados.

Khan reiterated a warning that as much as 10,000 jobs could be lost in the Barbados manufacturing sector if the issue of duties is not resolved quickly. He projected that intra-regional trade, which declined marginally for the first six months of 1991 over 1990, would continue its downward trend.

Khan said the CARICOM Secretariat's new proposals on a phased four-tier Single Market structure, which has taken the local private sector by surprise, is unlikely to work as CARICOM will only function if all its members play by the same rules. Barbados' Prime Minister Erskine Sandiford is to report to his colleagues on progress on the work on a CARICOM Single Market which he was mandated to oversee.

The Heads of Government will for the first time devote a day to the future of the region's key foreign exchange earning tourism industry amidst projections of a disappointing winter season for most of the Member States of the Caribbean Tourism Organization, including Barbados.

The Barbados Hotel Association is urging CARICOM leaders to de-politicise national tourist boards and, like the manufacturing sector, wants the issue of taxes given serious attention.

"I think that we have to realise that tourism is strictly a business and we are going to have to divorce throughout the whole Caribbean, politics from the running of the tourism departments. It is very difficult when you have to mix politics with tourism. It just doesn't work," asserts BHA President Gordon Seale who advocates more private sector control of the national tourist boards.

The main issues on tourism to be discussed by the CARICOM leaders are the regional marketing programme, easier access to funding for Caribbean hoteliers, investment policies, tourism development and Caribbean air transportation policy, the impact and future of cruise ship tourism in the Caribbean and product development.

The principal agenda item at Wednesday's informal Summit, according to outgoing CARICOM Secretary-General Roderick Rainford will be the six areas for "immediate action" recommended by the West Indian Commission which regional governments gave a commitment to pursue at last July's summit in St. Kitts and Nevis.

Chairman of the Commission Sir Shridath Ramphal has lamented the lack of progress in most of the six areas - hassle-free travel, free movement of skills, steps towards a common currency, enlarging investment, creating the CARICOM Single Market and mobilizing for international negotiations. The Grenada, Trinidad and Tobago, and Guyana governments recently moved to eliminate the passport requirements for CARICOM nationals travelling to those countries and Jamaica has announced that work permits for certain categories of workers were no longer required. In effect, four out of the thirteen Member States, which agreed at the historic 1989 Grand Anse Summit in Grenada to facilitate the free movement of people including skilled workers, have managed to do it, even after giving further commitments to the West Indian Commission.

This track record, among other things, has prompted Dominica's Prime Minister Eugenia Charles to announce that she will be absent from the Jamaica informal Summit. She has argued that the meeting "will achieve nothing." Prime Ministers Nicholas Braithwaite of Grenada and John Compton of St. Lucia are also not expected to attend the Jamaica meeting.

Those attending the Inter-Sessional meeting are also expected to discuss developments in Haiti, proposals concerning BWIA/LIAT cooperation and the appointment of a new Secretary-General.

Promises - The slow boat to unity

Barbados Advocate Column

1992 - Amid projections of a continuing decline in the level of intra-regional trade and a December 1992 proposed target date for a CARICOM Free Trade Regime, three countries - Barbados, Grenada, and Antigua and Barbuda - failed at the recent Council of Ministers meeting in Jamaica to give a specific timetable by which they would dismantle licences on CARICOM imports, while Belize, St. Kitts and Nevis and Trinidad and Tobago agreed to remove licences on CARICOM goods by April 2, 1992.

Barbados and Antigua and Barbuda did not give any specific time frame for removing one of the main barriers to free trade. Grenada agreed to remove the requirement for import licences on CARICOM goods as soon as the problems regarding access for Grenadian products into the Trinidadian market are resolved. Grenadian manufacturers of garments, tyres, light bulbs, refrigerators and rum report difficulties in accessing the Port-of-Spain market.

The Barbados position has surprised some CARICOM watchers given this country's excellent track record when it comes to implementing CARICOM decisions. Barbados has now indicated that the licences on CARICOM goods will be removed by year-end. This position is not likely to appease some CARICOM states including those who feel the island's current trade policy is tied to its International Monetary Fund-backed stabilization programme.

Jamaica has also voiced its concern that the imposition of a 20 percent surcharge on selected imports by Barbados is adversely affecting its producers of beer and stout. Trade, Industry and Commerce Minister Dr. Carl Clarke has given assurances that Barbados is committed to free trade in the region and will be putting in place the new Rules of Origin shortly. His pledge comes against the background of Common Market countries failing to meet the July 1991 target dates for abolishing all remaining barriers to intra-regional trade which declined by 1.2 percent for the first six months of 1991 compared to a similar period in 1990.

While there are commitments from Barbados on the licensing issue, three countries - St. Lucia, Antigua and Barbuda and St. Kitts and Nevis - are yet to put the Common External Tariff in place and the matter is to be further discussed at the next Council meeting in June.

Against this backdrop, came the announcement that the Regional Trade Fair scheduled to be held in Trinidad and Tobago in October 1992, has been called off because of the twin-island Republic's inability to provide financial support for the event. This makes it all the more important for more attention to be paid to analyzing and costing proposals which go before CARICOM governments, a point underscored by CARICOM Secretary-General designate Edwin Carrington.

Given the downturn in many of the economies of CARICOM Member States, the continued failure of regional governments to adhere to their own decisions and to stall on freeing up intra-regional trade will further damage the already depressed manufacturing sector in Barbados and elsewhere where thousands of jobs are at stake.

In the absence of sanctions, which some Member States advocate, the recent Council meeting concluded that whenever parties involved in trade problems cannot resolve them, more use should be made of articles 11 and 12 of the annex to the Treaty of Chaguaramas which established the Caribbean Community and Common Market in 1973. These articles relate to disputes procedures within the Common Market and reference to a Tribunal.

Some of the positive developments at the Kingston ministerial meeting were the approval of a Work Programme and budget for a CARICOM Single Market and Economy and the decision to push ahead with a list of new Regional Standards to ensure that consumers in the region who purchase CARICOM goods are not short-changed. Work on the Single Market and Economy is one of six areas (the others are travelling in the region, free movement of skills, steps towards a common currency, enlarging investment and mobilizing for international negotiations) on which regional governments pledged to pursue “immediate action” at the July 1991 CARICOM Summit in St. Kitts and Nevis. West Indian Commission Chairman Sir Shridath Ramphal, who was frustrated prior to the Jamaica Summit about the pace at which work on its recommendations was progressing, appeared to be more encouraged after last week’s informal meeting of CARICOM leaders.

The fact remains, however, that although the region’s governments “attached particular importance” to giving early attention to ensure ‘hassle free’ travel and freedom of movement of skilled and professional CARICOM nationals within the region” at the 1991 Summit, this has not been put in place by even half of the CARICOM Member States which initially undertook to implement this at the 1989 Grenada Summit.

To date, legislative or administrative action has been taken by Grenada, Guyana, Jamaica, St. Kitts and Nevis and St. Lucia to allow CARICOM nationals to enter these countries with documentation other than a passport and to join the same lines as local citizens. Trinidad and Tobago is expected to be next in line.

The idea, as far as the Commission’s recommendations were concerned, was to have action, on at least some of the areas, well ahead of the next formal Summit in July 1992, in Trinidad and Tobago.

The end-of-Summit communiqué issued last week in Kingston is far from encouraging, and not surprisingly, contains the much-overworked phrase that the Heads “looked forward to full implementation at an early stage” of specific recurring agenda items. It was hardly surprising, therefore, to hear one of the few regional journalists who went to Jamaica to cover the meeting describe it as “a waste of time,” a fear expressed by Dominica’s Prime Minister, Eugenia Charles, one of five CARICOM leaders who was absent from the session.

Given the deep cynicism across the region about the ‘commitment’ of Caribbean governments to regional integration, the Heads of Government should not take lightly the warning from the Caribbean Association of Industry and Commerce contained in its presentation to the Inter-Sessional meeting. The regional umbrella private sector body stated: “If left unattended, the difficulties and problems have the potential, in CAIC’s view, to significantly erode the Community and Common Market to the point at which several of its members may begin to question the virtues of continued membership.”

Demas warns region “No time to waste”

1992 - PORT OF SPAIN, Trinidad - Former Caribbean Community Secretary-General William Demas has warned the region that delays in implementing accords approved by the region’s Heads of Government could be very costly for the integration movement.

Commenting on the decision by the CARICOM Council of Ministers to review over the next 12 months the CET, as part of a package of trade-related proposals, the Trinidadian Central Bank Governor said it must be recognised that the region’s problems are “acute” and require action.

The package being considered over the next 12 months includes the Rules of Origin which determine duty-free eligibility, production integration and anti-dumping legislation. Four countries – St. Lucia, St. Kitts and Nevis, Antigua and Barbuda, and Montserrat - are yet to implement the CET.

“We have no time to waste,” declared Demas, a staunch regionalist who is to have the newly created Order of The Caribbean Community conferred on him during this week’s CARICOM Summit. “For years a study on the CET was conducted. A massive amount of technical work was done on it. It went through all sorts of ministerial discussions and if there were reservations to be made they should have been made a long time ago,” the Trinidadian-born economist said in an interview.

He said while other integration movements experienced difficulties similar to that in CARICOM, the difference was that the region's economic situation required that "we move on decisively." Demas is confident that the Caribbean Investment Fund, one of the items on the agenda of Monday's meeting of Finance Ministers, would be established soon.

"The Fund will operate almost exclusively in the field of equity investments, investments where the Fund owns the investment directly or where there is a joint venture partner as the Fund will invest on its own as well as with other joint venture partners," he explained.

The CIF, which is expected to operate with capital of about U.S. \$50 million over a two-year period, is expected to provide capital for business expansions and new ventures and will also deal with issues of privatisation. The initial capital is being raised by commercial sponsors.

Caribbean governments have agreed to provide a number of incentives to facilitate the operations of the Fund, which will be part of the process of financial liberalisation. Among the incentives, are freedom for the Fund to remit dividends and capital on individual investments to its headquarters and the movement of capital freely among CARICOM states.

Demas said the CIF would make a "solid contribution" to developing and strengthening the region's productive sectors.

"Every step we take in mobilising financial resources for development, particularly in the productive sectors of agriculture, tourism, manufacturing and other services, will of course advance the process both of development in the countries, and integration, since the Fund will be operated on a regional basis," the Central Bank Governor said.

The Finance Ministers' meeting will also discuss the long-mooted CARICOM Enterprise Regime, (CER) aimed at stimulating joint ventures among CARICOM entrepreneurs, re-activation of the CARICOM Multilateral Clearing Facility, the payments mechanism for intra-regional trade which went bust, intra-CARICOM double taxation, and harmonisation of fiscal incentives to industries.

Challenging time for CARICOM Leaders

1992 - GEORGETOWN, Guyana - Amid opposition to the setting up of a CARICOM Commission and dissatisfaction with the direction in which the debate on the controversial Common External Tariff (CET) is proceeding, Caribbean Community (CARICOM) Heads of Government meet in Port of Spain this week for a special three-day Summit which will undoubtedly be one of their most challenging.

Guyana's newly elected President Dr. Cheddi Jagan and Bahamian leader Hubert Ingraham will be attending the high-level gathering of the region's leaders for the first time. Many CARICOM watchers are hopeful that an injection of fresh ideas, especially from the veteran Guyanese politician, will help lift the 19-year-old integration movement out of its current state of stagnation.

"For over 15 years we have failed to implement decisions, and what is required is some machinery for getting us out of this quagmire," declared Barbados Opposition leader Henry Forde in a pre-Summit interview.

Several regional governments are now publicly and privately voicing concerns about the core recommendation of the independent West Indian Commission (WIC) to establish a CARICOM Commission from January 1, 1993.

The proposal for a three-member Commission headed by a President is at the top of the 225 recommendations on economic, social, cultural, and political issues contained in the 592-page report.

The main recommendations in the report include calls for the creation of a CARICOM Supreme Court, a Charter of Civil Society, a CARICOM Assembly of Parliamentarians and a revision of the Treaty of Chaguaramas, which established the 13-nation CARICOM in 1973.

According to the WIC's "Time for Action," the proposed CARICOM Commission should have two principal mandates: to deepen the progress of integration and to develop relations between CARICOM and the wider community of Caribbean countries.

While some Eastern Caribbean countries, including Montserrat and Dominica, made their reservations known during last July's regular annual Summit in Port of Spain, other countries such as Barbados, have taken a position against the setting up of "another layer of bureaucracy which is not anchored in the electoral process."

During a recent debate in the Barbados parliament on the WIC's report, Prime Minister Erskine Sandiford came out in favour of strengthening the powers of the CARICOM Secretary-General and the Secretariat.

The Barbados Opposition leader believes that the proposed Commission is "a suggested way forward but not a satisfactory way." Forde suggests that the Heads of Government "rise above the reports and put on the table a significant step forward."

"If the CARICOM Commission is unacceptable the leaders should not get bogged down on structure but get down to performance," the leader of the Barbados Labour Party (BLP) said in a telephone interview from Barbados.

Jamaica, too, is reluctant to endorse the recommendations of the WIC, with the Opposition Jamaica Labour Party (JLP) led by former Prime Minister Edward Seaga, being the most critical of the key proposal. Seaga, who has taken issue with many regional proposals in the past, has charged that the WIC's report is an attempt to re-introduce political Federation through the back door.

The Commission's chairman Sir Shridath Ramphal has repeatedly stated that the West Indian Commission, almost from the beginning of its activities, ruled out the route to Federation. On concerns about cost, Sir Shridath says, "We believe the proposals we have made are for very cost-effective machinery and we believe that the cost to the Caribbean of drifting will be enormously greater than the small amounts that are involved in the establishment of the Commission." The WIC is recommending that the CARICOM Commission be financed through a system of levies on extra-regional imports.

The Guyanese private sector wants to see the CARICOM Secretariat upgraded and given more teeth rather than the establishment of a new structure on top of the recently appointed Secretary-General, Dr. Edwin Carrington.

"We do not like the idea of another layer of bureaucracy," says David Yankana of the Guyana Private Sector Commission and Executive Director of the Consultative Association of Guyanese Industries (CAGI).

On the other hand, the Caribbean Association of Industry and Commerce (CAIC) is supportive of the idea of a CARICOM Commission to move the integration process forward and equip the region to face the daunting economic challenges which rapid global economic and political changes, including the European Single Market and North American Free Trade Agreement (NAFTA), are bringing.

Highlights of the 1992 Special CARICOM Summit

1992 - A special Meeting of the Conference of Heads of Government was held in Port of Spain, Trinidad, from October 28-31, 1992, primarily to consider the Common External Tariff (CET) and the report of the Independent West Indian Commission.

The President of Guyana, His Excellency Dr. Cheddi Jagan and the Prime Minister of the Bahamas, Hon. Hubert Ingraham attended the Conference for the first time.

In July 1992 the West Indian Commission, chaired by Sir Shridath Ramphal, submitted its report entitled Time for Action. The WIC had been mandated by the CARICOM Heads of Government to formulate proposals for advancing the goals of the Treaty of Chaguaramas. In fulfilling its mandate, the Commission solicited the views of the people of the West Indies on their vision of the region in the nineties and into the twenty-first century. From 1990 to 1992 the WIC journeyed to capitals, towns and remote villages in Member and Associate States of the Community, and to metropolitan centres where they listened to the West Indian Diaspora.

The WIC interacted with representatives of the public and private sectors, labour organisations, educational institutions, and religious and cultural groups. People of all ages and all social backgrounds participated in the consultations.

The decision to establish the Commission was taken in July 1989 at the tenth CARICOM Summit amidst fears that the Caribbean, against the background of the rapid changes and developments taking place in the international environment, could be in danger of becoming marginalised.

The wide-ranging report of the WIC noted the challenges and opportunities for the region in the economic, social and political spheres and made recommendations pertaining to these, as well as to the deepening and widening of the integration movement.

The Heads of Government did not accept the central recommendation of the WIC to establish a CARICOM Commission to facilitate the process of implementation within the Community; they agreed instead to the establishment of a Bureau of the Conference comprising the incumbent Chairman, immediate past and incumbent Chairmen of the Conference and the Secretary-General as an ex-officio member.

The Heads of Government agreed that the CARICOM Secretariat would be strengthened by vesting the Secretary-General, through the provisions of the Treaty, with appropriate executive authority needed to carry out his tasks. They requested him to prepare proposals for the restructuring of the Secretariat, which would aim at providing the Secretariat with the skills needed for both deepening and widening the integration process.

The Conference adopted for priority implementation, the following recommendations in the Commission's Report:

- the appointment of '**Ministers responsible for CARICOM Affairs**' in all Member States, who will constitute the Caribbean Community Council of Ministers for which a wider role will be defined and which will eventually replace the Common Market Council as the second highest organ of the Community.
- **the establishment of an Inter-Governmental Task Force** to review the Treaty of Chaguaramas to accommodate the changes proposed and related changes.
- the implementation of **an effective and orderly programme of collaboration and coordination overseas** and, where feasible, joint representation.
- the development of a **CARICOM Charter of Civil Society** as an important element of the Community's structure of unity to deal with matters such as a free press, a fair and open democratic process, the effective functioning of the parliamentary system, morality in public affairs, respect for fundamental civil, political, economic, social and cultural rights, the rights of women and children, respect for religious diversity, and greater accountability and transparency in governance.
- the adoption of a **collective approach in response to current and potential changes in the international community**, including international political and financial institutions and the North American Free Trade Agreement (NAFTA).
- the formulation of proposals and initiation of action for **the establishment of an Association of Caribbean States (ACS)** aimed at advancing both economic integration and functional cooperation with other Caribbean Basin countries and providing the basis for even closer cooperation and integration.

The Common External Tariff

In July 1990 when Member States agreed to implement the Common External Tariff on July 1, 1995, the Heads of Government also mandated that a comprehensive review be undertaken. Subsequently a Working Group was established after the July 1992 Summit to review the level of the CET and other trade-related regimes.

At the October Special Summit, the Conference took account of the trends in the international economic and trading environment towards globalisation and trade liberalisation and the reduction and eventual removal of subsidies. The Meeting also considered the deepening of regional integration arrangements and the need for CARICOM Member States to improve the efficiency of their productive sectors, while enhancing their international competitiveness.

The Conference **agreed to a four-phased reduction of the CET** over the period 1993-1998, with the target rate structure being 5 percent (0 - 5 per cent for the LDCs) to 20 percent by January 1, 1998. The first reduction phase was identified as January 1, 1993 – December 31, 1994, with the period of implementation being set for January 1 - June 30, 1993.

The Conference also agreed to amendments to the List of Conditional Duty Exemptions and the List of Items Ineligible for Conditional Duty Exemption.

Review of 1992 CARICOM Summit

Barbados Sunday Advocate column

1992 - BRIDGETOWN, Barbados - Caribbean Community (CARICOM) Heads of Government made limited progress at their 1992 Conference in Port of Spain, Trinidad, as they put on hold a number of key issues while stalling once more on a number of recurring Summit agenda items.

The thorny issue of the Common External Tariff (CET), not surprisingly, was referred to a technical committee which is to have its report ready in time for the October 28-30 special CARICOM Summit being convened primarily to examine the 592-page report of the West Indian Commission.

With Jamaica pressing for the maximum rate of the CET to be lowered from 45 percent to 20 percent and stiff opposition from several Member States, notably Guyana, the CARICOM leaders averted confrontation by agreeing to have an in-depth study of the effects of the tariff designed to protect the region's agricultural and industrial production. The private sector, trade unions and academics are among those involved in the review of the CET, which, in its present form, is still to be implemented by four CARICOM Member States - St. Lucia, Antigua and Barbuda, Montserrat, and St. Kitts and Nevis.

The Heads of Government again committed themselves to the creation of a CARICOM Single Market and Economy against the background of a slight decline in intra-regional trade in 1991, continuing non-tariff barriers, including licences on CARICOM products, and the non-implementation of the CARICOM Enterprise Regime (CER).

A three-phased approach to Monetary Union for CARICOM Member States with a target date of the year 2000 for full Union is laudable. However, some regional economists doubt whether this goal is achievable given the current state of the region's economies and disparities in the value of the various currencies. The first phase involving the coordination of monetary policies and the movement towards intra-regional currency convertibility will hopefully become a reality within the next two years.

Many West Indians who attended the public meetings of the West Indian Commission expressed their displeasure at having to walk with so many different currencies when travelling in the region and are eager to see the convertibility of currencies transformed from proposal to reality. The first phase of the Monetary Union approach will be initiated with the formalisation of a Council of Central Bank Governors, which will hopefully be launched by the 1993 Summit.

Perhaps the most welcome news from the Port of Spain Summit, as far as the public is concerned, is the initial steps being taken to facilitate hassle-free travel. It was heartening to hear that nine countries had a common line for citizens and CARICOM nationals and are willing to accept identification other than passports at airports in the region. However, it was disappointing, though not surprising, to hear of the lack of progress with regard to the arrangements to facilitate the free movement of skilled workers in the region, one of the six areas on which the Heads of Government agreed to take "immediate action" at their 1991 Summit in St. Kitts and Nevis.

Given the response to this issue, the much more challenging task of moving towards a CARICOM Single Market will undoubtedly encounter bottlenecks.

Although the recommendation of the Caribbean Association of Industry and Commerce (CAIC) that the CET be reviewed was eventually agreed to, many of its other far-reaching and comprehensive proposals, as well as issues raised at previous Summits, received a lukewarm response.

With the North American Free Trade Agreement (NAFTA) to govern trade among the United States, Canada and Mexico, nearing completion at the time of the Summit, the CAIC in its discussions with the CARICOM leaders, called for the early establishment of a joint public-private sector CARICOM task force “with clear directives from CARICOM Heads and full involvement of the region’s social partners,” to define the serious nuts and bolts of a CARICOM strategy on NAFTA.

While noting that the first meeting of the CARICOM - United States Trade and Investment Council proved a “useful forum” for the discussion of mutually agreed trade issues, the organisation however emphasised that account must be taken of the difference in the economic structures and circumstances of the parties. The absence of a suitable mechanism for monitoring the implementation of CARICOM decisions, the urgent upgrading of the CARICOM Secretariat and amending the unanimity rules are issues which the regional private sector has raised on several occasions. They were also highlighted in the report reviewing regional organisations and the performance of the CARICOM Secretariat prepared by a group under the Chairmanship of Professor Gladstone Mills. Little action was taken on the Mills report, and hopefully when the Special Summit is held in October, these issues will be squarely addressed and the stalling syndrome will come to an end.

The Caribbean Congress of Labour (CCL), like the CAIC, finds the Summit meetings and consultations with the Heads of Government useful, but has given the region’s leaders poor marks for their response to key issues affecting workers raised over the years. The trade union movement, concerned about the impact of structural adjustment measures on workers, particularly low-income families, and the decision by some governments to cut public sector workers salaries, did not seem to get much assurances from the Heads that less harsh policies might be pursued in the future.

Although the recommendations of the WIC are to be discussed in depth at the October meeting, some Caribbean leaders have already voiced their concern about the key proposal to establish a three-member CARICOM Commission, both on the grounds of cost and bureaucracy. Several skeptics seem to share the CAIC’s caution that the position of the new CARICOM Secretary-General “ought not to be compromised.”

The WIC’s report contains some valuable recommendations, which ought to be acted upon with some urgency. The trend of taking and announcing decisions and then disassociating themselves from accords continues. For example, some Governments now proclaim that they never had any intention of participating in an Assembly of CARICOM parliamentarians, which Barbados Prime Minister Erskine Sandiford promoted at the last three Summits. The response to date has been the signing of the accord establishing the forum for parliamentarians by two countries - Barbados and Guyana.

Prime Minister Sandiford is not keen, at this time, on having the forum widened to include youth and the social partners as proposed by the West Indian Commission. The Caribbean Court of Appeal will probably continue to be an idea on paper for some time even though it could be launched with three countries, including Trinidad and Tobago, which has softened its position on the issue.

It is rather unfortunate that a former Bahamas government Minister has stated following the Port of Spain Summit that his country is not too keen on the free movement of skilled workers in the region, thereby disassociating from the end-of-Summit communiqué which stated that “the Conference agreed.

The question of greater attention to effective diplomatic representation and a pooling of Caribbean diplomatic resources is one area where the former Secretary-General Roderick Rainford feels there should have been more progress.

The conclusion of the Trade and Investment agreement between CARICOM and Venezuela is welcome news. The agreement will enter into force by January 1, 1993 and it is up to the region’s private sector to take advantage of the provisions negotiated, in particular the one-way duty-free access for CARICOM-made products.

On the foreign policy front, the presence in Port of Spain of Haitian leader, Father Jean Bertrand Aristide during the Summit underscored the Caribbean governments’ determination to see democracy restored in the French-speaking Caribbean island.

Cheddi urges CARICOM to reorder priorities

1992 - PORT OF SPAIN, Trinidad - Guyana's President Dr. Cheddi Jagan yesterday urged Caribbean Community (CARICOM) leaders to make the eradication of poverty in the region their primary aim and to re-order their priorities so that regional integration can have a positive impact on the West Indian public.

"We must set our faces sternly against corruption and extravagance. We cannot have cadillac-style living with donkey cart economies. Our leaders must set the example of democratic, accountable, clean and lean governance and efficient management," the 74-year-old Guyanese leader said in his first address to a CARICOM Summit.

In a 20-minute speech which drew hearty applause from an audience of about 200, the Guyanese leader threw out an invitation to Caribbean investors to play a role in increasing food production in Guyana with the aim of slashing the U.S. \$1 billion food import bill.

"What I am speaking of is for us to produce the same commodities we use and eat but which we instead import. We can do it. Just take another look at Guyana and you will see that we can do it. I invite the Caribbean to come to Guyana and invest in such an endeavour, so that we can reduce the food import bill," said the Guyanese President.

Dr. Jagan, one of the three CARICOM leaders to address the formal session of the special CARICOM Summit at the Hilton Hotel, called for an examination of the lack of planning and policies in the earlier days of the integration movement.

"Why do we have to import a billion (U.S.) dollars of food into a predominantly agricultural community? Why did significant earnings from oil not lead to the development of this country and the region? Why can't we have a single air carrier? How can we have inter-Caribbean trade without a proper shipping service," Dr. Jagan asked.

He also questioned why Guyana, with all its bountiful natural and human resources, became a liability rather than an asset to the region and chided his colleagues for failing to take a stance on Guyana before the holding of fair and free elections earlier this month.

"Why has there been so much silence on vital issues and principles? Why did we see it fit to proceed in the manner which we did without consulting our Caribbean people? Why?," the veteran politician asked.

Dr. Jagan alluded to the poor track record of CARICOM and the low esteem in which the general public in the thirteen Member States of the grouping holds the 19-year-old movement. "We were examined and over-examined by 'wise men'. At every step, the people were told that the next step would be better. But betterment never came. And the masses of the people have become disillusioned with independence and the trappings of sovereignty and power," Dr. Jagan remarked.

In the past, he said, the region talked endlessly about unity and independence, but in reality, Caribbean countries became more and more divided and dependent. According to Dr. Jagan, the ending of the cold war did not make life easier for Caribbean countries. "On the one hand we witnessed the collapse of the socialist world because of over-centralisation and concentration, bureaucratic-command type government and management. On the other hand, the West does not hold out any ready-made solutions to our predicament."

Dr. Jagan called for human development to be an essential component of plans to stimulate economic growth and said regional leaders must have the courage to reform or change what exists.

"We need quickly to deepen and widen our regional integration movement for overall planning and territorial specialisation, and a basic needs strategy. We need capital investment but this must serve to enhance human development. We need structural adjustment but with a human face," the Guyanese leader declared.

In his wide-ranging address, Dr. Jagan also suggested the establishment of a Regional Convention and Commission on Human Rights and underscored that the voice of CARICOM "must be heard stridently" whenever democracy is threatened.

"We must with concerted efforts approach the United Nations to take necessary action for the restoration of democracy in Haiti and the reinstatement of the democratically elected President, Bertrand Aristide," the Guyanese leader said.

"We must ensure that the Caribbean is a zone of peace and that our environment, thus our future, will be safeguarded. We want no more cold wars or drug and trade wars," Dr. Jagan said.

Labour movement unhappy with treatment by CARICOM leaders

1993 - BRIDGETOWN, Barbados - Next week's Caribbean Community (CARICOM) Summit will be held in the face of continued strained relations between government and trade unions in the region and a call from the regional umbrella labour movement to be taken more seriously by Caribbean leaders.

Secretary-Treasurer of the Barbados-based Caribbean Congress of Labour (CCL) Kertist Augustus says the organization's call for a tripartite approach to major issues has been largely ignored and so too are many of the proposals put to the leaders at their annual Summits.

He referred to CCL's call during the 1992 Summit for an analysis of structural adjustment programmes to determine the impact on democratic traditions in the Caribbean. The CCL also proposed the establishment of a tripartite "Caribbean Think Tank" to focus on structural adjustment with emphasis on accessing funds for relieving the burdens on those hardest hit by the economic reforms.

"The fact that we have not had any response from any of the governments on the issue is an indication as to whether they are taking organized labour seriously. The relationship between governments and trade unions is just as strained in 1993 as it was in 1992," he said in an interview. "We haven't seen any dent in the unemployment situation. To our mind, it is getting worse. The governments have not shown by their politics that they are doing anything to improve the unemployment situation in the region."

The CCL, which has expressed its opposition to the slashing of public workers' salaries in Trinidad and Tobago and Barbados, is not keen on the incomes policy proposed by the Barbados Government.

"We in the region are largely importing countries and we have no control over the prices for commodities from overseas. It cannot be fair that we restrain wages when there is no restraint on the question of prices which will continue to go up," the regional trade unionist argued.

Augustus, who welcomed the announcement by the Barbados Prime Minister Erskine Sandiford, that there will be consultation with the social partners on the incomes policy, suggested that the Government look at some mechanism to control prices for basic commodities.

On privatization in the region, he said there are particular concerns in Trinidad and Tobago where permanent dock workers are being retrenched while temporary or casual staff is being retained. "The pension of permanent workers could be affected."

In Grenada, the CCL is worried about the use of legislative procedures to settle labour disputes. Yet another grouse is the failure, so far, to involve the regional labour movement in the steps towards the establishment of the CARICOM Single Market and Economy, which the CCL supports.

"We have not seen the kind of positive steps taken which would indicate that the authorities are very serious about the question of the integration movement and the Single Market."

"The fact that there is insufficient dialogue with the social partners on that is an indication that it is not being addressed as seriously as people would have thought. The Caribbean could be an example for the rest of the world to follow once we are serious and committed to something like the Single Market and CARICOM," he commented.

Augustus lamented, too, the lack of input from the labour movement in the CARICOM-Venezuela Trade and Investment Agreement. The CCL also has serious reservations about the system of appointing Prime Ministers to take responsibility for major issues. He feels several of the leaders are too preoccupied to devote the necessary attention.

“We were happy about this system when it was announced. Immediately after, you had the resignation of Prime Minister Manley in Jamaica; Prime Minister Sandiford of Barbados is under pressure and you have a situation where Prime Minister Manning is also under pressure in Trinidad. When you see this, it doesn’t paint a very good picture that the goals set will be achieved.”

On the agenda for the July 5-8 Summit, he identified as areas of concern to organized labour as the future of the banana industry, tourism and the environment. “However, in terms of looking down the road to see that the policies will result in the creation of jobs which is critical and important for us in the region, we are not seeing that reflected on the agenda.”

“We are not seeing at the level of the Heads of Government anything that would give us confidence that the question of unemployment and the availability of jobs which would ease some of the tension in the region will be addressed,” Augustus said.

The CCL is advocating tripartite lobbying in Europe involving governments, the private sector and the labour movement on safeguarding banana exports to Europe. In the area of tourism, the CCL is urging that the region speak with one voice especially to the cruise ships, with the aim of creating an environment whereby more West Indians will gain much needed jobs on the cruise liners.

He said the CCL is not keen on the proposal for an Assembly of CARICOM Parliamentarians. “Parliament is always considered a talk shop and this is the concept that people have about it. It would take much to have this concept changed. This would have to change at the domestic level so that there would be confidence at the regional level.”

Forde urges CARICOM leaders to focus on jobs

1993, BRIDGETOWN, Barbados - The leader of the Opposition in Barbados, Henry Forde, says the region appears to be “on a slow boat to China” on the move towards a Single Market and Economy, and feet-dragging on the free movement of people and skills in the region ought to come to a halt.

The Barbados Labour Party (BLP) leader said finding solutions to the high level of unemployment in the 13-nation CARICOM should be a priority at this week’s CARICOM Summit in the Bahamas which coincides with the 20th anniversary of the regional integration movement.

According to Forde, the Single Market, which would bring jobs, required many pieces of legislation being put in place, but the necessary impetus by Member States was lacking. Barbados was mandated to oversee the establishment of the Single Market and Economy.

Forde shared the view that those countries which were ready “to pursue the fast track” on the Single Market and Economy and on other major issues, should go ahead and others could join later.

One of the bugbears of closer union in the region in the past, he observed, was the issue of freedom of movement which CARICOM leaders needed to act on soon. The BLP leader contended that talk of people losing jobs or the creation of social problems as a result of the movement of West Indians from one country to another was “reckless.”

“One has to look at the labour market, look at the infrastructure, and do a manpower survey and sensibly deal with the problems, or take the decision that we are going to allow the market forces to deal with the free movement of labour in the area.”

While he is not keen on the system of Prime Ministers overseeing particular regional areas of importance, he feels the issue of travelling in the region is important to the people of the region and advocates that it be monitored at the highest level.

“I would like to see the research done and then the political decision taken,” he commented.

Forde said the Manning Initiative for closer ties among Barbados, Guyana, and Trinidad and Tobago remained vague, and politicians and the public were still in the dark on it.

He said he still believed that the Heads of Government had made the wrong choice on a mechanism to speed up the implementation of decisions. “I don’t believe that the politicians meeting spasmodically could have done as excellent a job as the CARICOM Commissioners, who would have been on the job permanently.”

“The OECS countries do have greater cohesion than any of the MDC’s together, particularly the Windward grouping. There is much more room for Barbados to fuse its economy with the OECS countries,” he stressed, adding that Barbados needed to be more creative and aggressive.

On the other hand, Forde said, the West Indian Commission’s report was “too much of a compromise document.”

“We are in this land of vagueness in which we are trying to give some impetus to the recommendations of the West Indian Commission’s report without having the framework in place,” he remarked.

Forde also argued that political institutions in the Caribbean ought to be more accountable, and that there was need for greater freedom of information. Therefore, the CARICOM Bureau should provide information on its agenda and discussions, except in cases of delicate negotiations.

He said the Common External Tariff (CET) was seen by some countries as a means of revenue collection and, by a few others, to change according to the dictates of international institutions and the pace of trade liberalization. “Despite those criticisms, I think we do have to move to a CET if we are to strengthen regional economic unity.”

The BLP leader said he was not encouraged by comments made by the Trinidadian Prime Minister who suggested that the need for a common currency might no longer be urgent because of currency changes in Guyana, Jamaica, and Trinidad and Tobago. “That’s not a sign of countries drawing closer but moving away from each other and each doing its own thing.”

There was no doubt, he emphasized, that devaluations in the three so-called More Developed Countries had affected the competitiveness in wages. “Barbados is still reasonably competitive in wages. It is not competitive in prices and two of the reasons are heavy taxation and the failure to put in place a mechanism to respond to exchange-rate changes.”

He said while Central Bank officials from the region had been meeting, he doubted whether there were any meaningful talks at the political level on issues like convertibility of currencies. “I am very pessimistic now as to whether we would move to that stage.”

Jagan unhappy with pace of integration

1993 - GEORGETOWN, Guyana - Guyana’s President Dr. Cheddi Jagan is dissatisfied with the pace of regional integration and is urging his fellow Caribbean Community (CARICOM) leaders to demonstrate a greater degree of political will to facilitate stronger trade and economic links among Member States.

“I am concerned about the whole of CARICOM and how it has been going,” Dr. Jagan said in an interview at the Presidential Secretariat in Georgetown.

“If only 10 percent of total trade in the CARICOM territories is among the territories, then it is meaningless to talk about regional integration,” the Guyanese leader stated.

“The leaders have to grapple with that problem and not only blame the Secretariat. The leadership in the Caribbean have to do something about it,” asserted Dr. Jagan, whose administration is marking one year in office.

He stressed that if concrete steps were not taken soon to boost economic relations among the CARICOM countries, then other regional pursuits were unlikely to succeed. “It is ridiculous for CARICOM trade to be only 10 percent of the total trade within the region and we must look and see what we are importing from outside of the region,” the President said.

“In other words, economic cooperation is very important and the political will is necessary from the leadership,” the Guyanese leader said.

“If the countries are depressed, including having a high level of unemployment, they don’t want people from the region to come in there. It is a political question. Therefore, you have to deal with the economies.”

He expressed disappointment that other CARICOM countries had not taken steps to accommodate the free movement of people and skills within the region.

According to the President, the Manning Initiative and the proposal for a Confederation of Barbados, Trinidad and Tobago, and Guyana, were laudable goals but were secondary compared to what needs to be done. “This idea came up and we did not want to throw a spanner in the works, because, if we did, then we would hear, as happened in the 50’s, that we are turning our backs on West Indians,” the President explained.

Dr. Jagan also said he wanted to see his proposal for Mixed Commissions between CARICOM Member States implemented.

He noted that in addition to Barbados assuming responsibility for a detailed paper on the proposal for Confederation, he recommended at the July CARICOM Summit that an Advisory Economic Committee be set up “so that we could specifically look at the economy of the three countries, look at our strengths and weaknesses and our imports and exports and how we can produce in the region some of what we are importing from outside the region.”

Dr. Jagan advocated that other CARICOM countries follow Guyana’s example and hold public debates on the issue of closer political and economic ties. He suggested that the media focus more on the implications for the region of NAFTA and other global economic and political developments.

On this week’s meeting in Port of Spain between CARICOM Heads of Government and leaders of Mexico, Venezuela and Colombia (known as the Group of Three), Dr. Jagan said CARICOM as a group ought to press ahead with steps to integrate the economies of the English-speaking grouping and those of South America.

He said the economies of the two regions were complementary and although initially much might not be achieved, the dialogue should begin between the two groups bearing in mind the North American Free Trade Agreement (NAFTA).

The October 12-13 Port of Spain Summit is expected to result in accords on trade and investment between CARICOM and the Group of Three and to firm up cooperation in a range of areas including ways to fight drug trafficking.

Dr. Jagan said moves towards the integration of CARICOM and members of the proposed Association of Caribbean States (ACS) should involve financial arrangements like those in the European Community (EC), so that the least developed countries get help to catch up with the rest.

“We cannot look at free trade without the safeguards that are going to protect our economies,” the Guyanese President said.

Region’s governments urged to pay more attention to Canada

1994 – TORONTO, Canada - A Grenadian-born Member of Parliament in Canada wants Caribbean governments to pay increasing attention to Canada and to be more aggressive in promoting their interest in the North American Free Trade Agreement (NAFTA).

Jean Augustine, a rookie parliamentarian who was recently named Parliamentary Secretary to Prime Minister Jean Chretien, believes Caribbean leaders should visit Canada more often and liaise with parliamentarians who have an interest in the region.

“I will not seek to tell Caribbean politicians what they should or should not be doing,” Augustine stressed in an interview at her office in the Etobicoke-Lakeshore riding in Metro Toronto.

“At the same time,” says the black MP, “I think that we (in the Caribbean) should be very active to ensure that whatever there is to be had from that trade agreement that we should be pro-active.”

“We should say how can we be part of this rather than letting things go down in a certain direction and then find out that we are completely shut out of markets simply because we allowed an agreement to be signed, sealed and delivered and all wrapped up, without any intervention on our part.”

“I have not seen anything that says the Caribbean has been inputting ideas or the Caribbean has been asking for something specific or that there are certain agricultural or other resources that the Caribbean has that they want to connect up, or that there are some organizations in the Caribbean that see themselves being involved” says Augustine, who made Canada her home 33 years ago.

“There may be some activities going on, and I hope that as a Member of Parliament who has some interest in the Caribbean, that I will be briefed by any Caribbean organization that is now trying to react, interact or pro-actively seek ways to be involved in the NAFTA agreement.”

“Opportunities are there and Caribbean politicians should be coming here, not only to raise funds for whatever ventures, but because large numbers of Caribbean people have made Canada their home in the major urban areas of Canada, whether it be Montreal, Toronto or Winnipeg, and they want to see their homeland financially viable.”

Augustine believes that the Caribbean should be part of NAFTA largely because of its proximity to the United States and Mexico.

The lack of contact between Canadian and Caribbean parliamentarians has surprised her and has prompted her to try to establish closer links. “I hope before my term is over I will have an organization of Caribbean and Canadian parliamentarians meeting ever so often to share experiences and concerns.”

Born in Happy Hill, three miles from the Grenadian capital St. Georges, Augustine has lived in the Etobicoke riding for the past 25 years. She was hand-picked by the Prime Minister to run in that constituency in last October’s elections. She had a teacher’s certificate when she arrived in Canada and not long after she pursued a teaching career.

Her role years later as a school principal, and Chair of Metro Toronto Housing and her involvement in the fight against drugs, helped to pave the way for her entry into the political arena. The fact that her two daughters were adults by then also made it easier.

“When I came to Canada a lot of people liked the Liberals. The Liberal party speaks to small individuals, social needs and things like Medicare. I think of the Conservative party more in terms of big business.” She also observed that the Liberals ensured that new immigrants were assimilated into the society as quickly as possible.

The challenge for the party, according to the new MP, will be to create jobs while trying to reduce the ballooning federal deficit, now at about 46 billion dollars. Unemployment in Ontario is just over 11 percent.

“These are difficult times. You may find a person with a Ph.D. driving a cab, but if he has education he will be prepared when the economy turns around,” says the MP who has won several awards for outstanding social work.

“We find that young people have to be prepared to make at least five to seven career changes and new technology is taking over.” Augustine also says it is costing Canadian taxpayers a lot to maintain their educational institutions and the resulting hike in fees is prohibitive for many Caribbean students.

The current economic difficulties, she explains, have resulted in more young people who cannot find jobs going into university, thereby limiting places for overseas students.

“I think it is good for the country, it is good for the economy when an overseas student comes because he or she brings resources and spends money, whether or not you call it tourist dollars. At the same time, they provide on the campuses themselves an environment that speaks to the nature of society, and brings to the environment a global perspective.” Augustine argues.

On the other hand, she notes that while in Canada, Caribbean nationals are able to observe Canadian infrastructure and developments in the Canadian society that could be beneficial when they return to work in the region.

Augustine feels that West Indians should not be worried about proposed changes in immigration laws and policy. “I don’t think people should be fearful that Canada will be shutting its doors to Caribbean people wanting to come to Canada. I think we have to give the Minister a chance to review the system.”

On relations between the police and the West Indian community, she acknowledges that there are hiccups, but contends that, by and large, most institutions in Canada are working towards harmonious race relations.

“To say that racism does not exist is not to be really aware of what is happening in the society, but it is something that everyone has a responsibility to work on,” she remarks.

Once she becomes familiar with the parliamentary system, Augustine's priorities include pushing and getting involved in any legislation and programmes relating to job creation. "I am also interested in seniors as there is a very high senior population in my area."

Issues of equity and leadership are also of particular interest to her. "I think it is important that we not only provide the kind of social and economic opportunities, but it is also important that we reaffirm some basic things in society," asserts Augustine.

A founder of the Grenadian Association of Toronto, Augustine keeps in contact with her homeland, which she last visited three years ago.

SECTION C

KEY INTEGRATION ISSUES



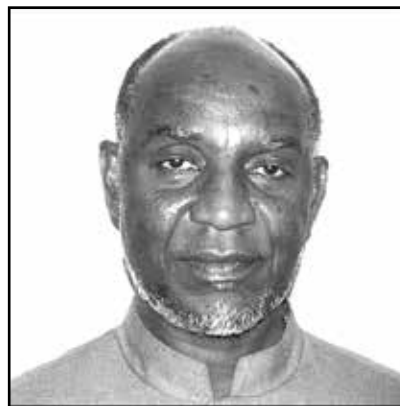
Sir Erskine Sandiford
Prime Minister
Barbados



Patrick Manning
Prime Minister
Trinidad and Tobago



Sir Lester Bird
Deputy Prime Minister
Antigua and Barbuda



Ambassador Byron Blake
Former CARICOM Assistant Secretary-General
Director of Trade and Industry



Dr. Anthony Peter Gonzales
Senior Lecturer
UWI Institute of International Relations

CARICOM governments moving closer to joint ventures

1986 - Bridgetown, Barbados - Nearly a decade after their first effort failed, Caribbean Community (CARICOM) governments are again seeking to implement a special legal framework to stimulate joint investment and production among Member States.

Eight of the 13 CARICOM countries have so far signed the agreement providing for the so-called CARICOM Enterprise Regime (CER).

The CER will provide a unique, concessionary framework for businessmen from two or more CARICOM states to establish joint ventures in specific spheres, combining raw materials, financial resources and skills from the participating countries for the production of goods and services.

Guyana was the first to initial the accord and was followed by Jamaica, Barbados, Grenada, St Vincent and Grenadines, Dominica, St. Lucia and St Kitts-Nevis. But so far, none of the states have ratified the agreement.

It was the ratification issue that killed the first effort at a CER in 1979, when 10 countries signed, but only St. Kitts-Nevis ratified the pact.

For the CER to become effective, four states must sign and ratify the agreement. A CARICOM enterprise, as provided for in the agreement will be “a special kind of company” with unique features operating under special facilities, according to Caribbean Community Secretary-General Roderick Rainford.

“These special features will allow it, for example, to draw on raw materials or national resources in one Member State combining it with capital or financial resources in other Member States, along with entrepreneurial skills or marketing resources in yet a third member state, all being brought together in one organized entity,”

“Such an entity will be able to operate in all the Member States from which its members come. It will be registered in all the Member States and will have the right to operate accounts and do regular business just as if it were incorporated there originally,” the Jamaican economist told CANA.

“What you are trying to do is stimulate joint investment by companies from at least two CARICOM countries, so as to get the size of unit which would compete more effectively, particularly in the export market,” Pat Thompson, the Executive Director of the Barbados-based Caribbean Association of Industry and Commerce (CAIC) explained further.

“If businessmen from Barbados, Trinidad and Tobago and Antigua and Barbuda wanted to invest in a company there are problems right now with the movement of capital - share capital because you have to go through the foreign exchange regulations,” Thompson added.

“Those might still be necessary, but the intention is if a company in the future has the CER status, that process will be a lot quicker, whether it is for capital, skills or goods. In other words, you are trying to give positive encouragement for companies to come together.”

Barbados Trade and Industry Minister Evelyn Greaves sees other potential spin-offs from the CER initiative.

“The existence of a CARICOM Enterprise can enhance the bargaining power of the countries involved in securing foreign technology on more favorable terms, as well as the revitalization of economies of large-scale production, thus facilitating competitive penetration of extra-regional markets,” Greaves said after signing the CER agreement last month.

The designation of a business venture as a CARICOM enterprise will be the responsibility of the CARICOM Enterprise Authority, which will comprise one representative of each Member State, one each from the Caribbean Development Bank and the private sector.

Under the CER agreement, CARICOM enterprises will be able to keep foreign accounts in Member States where the company is registered. Subject to favourable changes in regulations, they will also be able to remit dividends and repatriate assets on winding up, or funds on reduction of their share capital, on no less favourable terms than those accorded to any investor in that state who is not a national.

The Accord further requires regional governments to allow a CARICOM enterprise in the Member Country in which it operates, access to long, medium and short-term credit on terms just as favourable as those accorded to similar local enterprises.

There will also be preferential treatment for a CARICOM enterprise, as compared with a non-regional company in the granting of incentives under the regional scheme for the harmonization of fiscal incentives to industry. The agreement provides as well for CARICOM countries to “consider the product of a CARICOM enterprise for protection by quantitative restrictions or other forms of protection imposed at a uniform level by the Member States against imports from third countries on terms no less favourable than those which may be accorded to the product of any similar enterprise.”

While lauding the CER concept, CAIC economist Ike Douglas has identified as the regional private sector group’s main concerns, an inappropriate tax regime, a lack of clear concessions, the availability of foreign exchange and the movement of skilled personnel.

The CAIC has lobbied for a uniform tax structure to be applied to CARICOM enterprises. But, under the agreement, such businesses are subject to the taxes of the headquarters state.

This arrangement, Douglas argues, could mean that potential investors will flock to those countries with lower tax rates, for example Grenada, where there is no personal income tax or corporation tax.

He feels that the decision as to where to establish a regional company should be based on economics rather than on low taxes.

Move to give CARDI a new lease on life

1987- PORT OF SPAIN, Trinidad – Twelve years after setting up an agricultural research agency to help find ways to slash a spiraling food import bill, Caribbean Community (CARICOM) governments have found that it has failed to satisfy their mandate.

Regional governments have identified persistent financial difficulties, a top-heavy headquarters staff and the apparent unwillingness of technical field staff to move around to Member countries as some of the obstacles to the organization’s success. Now, after much criticism, the Trinidadian-based Caribbean Agricultural Research and Development Institute (CARDI) is being revamped to give it a new lease on life.

Under a plan endorsed by CARICOM leaders at their Summit last month, CARDI has been given a budget more manageable to the contributing governments (down from EC \$7.5 million to EC \$6.5 million), a trimmed down staff and a new thrust focusing on crop and animal production.

The agency will concentrate on lower-cost methods of producing higher-yields of crops, such as white potatoes, yams, sweet potatoes, christophene, pumpkin, cocoa, coffee, avocado, citrus, papaya, callaloo, pigeon peas and peanuts, by using research to develop improved planting material, better pest control, harvesting and storage methods.

Major initiatives in animal production are also on the cards. Among its mandates, CARDI will be expected to improve the breed of sheep and goats. The Institute will develop and test models for small-scale beef and dairy operations, investigate a range of oilseed crops which could be used as protein sources in animal feeds, and to develop improved pastures and protein sources for increased milk and meat production and develop and test various animal rations using indigenous Caribbean ingredients. There is also a programme for developing flowers and ornamentals particularly for export.

The new work programme is expected to go a long way towards placating countries like Jamaica, which felt CARDI had failed to effectively serve CARICOM Member States. The region’s U.S. \$1 billion food import bill has been described by Caribbean Development Bank (CDB) President William Demas as “a scandal”.

Like many other regional organizations, CARDI was plagued by non-payment of contributions from its Member States, some of which were simply showing their dissatisfaction with the Institute’s performance.

Average monthly contributions from members of nearly EC \$400,000 were insufficient to meet even the monthly salary bill of close to half a million (EC) dollars. CARDI’s overall expenditure averaged just over EC \$600,000 per month.

Up to last February, all 12 Member States had outstanding contributions totaling EC \$6.5 million. Jamaica, which has threatened to pull out, owed EC \$3.6 million or 54 percent of the total. Trinidad and Tobago was the second highest defaulting country, owing 27 percent or EC \$1.5 million.

Under the latest agreement, member governments are expected to pay in full their outstanding contributions (as of February 1987), by the end of this year.

Partly due to these payment difficulties, CARDI chalked up liabilities of some EC \$8.2 million-half of it owed to Trinidad and Tobago's Inland Revenue Department, EC \$1.4 million to the University of the West Indies (UWI) and EC \$1.1 million in back pay due to staff since 1984.

Apart from its financial headaches, some CARICOM critics contended that CARDI was not only top heavy staff-wise, but that some of the professionals had too many distractions, including businesses of their own.

This, the governments felt, has helped to turn the Institute into a slow-paced organization which did not address the needs of many of its Member States, particularly the Less Developed Countries (LDCs). "There was overstaffing and insufficient results to justify the payroll," CARDI's Executive Director Derrick Dyer told CANA.

The 1987 CARICOM Summit endorsed the Agricultural Ministers' proposal for an increase in core professional staff in the LDCs from 9 to 14. However, CARDI's total staff is being cut by 14, from 112 to 98, while the professional staff is being slashed from 42 to 36.

Under the new arrangement, some staff at the Trinidad headquarters are begin shifted to other CARDI offices in the region, a move which has provoked an outcry from Trinidadian trade unions.

The staff cuts and shifts were based on recommendations from both a 1985 report by a professional agricultural group under the chairmanship of Caribbean Development Bank Secretary, Crispin Sorhaindo, and the more recent appraisal of a Task Force headed by CARDI's Deputy Executive Director Calixte George. Despite its troubles, even critics agree that CARDI has done some useful research over the years, including helping to eradicate pests and diseases affecting staple crops. Its activities over the past two years included a project to convert cassava into animal feed, upgrading milk production systems through a forage improvement programme, the development of the pigeon pea, the control of diseases affecting yam and tania, as well as pests plaguing the banana and citrus industries.

The regional research institute has also published a wide range of literature advising farmers on how to maintain crops and cope with certain diseases.

Member States' concern, however, is that CARDI has not made a large enough impact on the escalating regional food import bill. Extra-regional food imports in 1984 amounted to EC \$2.9 billion. Animal products and feed stuff accounted for EC \$761 million, cereals and legumes EC \$581 million, oils and fats EC \$159 million, and fruits and vegetables EC \$187 million.

With CARDI's reoriented operations, governments hope to make more of a dent in the hard currency outflow for foreign food.

Export Credit Facility to be set up in 88'

1988 - BRIDGETOWN, Barbados - A new U.S. \$75million export credit facility for regional manufacturers, originally targeted for July this year, will now be launched on January 1, 1988 according to President of the Caribbean Development Bank (CDB) William Demas.

Initial paid up capital from CARICOM governments is expected to total U.S. \$16.5 million, and negotiations are underway to secure a substantial component from the regional private sector, including commercial banks, Demas told CANA in an interview in Barbados.

Detailed proposals will go before international donors shortly, in a bid to raise about U.S. \$50 million for the new mechanism, which will provide pre and post-shipment financing for CARICOM and extra-regional exports. Demas said the facility, to be called the CARICOM Export Bank, will operate from the CDB headquarters here.

“We are hoping if the (CARICOM) Finance ministers and then the Heads of Government, can agree in June to the kind of framework we’ve now put in place, the bank could start operating on January 1, 1988,” Demas said.

He said the proposals for the facility are now being refined by the CDB and the CARICOM Secretariat, with the help of both regional and international consultants.

The CDB president said the regional private sector, through the Caribbean Association of Industry and Commerce (CAIC), has responded favourably to the proposal and considers it quite feasible. Demas emphasised that the credit facility would have to adhere to sound banking practices, noting that all the central banks in the region and export credit institutions have also responded favourably to the proposals drawn up.

“The new agreement setting up this facility emphasises that the Board of Directors and managers of this facility must pay due regard to banking prudence. In other words, they must never overexpose the new institution to any one particular country,” he said.

“I am certain that we will avoid any mistakes under the now moribund CARICOM Multilateral Clearing Facility (CMCF),” Demas added. The CMCF, which was the main mechanism for supporting trade among CARICOM Member States, collapsed in 1983, after it bust its U.S. \$100 million ceiling mainly due to the indebtedness of Guyana.

Demas said the new export credit bank is aimed in the long term, more so at the extra-regional market, rather than at providing credit for exports within the region.

The new bank, which will be a separate legal entity, will have an initial specialist staff of no more than six, supported by CDB expertise in various areas including the legal, personnel and administrative departments.

Moves on to launch Caribbean Investment Fund

1991 - PORT OF SPAIN, Trinidad - Three financial institutions within and outside the region have put forward proposals for providing the capital to get the Caribbean Investment fund (CIF) rolling.

The proposals, discussed at the meeting of CARICOM Finance Ministers Monday, are going before the meeting of Heads of Government and are expected to be referred to a high-level technical committee, which has been overseeing the arrangements for setting up the Fund.

“The initial assessment is that any or all of the three could possibly establish the fund, so that would be the next step. We would have those negotiations and if those are concluded successfully, companies will proceed with the establishment of the fund,” the Director of Trade and Industry at the CARICOM Secretariat, Byron Blake, said in an interview.

A start-up date for the fund, likely to be launched with at least half of the proposed target of U.S. \$ 50 million, is expected to be known in two months time.

Blake, who noted that regional governments had undertaken to provide incentives to potential sponsors of the CIF, reported that to date three countries - Belize, Dominica and Trinidad and Tobago - have taken the necessary action. Barbados is among the countries being considered as headquarters for the Fund.

Among the incentives the governments agreed to are that the Fund would be free to remit dividends and capital gains on individual investments to its headquarters and be exempted from withholding taxes on such remittances. The region’s leaders also undertook to provide tax incentives for ten years and to enable the Fund to move its capital freely among CARICOM States.

“The Investment Fund would help to provide equity investment into either new companies which sponsors from the region are trying to establish and are short of resources, and where there are companies wishing to expand which would prefer to have equity investment rather than loan investment,” Blake explained.

He said the Fund would also be useful if a government was privatising its operations and wished to have some additional equity investment, particularly in the form of foreign exchange.

St. Kitts and Nevis Prime Minister Dr. Kennedy Simmonds said the CIF was an important facility especially at this particular time. "The CARICOM Investment Fund is a very important fund because it will help to provide further funding for private sector development, but it's not just a question of providing new funds." The region's private sector, he asserted, has a responsibility to respond by turning more to extra-regional exports, adjusting their production and raising standards to meet international competition.

Also discussed at the Finance Ministers meeting was progress on the long mooted CARICOM Enterprise Regime (CER) designed to encourage joint ventures among the 12 Caribbean Common Market countries. The CER is a legal framework, which will, among other things, facilitate the joint development of the region's resources through the free movement of capital and labour.

To date, six of the 12 Common Market countries have signed and ratified the CER agreement and put the legislation in place to enable the operation of joint ventures as CARICOM enterprises. CARICOM Secretary-General Roderick Rainford has explained that companies in the six countries involved can, in fact, pursue joint ventures and apply for CER status to the CARICOM Enterprise Authority.

Monday's Finance Ministers meeting also discussed steps towards a common currency, a goal which Trinidad and Tobago's Central Bank Governor William Demas said was acceptable to all but would be long-term given the differing economic conditions in Member States. In the meantime, there will be increased cooperation and consultation on monetary policy including on issues such as structural adjustment and movement in exchange rates.

The President of the Caribbean Development Bank (CDB), Sir Neville Nicholls, who stressed that this was a critical issue for the region said: "One of the problems in recent times is as individual governments got into economic and financial difficulties they have found themselves having to accept conditionalities from multilateral financial institutions, particularly from Washington, which are inconsistent with the Treaty of Chaguaramas."

The region's Finance Ministers also discussed changes in the financial contributions to the CARICOM Secretariat.

Listening to the people of the region

1991 – BRIDGETOWN, Barbados - A St. Lucian calls for the abolition of work permits for West Indians seeking employment in other Caribbean Community (CARICOM) countries, a Grenadian advocates a single CARICOM passport for Caribbean citizens, a Kittitian wants easier access and fewer requirements to enter a sister CARICOM territory, while Vincentians and Jamaicans appeal for a halt to the harassment of Rastafarians at Caribbean airports.

The message to the Independent West Indian Commission as it travels throughout CARICOM is that many of its five million people want hassle - free travel - they demand to be treated as well as visiting North Americans and other tourists who enter Caribbean countries by simply waving a driver's licence to immigration officials.

At the public meetings held to date, many West Indians have called for the reintroduction of a regional shipping service like the 'Federal Maple' and 'Federal Palm' which ferried West Indians from one island to another in the late 1950s and early 1960s.

The question of freedom of movement has been a key issue whenever Caribbean nationals addressed members of the 14-member Commission chaired by Sir Shridath Ramphal.

There have also been widespread calls for a common Caribbean currency, an issue that the Commission had moved early to address by convening a special workshop bringing together expertise in the area. As the chairman of the Commission puts it, the question of "one money" is high on the Commission's agenda. In fact, the Commission could conceivably submit recommendations on this subject to the Heads of Government well ahead of its final report, due to be released to the governments and people of the region in July 1992.

The Commission, which will be visiting Barbados from May 21-23, began its consultations with people and interest groups in the region in July 1990. It has provided a forum for people from all walks of life to air their views on how to make the regional integration movement more effective.

The Commission has also been seeking opinions on how best the grouping can prepare for the challenges and opportunities which face the region in the 90's and which will arise in the 21st century, in particular, how to work together to ensure that the region is not marginalised in a rapidly changing international environment.

Formally launched in November 1990, the Commission was established as a result of a paper entitled "The West Indies beyond 1992" submitted by Trinidad and Tobago Prime Minister A.N.R. Robinson to the 1989 CARICOM Heads of Government Conference at Grand Anse, Grenada.

The paper pointed to the far-reaching implications of the formation of the Single European Market, given the dependence of Caribbean banana producers on preferential treatment from the United Kingdom. Robinson also drew attention to the establishment of a Free Trade Area between Canada and the United States of America and historic changes in the Soviet Union.

The Commission has so far held consultations in Guyana, Trinidad and Tobago, Grenada, St. Vincent and the Grenadines, St. Lucia, Montserrat, St. Kitts-Nevis, Antigua and Barbuda, Jamaica, London, Barbados and Dominica. Belize and Bahamas are scheduled for June. It will also consult with West Indians living in the United States and Canada later.

In addition to the appeals for freedom of movement, West Indians have also voiced concern about the high cost of travelling within the region.

However, while there has been a large measure of support for Caribbean unity, there has been some apprehension about the form and structure of any single Caribbean nation, and questions about the impact of closer regional integration including the move towards political union of the four Windward Islands - Dominica, St. Lucia, Grenada, and St. Vincent and the Grenadines

Many have questioned the effectiveness of CARICOM and have lamented the failure of CARICOM Heads of Government to implement decisions taken at their annual Summits. They have also pointed to a lack of information on the integration movement. The Commission has also listened to calls for action to deal with the region's unemployment situation, poverty, illiteracy, drug abuse, drug trafficking and a decline in the standard of education in some countries.

At well-attended meetings in London in April, West Indians addressed the Commission on many issues, taking a regional approach in most of their presentations. The Commission heard yet another call for a common currency for the region and there was also a proposal that a Caribbean Bank be established in the United Kingdom.

The London public sessions and sectoral meetings also heard concerns about the level of violence and corruption in some Caribbean countries, the lack of accountability and the functioning of the democratic system. There were questions about arrangements for West Indians wishing to return to the region and unemployment. The functioning of the CARICOM Secretariat was also scrutinized.

At consultations in the region, press freedom has been an issue as well as the domination of American cable television on most of the local television channels.

Many appreciate the weekly regional television feature programme, "Caribscope," but want more of this and other regional programmes. There have been calls, too, for a regional television station to be established.

West Indians are also worried about food production and food security in the region, about the hemorrhage of skilled and professional people, including teachers and nurses, and about the lack of technical and vocational schools to absorb school dropouts and young mothers.

Steps to increase the cross-fertilization of the various Caribbean cultures and to promote the Caribbean as a regional tourism product have also been proposed. Many have noted that West Indian Cricket has been a unifying force in the region and the concept of a Regional Fund to commission West Indian test cricketers to coach in the Caribbean during the off-season has been revived.

Discussions have also centered on the establishment of a Caribbean Court of Appeal, with some questions being raised in some countries, including Jamaica, about the cost of operating a new regional court to replace the British Privy Council.

The Commission has listened to West Indians both in the capitals and in rural areas. In Barrouallie, in the banana heartland of St Vincent and the Grenadines, the high level of teenage pregnancy was a major concern, while at Saddlers in St. Kitts, land distribution and help for small farmers were highlighted.

Young people, who have been very vocal at meetings of the Commission, have largely thrown their support behind moves towards closer regional integration. For example, sixth formers in St. Kitts and Nevis, through their teacher, called for a Caribbean national anthem, a Caribbean flag and a single Caribbean passport.

Cheddi and Sandiford cautions about Union

1992 - PORT OF SPAIN, Trinidad - Guyana's President Cheddi Jagan and Barbadian Prime Minister Erskine Sandiford are both adopting a cautious approach to the Trinidad proposal for a Union of the three Caribbean Community (CARICOM) Member States.

Trinidadian Prime Minister Patrick Manning who threw out the proposal, has been hesitant to expand on the proposal or spell out the main elements.

"I don't know that we can move towards a Political Union of three territories and block out the rest," Jagan said in an interview.

"I think we will want to deepen the whole integration movement but move as far as possible together rather than two or three countries moving ahead and leaving the others behind," the Guyanese President said.

Jagan said he is awaiting specifics about the proposal, which is expected to be discussed today. The Barbados Prime Minister also said he is only aware of a "broad general idea" that has been thrown out.

"You can't debate anything for which there are no specifics proposed or anything like that," Sandiford said with reference to the call by prominent citizens in Port of Spain and Bridgetown for further discussion of the proposal.

"I don't have the luxury of going out and saying I am agreeing with this or agreeing with that, when I don't know what I am agreeing to. I want some specifics on the issues," the Barbados leader said.

Manning Initiative and Confederation

1993 - BRIDGETOWN, Barbados - A senior University of the West Indies (UWI) lecturer says the public in Barbados, Guyana and Trinidad and Tobago is still in the dark on the Manning Initiative and the proposal for a Confederation of the three countries.

According to Anthony Peter Gonzales, senior lecturer at the Institute of International Relations at St. Augustine, while the Barbadian and Trinidadian Heads of Government clearly want to give the regional integration movement a much needed push, they have so far not clearly articulated how this will be done.

"I feel we need to do a lot of homework with respect to the Manning Initiative," he said in a lecture over the weekend on the subject "From the Manning Initiative to Confederation." The function at the Caribee Hotel in Barbados was organized by the Trinidad and Tobago Association of Barbados.

Gonzales said while he had "serious reservations" about sub-regional integration, "there's a tremendous amount of common interest and areas of cooperation that we could develop here, which could go much faster than the rest of the region."

The UWI lecturer said while some areas were mentioned by Trinidad and Tobago Prime Minister Patrick Manning and his Barbadian counterpart Erskine Sandiford, there was still "a lack of clarity" on the proposals for closer ties among the three countries. The governments involved have stated that they envisage closer cooperation in areas such as joint diplomatic representation, double taxation treaties, anti-drug activity and sports.

"I think one has to develop a research program to try to flush out the ideas and to clarify the concepts," Gonzales said in an interview after the session.

He suggested that the countries involved in the Initiative on sub-regional integration take a leaf out of the book of the 12-nation European Community (EC) which commissioned extensive research and came up with a White Paper on its Single Market.

"The Barbadian Government is preparing a document on the Confederation so we have to wait and see if they will come up with the type of document that will inform the public of what will be happening," said Gonzales, who lectures in international economics and has served as a consultant and advisor on economic issues affecting the Caribbean.

"The leaders are still in the honeymoon period and soon they will have to come out with further details and take further initiatives to demonstrate some sort of political will to move forward the process," he said.

"I'm sure that people will become skeptical if nothing happens within the next year," the UWI lecturer added. Prime Ministers Manning, Sanford and Guyana's President Cheddi Jagan, are expected to discuss the Manning Initiative and Confederation in Port of Spain in mid-October when they are due to meet the leaders of Venezuela, Colombia and Mexico.

In his address, Gonzales noted that when former United States President George Bush, announced his Enterprise for the Americas Initiative (EAI), its goals and how these would be achieved were clearly spelt out. This was, however, not the case with regard to the Manning Initiative or proposal for a Confederation of Barbados, Trinidad and Tobago and Guyana put forward by Prime Minister Sandiford.

Gonzales acknowledged that some of the governments have put social security arrangements in place to facilitate the movement of skills and lauded the Guyana government for its efforts in this area.

The UWI lecturer reiterated his support for the proposal from the now-defunct West Indian Commission for the establishment of a CARICOM Commission to oversee the running of the integration movement and to help speed up the implementation of decisions.

Gonzales said there should be a focus on the complementary nature of the economies of the three countries and alluded to the vast natural resources of Guyana, Trinidad and Tobago's oil and natural gas, and an abundance of skills in Barbados.

He also told the West Indian audience that one of the biggest setbacks for CARICOM was the failure to develop Guyana under the Forbes Burnham regime.

Several prominent Barbadians, Trinidadians and Guyanese, who signed a public statement supporting the Manning Initiative a year ago, attended the session.

Bird says Antiguan immigration heavy-handed

1992 - PORT OF SPAIN, Trinidad - Antigua and Barbuda's External Affairs Minister Lester Bird says some Antiguan immigration officers are too hostile and his government is embarrassed over the way Guyanese and other Caribbean nationals are treated at the V.C. Bird International Airport.

"I think it is a lot of heavy-handed behavior by the police," Bird said in an interview during the just-concluded special Summit of Caribbean Community (CARICOM) leaders.

"We've agreed to the hassle-free travel and at a time when we are trying to move forward I find this a very embarrassing situation for Antigua," the Minister stated.

"I can assure you and the people of Guyana and the rest of the Caribbean that I will be doing everything possible to regularize the situation so that these things do not continue to happen," he said.

Bird, who said he has discussed complaints about the treatment of Guyanese and other Caribbean nationals by Antiguan immigration officers with Prime Minister Vere Bird, suggested a revamping of the immigration procedures.

"I think we need to set up an immigration entity in Antigua that deals with these matters away from the airport because seemingly at the airport an attitude is being taken by some of our immigration officials which I abhor and which I don't agree with," the Antiguan Minister explained.

“We need to sit down in a more calm situation and evaluate whether or not the person is somebody who should not enter Antigua and there should be very limited reasons as to why a Caribbean national should not be permitted to enter Antigua and Barbuda,” Bird said.

“My view is that once you are a Caribbean national you should be treated with some degree of understanding and sensitivity.”

He noted that Antigua and Barbuda has approved more work permits for Caribbean nationals than the whole of the Eastern Caribbean put together and was therefore not closing the door to West Indians.

Bird said he held two meetings with the Commissioner of Police, who is responsible for immigration, prior to attending the Port of Spain Summit. The Minister said he has asked for the incident involving Guyanese cultural official and writer, Francis Quamina Farrier, to be investigated. Farrier has complained that he was detained overnight at a St. John’s police station while on his way from Anguilla to Montserrat, with no explanation given by the immigration officers.

Meanwhile, Barbados Prime Minister Erskine Sandiford said if there are impediments to the free movement of Caribbean nationals in the region “these must be addressed”.

“More often than not, it’s not the policy but it is at the level of the implementation of the policy and the understanding of the policy that the problems may arise,” Sandiford said.

“It is our responsibility to see that our officers are well trained and understand the letter and spirit of the procedures that are laid down and we are in a constant stance of training our officers,” the Barbadian leader said.

Sandiford indicated that he was unaware of complaints of harassment of Guyanese nationals at the Grantley Adams International airport and said Barbadians have also come in for unfavourable treatment at airports in the region.

“I am pretty satisfied that our policy is moving forward and that there is no overall attempt on the part of officials to impede the free movement of people on legitimate business,” the Prime Minister said.

Free Movement in the region long way off

1993 - BRIDGETOWN, Barbados - Caribbean governments are pushing ahead with steps to facilitate freedom of movement for West Indians traveling within the region, amid continued reports of harassment of Guyanese and Jamaicans at Caribbean airports.

Letters from irate Guyanese complaining about ill treatment and hostility from Barbadian and Antiguan immigration officers have been appearing regularly in the Guyanese media.

The Deputy Prime Minister of Antigua and Barbuda, Lester Bird, has publicly apologized to Guyanese for the behaviour of Antiguan immigration officers, some of whom he described as “heavy-handed” and has promised to carry out an investigation.

On the other hand, the Barbados Prime Minister, Erskine Sandiford, stated recently that he was “unaware” that Guyanese are badly treated when they arrive at the Grantley Adams International airport. Sandiford stressed that his government is fully supportive of regional integration.

Guyanese have noted that while they continue to be embarrassed and humiliated when traveling in the region, Barbadians travel to Georgetown regularly to purchase easily available U.S. dollars and a wide range of foodstuff and consumer items from North America, which are half (sometimes even a third) of the prices in Bridgetown.

Trinidad and Tobago’s External Affairs Minister Ralph Maraj last December announced that the region’s leaders anticipated that citizens of the Caribbean Community (CARICOM) would be traveling easily within the 13 Member Countries by July 1993, the date of the next annual CARICOM Summit.

However, with just four months to fulfill this CARICOM timetable, immigration officers from around the region are still unsure what exactly is meant by hassle-free travel. “Many immigration officers would like to know and I would like to be able to explain to them what is the interpretation of hassle-free travel,” Barbados Chief Immigration Officer Kenrick Hutson said in an interview at his Bridgetown office.

According to Hutson, in some cases, West Indians, including Guyanese, are offended by routine questions from immigration officers. Information requested by immigration officers in Barbados is not just for immigration purposes but for the police, the island’s statistical service, tourist board and hotel association, he explained.

The top immigration officer also rejected suggestions that Americans are allowed to enter Barbados on a Driver’s licence alone. He insisted: “This has never happened. Along with the driver’s license with a photograph, the person must also have a birth certificate with an original seal.”

Hutson has not yet been informed about the common card that the Trinidadian External Affairs Minister says will act as an I.D. card or passport for West Indians traveling in the region.

The Barbadian Immigration Chief also said that while a seminar for the region’s immigration officers in Port of Spain a few months ago was useful, a number of questions remained unanswered.

“I would very much welcome the day when CARICOM nationals can be allowed into Barbados without having to produce so many documents,” Hutson remarked.

He agreed those immigration officers across the region needed to be sensitized if hassle-free travel is to work smoothly, as they are the ones who will be putting the policy into effect.

The free movement of Caribbean nationals within the region, is essential if the proposed Manning Initiative for closer economic ties among Barbados, Guyana and Trinidad and Tobago is to materialize. It is key when it comes to making the CARICOM Single Market and Economy a reality in 1994.

“Even though decisions have been taken to move towards a Single Market it is not easy to implement a Single Market as it is to decide to move to it. But, a Single Market is going to be essential if our manufacturing sector is to survive,” said the President of the Caribbean Development Bank (CDB), Sir Neville Nicholls.

“You need barriers removed, and certainly reduced on the movement of capital and the movement of labour. You can’t just have a Single Market for the movement of goods,” he added.

Sir Neville is “not very optimistic” that the free movement of skills will become a reality soon. “I think that is one of the difficult issues that the governments will have to address, and it is not easy to address when economies are not doing well and while there are high-levels of unemployment in many of the countries,” said the CDB President.

A brochure in circulation with the slogan, “One Region, one Market, One Goal - 1994” states that the creation of a CARICOM Single Market will make it possible for CARICOM nationals to enter all 13 CARICOM territories without showing a passport.

In addition, the brochures produced by the CARICOM Export Development Project (CEDP) promises that students who have graduated after 1991 will be able to obtain employment in any Caribbean territory without any restrictions.

Furthermore, the Caribbean Secretariat proclaims that all CARICOM workers, whether employees or self-employed persons, teachers, researchers, doctors or architects, will be able to work in the CARICOM country of their choice on the same terms as the particular country’s own citizens.

The issue of freedom of movement within CARICOM was addressed in depth in a paper prepared for the West Indian Commission by former University of the West Indies lecturer in International Relations, Dr. Rosina Wiltshire.

In recommending a three-phased approach, the 36-page paper proposes that in the first stage recipients of the Order of the Caribbean Community and Caribbean nationals with degrees, diplomas or certificates from the UWI, or other recognized tertiary institutions, be granted freedom of movement with the right to work. In its report the West Indian Commission also called for media workers to be added to this category.

Wiltshire also called for driving licence information in the region to be regularized and for Caribbean tourism industry officials to be sensitized against biases and stereotypes towards regional travelers.

Under phase two of the programme, she advocated the granting of freedom of movement to hucksters, the elimination of work permits for nationals in keeping with priorities identified in the Grand Anse agreement, and the elimination of anomalies in immigration and citizenship legislation governing spouses and children of nationals.

The Grand Anse declaration, adopted by CARICOM leaders in Grenada in 1989, agreed to arrangements for the free movement of skilled and professional personnel and contract workers to be put in place by January 1991.

Wiltshire also envisaged in the second phase the issuing of CARICOM passports, and all professionals and business persons being entitled to hassle-free travel and the right to work.

She recommended the establishment of freedom of movement within the region and elimination of work permits for all CARICOM nationals by 1995.

“This would recognize the common regional social structure and popular economic and cultural networks, while giving life to the full creative potential of the region and CARICOM unity. Freedom of movement would affirm the regional commitment to human-centered sustainable development,” Wiltshire argued.

Dominica remains opposed to CARICOM Assembly of parliamentarians

1992 - PORT OF SPAIN, Trinidad—Dominica remains opposed to the establishment of a Caribbean Community Assembly of Parliamentarians which Barbados is seeking to get off the ground.

“If you want to hear Opposition members’ views, let us have a CPA meeting every year and everybody can talk. I am not creating another talk shop that solves nothing.” Prime Minister, Dame Eugenia Charles told The Barbados Advocate.

“From the very beginning I made it clear we did not require this. We have too many institutions already to do things. This is a talk shop and we have the Commonwealth Parliamentary Association,” Charles said.

Barbados, which initiated the proposal for the Assembly of Parliamentarians, and Guyana are the only two countries which have to date signed the agreement to set up the new forum, which several countries have pledged to support.

The West Indian Commission has recommended that the concept of the Assembly be refined to include a cross-section of representation. The Dominican Prime Minister appealed for the CARICOM Community Summit agenda to be considerably reduced to allow for more in-depth discussion on major issues.

Charles said she was dismayed at the 25-point agenda, which included the presentation of several reports. “I think a lot of time was wasted on things that should not have come to us at all, and I am hoping that something can be done about that from the Secretariat level.”

The Dominican leader, who has harshly criticized the functioning of the integration movement in the past, also suggested a change in the preparation for annual conferences. “We should not have the ministerial or preparatory meetings back to back with the Summit. We should have it one month in advance so we have time to study the documents and talk to our people at home.”

Commenting on the just concluded Summit, Dame Eugenia said the proposed three-month review of the thorny Common External Tariff (CET) should not focus on percentages, but on particular sectors such as tourism.

“I can understand some of the islands’ concern that it would make things more costly in the tourism business, and therefore, we might have to look at special sectors,” she said.

“The whole idea of the CET is to make us more competitive so we can buy from within the region, and it has been very successful in Dominica. The supermarkets are in fact buying regional goods and we are pleased about this.”

Charles also said she was not convinced that a CARICOM Single Market could be established by 1994. "There are a lot of things to put in place and certainly, until the CET is well put in place and everybody is satisfied with it, there can be no thought of a Single Market."

She added: "with a Single Market you have to have a single currency and you're not going to have a common currency soon, even though progress has been made."

Charles said she was waiting until mid-year to deal with trade with Trinidad, since the new administration needed time to formulate its own policies, but she was concerned about a protectionist attitude among Trinidadian farmers.

The Dominican leader said Roseau was unable to sell much of its citrus to Barbados, despite continued efforts by her government. "Barbados has for years preferred to buy citrus from outside the CARICOM area. I think the Barbados Government should investigate why this is so. It is certainly inferior to the citrus from Dominica which can supply all the citrus Barbados requires." Charles said.

Sandiford disappointed with response to Barbados initiative

1992 - PORT OF SPAIN, Trinidad - Barbados Prime Minister Erskine Sandiford says the just-concluded Caribbean Community (CARICOM) Summit would undoubtedly lead to a further building of confidence in the integration movement.

At the same time, Sandiford said he was disappointed that only two countries have signed the agreement to establish the CARICOM Assembly of parliamentarians proposed by Barbados and agreed to by his CARICOM colleagues a few years ago. "I am disappointed that an element of the integration movement has not been put in place yet. It depends on seven signatures for it to come into being."

"If we are talking about a democratic movement we need to associate the parliamentarians as representatives of the people as distinct from Heads of Government or ministers who are part of the executive of the region," the Barbadian leader said in an interview.

The Prime Minister said further: "We were at the stage quite some time ago. I don't understand it. The West Indies had a parliament before so this is not an idea that has dropped out of the sky and it is an important element if we are talking about a democratic movement." Dominica's Prime Minister, Eugenia Charles, has said that she would not support the Barbados initiative because it would be "another talk shop."

Sandiford, who undertook responsibility to oversee the initial groundwork for the establishment of a CARICOM Single Market and Economy, also expressed some degree of frustration when asked whether the target date of 1994 was achievable.

"I have ceased to set dates for the achievement of anything within CARICOM. The only thing which is relatively certain is that a meeting will take place each year," the Prime Minister said.

He said he was "comfortable" with the decision to have a three-month review of the Common External Tariff (CET) which Jamaica has been pressing to have reduced.

"Having spent so much time to reconcile the various interest to get a Common External Tariff, even before it is adopted by all there is need to change it. The leaders were concerned that for the CET to be changed there should be a study of the implications of the various levels of the tariffs. You cannot just go and pull a number out of the hat without studying it," Sandiford said.

On monetary cooperation, he said the implication of the decisions on this subject was that the kind of integration being pursued was one which focused on trade arrangements supported by a macro-economic framework which took into account monetary and fiscal policies. "In the end it is the fiscal, monetary and financial policies which will create the environment within which commercial trading and other kinds of activities will take place and we are therefore seeking to create the monetary coordination of our policies which is necessary to support the integration movement," explained Sandiford who is also Minister of Finance.

The Heads of Government agreed that the first phase of monetary integration would involve the coordination of monetary policies and the movement towards intra-regional currency convertibility.

This stage is to be initiated with the formation of a Council of Central Bank Governors while the final phase will involve the establishment of a Caribbean Monetary Authority with power to issue a single currency.

Sandiford said the convertibility of currencies would mean that if a Barbados dollar was presented in Trinidad and Tobago there should be no problem in the use of that currency and the same would apply for use of Trinidad money in Bridgetown.

CAIC urges speedier action on CARICOM Single Market

1993 – BRIDGETOWN, Barbados - A leading private sector official says the move towards the establishment of a CARICOM Single Market and Economy is “slow and halting” and urgent attention must be paid to devising a concrete strategy to respond to changes in Europe and North America which will affect the region.

Pat Thompson, Chief Executive Officer of the Caribbean Association of Industry and Commerce (CAIC), said problems with bananas and rum in Europe, and the implication for the region of the North American Free Trade Area (NAFTA), among other things, was bringing pressure for CARICOM “to move much more rapidly than it has been doing.”

He reiterated the view of the regional umbrella private sector organization that a tripartite task force be set up to deal with a strategy for NAFTA and the European Single Market, buttressed by sectoral panels.

“We can then begin to work out schemes of technical assistance or help of some kind for those sectors that will face major difficulties because of NAFTA’s coming into being. In addition, we would be laying a clear agreed regional framework negotiating position for the time when we may have to get into negotiations with the NAFTA partners.”

According to Thompson, the question of the free movement of skills, a key component of the CARICOM Single Market and Economy, was being addressed in a “piecemeal fashion.”

He noted that the CARICOM Enterprise Regime (CER) designed to facilitate the movement of capital, labour and skills, was yet to get off the ground. In addition, a full regional stock exchange had not yet materialized.

Thompson said that the recent floating of the Trinidad and Jamaican dollars pointed to the need for greater coordination of monetary and fiscal policy among the CARICOM governments and more frequent meetings among Central Bank officials. In addition, Ministries of Finance and Central Banks should have closer coordination so that exchange rate changes, which affected trading and business transactions, “do not come as a complete surprise.”

The CAIC official hoped the CARICOM leaders, who meet in the Bahamas from July 5 to 8, would take a few special decisions that would be implemented and “can begin to make a difference.”

He said changes in the policy and focus in the European Community were likely to result in a different type of trade and aid relationship between African, Caribbean and Pacific States (ACP) and the EC, and suggested that the impact of these be treated as a priority. “It’s not a minute too soon to begin to think about those difficulties that lie ahead.”

While noting that unemployment was fairly high in the region, as well as in Europe and North America, he emphasised that the Caribbean must concentrate on productivity, efficiency, quality and export competitiveness which would help to maintain jobs and create new ones. “Clearly the economic imperative right now should be a very high priority, the creation of additional jobs, the maintenance of employment and the raising of skills levels,” he said, adding that this was important for increasing exports and attracting investment.

“This is not to say that we should neglect things like a regional Supreme Court or a Regional Parliament or other things in the cultural and entertainment field, but that perhaps they might have a lesser priority because if we don’t solve the fundamental economic problems like unemployment and underemployment then the climate and the resources may not be there to pursue some of these other intentions.”

The new Common External Tariff (CET), he said, was meant to encourage greater competitiveness on the part of CARICOM firms, and therefore, had implications for increasing employment in the region. The private sector, he reported, was pressing for an amendment to the CET to provide for the duty-free importation of raw materials, intermediate goods and plant and machinery for export-oriented industries and the hotel sector.

“We think these are oversights. These are prime foreign exchange earners and they need to compete in a very difficult external environment at least on something roughly equivalent to equal footing.”

On continued derogations granted to the so called Less Developed Countries (LDCs) of the Caribbean Common Market, Thompson said as the region moved towards a Single Market Economy and a more free and open trading environment, the number of derogations must be decreased and eventually disappear. “Whether this is the moment for the latter alternative to happen is open to dispute. One needs to have clear evidence of the steps that are taken to make the industries involved competitive.”

The CAIC, he said, was still pushing for a tripartite regional mechanism that would examine trade problems and rule speedily on disputes.

Thompson also expressed disappointment that after years of discussion the Caribbean Investment Fund (CIF) had not yet been established. The CIF is aimed at promoting business enterprises with a particular focus on export-led industries.

“One of our continuing concerns is that any such fund should be based clearly on commercial investment criteria and not be a political horse-trade which is likely to end up in even more white elephants than in the past,” he remarked.

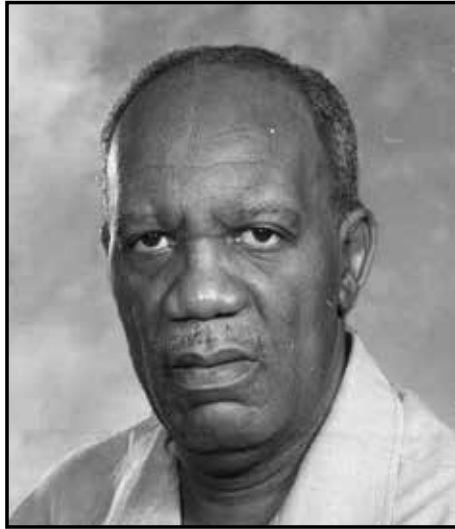
He added: “We will probably have to wait for this next round of debates in Nassau to see how much nearer we are to the realization of that.”

Thompson said the CAIC was cooperating with the CARICOM Bureau even though it believed that this mechanism was not the preferred solution to addressing the issue of speedier implementation of CARICOM decisions. The Bureau is composed of three Heads of Government and the CARICOM Secretary-general.

Commenting on the lack of information from the Bureau following its recent meeting in Nevis, he said: “I think they ought to publish a communique certainly advising the public and the media of major decisions that have been taken or are in the course of being implemented.” At the same time, he said it was understandable that the members of the Bureau might not wish to comment in detail on every decision taken.

SECTION D

THE CDB PERSPECTIVE



William Demas
President
Caribbean Development Bank (CDB)



Sir Neville Nicholls
President
Caribbean Development Bank (CDB)

William Demas says CDB geared to meet region's challenges

1982 – BRIDGETOWN, Barbados -The Barbados-based Caribbean Development Bank, now in its tenth year of operation, has been able to perform successfully so far in its dual role as bank and regional development agency.

The CDB, which is an associate institution of CARICOM, has achieved this record in the face of economic setbacks in most regional member countries and constant political turbulence in the Caribbean during the decade.

According to Bank President, Trinidadian-born William Demas, the mobilization of U.S. \$370 million during the first ten years of existence is as a considerable achievement.

"So far, we have approved loans amounting to just over U.S. \$260 million and of this amount approximately, half has been disbursed. Most of the loan approvals have gone to the Less Developed countries (LDCs). In the Charter establishing the Bank, we were asked to pay special attention to the needs of the LDCs and I think we've fully met our mandate in this respect," said Demas, who is serving his second term in office as President. Eighty percent of all soft loans approved during the decade went to the LDCs.

Agriculture received 28.9 percent of loans and grants; 14.4 percent went to industry; 9.4 percent to housing, while tourism got 3.2 percent; ports 10.9 percent; student loans 1 percent and other infrastructure works 30.8 percent.

The Bank now has a membership of 20, with Britain and Canada as non-regional members. Venezuela and Colombia are the most recent members, joining in 1973 and 1974 respectively.

Since 1974, the Bank's staff has more than doubled from 77 to 182, and more vacancies are to be filled shortly. Among the special programmes developed over the years is the Agricultural Production Credit Scheme (APCS) under which lines of credit are extended on concessionary terms by the CDB to agricultural credit banks in the LDCs for making small production credit loans to small farmers. The creation of a Technical Assistance Fund (TAF) in 1978 is another significant development.

Despite the Bank's healthy economic position, it is faced with a number of stern challenges during this decade in the light of the worsening economic situation in most Caribbean countries which are suffering from the adverse effects of spiraling oil prices. Demas had argued in his statement to the last Board of Governors meeting in the Bahamas in May that energy and food must be the main sectoral thrusts of the 1980s for member countries in the region. The CDB has already equipped itself to assist Member States in these two key areas.

A Technology and Energy Unit (TEU) has been set up with funds from the United States Agency for International Development (USAID). "Our programme is related to a particular kind of energy - non-conventional energy and renewable resources of energy. We do not deal, for example, with oil and natural gas. We are focusing on small projects from unconventional sources such as the sea, wind and the sun. We are looking at the possibility of using solar energy produced from agricultural products such as sugar, the by-product of which could be used to make ethanol, to be mixed with gasoline," Demas explained.

The CDB is part of the Caribbean Group for Cooperation and Economic Development (CGCED), established three years ago to raise funds and to give balance of payments support to Caribbean countries. "It's a kind of coordinated aid effort which has been sponsored by the World Bank and to some extent by the CDB, Inter-American Development Bank and the International Monetary Fund.

According to Demas, a lot has been done to give long and medium-term loans which had the effect of relieving, to some extent, the balance-of-payments problems of the more severely affected Caribbean countries.

He noted that the Organisation of Petroleum Exporting Countries (OPEC) Fund has been brought into the Caribbean group in an attempt to coordinate the aid flows of this fund with those of other donors, both bilateral and multilateral. Alluding to assistance from Trinidad and Tobago since the oil crisis in 1973, he said up to last year the twin-island Republic had made available about \$200 million U.S. in balance of payments support to the MDCs and soft loans to the LDCs.

The CDB President welcomed the recent facility announced by Trinidad and Tobago whereby an attempt will be made to recycle some of its oil surpluses to the other Caribbean countries by financing their purchases of oil from Trinidad by giving concessionary loans. "The scheme is rather complicated, but in essence it is as follows: in effect, Trinidad will require payment of oil only to the extent of 50 percent of the value of its exports and the other 50 percent would be lent on reasonably soft terms."

The scheme is expected to become operational later this year. In the meantime, Venezuela and Mexico have announced a similar scheme for the Central American and some Caribbean countries. "Under the proposed arrangement, Mexico and Venezuela would ask for cash payments for 70 percent of their oil exports and the other 30 percent will be given as a loan," said Demas. While the CDB President welcomed these initiatives, he cautioned member governments about relying too heavily on external help and suggested that more attention be paid to improving the quality of national economic management.

"My personal view is that to cope with the tremendous hostile environment in the 1980s, the governments will have to make herculean efforts to improve their domestic management." He stressed that just as important as improved economic management, was better utilization of the region's human resources.

While the CDB is now laying the groundwork for assistance in the area of energy and stepping up its training programme, it is also catering for a need which was not envisaged when it was established - funds for national reconstruction in the event of natural disasters. The Bank has played more than a financing role in this respect.

Demas emphasised that the bank does not mind providing loans for this purpose, but he underscored the need for bilateral donor agencies to also give financial assistance to hurricane-stricken islands.

U.S. aid cuts forcing bank to expand role

1987- BRIDGETOWN, Barbados - Drastic cuts in American and other international aid are pushing the Caribbean Development Bank (CDB) into expanding its role in financing development projects in the region.

"I don't think that the CDB can get enough resources to compensate fully for the anticipated decline in traditional bilateral and multilateral resources but we do believe that we can muster enough support both within the region and outside to enable us to play a bigger and more effective role than we have been playing over the past five years," Bank President William Demas said Wednesday.

He said the Bank is taking steps to mobilise additional capital including seeking the membership of two Western European countries and building up its long-term, low-interest funds.

The Bank approved Italy as a non-borrowing member since 1985, but parliamentary procedures in Rome have delayed its participation. West Germany is likely to join within a year.

Demas said the U.S. aid reduction, by between 33 and 50 percent, and the planned graduation of some of the Eastern Caribbean countries from the International Development Association, the World Bank facility for the world's poorest nations, will force these countries to turn more to the CDB.

He said the CDB was discussing the replenishment of its own soft loan facility - the Unified Special Development Fund - by January 1989. The Fund's resources amounted to approximately U.S.\$90 million over the past four years.

Demas said Washington had made available U.S.\$10 million to date for the CDB's basic needs programme for "small but useful" projects in the Organisation of the Eastern Caribbean States (OECS), but has not provided any soft funds to the Bank for over six years. The CDB President said despite "serious economic difficulties" facing Colombia, Venezuela and Mexico, the Bank's non-borrowing regional members, he did not expect a decline in their contributions.

The World Bank, which estimated that the total capital requirements for the Caribbean this year will be U.S.\$1.6 billion, put the region's average growth rate last year at two per cent.

Demas said while the Bank was still in the process of assessing the region's economic performance in 1986, it was clear that tourism was "dynamic", and the banana industry in the Eastern Caribbean, particularly in St. Lucia, performed well.

The former CARICOM Secretary-General said although there was a decline in intra-regional trade, it was much smaller than previous years.

Demas also said CDB expects to provide more financial assistance to Trinidad and Tobago, which used loans from the Bank for the first time last year following a sharp downturn in its once buoyant oil-based economy. Loans to the new administration in Port of Spain would be for small-and medium-sized infrastructure projects and for developing agriculture industry and tourism.

The CDB President said the Bank was also hoping this year to resume loans to Guyana, suspended four years ago because of arrears.

Better national management needed

1987 - BRIDGETOWN, Barbados - Better national management is required for Caribbean countries to deal with pressing economic problems of which unemployment is one of the biggest, according to Caribbean Development Bank (CDB) President William Demas.

His plea for better financial housekeeping was made during a CANA interview. Demas, a former CARICOM Secretary-General, cautioned that even with fairly high rates of economic growth, unemployment, which in some CARICOM states ran as high as 30 percent, would not be reduced easily. This situation is compounded by debt problems in some nations.

He explained that programmes to reduce balance of payments problems, diversify the base of the region's economies and improve public sector efficiency, commonly referred to as structural adjustment, were long-term, spanning between five and 10 years.

The CDB President said that while there was scope for sorting out the key area of intra-regional trade, he did not anticipate any immediate improvement, primarily because of the downturn in the once-buoyant Trinidad and Tobago economy and in particular, the low price and reduced production of its oil.

"Trinidad should do, in my view, what they agreed to do in Nassau regarding the liberalising of trade," the Trinidad-born economist said, referring to a 1984 CARICOM trade agreement to stimulate trade.

Port of Spain recently announced the conditional removal of its 12 percent stamp duty on CARICOM imports, but has maintained licensing and foreign exchange controls.

Demas said it was unrealistic for regional manufacturers or governments to expect CARICOM trade to return to 1981 levels, although there were some positive indicators from the recent dialogue between the Trinidad and Tobago and Barbados Governments, the private sectors and initiatives by Guyana.

He said that a "more serious" protective policy for regionally-produced food to conserve valuable foreign exchange and achieve self-sufficiency was badly needed, in addition to more applied research on the marketing of exports.

The CDB president noted, however, that certain funding agencies were not in favour of regional governments curbing extra-regional imports.

He suggested that breaches of the Rules of Origin which determined eligibility for duty-free treatment in CARICOM could be curbed with the setting up of a "supranational authority" which would have the legal authority to investigate violations and "rule authoritatively on them."

Demas said CARICOM leaders would discuss at the Castries Summit beginning on June 30, the basic ground rules of the U.S. \$75 million CARICOM export credit facility, (now being referred to as a bank), including its charter and board of directors.

"We expect after the detailed document goes before the Finance Ministers and then the Heads of Government, we would engage in a hard sell to the donors," he said.

On the call for a review of regional organisations and programmes associated with the CARICOM Secretariat, Demas said all organisations, including the Barbados-based CDB, ought to be looked at every 10 years. "It is a very healthy thing that people who run the organisation with the help of consultants, preferably West Indians or from the third world, take a detached look at the organisation," he said.

Demas supported a Barbados proposal for a study to be undertaken on a regional shipping line to service extra-regional routes, adding that it was essential that the West Indies Shipping Corporation (WISCO) be maintained.

"Private lines would leave the region stranded and we would have no fallback position," he said.

CDB head predicts tough times ahead for CARICOM

1992, BRIDGETOWN, Barbados - Against the background of a slowdown in economic growth in most Caribbean Community (CARICOM) Member States in 1991 and a dismal forecast for 1992, the President of the Caribbean Development Bank (CDB) has warned that the donor community is becoming increasingly "tired" with the pace at which the regional integration movement is moving.

"It is as if the countries which have traditionally dealt with the Caribbean are becoming fed up at the slow pace of the integration movement," Sir Neville Nicholls said in an interview at the CDB headquarters in Barbados.

"Many of the western countries which have traditionally had relations with CARICOM are now beginning to question the cost effectiveness of having to deal with so many small sovereign nations in the CARICOM at the same time that they find it necessary to establish relations with newly emerging nations as a result of the breakup of the Soviet Union," says the Barbadian economist.

Sir Neville, who has been at the helm of the 22-year-old regional lending agency for four years, does not believe that the pace of integration will accelerate soon. "In a period of economic difficulty national leaders are necessarily forced to give top priority to national issues. No one is elected to office at a regional level. This is what it comes down to and it is one of the unfortunate facts of regional life."

On projections for 1992 he forecasts: "There could be a slowing down in the rate of economic growth and, in fact, there are clear signs that the slowdown in economic growth which began last year will continue this year". Exceptions to the anticipated weaker performance are likely to be recorded in Guyana where economic recovery has begun after several years of negative growth.

The CDB top executive says that in addition to the continuing recession in North America and other developed countries, there is the uncertainty about the future of bananas in the European Community.

There is also, he observes, uncertainty generally about world trading relationships. Added to this, the fiscal and other difficulties in many of the 17 Borrowing Member Countries (BMCs) have resulted in the need to adopt stabilization programmes funded by the World Bank and the International Monetary Fund (IMF). Most of the BMCs recorded lower levels of real growth in 1991 compared with 1990, with Barbados being the lone country to register negative growth.

The CDB President says the Bank will continue in 1992 to help Borrowing Member Countries, including those which are involved with stabilization and structural programmes, to finance their public sector investment programmes.

The regional development bank has already begun to focus more on poverty alleviation, women and development, and environmental projects, in keeping with approval of this new thrust at its 1991 annual meeting in the Mexican city of Merida.

The Bank, which last year provided a loan to Women in Development (WID) in Barbados, is hoping to continue using the "useful guidelines" obtained from this experience to provide similar loans to Non-Governmental Organizations (NGOs). In addition, funds will be channeled through institutions like National Development Foundations (NDFs).

On the Bank's role in helping the ailing manufacturing sector, Sir Neville explains that it is not simply a question of pumping money into the sector since the economic environment in which enterprises operate may not be conducive to growth, in some cases. "It is almost pointless to provide financing to enterprises if they have to continue to operate in an inappropriate macro-economic framework." He points to factors such as taxation policies, complicated incentive systems in terms of duty and tax concessions and, in the case of Barbados, the effect of the exchange rate on competitiveness. He adds that productivity is also key to any upturn in the manufacturing sector.

The CDB President is not optimistic about an early improvement in the performance of intra-regional trade given the barriers which remain such as quotas, licences and various duties imposed, despite agreements to dismantle them. "I do not see an early resolution of this problem nor do I see an early resolution of the problem related to differences in exchange rates throughout the region."

Noting that various studies are being carried out under the aegis of the Independent West Indian Commission on the feasibility of a common currency, Sir Neville cautions that "it is a very complicated technical matter and in view of the differences which exist now with national currencies and differences in economic conditions, it is going to be a very difficult task."

He regards as a dilemma the fact that trade policies in the region are in conflict with those advocated by the World Bank and the IMF and do not take account of changes in the global trading environment. A particular case in point is the much talked about Common External Tariff (CET), a duty imposed on goods imported from outside CARICOM which is designed to protect Caribbean agricultural and industrial production. "One of the difficulties with the CET is that it took so long to get decided on that it has really been overtaken by events. It has almost become outmoded before it is fully implemented."

Furthermore, Sir Neville argues that some of the governments which have put the CET in place have had to accept conditionalities attached to loans from the World Bank and the Inter-American Development Bank which "run counter to the whole scheme of the Common External Tariff."

The CDB President says it is desirable that the region's governments review the CET because there has been a significant change in thinking on issues such as protection for industries before exposing them to competition, since the tariff was negotiated.

He chides the World Bank, the IMF and the Inter-American Bank (IDB) for insisting that developing countries like those in the Caribbean "free up" their economies while "turning a blind eye conveniently" to protectionist measures taken by the developed countries which harm the region.

Sir Neville reports another year of improved financial performance by the CDB and satisfaction with the pledges obtained for the Special Development Fund (SDF), which is used to provide loans on concessional terms.

Last year the CDB recorded a 61 per cent increase in net income. Gross loan approvals in 1991 were U.S. 108.9 million dollars compared with U.S. \$115.4 million in 1990 when an Economic recovery loan to the tune of U.S. \$42 million was made to Guyana. Disbursements in 1991 were U.S. \$53.8 million, compared with U.S. \$87.9 million (including U.S. \$32.5 million to Guyana) in 1990. The Bank registered a new landmark with cumulative financing at the end of the year surpassing U.S. 1 billion dollars.

The CDB has almost reached the target of U.S. 124 million dollars for its Special Development fund. A large chunk of the contributions for the SDF comes from non-regional member countries, namely Canada, the United Kingdom, France, Germany and Italy. Long-standing arrears by Antigua and Barbuda in the vicinity of U.S. 3 million dollars, have still not been cleared and the CARICOM Member State continues to be ineligible to borrow from the bank.

New projects being considered for financing in 1992 for Barbados include a study on the feasibility of expanding the parking apron at the Grantley Adams International Airport and assistance for the Barbados sugar industry, in particular, to help to bring unutilized land back into sugar production. Trinidad and Tobago is likely to get aid for a project involving the Trinidad & Tobago Oil Company (TRINTOC) and for water development in Tobago while projects being proposed for Guyana include a line of credit for the Central Bank to provide export credit and further assistance for the electricity generating sector and the country's sea defences.

"The economic recovery loans that we made for Guyana last year were just the precursor to further lending to Guyana. We are not in this alone as other institutions such as the World Bank and the IDB are involved in project financing for Guyana," the CDB President said.

Key concerns for CDB

1993 - BRIDGETOWN, Barbados - The upcoming annual meeting of the Board of Governors of the Caribbean Development Bank (CDB) will take place against the background of continued sluggish economic performance in most Caribbean countries, the likelihood of a reduction in U.S. aid, and diminishing trade preferences.

Protracted renovations at the original venue for the meeting, the LaToc hotel in St. Lucia, have resulted in the May 12-13 meeting of the Bank's highest policy-making body being hosted by the Bank at Sam Lord's Castle in Barbados.

It is the second time that the 23-year-old regional financial institution is hosting the annual high-level meeting, which will be chaired by St. Lucia's Prime Minister John Compton. Six Caribbean Prime Ministers and several Finance Ministers from the Bank's Borrowing Member Countries (BMCs) are expected to be among the 200-odd delegates from more than 35 countries participating in the 1993 meeting.

Although no major issues like a General Capital increase, or a replenishment of the Special Development Fund (SDF) which provides concessional financing, are on the agenda, the Bank's governors will focus on key issues.

These include how the region will cope with the impact of trade preferences which are being whittled away, how Caribbean Community (CARICOM) countries will relate to the North American Free Trade Agreement (NAFTA), and the continuation of structural adjustment measures in several BMCs.

According to CDB President, Sir Neville Nicholls, the United States no longer attaches the same geo-political importance to the Caribbean as at the time of the rivalry between the U.S. and the former Soviet Union. "In the future, relations between the U.S. and this region will be determined more by strict economic considerations than geo-political considerations," he said in an interview at the Bank's headquarters.

Sir Neville, who said last January that the medium-term prospects for growth in the region's economies would depend on growth in industrialized countries, observed that the economic signals so far this year were not encouraging. He contended that this could put a damper on anticipated growth in the region's key foreign exchange earning tourism sector.

Even if there was an increase in arrivals from the U.S., Sir Neville projected that spending was likely to be down. In addition, because of a decline in arrivals from Europe and the financial difficulties facing the airline industry, prospects for significant growth in visitor arrivals from Europe "don't appear to be too bright." Although cruise ship arrivals were up in the first quarter of 1992, these visitors did not spend as much as stop over visitors.

"It is not so clear if what is taking place in the United States is recovery or not. The indicators are contradictory. Sometimes the indicators suggest there is a recovery, and another time it suggests that the recovery has not really started, or is so slight that it hardly makes any difference," the CDB President said.

“What is of critical importance is that U.S. policy at the Federal level will have to concentrate on the U.S. fiscal deficit, which will have a significant impact on Federal expenditure, and this will impact on the amount of official aid the U.S. is likely to provide to this region, both at the bilateral level and through multilateral financial institutions.”

Stressing that CARICOM would soon have to determine its approach to NAFTA, Sir Neville said that despite the problems and challenges which membership in NAFTA would involve, the region had no choice but to be part of the trade and economic arrangement.

He noted that there was a fear that if CARICOM countries acceded to NAFTA, then under the terms of the Lome Agreement with the European Community, they would have to grant concessions similar to those accorded to member countries of NAFTA. “I am not convinced that it would cause the disaster that many people seem to think it would cause, because most of our exports of commodities to the European Community, and increasingly manufactured goods and services, are not in competition with the things they export to us,” he remarked.

Barbadian-born Sir Neville, who has been at the helm of the CDB for five years, identified as one of the main challenges facing the Bank, the inability of many of its BMCs to find counterpart funds for projects because of cutbacks in public expenditure.

Sir Neville insisted that the trimming of public expenditure, as part of structural adjustment programmes, was not being forced upon regional governments by the International Monetary Fund (IMF) or World Bank, but was necessary because the fiscal deficits in these countries were simply not sustainable.

“The challenge is that because governments are going through a period of fiscal stringency, they are not able to provide the same counterpart funds for capital projects as they were in the past and, therefore, it means while the Bank has resources to lend for the financing of capital projects, not all of the governments are in a position to provide the matching counterparts funds,” he said.

Sir Neville added: “This will also slow the implementation of existing projects, and is something which the Bank will have to pay increasing attention to during this year, and it also means that governments will find it increasingly difficult to borrow from the Bank and the financial institutions.”

The CDB, which was recently given a Triple A rating by one of the world’s leading rating agencies, would also be considering to what extent it would continue to provide macro-economic advice to the BMCs. Earlier this year, Sir Neville, who said the region’s poor economic performance and high levels of unemployment gave cause for deep concern, underscored the importance of its BMCs achieving and maintaining fiscal discipline.

Since its last annual Governors meeting in the Cayman Islands, the Bank has, among other things, begun identifying projects in the areas of poverty alleviation, women and development and the environment, with the help of the Canadian International Development Agency (CIDA).

The Bank has also completed a report on the future of the region’s banana industry, which was aimed at formulating an action plan to improve the international competitiveness of the industry in the Windward Islands. The study was discussed at the March meeting of CARICOM leaders in Dominica.

Sir Neville said the CDB remained committed to helping finance the restructuring of the Barbados sugar industry, pending the completion of new industrial arrangements for the industry that was recently placed in receivership.

Strengthen ties but maintain sovereignty

1993 - BRIDGETOWN, Barbados – The President of the Caribbean Development Bank, Sir Neville Nichols, is urging Caribbean leaders meeting with U.S. President Bill Clinton tomorrow to use the occasion to find “a new basis” for relations with the Washington administration.

At the same time, Sir Neville is emphatic that the five Heads of Government who will attend the luncheon talks at the White House should not seek to explain their relations with Cuba.

“They should not go there intending to explain to President Clinton about the CARICOM-Cuba Joint Commission. If it is raised by the President, then they should give him the appropriate answer,” the CDB President said in an interview.

“In the same way that the United States maintains very close political and economic relations with communist China, the CARICOM countries see no reason why they should not have normal relations with Cuba. It is a natural development,” Sir Neville said.

The CDB President is a member of an advisory group that will be meeting with the Caribbean leaders on the eve of the White House meeting.

Prime Ministers Erskine Sandiford of Barbados, P. J. Patterson of Jamaica, Patrick Manning of Trinidad and Tobago and Hubert Ingraham of the Bahamas, along with Guyana’s President Dr. Cheddi Jagan, have been invited to Capitol Hill. Each Caribbean leader will have one person accompanying him; this is likely to be either a Foreign Minister or a Washington-based Ambassador.

“The point to be made is that CARICOM has nothing to answer to the United States for in this area. In the same way as the United States has a certain perception of its national and strategic interests, so Caribbean countries have a right to have a different perception of theirs,” Sir Neville said in relation to Cuba.

He suggested that objections raised by U.S. Congressman Robert Toricelli over the decision by CARICOM leaders to establish a joint Cuba-CARICOM Commission was possibly linked to certain Miami-based Cuban groups, which were hoping to extract substantial financial gains if the Fidel Castro regime collapsed. “What Caribbean leaders have to try to identify is a basis for future relations with the United States, which would provide a better foundation for a mutually beneficial relationship than existed in the past,” the head of the CDB advised.

He said Caribbean leaders must accept that the geo-political importance of the region to the United States had changed significantly “and perhaps permanently” since the dismantling of the former Soviet Union.

It was difficult, Sir Neville said, to assess the Clinton Administration’s policy on the Caribbean because there were few definitive policy statements on the Caribbean by the eight-month-old administration.

Sir Neville said CARICOM leaders should come to grips with the importance of lobbying in Washington as this was used effectively by many groups to achieve significant changes in U.S. policy. “It’s an accepted fact of political and international relations,” the CDB chief executive asserted.

He lamented the slow pace at which the region was addressing the issue of CARICOM participating in the North American Free Trade Agreement. “There appears not to be a clear and united approach by CARICOM on NAFTA.”

Sir Neville noted that there was still a lot of talk about an extension of benefits under the Caribbean Basin Initiative (CBI), which provides for duty-free access for Caribbean products entering the U.S.

“My personal view is that the emphasis should be on trying to negotiate the best terms for acceding to NAFTA. I do not place much reliance on trying to get extensions of CBI terms.”

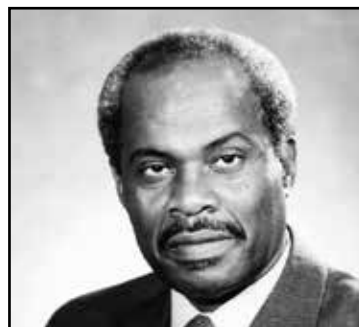
Sir Neville cautioned CARICOM to be careful not to make too strong a distinction between the 13-nation CARICOM and the seven-member OECS sub-region.

Section E

INTRA-REGIONAL TRADE AND EXPORTS



Carl Greenidge
Finance Minister, Guyana



Louis Tull
Industry and Commerce Minister, Barbados



Pat Thompson
CEO, Caribbean Association of
Industry and Commerce (CAIC)



Yesu Persaud
President
Guyana Manufacturers Association (GMA)



Compton Bourne
UWI Professor of Economics



Basil Forbes
President, Barbados Manufacturers Association (BMA)



Lesley Lucky Samaroo
President, Trinidad and Tobago
Manufacturers Association (TTMA)



Prakash Vaswani
President, Jamaica Exporters
Association (JEA)

The Trinidad-Barbados trade dilemma

1985, BRIDGETOWN, Barbados - Barbadian manufacturers have mixed reactions to the new tit for tat trade policy which the Barbados Government has adopted against Trinidad and Tobago and three other countries which have not implemented the Nassau package of trade measures designed to revitalize intra-regional trade.

Some believe action is long overdue by government to protect the local manufacturing sector, which Central Bank Governor Dr. Courtney Blackman says is being hamstrung by “the fierce protectionist policies of Trinidad and Tobago.”

Others, however, believe that despite the prolonged difficulties in selling goods to Port of Spain and earning vital foreign exchange, the Barbados government should continue on-going dialogue as reprisals against the Port of Spain administration would anger the Chambers government and make matters worse.

Basil Forbes, former President of the Barbados Manufacturers Association (BMA) feels the trade problems between the two countries are the result of personality clashes among politicians from the CARICOM Member States. According to Forbes, the manufacturing sector is caught in the middle. “I don’t think anything much can be done now. When I said negotiations, I meant prior to the Barbados Prime Minister’s statement. I would not hold out any hope for any positive moves now. I think, as a matter of fact, the Trinidad government will be more arrogant and the issues will be magnified rather than be corrected,” Forbes said.

The Barbadian manufacturer, who heads the BMA furniture group, agrees that Trinidad and Tobago has not lived up to commitments given at CARICOM meetings. But, he is convinced that retaliation is not the answer and feels the timing is wrong.

Forbes is fearful that if CARICOM countries continue to threaten each other then CARICOM could be heading for a collapse. But, in the meantime, he points out that the people of the Caribbean Community are feeling isolated.

The Barbados Industry and Commerce Minister, Louis Tull, has said those manufacturers who do not support the Barbados government’s position, may be holding a selfish view.

“There are some manufacturers who are getting their goods into Trinidad and some who aren’t. I would hate to think that it is those who are selling their goods who are saying don’t rock the boat. Government has to deal with the global picture, and there must be equity in the system of manufacturing. We are not doing anything over and above what Trinidad is doing. Trinidad is either blocking or slowing processing of applications for licences for goods,” the Barbados Minister said in an interview with the Trinidad Guardian.

On September 5, in an address to party members, Barbados Prime Minister Bernard St. John announced that any government that does not carry out the Nassau agreement would force others to treat their goods in like manner.

He said failure to implement the agreement was a breach of faith with other Caribbean territories. The Barbados leader blamed Trinidad’s failure to honour its obligation on what he termed “protectionist elements” in the twin-island republic, whom he said has captured the mind of the Chambers government and made it impotent.

The Prime Minister charged there was “inherent unfairness” in the way Port of Spain treated exports of certain Barbados goods. St. John asked: “How do you expect to earn approximately 80 million dollars a year in foreign exchange by using your airplane to take up passengers in Barbados or bring passengers here? How do you expect to sell your detergents to us and we can’t sell to you?”

Some manufacturers, like Basil Forbes, believe that the deteriorating trade relations between the two CARICOM neighbors stem from personality clashes and other problems created by the politicians. Some mention the tax on canned soft drinks from Trinidad imposed by the administration of the late Barbados Prime Minister, Tom Adams. Others draw attention to Adams labeling a Trinidadian diplomat a liar during the Grenada invasion, and point to a failure by the two governments to work out complementary roles for BWIA and Caribbean Airways. St. John has, however, rejected these suggestions, noting that other CARICOM countries are experiencing similar trading difficulties with Port of Spain.

But whatever the reasons, the current BMA President, John Hampden, supports the call for dialogue to resolve the long-standing problems. Such dialogue took place last week in Port of Spain when the Trinidad Foreign Minister, Errol Mahabir, and the Barbados High Commissioner, Walter Burke, met to discuss the planned Barbados retaliatory action.

Hampden told the “Guardian” he had talks recently with an unnamed Trinidadian official and was assured that the Trinidad government would implement the Nassau trade measures by year-end. There have been no such assurances though from the Chambers administration, which, along with Antigua and Barbuda, Saint Lucia and Belize, has failed to meet the third deadline for implementing the Nassau Accord.

Attention is, however, being focused on Port of Spain, and to a lesser extent on St. John’s and Castries, as Belize has promised to take steps to put the relevant legislation in place when it presents its annual budget this month.

The 14-month-old Nassau agreement involves raising tariffs on non-CARICOM goods, offering a measure of protection to products made in the region with the aim of stimulating intra-regional trade which has declined steadily over the past three years.

According to figures for the first half of this year, provided by the Barbados Statistical Service, exports to Port of Spain fell by just over 50 percent, from \$35 Million in 1984 to \$17 million this year. In particular, exports of furniture dropped from \$1.7 million to nearly \$241,000, while garments declined from \$9.5 million to nearly \$2 million this year.

For those manufacturers who managed to get a trickling of their goods into Trinidad, it has been a harassing experience, beginning with the red tape to get a licence and then the frustration over several months of getting ECO approval for foreign exchange.

Some manufacturers who have virtually abandoned the Trinidad market say it’s too big a hassle and have turned their efforts to the limited domestic market while others have had limited success in the extra-regional market, after years of hard work.

Mico Garments run by Ansar Juman is one of the many companies hard hit by the virtual closure of the Trinidad market. The company which produced men’s and boys slacks and jeans, and specialized in quality garments, had a work force of 200 in the early 1980s when sales to Trinidad accounted for about 60 percent of its business. Today, that work force has been cut by a third, with some 65 people being employed on a week-on week-off basis.

Like at most of the other factories, those put on the breadline are women, many of them single parents with several children to maintain and with very little chance of getting alternative employment in a hurry.

Juman said he concentrates on the local market and has cut production substantially from the 500 dozen garments produced weekly in more healthy periods. He emphasized that the local market cannot generate enough business to cover overhead costs. Juman noted that the 10 to 15 percent of his stock which used to be allocated to Jamaica is now lost. He sees little point in exploring the LDCs as a potential market, since these countries import freely from the Far East and he finds it almost impossible to compete with the cheaper garments.

“In order to survive we need the domestic market and by domestic I mean CARICOM market. This is the only way we can cover our overhead expenses and try to compete on the extra-regional scene,” said Juman.

Elias Garments, manufacturers of gents shirts and pants, has a similar experience to Mico. A work force of 150 in 1982 has been reduced to 45 women working three days a week, producing a limited amount of goods, mainly for domestic consumption. Managing Director Odil Elias said recently he was in Port of Spain in vain trying to get licences and collect foreign exchange owed to him.

Elias has thousands of dollars worth of stock piled up in his factory and owes the Industrial Development Corporation several thousand dollars for rent. A similar trend obtains at factories across the island.

Industry and Commerce Minister Tull said he had received assurances at the Sam Lord's Summit in Barbados from his Trinidadian counterpart Wendell Mottley that there would be a fairly easy processing of licences for Barbados and that steps were being taken to harmonize the licensing and foreign exchange process.

Tull said to date there has been no indication of an easing up of the problem and the Chambers administration has not informed the Barbados government as to the reasons for not implementing the Nassau trade measures. "We have been long suffering and patient and we've tried our best to get a solution to the problems, but we have not been making any headway."

"Therefore, in the interest of manufacturers, we have to ensure that goods imported into our country must be met with reciprocal exposure to the exporting country's market," said the Barbados Minister.

He announced that with effect from early October, restrictions will be put on some goods from Trinidad and Tobago and the other countries which have failed to implement the Nassau Accord. Tull explained that a licensing system will be put into effect and the list of products to be affected will be defined following consultations with the BMA.

He however said detergents from Port of Spain are certain to be affected. Since then, Prime Minister St. John has been quoted in a newspaper interview as saying that if countries in the Caribbean did not buy oil from Trinidad and Tobago and bought it from Venezuela, that would have an impact on Trinidad's economy.

Trinidad's Mottley made it clear during the Sam Lord's Summit that his government wanted its wider interest to be discussed along with visible trade.

He made particular reference to BWIA and outstanding subscriptions to the Trinidad-based Caribbean Agricultural Research and Development Institute (CARDI), whose employees have gone unpaid for some time.

However, the Barbados Industry and Commerce Minister said the Government of Trinidad and Tobago has not identified other interests in discussions on trade. He pointed out that there are ongoing bilateral discussions which began last March.

According to Tull, he sent a letter to Errol Mahabir on June 10 summing up the state of discussions so far and giving a summary on what had been decided. He said he suggested another meeting in July and has not yet received any communication from Port of Spain on when those consultations will resume.

In the meantime, the Barbados Minister observed that arising out of discussions at the last CARICOM Summit, a committee, which includes Barbados, Trinidad and Tobago, and St. Lucia, to deal with the question of air services between the Eastern Caribbean and the United Kingdom has met at least once.

"It may well be that the Trinidad government is waiting on the conclusion of those talks before it resumes wider discussions," said Tull.

At the July Summit, Trinidad and Tobago agreed that after three years, BWIA would fly the Boston, and Baltimore-Washington routes for Barbados.

Whatever the reason, Barbados is not the only country, angry over the Trinidad situation. St. Lucia, Antigua and Barbuda, and Grenada have pointed accusing fingers at Port of Spain.

St. Lucia's Trade Minister George Mallet said instead of conditions improving two months after a bilateral arrangement worked out with Port of Spain, things have actually gotten worse. "Trinidad and Tobago has apparently not lifted a finger to make things work," Mallet observed.

The President of the Grenada Chamber of Industry and Commerce, Brian Pitt, has promised to take a firm stand on "Trinidad and Tobago's protectionist policies," while Antigua and Barbuda has blamed its failure to implement the Nassau Accord on Trinidad and Tobago.

In the face of these charges, the Trinidad Industry and Commerce Minister a few days ago stated that the country is discharging its responsibility to its partners in the Caribbean Community. "The figures tell you that, despite complaints heard in some other CARICOM capitals, and especially in relation to the decline in total imports from all sources into Trinidad and Tobago, Trinidad and Tobago is nevertheless, at least on the macroeconomic level, discharging its responsibilities to its CARICOM partners," Mottley told a regional furniture consultation.

According to official figures, total imports into Trinidad and Tobago fell from \$6.2 billion in 1983 to \$4.6 billion in 1984, a 25.8 percent fall.

Imports from CARICOM countries declined from \$414 million in 1983 to \$337 million last year, a 17 percent drop. And Mottley said the falling imports from CARICOM for this year so far has been less than 30 percent. He made no mention in his address to the regional furniture producers of the reason for Trinidad and Tobago's failure to implement the Nassau trade measures. But prior to his address to the furniture manufacturers, it was announced that Mottley has accepted recommendations that some amount of clothing be imported from CARICOM states.

The Trinidad Ministry of Industry and Commerce, in a release said a committee set up last May to advise Mottley on restrictions on garment imports had recommended this in its interim report. The release said while quantitative restrictions will be applied in all cases, importers will be required to obtain a substantial part of their supplies from CARICOM producers.

Barbadian garment manufacturers displayed an almost total lack of optimism over the Trinidad announcement.

"That does not offer very much hope for me, when you consider that a couple dozen shirts mean very little to a large factory. Until we know the position with large importers we are no better off," said one manufacturer. Most, as expected, believe that while licences might be granted, the all too familiar foreign exchange problems will surface.

The head of the Barbados-based Caribbean Association of Industry and Commerce (CAIC), Pat Thompson, has criticised Trinidad and Tobago and other countries which have not implemented the Nassau Accord.

He said those countries which have implemented the Nassau Understanding were in a sense being penalized because they had raised duties on extra-regional goods to offer protection to similar CARICOM-made items, as stipulated under the agreement.

"Those governments that have not yet implemented the agreement are really doing, consciously or not, serious disservice to the working population of the Caribbean," he said.

BMA President Hampden said he expects some improvements in trade with Trinidad by year-end, because he believes "there are sensible leaders in the Caribbean." But, he does not expect trade to return to the pre-1983 levels, given the state of the Trinidad economy.

Some manufacturers point to the recent trade accord worked out between Trinidad and Tobago and Jamaica, which has a critical shortage of foreign exchange. They said if Port of Spain can manage to do business with Kingston estimated to be worth some U.S. \$80 million then it should be possible for trade between Trinidad and Tobago and Barbados to move, especially given the fact that Barbados does not have Jamaica's red tape system.

And what of the regional integration movement? The Barbados Industry and Commerce Minister hit the nail on the head in his address to the CARICOM Council of Ministers meeting, preceding the Sam Lord's Summit.

After pointing to the closure of factories and unacceptable high levels of unemployment, Tull said: "The net effect of all these problems has been a steady erosion of confidence in the integration movement."

The changing face of the CARICOM trade

1987 – BRIDGETOWN, Barbados - Both the level and distribution of trade among the 12 countries of the Caribbean Common Market (CARICOM) have undergone radical changes in the last six years. Not only has there been a drastic decline in the value of intra-CARICOM trade, but the so-called Lesser Developed Countries (LDCs) are now buying a larger chunk of the total than before, percentage-wise, with the bigger states purchasing a smaller slice.

Guyana, physically CARICOM's largest member, accounted for nearly a quarter of all intra-CARICOM imports in 1981, but by last year this had dwindled to less than 10 percent, as the South American state grappled with a prolonged foreign exchange shortage.

Oil-rich Trinidad and Tobago, which in 1983, at the tail-end of its petro-dollar boom, bought 34 percent of all goods traded intra-regionally, saw its share fall to 20 percent in 1986.

St. Lucia, on the other hand, last year purchased about 8 percent of the intra-regionally traded goods - nearly twice its 4.5 percent of 1981. St. Kitts-Nevis moved from a 1.6 to a 4.1 percent share over the same six years. The effect was that whereas the More Developed Countries (MDCs) in the Common Market accounted for 81 percent of all intra-regional trade in 1982, their share was down to 63 percent last year. The difference reflected the improved LDC showing. Overall in 1986, the Common Market countries suffered a record 33 percent slump in trade among them, which, like previous declines, was felt in closed regional factories and lost jobs.

Trade among the 12, in fact, fell to about half of the EC \$1.615 billion (1 EC dollar = 37 cents US) recorded in 1981. The actual figure given last month by CARICOM Secretary-General Roderick Rainford was EC \$783.7 million.

The 1985 intra-regional trade decline was 3.7 percent, with 10.9 percent in 1984 and 12.5 percent in 1983. A major contributor to that magnitude of the overall slump in 1986 was a EC \$300 million drop in Trinidad's oil exports to the region, as Guyana, strapped for foreign exchange, turned to Venezuela for its petroleum supplies under a barter arrangement.

Not unexpectedly, Guyana's exports to Trinidad & Tobago - mainly rice - took a dive of some EC \$19.4 million.

Another key contributor to the 86' performance, regional economists say, was the EC \$100 million fall in CARICOM imports into Trinidad and Tobago, the major regional market.

Last year the MDC's - Guyana, Jamaica, Trinidad & Tobago, Barbados, together imported 41 percent less - or EC \$356.2 million - CARICOM goods than in 1985, including petroleum.

The fall off for the LDCs - Belize and the seven members of the Organization of Eastern Caribbean States (OECS) - was put at 9.1 percent. Trinidad and Tobago, whose economy has recently been reeling under the pressure of plunging revenues from oil - its main export - and greatly reduced foreign reserves, bought almost 39 percent less, while Jamaica's decline was near 30 percent and Barbados' 28.8 percent.

Guyana, with its chronic hard currency shortage, recorded the biggest decline in CARICOM imports - 66.3 percent. With the exception of Antigua and Barbuda and Montserrat, which recorded decreases of 48.4 percent and 29.1 percent respectively, the other OECS countries have either increases or small declines.

The most significant increase was in the intra-regional imports of St. Kitts-Nevis, which bought EC \$11.1 million in CARICOM goods, 53.5 percent more than in 1985. St Vincent and the Grenadines' imports from its regional partners rose by 11.1 percent last year and were valued at EC \$4.4 million.

These increases, CARICOM technocrats point out, helped to offset partially the declines of Antigua and Barbuda (48.4 percent) and Montserrat (29.1 percent). The total value of intra-regional imports of the OECS in 1986 was EC \$283.3 million, 9.6 percent or EC \$30 million less than in 1985. But percentage-wise these seven states pushed up their segment of the total from 26.8 percent in 1985 to 36.2 percent. Belize bought 15.6 percent more from her Common Market partners, absorbing EC \$7.1 million in goods, compared with EC \$6.1 million in 1985.

Jamaican flays CARICOM governments

1987 - BRIDGETOWN, Barbados - A Jamaican business leader is accusing Caribbean Community (CARICOM) governments of paying “lip service” to promoting intra-regional trade.

“I think businessmen of this region want a clear understanding of what our trading relationships are so we can plan our business, make our investment and get down to the business of production,” Prakash Vaswani, President of the Jamaica Exporters Association (JEA), said here.

The JEA President, in Barbados at the head of a 14-member trade mission, said if CARICOM leaders are to be taken seriously, they must honour their word and implement decisions relating to trade, instead of adopting protectionist policies against members of the 13-nation grouping.

At the 1984 Nassau CARICOM Summit, CARICOM leaders agreed to a package of trade measures to resuscitate sagging intra-regional trade, but some countries still have trade barriers in place.

“Millions of dollars, and perhaps billions, are invested in plant and equipment based on the CARICOM agreements and this state of limbo is not good for the Caribbean,” Vaswani told CANA. He said obstacles to trade such as import licences, foreign exchange barriers and stamp duties must be removed.

Vaswani has asked the Barbados Minister of Trade, Evelyn Greaves, to review the island’s 12 percent stamp duty on imported goods, which he felt was making some Jamaican products uncompetitive.

The JEA President said that Jamaica had waived the stamp duty for CARICOM products.

Vaswani, however, singled out Barbados as being the lone country to consistently adhere to “the spirit and letter” of the CARICOM treaty. He said that while Jamaica had recorded “consistently reasonable sales growth in the Barbadian market”, Barbadian manufacturers had shied away from the Jamaican market following the temporary introduction of a two-tiered exchange rate system a few years ago, dollar devaluation and a liberal import policy.

For the first eight months of last year, Barbados sold BDS\$ 3.5 million worth of goods to Kingston, compared with BDS\$5.6 million for the same period in 1985.

The JEA President said there was a “great market” for Barbadian furniture in Jamaica as well as for tee-shirts, handicrafts, novelty items, packaged juices, and pork, which is in short supply in Jamaica. He said this information was conveyed to the Barbados Trade Minister with whom the visiting exporters also discussed the possibility of Jamaica sharing its expertise in the local garment industry.

Trinidadians backing Licences

1987 – PORT OF SPAIN, Trinidad - Trinidadian manufacturers are still opposed to the removal of the country’s controversial import licensing regime, blamed for a severe slump in intra-CARICOM trade.

The President of the Trinidad and Tobago Manufacturers Association (TTMA), Lesley Lucky-Samaroo, says his organisation does not regard the licensing or the Government’s foreign exchange rationing (ECO) system as barriers to free trade with partners in the Caribbean Community.

“The licensing and ECO system, although they are instruments to monitor trade, they are not barriers, because licences have been issued in every case. The TTMA advocates that it must remain in place, even if only to monitor,” Samaroo told CANA here.

He acknowledged regional garments were being affected by the licensing procedures, but stressed that licences would be available. Only this week, garment manufacturers in Port of Spain called for a one-year ban on the importation of garments, including those from within CARICOM.

Barbadian and other CARICOM manufacturers have repeatedly complained that both the Trinidad licensing and foreign exchange restrictions have denied them access to their most lucrative market.

In addition, the main regional private sector organisation, the Caribbean Association of Industry and Commerce (CAIC) has pointed out that licensing and other barriers to trade are in breach of 1984 CARICOM measures to resuscitate intra-regional trade.

But the TTMA President said that Trinidad and Tobago had an “open” trade policy with the rest of the region, which he expects to continue following last month’s change of government in general elections. “I think we will see more Caribbean integration with the new government,” Samaroo said.

He said there was no restriction on foreign exchange for CARICOM imports because the Central Bank had set aside funds for regional goods.

“Let me say to the Caribbean countries that Trinidad has a very active market, maybe not as active as 1983 but there is a market there and it should be taken advantage of,” he said. Samaroo said Trinidadians were experiencing difficulties in finding a wide range of items to buy from Jamaica.

“Jamaica used to have a very active industrial sector, but things like appliances, electrical equipment and cosmetics are beginning to disappear because of Jamaica’s open import policy,” he said.

Samaroo suggested that although there was an 80 percent tariff on some extra-regional imports, it may not be sufficient” to control an influx of third country imports, with which Jamaican products cannot compete.

The TTMA President said the proposed Trade Credit Facility to provide pre-and post-shipment credit for CARICOM and extra-regional exports, was “vital,” but cautioned against running into “the same old problems” of the suspended CARICOM Multi-lateral Clearing Facility (CMCF).

The CMCF, the payments mechanism for intra-regional trade, collapsed in 1983 after it busted its U.S. \$100 million credit ceiling.

Greaves says more trust needed

1987 – BRIDGETOWN, Barbados Trade and Commerce Minister Evelyn Greaves today said a greater degree of trust among Caribbean governments was essential to stimulating a resurgence in intra-regional trade, which had declined over the past five years.

Greaves told a news conference that one of the major stumbling blocks to restoring sagging intra-regional trade was a “lack of trust” among the people who have to make decisions in the Caribbean Community (CARICOM).

He singled out Antigua and Barbuda as one of several regional countries which is not “pulling their weight” as far as intra-regional trade was concerned. “We have some exporters who have complained that they cannot get their goods into Antigua but they find that Antigua is importing similar goods from extra-regional sources,” Greaves said.

Batteries, paint and foam products are among the Barbadian items which local manufacturers say they have difficulty in exporting to Antigua. The Trade and Commerce Minister said there was “some movement” in relation to import licences from St. Lucia, which posed a problem recently, but there was still a problem in obtaining licences for Barbadian margarine.

Greaves told reporters he held discussions in Georgetown last month with both his Guyanese and Trinidadian counterparts on steps to improve bilateral trade.

He said he was in contact today with Trinidad’s Minister of Industry and Enterprises Ken Gordon about problems which Barbadian manufacturers are still experiencing in getting licences from Port of Spain.

Greaves said there were still bottlenecks of “an administrative nature” which needed to be ironed out in Port of Spain and Barbados was “working closely” with Trinidad to improve a two-way flow of trade.

The Barbados Minister said Gordon was seeking to convene a meeting next month to discuss persistent problems relating to intra-regional trade, including the growing illegal business in garments.

Greaves said he was concerned about this and was in the process of formulating a policy position on the issues. He stressed that there was need to beef up customs supervision throughout the region.

Greaves said it was difficult to pinpoint particular developments coming out of the CARICOM talks in Guyana which could have an impact soon on intra-regional trade, but was hopeful that all barriers to intra-regional trade, including licences, would be removed this year.

He said the CARICOM Council of Ministers was sympathetic towards the Barbados initiative to secure protection for regionally-produced cement and he was looking forward to the study on the industry's needs and capabilities to be completed in time for a CARICOM Industry Ministers meeting.

Greaves said in relation to the CARICOM Oils and Fats Agreement, that Barbados had managed to get St. Lucia to agree to convert its six-month supplies of coconut oil into soya bean oil. He explained to his CARICOM counterparts that Barbadians had lost the taste for coconut oil. Barbados imports 1240 tons of copra annually from St. Lucia, just 20 percent of its total requirements.

Call for Trinidad to remove Stamp duty

1987 - BRIDGETOWN, Barbados - Trinidad & Tobago's tenuous balance of payments situation should not prevent it from removing all impediments to trade with its neighbors, according to economist Compton Bourne.

"While I recognize Trinidad and Tobago's current difficulties with its balance of payments and unemployment, I do not think that this should lie in the way of the removal of current restrictions," the Professor of Economics at The University of the West Indies at St. Augustine, said in an interview here with CANA.

"I think it is important that policy makers realize that there is complementarity and reciprocity in trade relationships."

While there would be revenue loss, Bourne said he advocated that Port of Spain move speedily to remove its 12 percent stamp duty on Caribbean Community (CARICOM) imports.

Bourne suggested government could compensate by imposing a smaller increase on the much larger volume and range of extra-regional goods imported. "There should be ways of adjusting for the revenue shortfall from the stamp duty, a protectionist measure which was a concession to the business lobby in Trinidad and Tobago, which paradoxically seems to have been changing its mind and is now realizing that there is such a thing as reciprocity in trade," Bourne said.

Trinidad's Industry and Enterprise Minister Ken Gordon has said that "dramatic steps" are to be announced by June to boost trade with its CARICOM partners and reports from Port of Spain indicate that a substantial amount of licences and foreign exchange approvals for Barbadian imports are being issued. This is the result of ongoing bilateral talks between the two countries.

Bourne said that the extent to which Trinidadians will support regional products, depended on quality and prices, which are usually higher than equivalent non-CARICOM products.

"I think thus far that the Caribbean consumer has paid a very high price for protection for local industry and has not really shared much of the benefits," he said, urging more attention to marketing, if regional products are to successfully penetrate both CARICOM and extra-regional markets.

"I believe that manufacturing in Trinidad and Tobago may have some potential, both regionally and extra-regionally, but this potential cannot be realized in the short term. It will be more like five years," he said.

One essential ingredient for the growth of the manufacturing sector, the UWI professor said, was reduced production costs.

In addition, Bourne said it was important for the question of rationalization of industries to be addressed to prevent further protectionist policies in the region.

Knight: Barbados and Trinidad hold the key to trade issue

1987 - BRIDGETOWN, Barbados - Trinidad and Tobago and Barbados hold the key to any improvement in intra-regional trade arising from decisions at this month's Caribbean Community (CARICOM) Heads of Government Conference in St. Lucia, according to the president of the Barbados Manufacturers Association (BMA), Al Knight.

"If Barbados and Trinidad and Tobago are not on the same wavelength at this conference then I do not see a lot coming out of it," he told CANA.

Knight said the political directorate in the Caribbean had raised barriers to trade and was responsible for the loss of jobs across the region.

"Trinidad and Barbados should be able to sell to the region some easing of trade among ourselves. We are looking to Trinidad and Tobago and Barbados to do that selling job and be serious about it," he said.

The BMA president said he was encouraged by the regular dialogue between the governments and private sectors of the two CARICOM states on trade problems and the preparation for the June 30 to July 3 Summit in Castries.

The Trinidad and Tobago and Barbados governments have agreed to a list of regional products, drawn up by the private sector, which they feel should be given preferential treatment by the 12 Common Market countries. Knight said the private sectors in Port of Spain and Bridgetown have called for all barriers to intra-regional trade to be completely removed by year end.

A deflection of trade from extra-regional sources, Knight said, was also essential if intra-regional trade, which declined by 13 percent for the first 11 months of last year, was to pick up.

He welcomed the decision by the Port of Spain administration to conditionally remove its 12 and a half percent stamp duty on CARICOM goods, but emphasised that this was not the main barrier to trade with the twin-island republic. "The 12 percent sales tax removal sounds good but if I can't get a licence or ECO (foreign exchange approval) whether it is 12 percent or 24 percent, it doesn't really matter," Knight said.

He could not argue, he said, with Trinidad and Tobago's insistence on reciprocity, since Barbados has been "preaching this for some time." He told CANA that the question of Bridgetown's own 10 percent stamp duty on CARICOM products would be discussed with the Trade, Industry and Commerce Ministry soon.

In recent months, Knight said, Barbadian manufacturers experienced some improvement in trade with Trinidad and Tobago, but in a few cases, the delays in approving licences and foreign exchange have led to further layoffs in Bridgetown, which recorded a near Bds\$60 million (Bds\$1-50 US cents) deficit in trade with Port of Spain last year.

Knight said Barbadian manufacturers were continuing to experience difficulties in exporting to Antigua, but declined to elaborate, noting that this issue was being dealt with by government.

He said the Barbados and Guyana private sectors were exploring the possibilities of Georgetown supplying timber products to Bridgetown for use in a furniture thrust to the U.S. and for the production of plywood.

The BMA President cautioned regional leaders not to place too much emphasis on lengthy reports and economic jargon, but rather to take practical steps to improve the bad business climate which has prevailed over the past three to four years.

He said the climate has affected not only intra-regional trade but joint venture possibilities with foreign partners.

CAIC ‘guardedly hopeful’ over trade

1987 - BRIDGETOWN, Barbados - The Barbados-based Caribbean Association of Industry and Commerce (CAIC) says it is “guardedly hopeful” that CARICOM talks in St. Lucia over the next few weeks will lead to the implementation of decisions that will reverse the continuing decline in intra-regional trade.

“There’s been no immediate or dramatic change in intra-regional trade since the last Council of Ministers meeting in February,” Executive Director Pat Thompson said in a CANA interview.

He said he was hopeful that a survey by the Georgetown-based CARICOM Secretariat on trade barriers hampering the 12 Common Market countries would be discussed at length and substantial decisions arrived at.

Thompson said he was optimistic that Trinidad and Tobago would dismantle its controversial licensing system and foreign exchange controls, seen by regional manufacturers as the main stumbling block to access to the once lucrative Port of Spain market. “I think it will come. I think the Trinidad and Tobago government is committed to doing it,” the CAIC official remarked.

“The question is the exact timing and maybe they’re putting in place some other monitoring mechanism in terms of foreign exchange usage,” he added.

The removal of the licences and foreign exchange rationing system, according to Thompson, would be “a dramatic psychological breakthrough” for intra-regional trade, which declined by 13 percent for the first 11 months in 1986.

Thompson said that because of the downturn in the Trinidadian economy, purchasing power has been reduced and the Port of Spain market would be unable to absorb a surge of CARICOM imports even though demand picked up recently.

Port of Spain’s proposed removal of its 12 percent stamp duty on regional imports, even if on a reciprocal basis, was “a start” but would be a revenue loss for the Trinidad and Tobago administration. “Our general position is that we would like stamp duties abolished for all CARICOM trade. We think that it is possible for governments to recoup the revenue in other ways,” he said.

The levels of intra-regional trade, Thompson said, would increase with the removal of stamp duties. He was not anticipating substantial progress on the Barbados and Trinidad and Tobago private sector initiative to have CARICOM governments endorse a list of selected regionally produced products for preferential treatment by Common Market countries.

This was so, Thompson explained, because the revised list was only recently made available to governments, and they may not have enough time to study it and report to their respective private sectors. “What I hope might come out is an agreement in principle, subject to the list being finalized in the coming weeks and months, subject to the final list being available and the necessary consultations taking place,” he said.

CAIC has been “verbally briefed” on the Caribbean Export Bank and is supportive “in principle” of the mechanism to provide pre and post shipment credit for CARICOM and extra-regional exports. CAIC, was promised a prospectus on the proposed bank once the draft document spelling out the operational details was endorsed by the Heads of Government.

The regional private sector has been asked to inject about U.S. \$8 million, 45 percent of the initial capital for the new mechanism, expected to become operational by January 1988.

Thompson hoped attention would be given at the ministerial and Heads of Government talks in Castries, beginning this weekend, to the implementation of decisions and mechanisms to monitor these.

“I think that the Heads of Government would do well to look at the implementation mechanism to ensure that the rhetoric and lofty declarations do in fact translate into hard policy, which will benefit the integration movement, and the people who live in the Caribbean,” he said.

CARICOM trade ministers are due to meet today and tomorrow, and finance ministers on Monday; the eighth Summit of CARICOM leaders opens Monday evening.

Trade Ministers end 2 days of talks

1987 - CASTRIES, St. Lucia, - Caribbean Community (CARICOM) trade ministers ended two days of talks near midnight yesterday with agreement on the removal of all barriers to intra-regional trade by the end of September 1988, CARICOM Secretary-General Roderick Rainford said.

The decision came after nearly 13 hours of sometimes controversial exchanges and a special caucus by the Ministers.

The talks were said to have dragged on largely because Barbados insisted on a firm and early deadline to free up intra-regional trade. A January 1989 deadline was among the proposals. In the meantime, the Council, the second highest decision-making body in CARICOM, agreed that no new restrictions on CARICOM trade, in contravention of the 1973 treaty, should be introduced by any Member State.

Where restrictions on imports do exist, these are expected to favour CARICOM imports.

Trinidad and Tobago Industry Minister Ken Gordon told CANA the country has given an undertaking to process licences and foreign exchange applications in seven days, an arrangement which it will now have to work out with the Central Bank.

In addition to the deadline for the removal of all barriers, prominent among these licences, exchange controls and stamp duties, the Ministers agreed to refine a list of regional products to be traded freely among the 12 Common Market countries by a specific timetable.

Conference sources explained that the original list of some 94 products drawn up by the Barbados and Trinidad and Tobago private sectors is to be refined at the national level by the end of July 1987. These will then be sent to the CARICOM Secretariat to be consolidated and circulated to Member States by August 14, following which the Council will convene a special session to examine the final proposals.

The Barbados-based Caribbean Association of Industry and Commerce (CAIC) is to be invited to the special two-day council meeting beginning October 19.

The list of products, expected to lead to a deflection of trade from extra-regional sources, will be drawn up in consultation with the public and private sectors.

The CARICOM Secretary-General Roderick Rainford told CANA that he was optimistic that the Council decisions, which will go to the Heads of Government, will have "a positive effect" on intra-regional trade, which declined, including petroleum by 33 percent in 1986 compared to 1985.

Conference Chairman, Montserrat's Chief Minister John Osborne said at the end of the talks that there had been full and frank exchanges and the meeting "had achieved much more than I expected."

"I think the outcome of this meeting shows that there is a will that still exists for free trade and I would hope that we could see this agreement translated into action," Barbados Trade, Industry and Commerce Minister Evelyn Greaves told CANA.

Rethinking of tariffs strategies likely

1987 - BRIDGETOWN, Barbados - Caribbean Community leaders (CARICOM) at their next Summit in June may need to rethink tariff strategies governing extra-regional goods, in the face of a continuing fall in intra-regional trade, according to CARICOM Secretary-General Roderick Rainford.

Rainford, in a CANA interview, said CARICOM will have to examine whether higher tariffs should be imposed on an additional range of foreign imports, to provide better protection for selected regionally-made equivalents.

Trade among Caribbean Common Market States declined 13 percent for the first 11 months of last year and 3.5 percent in 1985, despite a 1984 Heads of Government decision to impose a 15 percent tariff on a range of third country imports, including agro-processing goods, lumber, soaps, auto parts and cement.

"We do not have any precise answer as to which products this tariff has had a particularly marked effect on, but this is something we are setting up to measure," the Jamaican economist said.

While preliminary data indicated the 15 percent tariff had led to improved trade in CARICOM products such as biscuits and some consumer durables, producers of some foreign goods had employed new methods to retain a competitive edge.

“Part of the problem we have to study is the extent to which extra-regional suppliers may have responded by changing their own trading conditions in terms of price and supply conditions, such as credit. The extra-regional supplier, if he offers these in a more attractive manner may still have the competitive edge over the regional product,” Rainford explained.

Rainford said regional governments should settle once and for all at the June 30-July 3 Summit, problems relating to prolonged trade barriers such as import licensing and stamp duties, though cautioning against unrealistic expectations about the once buoyant Trinidad and Tobago market.

He said the issue of the stamp-duty on CARICOM goods (which Port of Spain is considering removing by mid-year), needs to be resolved, since this affects on-going consultations on the new Common External Tariff, scheduled to come into force by January 1989.

The Secretary-General said one of the mechanisms earmarked for boosting CARICOM and extra-regional exports, the proposed Trade Credit Facility, will not be launched in July, as originally planned. The CARICOM Secretariat, the Caribbean Development Bank and consultants were still finalising the detailed proposals for consideration by donors, who are being asked to provide about \$50 million for the U.S. \$75 million facility for providing pre and post shipment financing for CARICOM and extra-regional exports.

He said that though this expected incentive to intra-regional trade has been delayed, he was encouraged by the recent bilateral talks in Tobago between the Barbados and Trinidad Prime Ministers on trade and economic co-operation, with intended benefits for the region as a whole. Rainford said the two CARICOM states have indicated that they will put on the agenda of the July Summit proposals relating to trade, recommendations for a study on a single regional air carrier for the eastern Caribbean, and co-operation in managing the maritime economic zones to facilitate fishing and shrimping rights.

Dominica’s Prime Minister, Eugenia Charles, while heartened by the recent initiatives by Port of Spain and Bridgetown, told CANA she is in favour of devoting as much time as possible at the Castries Summit to the persisting obstacles to free trade in CARICOM.

“Once before the human rights question was brought up and it almost broke up CARICOM, so I am not going to let that get in the way of progress in the discussions on trade, industry and commerce,” she said.

CARICOM leaders, according to Charles, should settle matters such as stamp duties, licensing and other impediments to trade, because decisions in other areas “won’t put food in people’s bellies.”

Caribbean warned against prolonged dependence on preferences

1990, LONDON - Caribbean governments have been cautioned that holding on to and prolonging dependence on preferential markets in Europe without efforts to become more efficient producers and diversify production structures is “not the answer to the region’s economic and social problems.”

The comments are contained in a recently concluded study on the implications for the Caribbean of the European Community’s Single Market of 1992. The study was mandated by Caribbean Heads of Government and will be discussed at the CARICOM Summit in Jamaica at month end.

The study also warns that without “serious, informed and constructive diplomacy and lobbying” the region could face a further abrupt fall in its export earnings.

The 41-page study titled “1992 and the Caribbean: Crisis, Challenge and Opportunity” was conducted by Wilberne Persaud, head of the Department of Economics at the University of the West Indies in Jamaica. It was prepared for the CARICOM Secretariat with funding from the Commonwealth Fund for Technical Cooperation (CFTC).

One of the recommendations of the study is that CARICOM countries move speedily to set up a regional mechanism to facilitate cooperation among state agencies involved in trade and investment promotion, interests in sugar and rum, the private sector and agencies involved in the study and development of new technologies. "Such a body should be charged with the responsibility of doing briefs on specific sectors of CARICOM Member States with a view to penetrating the new EC market."

The study notes that banana exports from the Windward Islands, Jamaica and Belize are almost entirely dependent on preferential access and protection. Similarly, it says, Caribbean cane sugar producers would not survive in the absence of guaranteed markets and preferential prices.

It says that while efforts must be made to make the banana industry more efficient, in the short term there is no alternative to maintaining the preference. The preferences are provided under the Banana Protocol of the Lome Convention, a trade and aid pact between the 12-nation EC and 66 African, Caribbean and Pacific (ACP) States. A new 10-year Convention went into force in March this year.

"Given undertakings by the U.K. and the EC to honour commitments to their less developed trading partners, there is every likelihood that the market will remain in tact for at least another five years. Beyond that the picture is unclear." The EC has pledged, in consultation with the ACP, to find a formula, which will safeguard Caribbean and other ACP banana exports after its Single Market becomes operational in 1992.

The study says that with the dismantling of barriers to intra-community trade, imports of Central America fruit, on which a 20 percent import duty is now paid, could easily find their way into the U.K. In a free market situation. It asserts that Caribbean producers will be unable to compete price wise with the Central American fruit. "This is not difficult to understand since the Windward Islands yield in tons per acre is but a third that of Central American producers." Labour costs in Central America are considerably lower than in the Caribbean.

Limits to making production in the Caribbean more efficient are also underlined. "There are limits to this given soil type, the ever-present hurricane threat, the terrain on which banana production takes place, and of course, management technique and availability."

The study says there is a need for the Caribbean to monitor any developments, which might have an adverse impact on the need for cane sugar refining capacity, as well as any changes in the method of calculating payments for cane sugar.

The Sugar Protocol was negotiated in 1975 as part of Britain's accession to the EC and is of indefinite duration. Prices are set annually and have for the life of the duration been significantly above the world market price. Noting that French beet sugar production has been significantly in excess of domestic demand and that its production costs are the lowest in Europe, the study says that the commissioning of the Channel Tunnel, which will provide more direct access between Britain and France, could have adverse effects. On the other hand, Portugal's requirements, if brought within the EC umbrella arrangements, could provide increased demand.

The possibility that the setting of quotas nationally could be abandoned, also needs to be watched. The study suggests that quotas could be set by industry rather than allocated to Member States. In fact, quotas could then become 'tradeable.' "If such an occurrence arose, major beet sugar refiners could take control of an important market segment. This would leave cane sugar vulnerable if the U.K. beet sugar production were to increase."

Sugar-producing countries must make efforts to maintain access to the EC market at guaranteed prices, the study advises.

"Regional ambassadors, trade and promotion missions, and private sector interests as well, must monitor and influence where possible, negotiations on the future of sugar in the EC." The price for ACP sugar was frozen by the EC for four years and there was a recent proposal for a 2 percent reduction.

"Recent reductions in EC sugar prices reflects perhaps the fear that isoglucose based sweeteners could become more attractive without such adjustments." The study says there is ample evidence from North America of this danger and adds that tradeoffs may become unavoidable.

“Nevertheless, any attempt to dismantle the trade arrangement compensating for its loss by aid, should be vigorously resisted. The attendant negative impact on the economies of the region is much more serious than simply the foreign exchange loss of exports proceeds.”

The need for the sugar industry to be made more efficient is also stressed. “We must explore and where feasible, implement strategies for new uses of the cane crop, alcohol, pharmaceuticals, cosmetics, supplementary animal feeds, etc. This no doubt requires significant change in domestic arrangements governing growers, manufacturers and traders.”

On the prospects for increased rum sales in the European market, the study says the market with the most potential at the moment is Germany. In addition, it says, there may be scope for more branded products on the market. “The U.K. market is thought not to offer much potential for growth. ACP countries have been arguing for transferability of quotas. But the Single Market should provide, in the case of rum, “greater opportunities,” says the study which observes that the problem of the definition of rum has been settled in a favourable way to Caribbean producers. Under the Rum Protocol of the Lome Convention, the quotas will be increased from 1993 and abolished after 1995.

Commenting on a range of other products, which the Caribbean exports to the EC under Lome arrangements, the study points to the fact that the flow of such exports is intermittent and small. The products are largely coffee, cocoa, rice, mace and nutmeg, fish, cut flowers, natural honey, vegetables and fruits.

“It is important that the potential of these be explored and the impediments to increased production identified.” Private sector officials are reported as saying that some producers are sample oriented and aim to achieve a certain level of income.

The study says the Caribbean region has been late in raising the issues of how the Single Market might affect its current and future economic prospects.

“Further, the issue has been raised, more or less, in a rather narrow framework: that of the implications for its traditional, protected exports to the EEC. The Single Market should not be seen merely as crisis. Study of EC methods of achieving the Single Market and imperatives driving it, indicates that CARICOM cannot continue without deepening integration.”

“Emerging trade blocs will dictate new approaches to export production and trade arrangements,” the study adds.

Trinidad and Tobago to dismantle trade barriers

1992 – PORT OF SPAIN, Trinidad - Trinidad and Tobago has not been able to meet the April 2, 1992 target date to dismantle licences on imports from sister Caribbean Community (CARICOM) Member States but is now working towards removing remaining barriers to intra-regional trade by mid-year.

“Certainly, by the next Council meeting in June,” Trade, Industry and Tourism Minister, Senator Brian Kuei Tung said when asked when the undertaking given at the CARICOM Council of Ministers meeting in Jamaica last February would be implemented.

The Minister said he was encouraged by the performance of the manufacturing sector in the twin-island Republic. “I am quite pleased to see the level of output and exports that we have been able to achieve in the last few years,” the Minister said in an interview in his Riverside Plaza office in Port of Spain.

Kuei Tung, a former Managing Director of American Life and General Insurance Company (ALGICO), said exports in the non-oil export sector recorded “very substantial growth” over the past three years.

He was not particularly worried about a reduction in Trinidad and Tobago’s trade surplus with CARICOM and suggested that any fall-off in the level of trade should perhaps be attributed to the decline in exports of energy and petrochemical products. Port of Spain’s trade surplus declined to a value of U.S. \$54.4M for the first nine months of 1991 from \$135.1M in the corresponding period the previous year. Exports to Barbados declined by \$23.7M for the nine-month period.

Trinidad and Tobago has retained its Negative List, which limits imports to specific products from outside the region, for another year, giving manufacturers more breathing space to adjust to competition from extra-regional products. Keui Tung said when the Negative List was removed legislative measures would be put in place to prevent the dumping of inferior items and surplus goods which were being sold below normal world market prices.

On the Common External Tariff (CET), Keui Tung said there was merit in the case being put by some countries of the Organisation of Eastern Caribbean States (OECS) that were objecting to implementing the tariff on imports from outside the region because of cost of living and other concerns.

On the other hand, he said, "In the context of us being able to have an orderly approach to trade liberalisation, I believe the move to CET is still one of the best approaches for us to make and it is still relevant to our own strategies."

Four Eastern Caribbean countries are yet to put in place the CET, which is designed to protect regional agricultural and industrial production.

The move towards a CARICOM Single Market was desirable, according to Kuei Tung, but there might be some obstacles. "While we are moving in the right direction I wonder whether the sense of scale is not going to work against us."

"CARICOM as a market seems to be very minuscule compared with the single markets that are evolving in the global economy," he said. He suggested that it was perhaps necessary to bring other non-CARICOM countries, including Cuba, Santo Domingo and Central and South American states, into the regional Single Market to make it viable.

Trinidad and Tobago manufacturers, he said, had already made inroads into the Venezuelan market. "We have had some good success in certain industries in accessing the Venezuelan market." Trinidadian batteries, biscuits and breakfast cereals are some of the products which have sold well in Caracas.

Reacting to complaints by Grenadian exporters about the lack of access to the Port of Spain market, the Minister said he was fully aware of the problems and was working towards resolving them.

He reported that concerns about Grenadian light bulbs entering Trinidad have been addressed. "We are satisfied that light bulbs meet the consumer needs and we are quite happy to have Grenadian light bulbs into Trinidad."

Kuei Tung said efforts were also being made to accommodate the importation of Grenadian garments without unduly upsetting the entire garment industry in Trinidad.

"Certainly, we do not want to restrict any trade in terms of imports from our Grenadian neighbours."

Grenada's representative at the last CARICOM Council of Ministers meeting stated that the OECS state would remove licensing on CARICOM goods once there was easier access for Grenadian products into the Trinidadian market.

Greenidge rejects pressure for reduced tariffs

1992, GEORGETOWN, Guyana - Guyana's Finance Minister Carl Greenidge says the call from international financial institutions for the Caribbean to reduce tariffs because duties in Latin America are lower has no basis.

"The range of commodities affected by the CET is far more narrow than is the case in Latin America. The average rate of tariffs in CARICOM is far lower than it is in Latin America, so, to tell us that Latin America or Central America has reduced its level of tariffs really is a meaningless exercise," Greenidge said in an interview.

He said at the Finance Ministers meeting earlier this week there were "some strong words" on the issues of the Common External Tariff (CET). The CET, which has a maximum rate of 45 percent, is a duty on selected imports from outside the region.

“It seems to us quite unfair for the U.S. or any other governments to bring pressure to bear on the Caribbean to reduce tariffs prior to negotiations. We are being asked, in a sense, to abandon any negotiating strength,” the Finance Minister said.

He added that before the region contemplated any reduction of tariffs it was necessary to examine the numbers involved. “One of the real dangers here is that the Caribbean, being a small region which has lost its strategic significance, finds itself being pressured to effect reductions which are ill-considered.”

He noted that CARICOM Ministers spent over a year refining the new CET, which Guyana put into effect quite early amidst concerns that some of the levels were too low and did not afford enough protection to certain local industries.

“For many commodities the subsidies being provided by other governments are in excess of tariffs that we have. So, when we bring our tariff down to 20 percent and a country is providing a subsidy on rice of 50 percent we will put our producer at a major disadvantage,” the Guyanese Minister said. “I believe all this is really not what one would expect in the context of big and small relationships.”

Greenidge also said that Guyana was committed to repaying funds owed to Barbados under the defunct CARICOM Multilateral Clearing Facility (CMCF). “We recognise the debt obviously and would like to remove this from our books as quickly as possible and, to the extent that we can generate resources and increase exports of rice and other commodities, it will enhance the Central Bank’s capacity and we will try and liquidate it as quickly as we can.”

He said Guyana was one of the few countries in the region, which over the past year had buoyant economic growth that he hoped would “help to lift the rest of the region.”

Debate on the Common External Tariff continues in the region

1992 - KINGSTON, Jamaica - As manufacturers across the region step up their opposition to a major reduction in the Common External Tariff (CET), a prominent Caribbean businessman and member of the West Indian Commission is urging regional governments to maintain tariffs at a level which will protect some of the region’s sensitive agricultural products.

The call by the Managing Director of Dominica Coconut Products Limited, Phillip Nassief, for no across-the-board reduction in the CET, comes in the wake of persistent calls from the United States, and a move by Jamaica to have the 45 percent maximum rate slashed to about 20 percent. A review Committee, which has been at work since last July’s CARICOM Summit, has come up with a new tariff structure ranging from 5 to 35 percent.

The CET, a duty on selected imports from outside the region aimed at protecting the Caribbean’s agricultural and industrial production, will be discussed at a special CARICOM Summit in Trinidad and Tobago at the end of October.

In its final report, “Time for Action,” the West Indian Commission called on Member States to immediately introduce the agreed CET and urged regional governments to prevent modification of the general rules for certain commodities or to suit certain circumstances.

“Clearly there are a number of areas where there can be a lowering of the Common External Tariff but clearly you just cannot draw a line and say this is the maximum tariff when you have highly subsidized products in the developed world. There will have to be special consideration to those sensitive products that cannot compete with highly subsidized products,” Nassief said during an interview in Jamaica.

He says fears of further job losses in the manufacturing sector as a result of a lowering of the maximum rate of the CET are justified.

On the other hand, University of the West Indies (U.W.I) Professor of Economics Compton Bourne believes that it is not in the best interest of the region to maintain high tariffs even though the United States keeps fairly high subsidies on its agricultural products, steel and other industries.

“It is really impossible for the CARICOM countries to maintain their high levels of tariff in contrast to the direction in which the rest of the world is proceeding,” says Professor Bourne who is Pro Vice-Chancellor at the St. Augustine Campus. Guyana and other CARICOM countries have pointed to the high level of subsidies which the U.S. maintains on rice, sugar, and a range of other agricultural commodities, while advocating a lowering of the CET.

While Professor Bourne favours a much lower maximum rate for the CET, he says the key issues are the phasing of any reduction and using the CET in the negotiating process for accessing trade arrangements in this hemisphere. “I don’t believe it is possible for us to erect fences around Caribbean islands so that we will not quite succeed in behaving as if we are apart and can maintain a set of economic policies in opposition to world trends.” Bourne also contends that high tariffs on imports from outside the region have not in the past served to keep out competing goods.

“Forty-five percent always struck me as a high tariff level. I think of it as too high in terms of the cost the society pays for those levels of tariffs. It inflates your production costs, it imposes too high a cost on the Caribbean Consumers and for those two reasons, and the fact that it feeds into wage costs, it reduces our ability to compete.”

Bourne adds: “High tariffs run counter to the export orientation which we wish to give to the economies.”

While the debate on the CET continues, Executive Director of the Caribbean Association of Industry and Commerce (CAIC) Pat Thompson, feels the issue is far from being resolved.” At the present time there is no consensus either at the governmental or private sector level across the region.”

“We are trying to see whether there is some form of compromise that will result in a CET that all countries can adopt and put into being because there is no point adopting something that is not going to be implemented by all countries.”

He suggests that the focus now should be more on average tariff rates rather than on the maximum rate since this may only be applied to a small percentage of items under the duty.

Guyana hopeful about continued protection for rice industry

1992, PORT OF SPAIN, Trinidad - Guyana will be attending next week’s special Summit of Caribbean Community (CARICOM) Heads of Government in Trinidad and Tobago hopeful that a reasonable level of protection will be afforded to the local rice industry.

Last week’s meeting of the Council of Ministers in Port of Spain is recommending that the CARICOM leaders approve a 40 percent special tariff on agricultural commodities from outside the region including rice, sources close to the meeting said.

The Heads of Government will have to take a decision on the overall proposal for a tariff range of 0 to 35 percent under a revamped Common External Tariff (CET) which has been the subject of intensive discussions over the past few weeks.

Conference sources said during last week’s ministerial talks, Belize asked for a suspension of the CET and wants to maintain the current rates of 0 to 45 percent for the next two years since all the legal and technical arrangements to facilitate this are already in place. In particular, sources said Belize is pressing for the 45 per cent CET ceiling which applies now to be maintained for its growing citrus industry. The CET is designed to protect the region’s agricultural and industrial production.

Further, St. Kitts and Nevis and Antigua and Barbuda are requesting a suspension of the new tariffs on a range of items while Montserrat, one of the four Eastern Caribbean countries which did not apply the current CET rates, was not represented at the meeting.

Moves by Jamaica to have rice re-classified under the cost-of-living category, which would result in a maximum duty of 20 percent, did not find favour. While Jamaica has been advocating a substantially lowered CET, countries such as Barbados, St. Vincent and the Grenadines, and Belize have been supportive of Guyana’s case to have the current 30 percent duty on extra regional rice at least maintained.

A source close to last week's talks said although the Guyana delegation was reasonably happy that the proposed tariff for agriculture is 40 percent, getting the 30 percent maintained on rice will still be a fight as the proposal will be opposed by Jamaica and possibly other countries.

So far this year, Guyana has sold Jamaica 29,000 metric tons of rice valued at just over U.S.\$9 million dollars. The United States, which has a sizeable share of the Jamaican rice market and whose rice is highly subsidized, has been calling on the region to lower the CET.

Under the proposals going before the Heads of Government meeting from October 28 to 30, the suggested tariff for competing primary inputs from outside the region is 20 percent; competing intermediary primary inputs 25 percent; competing capital goods 20 percent, selected exports such as petroleum and plywood 20 percent and revenue non-competing items such as liquor and cigarettes 25 percent.

For items such as educational material, baby foods and pharmaceuticals, which fall into the socio-economic and socio-cultural category, a tariff range of 0 to 20 per cent is recommended; general goods including garments and toilet soaps 35 percent. The proposal for non-competing primary inputs is 0 per cent and intermediary inputs 0 to 5 percent.

Several of the 12 Common Market Member States are reported to be concerned that after lengthy and in-depth negotiations a common tariff may not emerge.

The Council of Ministers has recommended that the general 0 to 35 percent range be applied between January and June 1993 but some countries are asking what steps, if any, can or will be taken if some Member States simply fail to put the new tariffs in place.

Private sector worried about reduction in CET

1992, PORT OF SPAIN, Trinidad – The President of the Guyana Manufacturers Association (GMA) Yesu Persaud, has warned that there could be a significant job losses in the agricultural sector should the Common External Tariff (CET) be reduced.

Persaud told Stabroek News that the Guyanese private sector feels any reduction in the CET at this point, "is a sheer waste of time." Caribbean leaders agreed at the just-concluded Summit here to a three-month review of the CET.

"If CARICOM is going to be meaningful it is absolutely necessary to have a CET based on a practical basis because we must have a barrier to insulate ourselves for a time in order to ensure the growth of our industry," the Guyanese businessman said.

He said that the international institutions have insisted that all subsidies must be removed, a move which has left the Guyanese farmer with hardship. "The Guyana rice farmers are now financing themselves at a high cost and then suddenly to discover that the markets that were there may not be there with the reduction of the CET, would bring a lot problems," Persaud said.

"We are talking about 30,000 rice farmers who may have to go out of farming and that may mean unemployment and misery in the country."

The GMA President said while the donor countries have told Guyana to help itself attention was not being paid to the tariff on rice imported from outside the region especially the United States.

"In case of rice, the United States has a subsidy of 49% on rice and U.S. rice will be entering Jamaica from now if the CET is withdrawn," the GMA President said.

He said while PL/480 rice from the United States was now going to Jamaica there was consumption of about 50,000 tons that should be sourced from Guyana.

Persaud said Caribbean businessmen and potential investors needed firm ground rules on which to operate. "If we are going to tell Caribbean businessmen to invest, the rules must be clear and if you don't know the rules, or the rules change, then you are playing in a game and you are likely to be the loser. It is absolutely necessary to have the ground rules set and that cannot be changed just like that."

Commenting on the proposed reduction in the maximum rate from 45 per cent to 30 per cent by Jamaica, Persaud stated: "It is unnecessary for Jamaica to tell us about a reduction in the CET. It's not on, and it's going to damage the credibility of the movement."

Who is blocking imports of CARICOM fruits?

1993 - BRIDGETOWN, Barbados - The Barbados government's often stated commitment to free trade in the region is being put to the test by the Caribbean Agricultural Trading Company (CATCO) and the Barbados Agricultural Society (BAS). They are both concerned about the bureaucracy involved in importing much-needed fruits from Caribbean Community countries to supply local hotels and supermarkets.

Despite policy statements from three Government Ministers to the effect that CARICOM fruits and vegetables should be flowing freely into the island, once local farmers are not adversely affected and there is no health problem, the sole-importing agency, the Barbados Marketing Corporation does not appear to be encouraging the importation of more of the produce which is known to be in short supply locally.

In the face of this, a well-known Barbadian entrepreneur has asserted that marketing corporations across the region should be dismantled, as they have become protectionist and are harming rather than helping the development of trade in the region.

CATCO has been trying to import watermelons, which are in heavy demand by local hotels, since last December. The initial licence was submitted to the Ministry of Trade, Industry and Commerce, but since this ministry no longer controls licences it was referred to the BMC.

According to CATCO top official John Soler, the regional agency was seeking in December to import watermelons for the Barbados Agricultural Society from Trinidad and Tobago, St. Vincent and the Grenadines, and Antigua and Barbuda.

Within the last week CATCO officials have been in discussion with senior BMC personnel on the likely response to an application to import melons. Having failed to give positive signals that CATCO will obtain a licence easily, the regional agricultural agency has now formally applied for a licence to import watermelons from Trinidad and Tobago.

Both CATCO and the BAS are puzzled about the hesitation in encouraging imports of this particular fruit, since the BAS, which is in the best position to know whether this will affect local farmers, is the agency requesting CATCO to bring in the produce from a CARICOM country.

BAS President Keith Laurie says while Barbados is almost self-sufficient in vegetables, this is far from the case with regard to fruits. He estimates that it will be another 10 years before Barbados is likely to produce all the fruit required for hotels, restaurants and consumers in general. "I see the need to import fruits, especially from islands like Dominica and St. Lucia."

He reports that the local Agricultural Trading Company, a subsidiary of the BAS, has had difficulty in the past in obtaining licences to import produce from CARICOM Member States.

"This is total nonsense," declared Laurie, who underscores that the BAS is a non-profit organization wholly owned by Barbadian farmers. "We are not going to import anything into Barbados that is going to be to the detriment of the small farmer particularly. We think if agricultural produce is going to be imported into this country, it should be done by the farmers. We could set a price which does not upset the farmers in Barbados," said Laurie.

"This question of licensing is total nonsense. It is not working. It is extremely difficult to get the license which we think is unnecessary."

Laurie says there are persistent rumors that irregularities may be taking place in the Licensing Department but "there is no proof of this." The Licensing Department is physically housed in the Ministry of Trade, while the Ministry responsible for Consumer Affairs is in charge of licences. At one time, the Ministry of Agriculture was responsible for issuing licences.

"The whole system is very strange because some people get licences and some people don't and we feel that all of the imports should be ratified by the BAS as being necessary," says Laurie.

BAS General Manager Haynesley Benn reports that since August 1991, the farmers organization has not received the customary letters asking for comments on requests for licences to import agricultural produce. The BAS last year objected strongly to the importation of sweet potatoes and is known to be displeased that yams came into the island without any reference to it. "The decision makers have to be more consistent. They should contact us all of the time and not some of the time," Benn insists.

Several attempts to get information and a comment from senior officials of the BMC have proved fruitless.

The BAS believes that the procedure for obtaining a licence to import produce is cumbersome. Benn says an application has to go through the BMC, the Ministry of Consumer Affairs, the Ministry of Agriculture and is supposed to be referred to the BAS. The BMC usually carries out field work to determine whether there is enough local production of a commodity for which a license is being sought.

Benn reports that since last December, Barbadian hoteliers have been "crying out" for watermelons. Since adequate supplies of watermelons are unavailable locally, the BAS asked the Caribbean Agricultural Trading Company to import the fruit, using its farmers network in the region.

The purchasing agent of one of the large hotels on the island has pointed to "endless problems" in getting enough supplies of fresh fruit for tourists who often complain about the scarcity of certain fruit.

The Food and Beverage manager of the Sandy Beach Hotel, Ronald Redman, says his hotel is unable to get adequate supplies of watermelons and mangoes. He adds that even though the availability of pineapples has improved, there is still a shortage of this fruit from time to time.

"I thought CARICOM was supposed to be a free-trade area, so I don't know what the problem is. Why can't we import from Trinidad or Guyana or St. Lucia without having any problems with licences and stuff like that?" he asks.

The Minister of Consumer Affairs, Warwick Franklin, stresses that the BMC is the sole importing agency for fruits and vegetables and notes that this is a Cabinet decision.

He has no objections, he says, to fruits and vegetables from CARICOM being imported once local farmers are not hurt. "As far as I am concerned, CARICOM trade in fruits and vegetables should flow," the Minister told The Sunday Advocate.

Reacting to allegations that the Licencing Department may not be functioning properly, the former Agriculture Minister who now holds the Labour portfolio said: "I will check to see if the system is working and if there is any reason to suspect any wrongdoing in the system."

The Minister of Agriculture, Senator Harcourt Lewis, like Franklin, says he is unaware of any difficulties being experienced in obtaining licences to import Caribbean produce. He, too, states he has "no objection" to an inflow of agricultural items from the region.

Senator Lewis, who promises to look into the matter, suggests that the problem could have been brought to his attention. He says CATCO and the BMC should be working hand-in-hand.

While the Minister of Agriculture believes the BMC has a "critical role" to play in agricultural development, businessman Harry Mayers thinks the BMC and other similar statutory and quasi-government organizations throughout the region should be abolished.

He describes as "frustrating" attempts last year to import melons for local hotels and for general consumption. Mayers known as "Mr. Teleshopper," had discussions with Trinidadian farmers about supplying melons and with BWIA on shipping the fruit. However, on his return home, he was confronted with "bureaucratic hurdles."

"I was reliably informed that a license was necessary to import the watermelons and secondly, that it would have been impossible to get a license because of ramifications which I did not understand." He adds: "I had this situation verified by a number of people who have run up against roadblocks similar to mine and I dropped the idea." He never submitted a formal application to import the melons because the advice he received came from "people in the know."

At the time of discussing arrangements with the Trinidadian farmers, the watermelons, among the many fruits and vegetables in abundance cheaply in Port of Spain, could have been supplied at about 25 Barbados cents per pound.

The frustration, at the time, Mayers says, led to the view that the time has come for Caribbean governments to dismantle machinery which they set up to encourage trade. "That machinery now seems to be discouraging trade and certainly seems to be an impediment to free trade within the CARICOM region."

Mayers says while marketing corporations and boards across the region have done a good job in organizing production, they have fallen down when it comes to marketing.

"If we are talking about regionalism, the time has come to see the region as one complete bloc. I am in favour of a free-market system which determines what comes to where and who wants what," says the former general manager of the Caribbean News Agency (CANA).

The Minister of Trade, Industry and Commerce, Dr. Carl Clarke, reiterating Barbados' commitment to free trade in the region, said: "If there is a shortfall here, I can't see any reason why we should not bring in or issue licences for the importation of fruits and vegetables from our sister CARICOM territories."

The response to CATCO's application to import from within the region, watermelons, known to be in demand and in short supply here, will say something about barrier-free trade in the Caribbean Common Market. If the licence is not granted, the big question, given ministerial commitments to free trade, will be - who is really blocking it and why?

CARICOM initiative to improve competitiveness

1993, BRIDGETOWN, Barbados - The identification of a package of assistance to help pull the region's manufacturing sector out of a slump, equip Caribbean producers to become more competitive, and to better penetrate extra-regional markets, will be the main focus of a two-day CARICOM-Private Sector conference in Guyana next month.

Caribbean manufacturers, agricultural producers, representatives of small business and the service sectors, including the hotel industry, are among nearly three dozen private sector personnel who are expected to participate in the February 8-9 meeting at the Forte Crest Hotel in Georgetown.

The conference is being held against the backdrop of a recent report from the Caribbean Development Bank that the region's manufacturing sector displayed a lackluster performance in 1992. The Bank said this mirrored the dampening of demand associated with the recessionary conditions in both the regional and extra-regional markets. With intra-regional trade recording a decline for most of 1992, compared with the previous year, the CDB further reported that the manufacturing sector was adversely affected by reduced access to domestic credit, high production costs, and diminished tariff protection.

CEDP's Project Director Earle Baccus said the Conference is designed, among other things, to inform the region's private sector of the decisions taken at the October Special Summit of CARICOM Heads of Government in Trinidad and Tobago. "Arising out of the decision of the Conference to progressively reduce the level of the Common External Tariff, it was felt that we needed to put a programme of technical, marketing and financial assistance in place to increase the export competitiveness of the region's productive sector to cope with trade liberalisation programmes which are being put in place at the national, regional and, of course, at the hemispheric and international levels," Baccus explained.

At their October Summit CARICOM leaders announced that the CET, a duty on selected imports from outside the region, would move from a maximum rate of 45 to 30-35 percent in the first two years and to 20 percent in five years.

Attention will be paid at the Guyana conference to the resources necessary for the development support and help in areas such as export financing.

Discussions will center on the development of related Origin Rules, an Incentive Regime, the harmonization of internal and other fiscal systems, a common trade policy and arrangements to facilitate production integration.

The Executive Director of the Caribbean Association of Industry and Commerce (CAIC), Pat Thompson, has welcomed the initiative by the CARICOM Secretariat. "We have high hopes that this is going to be the first in a series of consultations between CARICOM and the private sector," he commented. Financial and technical assistance to the manufacturing sector from regional and international funding agencies and Caribbean governments will also be reviewed.

Baccus said there is a gap in financing that is hampering the development of the manufacturing sector. "It is not that programmes for the manufacturing sector are not supported, but they are insufficiently funded and what we need is more funding in order to increase the level of support to the productive sectors." The CARICOM Secretariat is hoping that some of the new funding will come from the European Community (EC) under the Lome Convention. However, CAIC's Executive Director believes that regional governments should contribute financially to any new package of assistance to boost the productive sectors. "Though it is desirable to have external funding the regional governments have got to demonstrate their commitment by putting up some of the funds necessary," Thompson argued.

Also on the agenda for the meeting is the removal of the remaining barriers to free trade in the region, including the use of licences. Barbados, Antigua and Barbuda, and Montserrat are yet to put legislation in place to remove existing stumbling blocks to free trade.

The Georgetown Conference will also review management training programmes, particularly those offered at the various campuses of the University of the West Indies (UWI). "The aim is to look at programmes which are in place and to see to what extent they need to be tailored to increase export competitiveness," said CEDP's Project Director.

Other topics down for discussion are the Buy Caribbean campaign, the North American Free Trade Agreement (NAFTA) and CARICOM, and the Venezuela-CARICOM Trade Agreement. The regional private sector, according to Thompson, wants governments to take concrete steps on external trade soon. "The time is overdue to have a private sector - public sector Task Force on NAFTA and Caribbean relations with regard to the European Single Market," the CAIC official said.

In Georgetown, the region's businessmen will also hear about the decisions of the first meeting of the CARICOM Bureau held in the Guyanese capital last December. Guyanese President Dr. Cheddi Jagan will deliver the feature address at the opening of the Conference which will also hear addresses by CARICOM Secretary-General, Dr. Edwin Carrington, a representative from the Guyanese private sector and the President of the Jamaican Manufacturers Association (JMA), Major Anthony Robinson.

Participants at the meeting include Professor Stan Reid, Director of the Executive MBA Programme at the UWI's Cave Hill campus, Presidents of Manufacturers Associations in the region, Partner of Ernst and Young in Barbados, Peter Boos and the Jamaican Ambassador to the U.S. Dr. Richard Bernal, who has been vocal in Washington on trade issues affecting the region.

Private sector facing tough challenges

1993, BRIDGETOWN, Barbados - The fifth annual Caribbean Private Sector Conference takes place this week in Barbados at a time when the business climate is far from buoyant, the region's manufacturing sector is facing tremendous challenges, and many in the business community are skeptical about the creation of a CARICOM Single Market and Economy.

Pat Thompson, Chief Executive Officer (CEO) of the Caribbean Association of Industry and Commerce (CAIC), said the impact of structural adjustment programmes was taking its toll on industry and trade barriers were still in place within the 12-nation Caribbean Common Market.

The May 24-25 Conference with the theme "Strategies for Ensuring Regional Economic Viability in the 1990s and Beyond" is organized by the CAIC in collaboration with the Barbados Chamber of Commerce, the Barbados Manufacturers' Association (BMA) and the National Development Foundation (NDF) of Barbados.

The 1993 Conference will be placing emphasis on the tourism industry. In particular, the focus will be on improving the tourism product in the region, providing value for money and the relationship between cruise lines and the hotel sector.

John Issa, co-chairman of the House of Issa Limited and Chairman of Super Clubs in Jamaica, will deliver the feature address at the opening of the Conference focusing on the tourism industry while the Chairman of BWIA International, Joe Esau, will speak at the Awards Banquet on the prospects for a viable, regionally owned Caribbean airline. According to CAIC's CEO, the region is still feeling the effects of recession in the industrialised countries. "Clearly the external factors in terms of demand are not what they should be."

Noting that Germany and Japan were experiencing an economic downturn, he said this meant the overall demand for exports was weaker than it ought to be.

"The only signs of encouragement seem to be a mild upturn in the U.S. economy although that certainly is not translating into an employment picture there," the CAIC official said.

Thompson said Barbadian manufacturers were having a particularly difficult time in their own domestic market because of the combined effect of the contraction in the Barbadian economy for three consecutive years and having to compete in Guyana, Jamaica and Trinidad whose currencies have been revalued.

"These countries' manufacturing sectors by reason of currency movement alone are more competitive in Barbados and one only has to look at the supermarket shelves to see the number of Jamaican and Trinidadian products which is an illustration of their competitiveness," he said.

The CAIC official said, too, that all the manufacturing sectors in the region, which were constantly being exhorted to increase exports and improve competitiveness, were reassessing the implications of the new lowered CET to see how competitive their products would be compared with extra-regional goods coming in with a reduced tariff.

The conference comes against the backdrop of a call from the President of the Barbados Manufacturers' Association (BMA), Bobby Khan, for restrictions on CARICOM imports into Barbados for a special period. "What I am calling for is a period of time of about eighteen months to two years during our structural adjustment phase to protect industrial jobs and ensure a market for local industry," Khan explained.

"I am not calling for a total ban on CARICOM imports," he stressed and pointed to advantages in areas such as labour and energy costs and exchange rates which other Common Market countries had. The BMA, he said, would press for exemptions under the Treaty of Chaguaramas similar to that granted to the so-called Less Developed Countries (LDC's). However, some trade officials in the More Developed Countries (MDC's) feel protection provided to the LDC's has been extended for far too long.

Noting that thousands of jobs have been lost in the Barbadian manufacturing sector in the last two years, Khan said the decline would continue unless there was a level playing field. "What we have to do is to save some of the jobs. We will lose some but we can't afford to lose everything we have," the BMA President declared.

Barbados Prime Minister Erskine Sandiford has warned that unfair trading practices, such as imposing licences on Barbados goods, will not be tolerated.

According to Thompson, the private sector is discouraged about the movement towards the CARICOM Single Market and continuing trade barriers. "There are so many products that for administrative and legal and other reasons are inhibited from moving across the region," he observed. Barbados, Antigua and Barbuda, and Montserrat are still to take action to remove the requirement for licences for CARICOM goods.

Thompson said a lot of businessmen felt it was easier to concentrate on developing extra-regional trade, in countries such as Venezuela, the Dominican Republic, the United States and Canada than it was to try to pursue intra-regional trade.

“At least there they have questions of price, quality, supply and transportation arrangements. These are tangible things that can be managed. It is the uncertainty of the obstacles of the rules and regulations of regional trade and inability to move the factors of production - capital, goods and services - easily in the Common Market that is making many businessmen skeptical about the chances of moving quickly and efficiently towards a Single Market and Economy in CARICOM,” the CAIC official stated. January 1995 is the target date for the CARICOM Single Market while the Free Trade Regime is scheduled to take effect on July 1, 1993.

While the Barbadian manufacturing sector is in a slump, prospects for the Trinidadian industry are encouraging, according to Minister of Planning and Development Senator Lenny Saith.

He said unlike last year when Trinidadian manufacturers were predicting heavy job losses as a result of lowering the CET, there was scope for growth in the sector especially since the recent movement in the exchange rate.

“They are very competitive now and you no longer hear about them closing down. In fact, they will probably expand and put on more shifts,” the Trinidadian Minister said in an interview in Barbados.

“There are those who will close down but those who close down had no right to be in business in the first place. They’re just inefficient,” he asserted.”

SECTION F

THE RAINFORD ERA



Roderick Rainford
CARICOM Secretary-General

CARICOM gets new Deputy Secretary-General with a deep commitment to integration and correcting trade imbalances

1980, PORT OF SPAIN, Trinidad and Tobago – After a period of 18 months, the Caribbean Community Secretariat has its second in command: Jamaican Roderick Rainford.

The recently appointed Deputy Secretary-General, who comes to the Secretariat with a wealth of experience in the field of trade, replaces Joe Tyndall, now Guyana's Minister of Trade and Consumer Protection.

Rainford served for many years in the Jamaican public service, mainly in the Ministry of Industry. "From around 1973 I became involved with the integration movement attending meetings in various places in the region. I was concerned primarily with industrial matters and trade."

He graduated from the University of the West Indies in Jamaica in 1963 with a Degree in Economics and then proceeded to Oxford University in England where he obtained an Arts Degree (Jurisprudence). Rainford also holds a Diploma in Economic Development and a Master's Degree in International Relations.

Rainford is no stranger to CARICOM. One key development with which he was involved was the introduction of the new Rules of Origin system for trade in the Caribbean Common Market. "To me that was a very important matter because we were making efforts to move away from what many people had at the time come to regard as a totally inadequate system which had many shortcomings."

Commenting on the present state of trade relations among CARICOM Member States, Rainford expressed optimism that such relations will improve this year, despite the precarious financial situation in which Jamaica finds itself and the imbalance in trade between Barbados and Guyana, which has angered Barbadian businessmen.

"The whole question of trade in the Community ought to be put in its proper perspective," says Rainford. "One ought to bear in mind that there are difficulties that Jamaica and Guyana have been going through in relation to their foreign exchange resources which have had an unfavourable impact on their trade with the region."

Rainford feels that these difficulties should be seen as short-term since he expects that both Jamaica and Guyana will come out of the present foreign exchange crisis and accumulate normal foreign exchange reserves to finance trade. He is also confident about the boost in intra-CARICOM trade despite the rising oil prices, which have an adverse effect on some Member States.

The new Deputy Secretary-General sees the establishment of an Energy Unit at the Secretariat as a direct attempt to deal seriously with this problem. "Our concern with energy is directly related to this situation and it is going to be one of the top priority matters for attention."

Another priority will be regional industrial programming aimed at identifying relevant projects which can be viable on a regional basis and which are integrated in economic activities of the individual territories of the Common Market. "That sort of effort, combined with new directions, new efforts and alternatives in the whole energy area is, I think, going to open up a whole new era of development on an integrated level in the Caribbean."

His optimism stems from his firm belief in the potential of the integration movement. "There is to my mind undoubted potential in various directions in the economic sphere - the whole area of trade and industrial development. Of course, many people who study integration movements seem to think that most developing countries that enter into Common Market arrangements usually have limited scope for development because of the lack of complementary in their resources."

According to Rainford, in the Caribbean area there are numerous areas that may not be readily apparent where there can be complementary economic development, if only in terms of pooling markets for projects.

He contends that there are two prerequisites for the achievement of this potential. “On the one hand, there is the need for political commitment and political will and, on the other, there is the need for technical excellence and professional excellence in the work of the Secretariat. This must be done if all the possibilities are to be identified effectively and efficiently, and courses of action chartered.”

He believes sources of help which the Secretariat can mobilize also play an important role in the integration movement.

Responding to the doubts surrounding the long-awaited CARICOM Heads of Government meeting, Rainford thinks there is continuing multilogue on this question, and is certain that the leaders are still committed to CARICOM. “People on the whole in the region look at CARICOM not only from the view as to whether the leaders meet or not but from other things which are happening - for example, the functional cooperation, in the trade and economic field, and which are touching people’s lives directly.”

He envisages that the job of bringing people of the region up-to-date on activities in these various areas is a new challenge for the Secretariat. However, he fears that “a lot of communication tends to be among the specialized technocrats and there is not enough spill-over in terms of information for the general public.”

“A considerable amount of attention and effort, therefore, has to be devoted to this particular question. Already we have the beginning of what could be a very creative programme in this field.” But, he feels a lot still depends on the initiative of the media.

“We would like to see the media develop a working relationship with the institutions of the Community, working together in confidence and cooperation.”

Roderick Rainford on the Caribbean Community

1983

Roderick Rainford, a Jamaican, takes over from Dr. Kurleigh King as the new CARICOM Secretary-General next month. Rainford has been Deputy Secretary-General for four years. He talks with Sandra Ann Baptiste about developments in the integration movement and his new assignment.

BAPTISTE: What prompted you to join the CARICOM Secretariat?

RAINFORD: I’ve always been a regionalist, starting as far back as a youth in my undergraduate days at the University of the West Indies. This sharpened my awareness and consciousness of the Caribbean. With that kind of background naturally I became interested in CARIFTA and CARICOM Affairs.

During my time in the Ministry of Industry in Jamaica, I used to represent Jamaica in many of activities of CARICOM and so when the offer came to go to the CARICOM Secretariat, I was glad to take it.

BAPTISTE: Within recent times we’ve been faced with some crucial problems. Now that there’s been a settlement on how the CARICOM Multilateral Clearing Facility (CMCF) will operate in the future, what’s the next step in restoring intra-regional trade to healthy levels?

RAINFORD: The settlement of the CMCF is certainly a very important start in placing the operations of the trade regime back on a very firm footing. Even now, additional things need to be done to strengthen the CMCF and refine and develop it as a critical instrument of trade within CARICOM.

The CMCF is really the mechanism for payments and certainly additional things need to be done to get trade moving again in the first place. There’s the important question of the Rules of Origin system, under which duty-free trade takes place within CARICOM.

As you may know, the whole arrangement from the time of CARIFTA was what was called the value-added system where any product which can be shown to have 50 per cent local value added is automatically admitted duty-free into any member territory. We have moved beyond that system to a new, somewhat more sophisticated system, which went into operation in June 1981, the basic objective being to encourage deeper levels of processing and production within the region. It is commonly referred to as the processing list and applies criteria somewhat different to the value-added criteria, based on the considerations which encourage the development of intra-regional production.

BAPTISTE: There are concerns expressed that the Regional Industrial Programme was drawn up without any dialogue with the private sector. Does the Secretariat consider the input of the private sector an integral part of this scheme?

RAINFORD: The question of consultation goes without saying. There's no disagreement within the Secretariat or among member governments that there should be consultations with the private sector. The issue really is where the consultation should begin, how it should be structured, and there's always room to search for and identify techniques for improving the consultation process.

There was, in fact, consultation with the private sector in the development of present efforts relating to the Industrial Programming Scheme. I would prefer if we look at what went wrong and try to devise techniques for improving the dialogue.

BAPTISTE: Now that policy guidelines have been clearly established for the Regional Food and Nutrition Strategy, how soon can we expect to see efforts to reduce the region's food import bill?

RAINFORD: The approach that we have developed is a multi-disciplinary one. Since the early 1970s when Heads of Government expressed concern about food production and supplies in the region, it has been recognized that other dimensions needed to be brought into the regional food plan, such as nutritional, cultural, educational and communications aspects.

It is a well elaborated, and some might even say, complex programme, involving a range of institutions, both at the regional and national levels. The role of the CARICOM Secretariat in all of this is a central role of continuous coordination which has already begun.

BAPTISTE: If there's anything that has really challenged CARICOM and its operations, it has been the impact of the energy crisis, and so far, the response, not only in CARICOM, but in many areas of the developing world, has been one of an ad-hoc nature, rather than a comprehensive programme of response. What is the Secretariat's role in the implementation of the Regional Energy Plan approved by the Heads of Government recently?

RAINFORD: I think that in CARICOM we are probably forerunners in this area, in terms of our efforts to develop a comprehensive regional Energy Action Plan, addressing all aspects of the energy situation.

This is not to say that we should rest on our laurels. Implementation is going to involve the mobilization of the resources required. There are going to be very long, drawn-out and intensive negotiations with the donor agencies to fund the various aspects of the programme. There are some aspects of the programme which member governments will themselves need to fund. They would have to be agonizing at the national level about the demands on their budgets.

The Secretariat is expressly charged by the Energy Ministers and Heads of Government with overall responsibility for the implementation of the plan. But we should distinguish this from what could be called technical execution of the plan. The strategy being applied is to mobilize the resources of agencies like the Caribbean Development Bank (CDB) and the Secretariat of the Organisation of Eastern Caribbean States (OECS), to undertake the technical implementation.

BAPTISTE: How would you assess the region's economy at this point?

RAINFORD: At this point in time, the region's economy has really reached a crossroad. We are operating in a framework of an international environment which, if the economic outlook in the Caribbean is to be improved, we have got to engineer both the national and regional levels, an adequate response to the challenges of the international economy.

Apart from these challenges there are, of course, the pressures within domestic societies in the Caribbean. The main or basic index that one can always use is the employment situation.

The level of unemployment in the region is frightening and one of the critical objectives of national planning, as well as the coordination of planning at the regional level, would be to identify strategies and programmes which would in due course alleviate this terribly frightening level of unemployment.

What we have to do, and this exercise has started, is to have an in-depth look at the basic sectors of the regional economy—industries such as bauxite, alumina, sugar, the manufacturing sector, traditional basic staples, like bananas. We have to start looking at what their long-term future is. Some headway has been made and some results went before the Ministers of Finance already.

The Secretariat and the CDB will together undertake a fairly in-depth study on the outlook for the future. But, whatever prescription might emerge out of that study, one thing is a foregone conclusion - that more concerted attention will have to be addressed to the question of the joint development of potential that is there of the resources of the agricultural sector, and the sea. There has to be the mobilization of appropriate technology, know-how and organization, and a very high level of efficiency.

BAPTISTE: Would you say the economic crisis in Guyana is having a serious effect on staffing at the Secretariat? There are reports of a high turnover of staff.

RAINFORD: In any organization there is a turnover of staff. There's been no study done to show that the rate of turnover of staff at the Secretariat is considerably higher than in other organizations. Nevertheless, there is a turnover of staff and so we have to face the problem.

Part of the response would involve much more carefully organized search programmes for identifying appropriate people with development skills who are prepared to devote a number of years of their professional lives to the service of the Community.

The economic problems in Guyana, which is in a serious financial crisis, do have repercussions on everyone living in the Community. There is hardly any Third World country that has not had similar experiences and so it's something that we have to face to the best of our ability and do what we can to live with it.

BAPTISTE: Do you support the suggestion from Prime Minister Tom Adams of Barbados that a tax be imposed, perhaps in the form of a levy on imports, to give the CARICOM Secretariat more financial independence?

RAINFORD: The proposals are certainly important and should be followed up. The germ of the proposal is ingenious and may very well be workable. It will, of course, have to go to the Council formally. It's certainly an interesting concept because it would ensure a certain degree of security and work with an amount of automaticity which would insulate the Secretariat from the uncertainties of if and when the governments pay their allocated share of the budget. When governments are behind, this does create certain cash flow problems and causes difficulties.

Of course, in terms of the proposal, there would be need for a safeguard clause because the concept is linked to trade flows in the region and if these fall below certain critical points, it means that revenue coming into the Secretariat would also fall.

BAPTISTE: Are you satisfied with the people's awareness of and involvement in the integration movement?

RAINFORD: The people are perhaps a little more aware than in the past. But CARICOM is really so many things that perhaps it is very unusual to find one person in the general public who has a complete grasp of the total range of things with which CARICOM is concerned, such as trade and economic integration, functional cooperation and the coordination of foreign policy.

There is need for a greater public relations and communications programme. This is something that of necessity will need to involve all of the organs and institutions in the region, as well as efforts at the national level, including media policy.

BAPTISTE: What do you see as your biggest challenge in your new assignment?

RAINFORD: There are many challenges. Looking across the board at this point, we have reached a point in the Community where we have finally arrived at a policy on various major initiatives. I think the big challenge would be to get these going in practical and concrete ways.

Rainford bows out on a note of optimism

1992, PORT OF SPAIN, Trinidad - Outgoing Caribbean Community (CARICOM) Secretary-General Roderick Rainford says the 1992 Heads of Government Conference was "a fine Summit" but there are some disappointments as he departs from the CARICOM Secretariat after a nine-year stint.

"The atmosphere and the mood were very positive and I believe that the substance of the business done was also very positive. I am optimistic that there is going to be follow through on the critical things discussed at this Summit," the Jamaican-born economist said in an interview.

Noting that he had attended eleven CARICOM Summits, he said this one stood out and "was very pleasing to me." "The faces have changed but the Summit Conferences have provided continuity in the integration movement in the whole."

"As I leave, I think that the years I spent there I built on the foundation I found there and strengthened the foundation on which further building can take place," Rainford said.

He conceded that Caribbean nationals who were cynical about CARICOM and have been harshly critical of the 19-year-old regional integration movement were "giving vent to very real feelings and also reflecting a very real situation in CARICOM."

"Of course, we all wish that CARICOM could move faster." The reality, he said, was that CARICOM was made up of 13 countries, which were committed to integration but had different interests and perspectives.

"Many of the things that have happened you don't shout from the roof tops," Rainford said, pointing to the increase in intra-regional trade in previous years and the more recent decision by nine governments to facilitate easier access for West Indians travelling in the region.

Nine countries now have a common line at the airport for residents and CARICOM nationals, while eight Member States no longer require a passport on entry. In addition, immigration officers and customs officials from throughout the region are being brought together in Trinidad and Tobago later this month to be educated about the new arrangements and sensitized to the importance of reducing the hassle which West Indians encounter at Caribbean airports.

"This is an aspect of integration which touches people very closely. Now that we are moving into this area it's a whole new dimension of integration that is coming on to the scene."

One of his disappointments as he prepares to leave the Georgetown-based CARICOM Secretariat was that a CARICOM Enterprise Regime (CER) has not yet been designated. Although six of the 12 Caribbean Common Market countries have signed and ratified the accord for the CER and put the necessary legislation in place, no joint ventures involving two or more CARICOM member states have begun to operate under the CER which facilitates joint production through the movement of capital and labour.

Rainford also said much more could have been done on joint diplomatic representation by the region. “We have, in fact, improved over the time that I have been there particularly on the range of issues on which there is joint representation, but I personally wish that it could have gone further.”

He said whether it was on issues on agriculture or labour, it was necessary for the region to “speak with one voice.” “It could have gone much further by now and that is one of my own regrets and disappointments.”

At his end-of-Summit news conference, veteran Caribbean journalist Rickey Singh lauded the outgoing Secretary-General for his relations with the media during his tenure as Secretary-General. Singh, who is President of the Caribbean Association of Media Workers (CAMWORK), said Rainford had a “deep respect for the freedom of the press and freedom of expression.”

Outgoing CARICOM Chief calls for new secretariat

1992, BRIDGETOWN, Barbados – Outgoing Caribbean Community (CARICOM) Secretary-General Roderick Rainford wants to see the Georgetown-based CARICOM Secretariat restructured and more money pumped into the nerve-centre of the regional integration movement to enable it to cope effectively with ever-growing demands and new programmes.

“A new kind of Secretariat is required. A transformed Secretariat is required,” said the Jamaican-born economist who is expected to leave the post in September after being at the helm of the Secretariat for eight years.

Referring to the move towards a CARICOM Single Market by January 1, 1994, and the various measures to achieve this outlined in the Grand Anse Declaration of 1989, Rainford said: “A certain kind of community requires certain kinds of structures and certain kinds of central powers. You cannot say that you want a certain kind of community and then say no you will not provide the central structures and central powers that kind of Community wants.”

He suggested that a substantial transformation of the Secretariat would have to involve restructuring, and an increase in manpower, with new skills being brought in. In addition, a more sizeable budget would be required as the Secretariat has been operating for years on an extremely tight budget.

“Basically, the fact is that if we have to have the kind of integration movement and processes that I believe we are thinking about these days, then to respond to the current developments and the environment in which we have to operate, you are probably looking at a completely different kind of secretariat from what we have now,” he said.

“I see it as something being transformed, even if you don’t get quite to it, more or less to what you have in the European Commission,” said Rainford, who joined the CARICOM Secretariat in 1980 as Deputy Secretary-General after a distinguished career in the Jamaican public service.

He said the Secretariat’s annual budget, around EC \$10 million for several years, was recently increased by 5 percent. However, he believes this is far from adequate to cope with the expanding work programme of the Secretariat. “I think it is a very interim kind of increase.”

Responding to criticism that the Secretariat was “toothless” and even “complacent,” he said the crux of the matter was what the Secretariat was set up to do when CARICOM was established through the Treaty of Chaguaramas in July 1973.

“Within the context of the framework within which the Secretariat was set up and what it was geared to do, it has been as effective a Secretariat as any. Within the context of new demands, new challenges and roles and functions that were not contemplated for it, there is no point calling it ineffective because it was not set up to do that.”

The CARICOM Secretary-General elaborated: “If the Secretariat doesn’t have the kind of powers that, for example, a Commission, like the European Commission has, what is the point of calling it ineffective because it cannot perform functions like the European Commission. If it was given the powers and didn’t perform, then I can see the point of calling it ineffective.”

Asked whether the Secretary-General has enough clout under the current structure, he responded that perhaps the role of the Chief Executive of the Secretariat ought to be re-examined. "It may very well be the case that there might be possibilities for redefining the role of the Secretariat and of the Secretary-General either in legal terms, which would mean going into the treaty, or in administrative terms, or a combination of both in advance of any wholesale restructuring of the Secretariat."

On the issue of calls for the Secretariat to be re-located from Guyana, essentially because of the economic environment and difficulty in attracting enough non-Guyanese staff, Rainford felt the matter was settled in the Treaty of Chaguaramas. He however added, "In so far as it might come up as a political matter we just have to wait and see how that turns out."

The CARICOM Secretary-General said a number of factors were responsible for the lack of balance in terms of recruiting staff from the region as a whole, as pointed out in the Mills report which reviewed the operations of the Secretariat. These he said, included the fact that salaries at some other regional institutions compared more favourably to that offered by the Secretariat. Nevertheless, he said, up to recently, people of a very high calibre had applied for positions at the Secretariat.

Rainford said his demitting office was "always in train" and that his decision to go by September was not in response to criticism of the functioning of the Secretariat or the failure by regional governments to implement decisions taken at their annual Summits. When he announced plans to resign in 1988 and was persuaded by the Heads of Government to stay on, he agreed to remain in the post for another two to three years.

While disappointed with the track record of implementation of CARICOM decisions, Rainford said one of the factors was the "very ambitious target dates" set for many of the programmes approved by CARICOM leaders. "It is quite right as the Chairman of the West Indian Commission has said and everybody keeps saying around the region that the implementation doesn't match the decision-making."

However, "when you take all that are on board and the implication it has for a new kind of Community, a tighter Community, a Community in which the pace of integration is faster, that's completely different from the voluntaristic mode of the Community which now exists."

Rainford, who joined the Secretariat in 1980 with a deep commitment to seeing trade imbalances in the then twelve-nation Common Market corrected, is encouraged by the increase in the level of intra-regional trade in the past three years and by the initial steps towards a Regional Stock Exchange.

Before quitting the post in another five months, he would like to see the long-mooted CARICOM Enterprise Regime (CER) become a reality. The CER will provide a unique, concessionary framework for businessmen from two or more CARICOM countries to establish joint ventures in specific areas, combining raw materials, financial resources and skills from participating countries for the production of goods and services.

"Hopefully we can get the action on the CER going in terms of legislation. But more critically beyond legislation is the concern in getting the CER in place and functioning and more critically, the CER as a living instrument in the minds of the business community."

"I am not sure that I will see the first CER being declared before I depart," he lamented.

Listing other programmes we would like to see in place before leaving office, he said: "on the functional cooperation side I would like to see the emergency response mechanism up and running and the matter of Regional Honours, symbolic but of great importance, might come off."

He wanted to see regional machinery to cope with natural disasters become operational in time for the 1991 hurricane season. At the one-day informal CARICOM Summit in Port of Spain, in February, six of the thirteen Member States signed the agreement to establish the Regional Emergency Response Mechanism. As a result, the Secretariat had an official "on the road" seeking the additional seven signatures.

"Hopefully we will be getting the ratification as well. But that's just the formal part. I had also tabled a budget. The total budget for the first year is in the vicinity of EC \$250,000. There will also be a Regional Emergency Fund to which governments would contribute on a voluntary basis as well as donor governments," said Rainford. He explained that signature, ratification and payment of the budget were required to get the new regional facility off the ground.

On the issue of the appointment of a CARICOM Commissioner, who would seek to ensure the speedy implementation of CARICOM decisions, he said the matter was effectively on hold as it, along with several issues raised in the Mills report, was referred to the West Indian Commission. He noted that the Council of Ministers were keen on seeing an early appointment of the Commissioner and has prepared a budget for the post which it had planned to advertise.

Commenting on concerns that CARICOM leaders were referring many key issues to the West Indian Commission, possibly overloading the work of the Commission, Rainford, who is one of the 14 members of the Commission, said: "The West Indian Commission itself is pretty conscious of things that it might have to report on before its final report comes out."

He observed that the people of the region, through the West Indian Commission, were pressing for action on issues like freer movement of travel in the Caribbean.

At their 1989 Summit in Grenada, the region's Heads of Government agreed to put arrangements in place by January 1991 for the free movement of skilled and professional personnel as well as for contract workers on a seasonal or project basis. This, too, is one of the decisions which the outgoing CARICOM Secretary-General would like to see become a reality soon.

"We are still very much behind where we should be on the legislation. We just have to keep plugging away," Rainford said.

SECTION G

CARRINGTON AT THE HELM



Edwin Carrington
CARICOM Secretary-General

CARICOM's new chief says regional movement at crossroads

1992, GEORGETOWN, Guyana - Caribbean Community (CARICOM) Secretary-General designate Trinidadian-born Edwin Carrington, says the 18-year-old regional integration movement is "at the crossroads" and he will be assuming the post with a feeling of "trepidation."

"To take up the challenge now is not something one can do without great trepidation," he said in an interview in Georgetown.

The former Secretary-General of the African, Caribbean and Pacific Group (ACP) has warned that if something urgent is not done to deal with the implementation of decisions made by Caribbean leaders, the regional integration movement will not survive, much less progress.

Carrington, 53, will succeed Roderick Rainford as Secretary-General of the 13 nation Caribbean Community and Common Market in August. He has called for an urgent study on the role, powers and functions of the Secretariat as well as its technical restructuring beginning with an in-depth management audit of the current structure. He also wants an upgrading of the powers of the Secretary-General.

While implementation of decisions is crucial, he says, this does not mean that the process of decision taking is satisfactory at the moment. "We need more pre-decision consultation, information on decisions to be taken, explanation and justification for them and we need to look at the format and costing of proposals," argues Carrington, who was director of the Trade and Integration Division at the Georgetown-based CARICOM Secretariat from 1973 to 1976.

Carrington, now Trinidad and Tobago's Ambassador to Guyana, is not keen on the imposition of sanctions against member-states which fail to implement CARICOM decisions. He advocates the use of mechanisms relating to dispute procedures within the Common Market and a tribunal contained in the annex to the Treaty of Chaguaramas which established CARICOM in 1973. In addition, he suggests the establishment of a three-member Integration Review Board comprised of eminent regional personalities, including one with a legal background.

While Carrington regards economic integration one of the main pillars of regional cohesion, he strongly believes that much more attention needs to be paid to the "people aspect" of Caribbean "unity."

"No economic development, no integration, no community can be achieved if the people-oriented or cultural dimension is not fostered and developed," he asserts. The Trinidadian diplomat spent 14 years at the Brussels-based ACP secretariat whose conference hall has been named after him.

Carrington wants to see the church, youth and women's groups and the labour movement more involved in the integration process. He has lauded the three governments - Grenada, Trinidad and Tobago and Guyana, which have announced that passports will no longer be required to enter their countries. "I am hoping that the other nine will move quickly so that by the time we have the Summit in July, we will have had progress."

While agreeing with calls for the CARICOM Secretariat to be given more "executive teeth" he does not believe that the Secretariat should be transformed into an organisation similar to that of the European Commission. "The reality of West Indian politics at the moment suggests that we should go for an upgraded Secretariat, upgraded in status and strengthened in capacity," he says. The European Commission enjoys supra-national status and certain powers under the Treaty of Rome which are not contained in the Treaty of Chaguaramas.

Carrington is concerned that too few non-Guyanese currently work at the Secretariat-based in Georgetown, the Guyanese capital. He says less than two percent of nationals from the Organisation of Eastern Caribbean States (OECS) are employed at the nerve center of the integration movement.

He wants to see a strengthening of cooperation between CARICOM and the Organization of Eastern Caribbean States (OECS) and a more active role by the University of the West Indies in analyzing regional issues.

New CARICOM Secretary-General pleads: Give us the resources to do the job

1992, PORT OF SPAIN, Trinidad – The CARIBBEAN COMMUNITY (CARICOM) Secretary-General designate, Dr. Edwin Carrington, is taking up his new assignment far from happy with the human and other resources available to carry out the challenging and demanding job ahead of him.

“I am not satisfied and I think I am on good grounds in saying that the structure we now have and the manpower now in place is not equal to the task ahead of us,” Carrington said in an interview in Port of Spain. He feels the region’s Heads of Government should focus their attention at the special CARICOM Summit in October on beefing up the resources of the Georgetown-based Secretariat.

According to Carrington, the additional technical resources being made available for the review of the thorny Common External Tariff (CET) over the next three months is a temporary arrangement. “While it may solve the CET problem it could leave us with additional tasks to carry out with no additional manpower in a context where the manpower is already woefully short and inadequate,” laments the Trinidadian diplomat who assumed duties as CARICOM Secretary-General on August 1.

Carrington says further: “If there is one criticism I have of the West Indian Commission’s report is that it does not seem to recognize the importance of strengthening the Secretariat adequately and concentrating on the capacity of that organ in the very objective of implementation.”

On the key proposal of the West Indian Commission that a three-man CARICOM Commission be established to give impetus to the integration movement, the new CARICOM Secretary-General says: “No structure is going to do more than an effectively staffed implementation agency on the ground such as the CARICOM Secretariat, working with the OECS Secretariat and the Caribbean Tourism Organisation and the Caribbean Development Bank. To me, these are the institutions whose combined effect and strengthening are going to be the real major solution to the problem of implementation. I am not saying that a Commission cannot add something but I see much more importance attached to these other dimensions.”

Carrington, who served as Director of the Trade and Integration Division of the CARICOM Secretariat from 1973 to 1976, contends that the Conference fell short of the region’s expectations and is convinced that there is need for a review of the modus operandi of the Summits. In particular, he feels the agenda will have to be much shorter. “It seems to me that for two and a half days effectively with 13 Heads sitting around the table and 25 agenda items you can work out how much time is available for each item on average. It would be a miracle if there can be effective discussion and solutions on some of these items.”

He suggests a categorization of items since some issues that go before the Summit are not really ripe for discussion. And he maintains that the Summits should be held over a much longer period. “Five days together on the business of the region, including at the inter-sessional meeting, seems to me very little time for a region which faces the number of difficulties that we have.”

Commenting on cynicism expressed by the Trinidadian public at the end of the Summit about Caribbean integration and the usefulness of the Summits, Dr. Carrington says there is need for more communication between CARICOM leaders and the regional public especially at the time of the Summits. He suggests call-in radio and television programmes where the public can discuss issues with the Heads of Governments and get feedback at the end of the high-level conferences. “I do not think before a Summit there is enough education and information on what it is all about. I do not agree that the issues are not relevant to the man in the street.”

Public comments included concerns that employment and issues such as the impact of structural adjustment measures on low-income workers are not addressed by the CARICOM leaders or given priority.

Carrington says there were some issues which could not be taken further. For example, he says, the West Indian Commission’s report was originally expected to be the centerpiece of the Summit but the 630-page report was provided to member states only a few days before the meeting. “This is purported to be one of the most significant documents in the history of our development. Such a document requires in-depth professional, political and popular study and discussion.”

He cites hassle-free-travel as one of the issues which will have an immediate impact on the public. Nine countries now have a common line at the airport for residents and CARICOM nationals and nine countries no longer require a passport on entry. In addition, immigration officers throughout the region are being brought together to be sensitised to the importance of reducing the hassle which West Indian travelling in the region face.

The new CARICOM chief notes that not as much progress as expected materialized in relation to arrangements to facilitate the free movement of skilled workers in the region.

“Some countries argued that they have a large number of skilled young people coming back from universities whom they are unable to employ, opening up their doors would create an additional problem.” If countries continue to hesitate on this, Carrington anticipates participating countries may insist on reciprocity.

He says the recent Summit down played the proposed phased approach to a CARICOM Single Market targeted for 1994. “Basically, we feel the Caribbean is small already that further fragmentation is not to be welcomed.”

“If certain countries are prepared to move faster than the timetable that I hope would be accepted as they would pull the others along. We want to have the 1994 date respected.”

“If we do not strengthen the CARICOM Secretariat and strengthen the governments’ capacity, we are not going to get there in time. We probably are not going to get there at all,” Carrington warns.

SECTION H

STRENGTHENING REGIONAL LINKS



Errol Barrow
Prime Minister
Barbados



Val Mc Comie
Assistant Secretary-General
Organization of American States (OAS)



Colin Granderson
Head, Political Division
Ministry of Foreign Affairs
Trinidad and Tobago



Dr. Neville Duncan
UWI Professor
Political Science



Edward Cumberbatch
General Secretary
Caribbean Conference of Churches(CCC)



Rickey Singh
Caribbean Journalist

Barrow on the bother of Visas

1987, FORT-DE-FRANCE, Martinique - Barbados' Prime Minister Errol Barrow has urged Martinique and Guadeloupe to abolish their visa requirements for Caribbean Community (CARICOM) nationals, in the interest of strengthening the ties between the English and French-speaking Caribbean.

"The visa is really a nuisance," Barrow commented to CANA soon after arriving here to chair a session of a four-day high-level consultation between senior public and private sector officials from Europe and the Caribbean.

More than 500 officials, including several regional heads of government, are here for the series of meetings organized by the European Community and the regional private sector aimed at fostering closer cooperation. Barrow said removing the need for visas could also stimulate tourism exchanges.

The Barbadian leader noted that trade between the French and English-speaking Caribbean neighbors, limited in the past, had been picking up in recent years.

Barrow said relations between CARICOM and the French Caribbean must be improved at the grassroots level.

While language was a problem, Barrow said it would disappear with more frequent contact between the peoples of the French and English islands.

The root of the language problem was the inability of Barbadians to master French and other languages, which had to be addressed in schools, particularly the first-grade ones. "Children are never taken to the French islands to practise the language and some of our teachers have problems with grammar," Barrow said.

Chances for improved trade sought in Martinique talks

1987, FORT-DE-FRANCE, Martinique - The Barbados private sector is looking to a four-day business meeting opening here today to lay the groundwork for firmer joint venture and trading opportunities between Barbadian manufacturers and their French Caribbean counterparts, particularly for the export of insecticides and chemicals, a senior official of the Barbados Chamber of Commerce said last night.

Executive Director Lonnie Taylor told CANA on the eve of the meeting between high-ranking government and private sector officials from Europe and the Caribbean that the conference should clearly identify strategies to tackle the constraints to cooperation between the French and English-speaking Caribbean.

Taylor said, in addition to pursuing new exports some manufacturers, like the West Indies Biscuit Company (WIBISCO), were seeking to expand their limited exports to the French islands of Martinique and Guadeloupe. "We are hoping that some of the issues would be addressed here like the tariffs which are imposed on imports because these countries are departments of France," Taylor said.

The Caribbean Association of Industry and Commerce says regional garments, furniture and agro-processing producers are also looking to this meeting - dubbed Caribbean European Contacts '87 - to give a clearer picture of the real possibilities for improving two-way trade relations.

A conference document said exports from CARICOM to the French Caribbean islands represented about one per cent of total imports and imports by the Caribbean from the French islands were even more negligible. While Caribbean entrepreneurs want easier access into the French Caribbean market, the Martinique private sector says it is at a bigger disadvantage in trying to export its products to CARICOM.

General Manager of the Martinique Chamber of Commerce Henri Titina said the French islands have to contend with duties and negative lists in the CARICOM market, while the English-speaking states get duty free concessions for exports to Martinique, Guadeloupe and French Guyana, which comprise the Department of Antilles, known as the DFAs.

This, he pointed out, was because CARICOM exports to Europe benefited from the duty-free provisions of the Lome III Convention - a trade and aid accord among 66 African, Caribbean and Pacific countries and the European Community.

Titina said Martiniquan fertilizer and cement producers found it difficult to penetrate the English-speaking Caribbean market. "We would like to see some reciprocity in any trading arrangement. We also want the DFAs to have more autonomy from France to negotiate trade arrangements with CARICOM," the Martinique business official said.

He suggested a double taxation treaty between France and the CARICOM countries would more easily encourage joint venture arrangements between the French and English-speaking Caribbean.

Titina said both groups of countries also have to deal with the language barrier.

The European Economic Community's Barbados-based delegate, Eberhard Stahn, has identified transportation difficulties as another impediment to closer trade links between the English and French Caribbean.

In addition to strengthening trade relations, the EEC, according to its most senior representative here, Antony Fairclough, is expecting to get feedback on the value of its aid programme to the Caribbean, both nationally and regionally.

Fairclough, Deputy Director General for Development in the European Commission, said the meeting, which includes business contacts between Caribbean and European firms, should come up with ideas for deepening cooperation between the Caribbean and the EEC.

The Conference officially opens later today with addresses from Dominica Prime Minister Eugenia Charles, the French Minister for Overseas Departments and Territories, Bernard Pons, and ACP Secretary-General Dr. Edwin Carrington.

Barbados Prime Minister Errol Barrow and James Mitchell of St. Vincent and the Grenadines are among the other Caribbean leaders expected to participate in the Martinique meeting sponsored by the European Community and the Caribbean and DFA private sector organisations.

Closer ties with Cuba, CARICOM

1992, BRIDGETOWN, Barbados - At least two Caribbean Community Member States are expecting a significant improvement in their relations with Cuba as the Spanish-speaking Caribbean island moves to strengthen ties with the region through a CARICOM/Cuba Joint Commission.

The Grenada and Dominica administrations, both opposed in the past to links with the communist regime, are now prepared to have their nationals trained in Havana.

"Now the scholarships are being given through CARICOM," Dominica's Prime Minister, Eugenia Charles said in an interview during the recent CARICOM Summit in Port of Spain, which approved the establishment of the CARICOM-Cuba Joint Commission.

"What I objected to previously is that the Cubans were offering scholarships which were not going through government and I thought they were wrong to interfere in the training of our young people. Now that the Cubans are going through CARICOM I am prepared to go that way, but I haven't got enough information yet on the particular fields in which we can train our young people."

Charles says while she is prepared to send Dominicans to Havana, she remains cautious about Cubans who may wish to visit Roseau to provide technical assistance. "I will have to decide on each individual person they are sending down. I don't want anybody coming with ulterior motives," said the Dominican leader, a strident anti-communist who played a key role in the 1983 U.S.-led military invasion of Grenada.

Grenada's Prime Minister Nicholas Braithwaite says the spice island, which was under heavy Cuban influence during the Maurice Bishop regime, is willing to benefit from Cuban expertise in health, education and other fields.

"At the moment, for example, we are reorganising our health services and I would want to get that done with the Pan American Health Organisation and other international agencies. But, there might be certain courses that would satisfy some of our needs in relation to the manpower situation, and I can see no reason why our young people cannot benefit from some courses in Cuba," Braithwaite said.

In addition, he feels Grenadians should go to Cuba to pursue a second language and gain from Cuban expertise in a wide range of areas. "We strongly believe that our young people should speak a second language and Spanish is a natural one. There are also certain skill areas like electrical technology which Cuba is well developed in and we would certainly benefit from some of these courses."

Barbados, which maintains diplomatic relations with Cuba, has "good relations" with the Fidel Castro administration, according to Foreign Affairs Minister Maurice King. The Barbados Government says "in principle" it has no difficulty with receiving technical assistance from Cuba or Barbadians being trained in Havana. But the Ministries involved in the particular sectors would have to make provisions to deal with the specifics.

Cuba recently gained membership in the 31-nation Caribbean Tourism Organisation (CTO). Its application was not considered for some time because of reluctance of the Communist regime to formally recognise the Grenada administration after the 1983 military invasion.

CARICOM Secretary-General designate Edwin Carrington says an "early meeting" of the CARICOM-Cuba Joint Commission can be expected but this is unlikely to be in 1992 given the special CARICOM Summit planned for October and other events already scheduled. The Trinidadian diplomat believes the region can benefit significantly from Cuban expertise in health.

"The Cubans have made some breakthrough in the area of a popular medicine vaccine against cholera and they are very keen to make this available to CARICOM countries. This is just one typical and timely example of how Cuba can contribute to the integration process. We are not unmindful of the political realities of Cuba at the moment in the context of the hemisphere and we will have to look carefully at areas of functional co-operation that we can develop now while Cuba works at its complete re-entry into the entire hemispheric system," says Carrington, who assumes duties as CARICOM Secretary-General on August 1.

Braithwaite noted that he, like other Heads of Government, felt that Cuba should wait for a while before being granted Observer Status with the Caribbean Community. "We just normalised relations with them, and this was done on the initiative of the West Indian Commission and, therefore, as far as we are concerned, there is need to explore possibilities for collaboration. At the same time, we believe Cuba must wait a little longer on the question of Observer Status within CARICOM."

Cuba, whose economy is feeling the pinch of reduced Soviet assistance and whose citizens continue to experience economic hardship, is ready to push ahead with identifying areas of cooperation between the Spanish and English-speaking countries.

Cuba's Deputy Minister of Foreign Affairs, Ramon Sanchez Parodi, who was part of the Cuban delegation lobbying during the CARICOM Summit for formal links between Havana and CARICOM, says Cuba can provide assistance to the region's tourism, education, health and agriculture sectors.

Sugar is the mainstay of the economy of Cuba which also exports tobacco and coffee. The Cubans will also be seeking to strengthen trade relations with the 12-nation Caribbean Common Market.

On tourism, Parodi says Cuba wants to be part of the programme to market the Caribbean as a single destination. "This idea is to co-operate and not be rivals in this field. The multi-destinational packages are one of the areas in which we can collaborate," the Cuban Minister explained.

Cuba's tourism industry has been growing steadily in recent years. In 1991 tourist arrivals totaled 424,041, a 24.6 per cent increase over 1990 figures. Parodi dismisses suggestions that Cuba's entry into CTO will pose a threat to the tourism industry in the English-speaking Caribbean as "propaganda." "The fact is that already we have been able to establish collaboration with many nations."

Parodi says Cuba can help with tourism training and is keen on attracting more Caribbean investment for the Cuban tourism industry.

Jamaican entrepreneurs are already involved in joint ventures in the Cuban hotel sector. "We are in the process of readjusting our international economic relations, among them opening up to foreign investment in Cuba, and this is something we look forward to in working with the Caribbean nation," says the Cuban Minister.

CARICOM governments rapped for stance on Haiti

1992, BRIDGETOWN, Barbados – CARIBBEAN COMMUNITY (CARICOM) leaders have been rapped for their silence on developments in Haiti, for failing to accommodate Haitian refugees, and have been accused of displaying racism towards the people of the French-speaking Caribbean country.

Former Deputy Secretary-General of the Organisation of American States Val Mc Comie says although CARICOM had “missed a wonderful opportunity to do something about Haiti” it was not too late to send a CARICOM task force to Port-au-Prince to get a first-hand account of the situation on the ground.

Mc Comie was joined by political scientist Dr. Neville Duncan, veteran Caribbean journalist Rickey Singh and historian Trevor Marshall in a panel discussion on “the Crisis in Haiti: CARICOM’s response” in Barbados on Monday night.

During the two-hour session organised by the Barbados Association of Journalists (BAJ), the panelists all expressed opposition to military intervention as a solution to the crisis in Haiti. The military staged a coup last September ousting the first democratically elected President, Father Jean-Bertrand Aristide, who was elected in the December 1990 elections which officially brought an end to a stranglehold on power by the Duvalier dynasty and other military-dominated governments. Initiatives by the OAS to pressure the current military regime, led by General Raoul Cedras, and to restore Aristide to power have so far proved fruitless.

According to journalist Rickey Singh, the Haitian people, regarded as poor and black, continued to be victims of “well thought out and orchestrated acts of betrayal” by North American and European powers. The U.S. administration has been harshly criticised by human rights organisations and by America Congressmen for its treatment of thousands of Haitian refugees who are being repatriated from the U.S.

“At the centre of it is racism,” declared Singh, who pointed to the grizzly social statistics relating to health, education, and social services in the impoverished French-speaking country where there are regular reports of killings, torture and vandalism.

Mc Comie said CARICOM had failed to provide the kind of guidance on Haiti which Latin America was looking to the Caribbean for and he also criticised regional governments for refusing to receive some of the Haitian refugees who fled to the United States.

Noting that CARICOM participated in preparations to ensure free and fair elections in Haiti, Mc Comie said when it came to the fate of some 13,000 odd Haitian refugees in the U.S., there was “a silence by the Caribbean leadership on this particular question.”

He said the United Nations High Commission for Refugees appealed to countries to receive some refugees who would be received on a temporary basis. “I would have thought that was an excellent opportunity for the Caribbean, for CARICOM, at least to make a gesture. If each CARICOM country had been willing to receive about 100 Haitians, that would have been worthy of people who proclaim that we are brothers of Haitians.”

Commenting on the role of the OAS in trying to resolve the Haitian crisis, Singh remarked that the OAS was ineffective since its success was dependent on the active support of the United States. “It does not enjoy that active support at the present time and therefore it is impotent to bring about a resolution to the Haitian crisis,” said Singh who also chided the Caribbean Conference of Churches (CCC) for failure to implement its own recommendations on the Haitian crisis because of “serious conflicting agendas” within the region’s ecumenical movement.

Singh argued that the Haitian crisis could have been resolved long ago if the United States and its European allies, especially France and Spain, were prepared to put the necessary pressure on the military regime. CARICOM governments, he said, should have put together a team to have discussions with the U.S. and the European Community to express the region’s concerns about the situation in Haiti.

Singh said CARICOM governments should have sent a fact-finding mission to Haiti to find out what options were available to them given their limited resources. Being part of the OAS, he added, did not preclude CARICOM from taking this type of action on its own.

Duncan questioned what would be gained if Aristide, now based in Venezuela, were restored to power given the role and power of the military and the elite in Haiti. He observed that since Haiti did not have a bureaucratic structure which could implement policies. Duncan challenged concepts of democracy which were restricted to going to the polls. "Aristide hasn't got a counter force to deal with the army so you're going to restore him to what?" asked the senior lecturer in government at the UWI.

Rejecting a call for military action to remove the Haitian regime, Duncan restated his opposition to the U.S. led invasion of Grenada. "If people are not willing and prepared to fight for their freedom then they don't deserve to have their freedom," he said, adding that unless this was done new institutions would not be built.

Historian Trevor Marshall said the situation in Haiti could only be properly assessed if factors such as the role of the influential mulattoes, favoured over the blacks, and the power and functioning of the army were understood. He said perhaps the proportional representation system of government could work in Haiti, to give the mulattoes some involvement in the decision-making process.

Marshall also questioned Guyana's reluctance to open its arms to Haitian refugees given its earlier policy of inviting West Indians to settle there.

Marshall suggested that Haiti be given the same type of assistance which the Caribbean gave to Namibia when it gained independence. He advocated that UWI graduates who were unemployed could provide badly needed help to Haiti where only 38 per cent of the population is literate.

Duncan stressed that Haiti was in need of massive financial and technical assistance and noted that promises of aid to the tune of 500 million U.S. dollars after the December 1990 crisis were never fulfilled.

Regional church group strengthening links with Guyana, Cuba and Haiti

1993, BRIDGETOWN, Barbados – The Barbados-based Caribbean Conference of Churches (CCC), though strapped for cash, is hoping to start financing projects in Guyana soon as part of a move to strengthen ties with Guyana, Cuba and Haiti.

CCC General Secretary Edward Cumberbatch said the CCC, which had consistently pressed for democracy in Guyana, was looking forward to resuming assistance to Guyana following general elections just under a year ago.

He said the organisation, which was "persona non grata" under the Desmond Hoyte administration, was "delighted" with the change in administration.

The CCC General Secretary paid a visit to Guyana following last October's elections during which he held talks with President Cheddi Jagan, and the senior Minister responsible for the churches. "We have been assured by the Government as well as by the Christian Council that we can now assist the Christian Council and any other agency in Guyana with some of the development work that is taking place there."

He said the southern sub-region of the CCC (Trinidad and Tobago), which has responsibility for Guyana, would soon embark on projects in the Caribbean Community (CARICOM) Member State.

Cumberbatch said Guyana was in need of assistance in a wide range of areas including health and agriculture, one of the main pillars of the economy. In addition, help would be welcome in projects for women and youth, and on the environment. "Of course because of the scarcity of funds we can't spend on all those areas but we are expecting shortly that some projects will come before us in any one of those fields so that we can see what assistance we can give to develop communities," Cumberbatch said.

The CCC, he said, did not embark on single projects to benefit only one or two persons but, rather, community-based programs working through the churches and Christian Council. He suggested that there was a balance in Guyana by moving towards privatisation while encouraging small farmers to get more involved in the agriculture sector. "That would seem to us to be a very good balance. If that's going to be the case in other areas then the progress there would be a fair one."

He cautioned Guyanese about expecting too much too soon from the new administration. “The impression I got when I visited was that there were high hopes and expectations from a wide cross section of people. Well, you can’t have all these changes in such a short space of time and some people are going to be disappointed,” he said.

“I would think that we would need to have some more time to be able to judge how the Government will perform there and this is true for any new government,” he added.

The CCC General Secretary also disclosed that the CCC was formally re-establishing links with Cuba. “We are setting up an office in Cuba. We used to have one there before.”

The new CCC office in Havana could be opened by year-end, according to Cumberbatch who has been at the helm of the regional umbrella church organisation for just over a year.

He noted that CCC’s Communications officer recently spent time in Cuba doing a course in Spanish and identifying projects which the CCC might finance.

“We are trying to bring to the Caribbean this whole idea that Cuba is one of our brothers and sisters, and because some large country in the north has some grumbling about Cuba we are not going to be included in it,” Cumberbatch, an agricultural expert, stressed in an interview.

He welcomed the visit to Havana earlier this year by members of the private sector from Caribbean Community (CARICOM) Member States. “Like the churches in the United States, the Caribbean Conference of Churches feel that the United States policy on Cuba is wrong,” he stated.

“The United States is trading with China, the largest communist country left. What danger on earth is there in Cuba unless there is something specifically against Castro and I think the Cuban people are going to get him to gradually change his tune anyway,” the CCC General Secretary commented.

Cumberbatch observed that the CCC always had close links with Cuba since one of its senior staff responsible for theology, Dr. Adolfo Ham, is a Cuban pastor who had never been “interfered with” by the Cuban authorities.

“We are going to help as much as possible to relieve the suffering and there is enormous suffering because of the embargo and the blockade by the United States against Cuba.”

Cumberbatch said the response to CCC’s campaign to collect food, medicine and toiletries for the Cuban people, following the storm which hit the island recently, was “extremely good” particularly from Barbados, Jamaica, and to a lesser extent, Antigua and Barbuda, St. Lucia and St. Vincent and the Grenadines.

“We have not ceased to have medical and other supplies going across from Jamaica,” said the regional church official who praised BWIA and LIAT for providing free transport to get the donations to Cuba.

The CCC General Secretary said it was only recently that television programs in the region had begun to educate West Indians about the true situation in Havana.

The Cuban people, he said, were anxious “to stretch out their arms to their neighbors in the English-speaking Caribbean. He welcomed the announcement that a Cuba-CARICOM Joint Commission was established.

He said as soon as Haiti “settled down”, the CCC hoped similar attention and help would be directed at Port-au-Prince.

The CCC has already taken steps to set up a meeting later this month with ousted Haitian President, Father Jean Bertrand Aristide, prior to his scheduled return home in October under a U.N.-brokered accord.

Cumberbatch said the CCC, as well as its partners in the United States and within the World Council of Churches (WCC), were concerned about the situation on the ground in Haiti, in particular the recent harassment and arrest of pro-Aristide supporters by the police and army.

He said the CCC was planning to resume projects in Haiti with the emphasis on helping the poor communities. Under the military-led regime, some of the CCC’s projects, especially those in agriculture and forestry, have been sabotaged.

Observers get down to task of rebuilding Haiti

1993, PORT-AU-PRINCE, Haiti - An 80-strong team of multinational observers has begun to spread out across Haiti to monitor human rights and other developments at the start of a one-year assignment aimed at helping to bring some stability to the troubled French-Caribbean Island.

The co-leaders of the joint Organization of American States (OAS) and United Nations' mission said they were optimistic that they would help to create a conducive environment for the tough political negotiations being undertaken to bring about the return of ousted Haitian leader, Father Jean-Bertrand Aristide.

"We are here to help with the restoration of human rights and in the process, to help create a measure of social peace where a political dialogue can be restored in a country that has been politically and violently torn apart for some time," U.N. team leader Michael Moller said in an interview at the Montana Hotel in Port-au-Prince, where some of the observers are stationed.

Moller said over the past four weeks the observers, including representatives from Trinidad and Tobago, Jamaica and St. Lucia, were involved in intensive training sessions, learning creole and becoming familiar with the country's economic and political situation, as well as its legal systems. More than half of the monitoring group, including diplomats, lawyers, public relations and management specialists and a large number of women, are from the OAS.

Although a small OAS team has been in Haiti since September 1992, OAS Mission Coordinator Colin Granderson explained that this was the first time that its members were being allowed to venture outside the capital, Port-au-Prince.

Granderson, head of the political division of Trinidad and Tobago's Foreign Affairs Ministry, was recently named High Commissioner to Jamaica.

The Trinidadian envoy said in addition to monitoring and responding to abuses of human rights, the OAS-U.N. mission would be putting together a legal aid scheme and making recommendations to the Haitian authorities about "preventive steps."

Torture, kidnapping, beatings and brutal murders are common in Haiti, classified by the World Bank as the Western Hemisphere's second poorest country, following Guyana.

The OAS team leader said so far, the observers have been well received by Haitians and that the military regime, which overthrew the first democratically elected President in September, 1991, has been cooperative.

Aristide has called on U.S. President Bill Clinton to set a date for his return to Haiti, which U.N. Special Envoy to Haiti, Dante Caputo, is negotiating with the military regime led by General Raoul Cedras. The military has the backing of a small elite which is not keen on Aristide's return to office.

Granderson said the observers, who were working along with local human rights organizations, were including the military in their human rights education exercise.

"Everyone must understand the rules of the game. It doesn't make sense for one section of the population to understand what human rights responsibilities involve."

The Trinidadian diplomat said while the team of observers was not concentrating on trying to stem the flow of Haitians seeking to flee the country, if its task was viewed as successful, and there were hopeful signs of an improvement in the political and economic situation, fewer Haitians might feel the urge to leave.

The OAS-U.N. team has also been mandated to identify steps to help with the reconstruction of the Haitian economy, which has suffered from a decade of stagnation. The country's basic infrastructure is dilapidated particularly water, electricity, and sanitation, and health services are in poor condition.

The OAS trade embargo, enforced after the 1991 coup, is constantly being breached and a new OAS-U.N. humanitarian plan calls for assistance in the areas of health, nutrition, water and sanitation, education and agriculture.

The U.N. mission leader stressed the importance of also rebuilding the country's judicial systems, which have virtually collapsed. "It is our intention at the appropriate time to rebuild, and in some cases, build new institutions which will be able to support a democratic society. It would be a sterile exercise just to focus on human rights," Moller said.

He recalled that the team was able to help defuse a tense situation in the southern town of Jeremie when Roman Catholic Bishop Willy Romelus was rescued by some of the observers from a beating by anti-Aristide groups after a funeral mass for hundreds of victims of the recent ferry boat disaster.

Noting that expectations among the Haitian population of the mission's assignment were high, Miller emphasized that the group was only "the first step in process that would probably be very long." Haitians in Port-au-Prince speak openly of their desire for Aristide's return.

Meanwhile, human rights activist, Jean-Claude Bajoux, has called for a much larger number of observers in Haiti.

Bajoux, the director of the Ecumenical Center for Human Rights, said close to 200 observers were needed to be effective in the strife-torn country.

He said that while the OAS-UN team was likely to play a useful role, the only thing which could guarantee an improvement in the country's fortunes was the return of Aristide.

Bajoux chided Caribbean leaders for failing to speak out forcefully on the Haitian crisis and to demand that urgent action be taken to restore democracy. "If CARICOM has a position, I don't feel it or hear it," he remarked. "The mood of the population is impatience and exasperation. They want to see a resolution soon and the process of negotiations speeded up."

SECTION I

FOCUS ON CARICOM

Caribbean Broadcasting Union (CBU) Television series June 1992



Percival J. Patterson
Prime Minister
Jamaica



Dame Eugenia Charles
Prime Minister
Dominica



Dr. Kennedy Simmonds
Prime Minister
St. Kitts and Nevis



Sir Nicholas Brathwaite
Prime Minister
Grenada



Reuben Meade
Chief Minister
Montserrat

FOCUS ON CARICOM

Percival J. Patterson

Prime Minister of Jamaica

Introduction: Percival J. Patterson became Prime Minister in March this year succeeding Michael Manley. Mr. Patterson, who has been involved in politics for twenty-five years, has served for many years as Deputy Prime Minister and Minister of Foreign Affairs. He is President of the People's National Party-PNP-and has served the party in several capacities. A lawyer, Mr. Patterson played a key role in the establishment of CARICOM and the Lome Convention, which links African, Caribbean and the Pacific States with the European Community.

SB: Mr. Patterson you've been involved with CARICOM from the inception and there has been a lot of frustration expressed by both people and politicians about the integration movement. What is your assessment of CARICOM at this stage?

PJP: I don't think we have made quite as much progress as we had hoped when we embarked on this process early in the 1970s. This is partly because of the economic crisis which bedeviled most of our economies. Many countries began to look inward rather than spending enough time looking at what were the resources in the region which we could better combine and pool together. At the same time, I don't think we should lose sight of the fact there are certain areas in which we have made modest advances. One of them certainly is in the field of cooperation for negotiations in the international arena and here the work we did in the Caribbean for the Lome agreement in 1975 and the successor agreement. I think we have to recognise at this particular time that the whole world is moving towards larger and stronger blocks of economic cooperation. We in the Caribbean are going to have to recover some of the lost ground and make up for it quickly to achieve our purposes.

SB: Do you have any thoughts of how we can do that and in particular how we can make CARICOM more meaningful to the people. There are widespread complaints that decisions announced are not implemented.

PJP: Since the Grenada Heads of Government Conference, a practice commenced which allowed particular subjects to be delegated to particular Heads of Government for follow-up action. That, I think, is beginning to produce some results. I think we need to be looking at the reports that are coming before us including the West Indian Commission's and we are going to have to decide on a practical programme of implementation.

SB: When you talk about practical, one of those things is the question of making it easier for West Indians travelling in the region, and you mention that some Prime Ministers have taken specific portfolios. Yet at the last inter-sessional meeting, we only saw about half of the countries being able to say that people can come in without a hassle. What can be done to speed up this process?

PJP: I would hope that by the time we meet in Port of Spain, more governments would have taken positive action to implement the recommendation coming out of the work undertaken by President Hoyte. I have already received from him, as I sure other colleague Heads of Government have received, a report of an update meeting and we are taking steps in Jamaica to ensure that we do what is required of us. I hope other governments will be following suit.

SB: Jamaica had undertaken responsibility to oversee international negotiations on behalf of the Caribbean and there are a number of issues, a Single Market, the Enterprise for the Americas, and we have got a whole changing world order. How has Jamaica been doing in terms of trying to make sure the Caribbean is not marginalised in this New World Order?

PJP: We have been devoting a great focus of attention, not only to Jamaica but as it affects the wider Caribbean. That means we have to work very closely with the CARICOM Secretariat and other regional institutions as well as member governments. There is a very real danger that as we no longer have two super powers with competing ideologies and competing for spheres of influence, that places like the Caribbean could easily become forgotten, unless we are very assertive about our place in the world order. At the moment, we are having in Jamaica, a conference between the ACP-EEC relations and one of the points which I have sought to stress in the presentation to that meeting is a recognition by the developed world that this is not a time to be diverting resources from the South to the East. Both are in need of resources for development and those additional resources should come from the peace dividend with a reduction in expenditure of money and technology for the development of military hardware.

SB: How prepared is the Caribbean for a European Single Market at this point?

PJP: I think a great deal of work has been taking place. You know, we are particularly concerned with two products that were the subjects of special protocols - sugar and bananas. In respect of bananas, the European Common Market has now agreed that this is not an area where tariffication ought to be introduced. The United States is the Government pushing the hardest to get tariffication of the banana industry and we are in diplomatic contact with them to avoid that.

SB: Mr. Patterson, there's a lot of talk about a CARICOM Single Market but at the moment many of the countries in the Common Market still have trade barriers and all of the countries have not been able to implement the Common External Tariff. Are you hopeful that we will be able to move to a Single Market in CARICOM within a reasonable period?

PJP: I think that has to remain our goal and we don't have too much time for delay. Barbados has undertaken the lead responsibility for putting before us practical proposals for the implementation of the Single Market. It is a matter of great disappointment for us that not all countries have seen fit to introduce the Common External Tariff. In some cases, we believe reservations are being expressed about the levels of the existing tariff. We certainly are prepared to look at them in consultation with all CARICOM partners to see whether there needs to be adjustment to levels that command immediate and total acceptance.

SB: Are there lessons to be learnt from the Common External Tariff experience because that was negotiated over a very long period and one wonders why the countries which are now complaining did not raise the questions about their cost-of-living concerns and the rate of the tariff then. Why is it that the same countries that sat at the negotiations are now saying that? Is it that we don't do enough homework on these issues?

PJP: It is very difficult to justify, but I think one has to face the fact that not every Government that comes to the negotiating table has equal access to the technical resources which are necessary to ensure that its case is always effectively represented. This is another reason why one ought to look at the need for closer cooperation between states within the Caribbean, and in that regard, the discussions presently taking place about closer cooperation in the Eastern Caribbean are being followed with very close interest by Jamaica.

SB: I see the Europeans in the move towards their Single Market adopt the majority voting procedure for some of the issues and, in particular, things like the monetary aspect. Is this something the Caribbean should follow?

PJP: I think we are going to have to examine the question of voting decisions within CARICOM. At the moment there is a unanimity rule which, of course, means that you can't change it unless there is agreement by everybody, but there is no doubt about it, that the need to have unanimity on all issues means that we can only go at the pace of that country which is prepared to move the slowest. That I think is undesirable and I think we should have some sort of weighted process of decision making, always seeking to achieve consensus as countries with sovereign equality, but always preventing a situation where, by the intransigence of a single territory, action is frustrated.

SB: Mr. Patterson, we have seen the Mills Report come out making recommendations for reviewing CARICOM and CARICOM institutions. There are many people who were concerned about the manner in which that report was treated and some people are skeptical about the West Indian Commission's Report. Are you hopeful that that report and its recommendations will invigorate CARICOM?

PJP: The decision was taken that having regard to a broad nature of recommendations in the Mills Report and the timing, when a West Indian Commission had already been constituted, that we ought to await the final report of the Ramphal Commission and deal with the matter in its entirety. The discussion that I have had with Ramphal and members of the Commission suggest that we will be having some very interesting recommendations and some very challenging proposals coming before us for consideration as Heads. I would expect the report is going to be tabled at our meeting in July and that we are going to have to set some time in the very near future when our attention as Heads can be exclusively devoted to the matters arising from that report and to take all the necessary decision consequent upon it.

FOCUS ON CARICOM

Dame Eugenia Charles
Prime Minister of Dominica

Introduction: Dame Eugenia Charles has been Prime Minister of Dominica since 1980, when her Dominica Freedom Party swept into power winning 17 of the 21 seats. At 73, Dame Eugenia, who is a lawyer, has been in politics for 25 years. She served as leader of the opposition from 1975 to 1980. She is the first female head of government in the Caribbean and the first woman in the region to head a political party. She has led her Dominica Freedom Party to victory at the polls in three successive general elections. She was made a Dame of the British Empire in October 1991.

SB: Dame Eugenia, you are one of the most accessible Prime Ministers of the Caribbean. You answer your phone, both at home and at the office, and you live very simply. What is your philosophy about the role of Prime Minister?

EC: Well, I think I haven't changed any of my lifestyle. I was in practice for 30 years, as a barrister and a lawyer, and as a result of that I learned that you are serving people all the time, and really moving into the post of Prime Minister is a continuation of my services to people. So, I haven't really changed my lifestyle. I haven't changed my ways of dealing with the things but some people would wish that I had changed, that I was perhaps more a hypocrite in answering questions but I have always been direct in saying things and I see no reason to change since becoming Prime Minister.

As a lawyer you were dealing with individuals' problems and you were telling them the truth, some of which they did not accept. The problem as a Prime Minister is that you're dealing with some of the same problems but it is really a problem-solving position so there is no need to have the frills and frivolity about it.

All the things I would not like to have are there. Because we had problems with security since the beginning of my era as Prime Minister, I have to have some protection around and I am glad to get rid of it.

I don't like it at all. Soon I will move out of this place, I will live in my own home out of town. I won't even require that protection and I would be the more to the ground than I have ever been.

SB: There seems to be very few women making it into the Cabinet in the Caribbean. You have indicated that you won't be contesting another election. What are the prospects of more women making it into high-level positions in Government and to what do you attribute your success as a politician?

EC: I think that there are a lot of prospects for it. I think more women, having looked at what I've done are prepared to continue doing it. There are reasons why women have not felt themselves that they had the ability to do it. But if women look at it as a job they have to do, that needs to be done, and if they are able to do it, then there is no barring their achievements. But a lot of women don't want to go into the forefront of politics because getting there can be a very nasty experience. I found that people, even though they don't believe it, cast aspersions on people to keep them out and I think you have to be very thick-skinned and very strong-willed and very sure that you want to serve the public, if you wish continue as a woman in politics.

SB: You have been one of the harshest critics of CARICOM. You are one of five Prime Ministers who did not attend the last informal meeting in Jamaica. Can you sum up for us your concerns about the integration movement?

EC: I am concerned that CARICOM just gives lip-service and never gets actions in place and they never get anything done. They sit down and make decisions and, nobody actually puts them into effect and at the meetings nobody says they are not going to put them into effect, and that is what bothers me. Nobody seems to disagree with the decisions and yet the decisions are not applied. So, I feel we are wasting time in making decisions and not applying them when we go back home. There are some things I make quite clear that I will not apply, no matter what the decisions are. I will say it right up front. I believe that CARICOM does too many things and therefore cannot do anything well. I have been saying so from the time I have been in Government. CARICOM should decide what its boundaries are, stick to those boundaries, and do the things within those boundaries excellently.

SB: What about intra-regional trade? CARICOM has set a target date of the end of 1992 for Free Trade in the region and there is talk, agreement to move toward a CARICOM Single Market. Do you believe this is this going to be achievable in the near future?

EC: Of course not. I think it is a wonderful idea, I think it is where we should be going because I think that CARICOM should concern itself with trade, particularly with the trade and industry. But we are not going to get there because in fact, everybody is going to agree but nobody is going to put the infrastructure in place, nobody is going to follow up with the decision.

Look at the CET, a lot of us have lost. I lost income as a result of it, because I started out with the first date they wanted, and we have lost revenue as a result, but I am not regretful about it. I think that is the way to go but we have lost revenue but I have noticed that the merchants here are in fact buying regional goods much more than before and that is the whole purpose of the CET. I am very happy about it even though it means that it puts me now in a most difficult position to find money to carry out the programmes I have to carry out here. But, everybody must be prepared in their mind that way, and those who are not must say so at the beginning so that no decision must be made which people are not going to be carrying out.

SB: Prime Minister, there appears to be across the region widespread skepticism about CARICOM. I think perhaps that one of the things that will demonstrate the sincerity of CARICOM leaders is the whole question of making it easier for West Indians to travel in and out of the various member states of CARICOM's thirteen countries, the question of hassle-free travel, as its being called now. What do you think are the chances of this being realised in the near future? Only a few Countries have said you can come in without a passport, but surely a lot more is needed like reorienting the immigration officers?

EC: Again, I think, as usual with CARICOM, they haven't gone into the details. I have said I would give special treatment to CARICOM citizens, but whatever they bring in must show their nationality. You can't give a driver's card if it does not show me that you are Vincentian. I want something that shows your nationality and I will accept it. We said we are not going to stamp passports, we don't stamp passports, but I am telling you the hassle comes in afterwards, because many people especially travel agents, come back afterwards and say they want their passport stamped. I had a meeting with my Immigration Officers first before putting it into effect. They understand what they had to do and I had meetings with them 30 days afterwards so I could iron the problem out. They told me that the people come two days after and say you did not stamp my passport and I want it stamped. So, they have to go through the records. It really it is not having the effect that it was supposed to have. I don't think it is helping at all.

SB: What do you think should be done?

EC: I don't know. I am continuing with it hopefully and if people come in with cards that are not passports then they can't ask for the passports to be stamped, so they won't come in and bother our officials afterwards about that.

SB: Do you think the question of freedom of movement in the region should be given priority on the CARICOM agenda?

EC: I agree with this, but what I am saying is that I am not prepared to do it for one set of people in the region. I opposed the idea, and I made it quite clear that I am not going to apply it where we say that graduates of UWI would be able to travel free. I said from the beginning that the persons who must begin to travel free are the hucksters, the higglers of Jamaica, they are the ones who really do travelling for trade purposes, something I think CARICOM should be concerned with. If they are going to let all CARICOM citizens travel free, I am not in favour of telling a particular portion of people they can travel free. I don't want this class distinction coming up in our countries any more.

SB: Prime Minister, let's turn now to the West Indian Commission's Report. You had voiced your concern about the Mills Report which reviewed CARICOM and some people are placing store on the Reports and recommendations of the West Indian Commission, but you have been on record before as suggesting that nothing much will come out of it. Why?

EC: Judging from the Mills Report, and other reports, nothing will happen with it; it will gather dust like all the other reports. We will read it, those of us leaders will criticise some of it, and put it on the shelf and forget about it. It will be very good for those of us who retire, to have to write articles about it, but I don't think it will have any influence at all in what we do in the future.

SB: But as one of the leaders, won't you be able to persuade your colleagues and push the point that after all the expense and the time-consuming efforts of going to the various countries to talk to the people and various interest groups, that the feedback and recommendations should be given some serious analysis?

EC: I first want to have the Mills report given serious analysis. I think that had a lot of wisdom in it and we should have implemented that first before we even had the Commission appointed. I think the Commission sort of overshadowed this and nothing has happened. Whether in fact because I don't know enough of what the Commission has done or whether in fact it was taken over by what the Mills report did too, I am not sure, but I will look at that part of the restructure first. All I am saying, is that whatever they do, as a result of whatever study they are looking at or just our own decision, we must cut down the cost of running these regional organisations. They are costing us too much and too many members are not paying their fair share of the burden. It is unfair to us who don't have any money to carry on for others who have more money than us and are not paying.

SB: Dominica has suffered some destruction from three hurricanes in recent years and now we see the establishment of a CARICOM Disaster Emergency Response Agency in Barbados. Are you encouraged by this? and what role do you think the agency should be playing?

EC: I am most encouraged. I think we require to have a coordinating point. I think it's much larger than it should be, and it is not the way I would have designed it. I do think we require to have something in place so we are not running around deciding which country does what, but I do believe that we must not allow this thing to grow out of proportion. Anything we do in CARICOM will become a huge thing, become a millstone, around our necks and we must not let it happen to this one. I do agree it requires some coordinating in that line. I am just concerned that we will make it too big a thing and therefore exist for the sake of existing rather than help with coordinating when we have our problems.

SB: The OECS countries have announced plans to have their own Single Market in the near future and some observers feel that integration is taking place at a faster level in the OECS than within CARICOM. Do you believe that there are lessons the wider CARICOM can learn from the OECS experience today?

EC: I think so. But, I think the reason why the OECS is going faster along these lines is because we have much more in common among ourselves. Having a Central Bank of our own we all share makes a big difference. I think that alone is the coordinating point, so we are able to talk much more closely together in that respect. I think that it is because we are more alike that we are able to get together and coordinate, which makes for better running of these islands.

SB: Apart from the West Indian Commission's Report, what are some issues you think should be on the agenda of the next Summit in Trinidad and Tobago?

EC: Implementation. We should perhaps spend the whole of the next meeting discussing how to implement decisions. What steps should be taken? Who must police it? Who must pull you up for not implementing? Who must, from the beginning, see that there is a frailty somewhere and decide to factor it in and say what do you think about it? Do we drop the whole idea or do we continue without this country? These are the first and foremost - implementation. What steps are we going to take to make sure that the decisions we take are in fact implemented.

FOCUS ON CARICOM

Dr. Kennedy Simmonds

**Prime Minister of St. Kitts and Nevis
and Chairman of CARICOM**

Introduction: Dr. Kennedy Simmonds, President of the People's Action Movement (PAM) has been in politics for close to 30 years. A medical Doctor, he is a graduate of the University of the West Indies. He took the 104 square-mile Federation of St. Christopher and Nevis into independence in 1983, becoming the country's first Prime Minister, three years after serving as Premier. It was in 1980 that Dr. Simmonds's People's Action Movement broke the long hold on power by the St. Kitts Labour Party. PAM and the NRP (Nevis Reformation Party) joined forces again in 1984 and 1989 and together they now hold 8 of the 11 seats in Parliament. Sixty-six-year-old Dr. Simmonds, who now holds the portfolio for Finance as well as Home and Foreign Affairs, hosted the 1991 Heads of Government Summit in Basseterre.

SB: Dr. Simmonds How would you sum up your year as CARICOM Chairman?

KS: One of the things that is satisfying to me is that during the past year, the Caribbean people have become more involved in the whole process of regional integration.

I believe that more than at any previous time there has been more discussion of the issues, there has been more involvement of people in examining in very great detail the issues which affect the regional integration process as a whole. Without a doubt, the work of the West Indian Commission has been instrumental in stimulating this kind of involvement, but it is not just the meetings of the West Indian Commission that are important, but the awareness and the discussions that have continued after the West Indian Commission has done its work.

SB: Apart from the work of the West Indian Commission, what are some of the other things you can identify Prime Minister, that you can actually say have had an impact on the lives of the ordinary citizens of the Caribbean?

KS: I think that in assessing the success of CARICOM on the lives of the ordinary persons of the Caribbean, we needed to look at it over the long haul, over a period of time, because there has been a feeling somehow that CARICOM has not reached the man in the street, and that is not correct. For example, one aspect of CARICOM foreign relations is the negotiations on Caribbean regional projects, and people sometimes see progress negotiated with International Agencies merely in terms of country.

The opening of the Bequia Airport in St. Vincent and the Grenadines is one example of the regional projects that came to fruition because the whole CARICOM region, under the EEC Regional Program supported it and there have been other projects. In Nevis, for example, we are also going to have the extension of the New Castle airport. Again, this is a CARICOM Regional Project. Apart from that, I think one has to appreciate the work of the University of the West Indies and over the past year we have been able to negotiate certain funding for the University, which is aimed at improving the teaching of science and also the social sciences because all of these things are important in terms of the development of our human resource within the Caribbean region.

SB: But Prime Minister, there is one area which perhaps could have an impact on the lives of the average West Indian and that is to do with access into the various countries - hassle-free travel as we know it. Although this is one of the several areas identified for immediate action, we have not seen that much progress. Not all of the countries have implemented this and we have not seen progress in several other areas. How do you feel about that?

KS: I think that the fact that there has been significant progress in that area and that in fact most countries have implemented a form of hassle-free travel, which is providing the same lines for CARICOM citizens as for nationals, also permitting CARICOM citizens to enter with documents other than passports, provided the documents have basic information like a photograph and some form of identification and so on. In St. Kitts we have ourselves come on board and implemented this, though we did not meet the time set. So, I think that is in place. Some of the other things that we identified for immediate action, where action is not immediate, I think there has been significant progress. Work has been done, for example on the establishment of the Caribbean Investment Fund. In fact, we have a committee of technicians which include Arthur Brown, Allister McIntyre, Sir Neville Nicholls and so on, who have in fact sent out to request bids from various financial houses for the funding of the Investment Fund, and when those bids are received, they will be evaluated and the political directorate will be advised. There is work on broadening investment in the Caribbean, on the Enterprise of the Americas Initiative, where the framework agreement has been established.

We have had an agreement with Venezuela for a one-way free trade area. The technicians have been having meetings in relation to the question of a common currency and that is a very difficult and complex thing. In relation to capital markets, the main capital markets, Jamaica, Trinidad, Barbados have already started cross listing and some degree of cross trading. In the OECS, what we are setting out to do is to establish our own capital market within our own single currency area before branching out. So, there has been progress in relation to these areas, but some of them are quite complex.

SB: Prime Minister, St Kitts and Nevis is one of the countries which up to the time of this interview has not implemented the Common External Tariff and we are supposed to be moving towards a CARICOM Single Market. Can you tell us whether you think the CET is still a feasible proposition and are we laying the groundwork for a Single Market in CARICOM?

KS: The CET is still an integral part of the Common Market and I believe that it is essential for the region as a whole to have a common tariff, but after the decision was taken in St. Kitts in July, there are certain factors which prompted the delay in implementation. For example, in our own case, we had a shortfall in revenue last year so we had to stop for a moment to consider what would be the revenue implications of the CET. There are other countries that expressed other concerns. The other important aspect of the CET I highlighted in my opening remarks at the opening ceremony and that was the level of the CET. I believe that the highest tariffs are too high and that one of the aspects of the CET that is highlighted more often that is important, is the decision that it should all be under constant review. And I believe, in fact I hope, that in the course of this constant review, it will be appreciated that in relation to the trend of liberalization, some of the problems some of the countries have faced in relation to this, and that perhaps we should look at it again, reconsider and move towards reducing some of the higher tariffs.

SB: Prime Minister, you were very optimistic at the opening at the last summit in St. Kitts and Nevis about strengthening ties between CARICOM and Latin America, in particular Venezuela. What progress can you report in so far as the one-way free trade with Venezuela that CARICOM is pursuing, and also cooperation in air and sea transportation?

KS: I think it is important to make the point that having negotiated a one-way free trade agreement, the private sector now has to move in and take advantage of these opportunities. I mean it is not an agreement that Governments will actually implement. The private sector has to produce products and market them in Venezuela and take advantage of the duty-free access into Venezuela. They also have to recognise that it is not likely that this will go on indefinitely.

So that having started there, we must then improve our productivity and our competitiveness, so that when the day comes that we have to accept products from Venezuela, that we are in a position to compete in our home markets with products from those countries with which we have signed an agreement.

SB: Turning to another subject, do you believe Prime Minister, that CARICOM has done enough in terms of helping to bring about a resolution in the Haitian situation?

KS: I believe that CARICOM has done as much as CARICOM can do to assist Haiti, and we have supported an international initiative to bring sanctions against the regime in Haiti, recognising that there are also some advantages to that because obviously there are some pressures on the Haitian people. Short of some military intervention, it is really diplomatic pressure and international sanctions and as wide an international condemnation as possible which has to be put in place. Just to exert pressure from a few countries in CARICOM, will not be enough to bring about significant change in Haiti. We have to maintain that international pressure and that has been the thrust of CARICOM's policy.

SB: Prime Minister, there has been a lot of criticism in the past about the way in which the Mills Report on CARICOM has been treated, and we are now expecting the report of the West Indian Commission. What can the public expect?

KS: I think that it is important for us to appreciate that it is The Heads of Government that set up the West Indian Commission and that new initiatives will come from the report. The report will contribute towards setting new directions for CARICOM but the report will not be taken in isolation. The aspect of the Mills Report you have referred to and initiatives from the inter-sessional meetings as well as the move towards developing Caribbean tourism as a whole will be taken into account. The Caribbean Development Bank will have a much more important role to play in terms of assisting. All of the various institutions of CARICOM will have to be brought together and help to develop a coordinated policy and not just to focus on one aspect of the Commission or the Mills Report and I do believe that out of all of this there will be a new thrust in Caribbean development.

FOCUS ON CARICOM

Nicholas Braithwaite Prime Minister of Grenada

Introduction: Nicholas Braithwaite became Prime Minister of the 133 - square mile Island of Grenada in March 1990. An educator, he was a teacher for many years before becoming Chief Education Officer in the 1960's. Mr. Braithwaite is very familiar with the problems confronting young people in the Caribbean. He served as Regional Director of the Commonwealth Youth Program in Guyana for nearly a decade. Mr. Braithwaite is political leader of the National Democratic Congress. He served as Interim Chairman of the Grenadian administration in 1983 for a year and after that as Executive Adviser to the then Prime Minister Herbert Blaize for two years. The Grenadian leader is a sports enthusiast. He was former President of the Grenada Umpires Association and Manager of the Windward Islands Cricket Team. He has attended three Summits as a Head of Government.

SB: Mr. Braithwaite, you have had a lot of contact with young people, with grassroots people of the Caribbean, so you're aware of the problems affecting them. How do you think CARICOM can assure a lot of the disillusioned and unemployed young people in this region that there is a future in the Caribbean for them and that they can have confidence in the integration movement?

NB: It is very difficult indeed, Sandra, for CARICOM to do that in the way in which CARICOM operates at present. One has to begin at the national level. I think it is true to say that in every country in the Caribbean, Government has difficulties in reassuring the younger people in particular that the action which is being taken, the policies which have been pronounced, are aimed at improving their well-being. So, at the national level you have the problem. Therefore, at the wider CARICOM level the problem is even greater. My own view is that what we want to see are two things - one, that we must not raise people's levels of expectations beyond what we can satisfy.

I think too often, the high-sounding words and phrases coming from CARICOM leaders and their meetings give people the impression that their problems will be solved overnight. I think we have to get away from that, and two, I think we have to make sure that the decisions we make are practical and realistic, that they are decisions which we can implement and that the decisions address the question of the human factor and not just the figures in economical terms. I am not suggesting that the economic aspect is not important.

In fact, it is important, but if you view that separately from the social situation in which they operate, then you are not going to reassure, especially the young people, that the problems are being addressed in a manner which would lead to an improvement in their living standards. It seems to me that we must not raise to unrealistic levels, the expectations of people and we must make sure that the decisions which we take are practical, realistic, can be implemented and that there is a relationship between the economic decisions and the social situations in which those decisions would be implemented.

SB: What are some of the things that you feel should be done to improve the general well-being of the population in CARICOM?

NB: We are talking about a regional process and we are speaking in terms of the region committing itself to certain actions. I think in terms of where industries might be located, what we have at present is a duplication. For example, we have a flourmill in Grenada, a flourmill in St. Vincent and that kind of thing and what do you get? You get a situation where there are problems because the market is not large enough for the amount that is produced and I think we want to avoid the duplication. I do not want to escape answering the question but what I want to say is that the West Indian Commission, for example, is out there. It has been talking to people, a wide cross section of society and I would want to take a look at the recommendations and I would want to identify those which I believe are implementable and can lead to an improvement in the living standard of all the people especially the young people and then regionally, let us move forward by deciding on those which we are committed to implementing.

SB: Prime Minister, from what you say it seems that in terms of implementation, you are touching on the question of political will and the need for a political will to implement things. You seem also to be touching on the issue of reshaping CARICOM and the structure of the Secretariat. But there is also the question of analysing decisions before they are made. Do you think that this is a major factor in terms of the lack of implementation?

NB: I think it is a major factor. I think what happens is that we meet at a Summit, as it is called, and we have a long agenda, and we all are anxious to come out with a communique which would have high sounding phrases and would indicate our commitment to this, that and the other. I believe that when you are coming, let us say near to the end, you find people just rushing through because we want to finish the agenda. We want to come to an arrangement. We don't want to be responsible for holding back anything and so decisions are rushed. Let us settle down and make sure that those decisions that we take we are committed to implementing rather than rushing because we want to be considered a good boy, part of the team, and it is good to have high-sounding communiques afterwards.

SB: Some of your counterparts have made the same point. Why is it not possible for this to happen since you all seem to be sharing similar views. Is it the question of unanimity that's preventing a change in the pace of the implementation?

NB: I don't think that it is a problem of unanimity, I think, for example, if you were to remove the unanimity clause, then it is going to perhaps aggravate the problem with respect to implementation, because if you are just going to get the majority decision, all you would have is the commitment of the majority for implementing a particular decision but it would not be a regional decision in that a few countries might not decide to go along. So, you still would not have implementation at the regional level. I do not think, quite frankly, that it has to do much with the unanimity clause, although that needs to be considered. What I think is required is perhaps a difference in approach. It may well be that instead of going to a meeting, as I said with an agenda, which is hurriedly prepared, for which certain background papers are studied only by the people who would represent their country at the meeting, it may well be that perhaps we had better reverse the process and what we need to do is to identify those regional issues which should be addressed and let discussions begin at the national level. Let there be full discussions at the national level and then go to the regional meeting and come to a decision on these matters, rather than the reverse, possibly where we go to the meetings, take our decisions and come back to the national level and find they are unacceptable or unimplementable.

SB: Prime Minister, you undertook responsibility at the St. Kitts Summit in 1991 for overseeing arrangements for what is referred to as hassle free travel for West Indians to move about the region, and at the informal summit of CARICOM leaders in Jamaica earlier this year, you reported some progress. But, not more than half of the countries in CARICOM have arrangements in place. Is this going to become a reality in 1992 or is this going to be like the CET, where some countries do it, and others lag behind or don't implement at all?

NB: I believe it will become a reality in 1992. Sandra. I am disappointed, I must admit that we have not had more countries implementing it at this stage. I think that in one or two cases there are justifications. I know of one country that does not have any identification document. Therefore, their own citizens cannot travel to other CARICOM countries with that identification document which will be used in place of a passport. Barring that, I would say that it had occurred to me, and that was because I worked in the region for a long time, that this was one way in which we could give positive impetus to the movement.

I readily accepted the responsibility for that because of the experience that I have had in the region and because of my feeling, that in a sense, we were discriminating against our own people. I know it is for the purposes of the tourism industry, but we were accepting people from other countries just with an identification card and we were not prepared to accept our citizens from the region with an identification card and I thought that it would send a positive message to the people of the region that the movement was concerned about them if we removed the hassle from travel. Of course, a few countries have implemented it and I am very pleased indeed and we are continuing to discuss with those countries which have not yet implemented it, the importance of implementing it. I have a strong feeling that between now and the next summit in July, we are going to get a sudden spate of decisions and by the time we get to Trinidad & Tobago in July, we might have implementation in most countries.

FOCUS ON CARICOM

Rueben Meade

Chief Minister of Montserrat

Introduction: Rueben Meade is the Chief Minister of the 39 square-mile Island of Montserrat. It is one of the Leeward Islands and the only non-independent Country in the Caribbean Community - CARICOM. At 38, he is the youngest Head of Government in CARICOM. His National Progressive Party, which won the October 1991 elections, brought Meade, an economist, into office. The Party won four of the seven seats with the slogan "Give Youth a Chance". Meade has wide public sector management experience. He was Director of the Development Unit in Montserrat, a Project Officer of the Caribbean Development Bank and Managing Director of the Montserrat Sea Island Cotton Company. Montserrat's Chief Minister, who is a keen sportsman, was officially welcomed into the CARICOM fold for the first time at the informal summit in Jamaica last February.

SB: Mr. Meade, your party was barely a month old when you assumed office, and you have had a rather short career in politics so far. What has been your biggest challenge to date?

RM: The biggest challenge has been to pick up the mess that was left by the previous administration and move forward. As you know, we had Hurricane Hugo but very little was done in the public sector in terms of rehabilitation work and that basically is the challenge, to get the public sector buildings and infrastructure back in place in a very short period of time.

SB: Have you more or less recovered from the damage or are you still in the rehabilitation process ?

RM: In terms of the private sector, they have recovered fully, almost. In the public sector, we still have the hospitals, we are still without a jetty, we are still without a government headquarters building, so there is very little that has been done at the public level.

SB: Mr. Meade, you have been a public servant for a few years and you played a lead role in the rehabilitation of Montserrat following hurricane Hugo. How have these two experiences helped you in your role as Chief Minister?

RM: Well, I think it is coming out of the post Hugo experience why I got involved in politics, because two days after the hurricane, I realised the extent to which the lack of leadership would have disrupted the rehabilitation process. It is at that stage that the Governor and myself basically took over the running of the country, and that in itself forced me into the direction that I am currently in.

SB: What lessons are there for the rest of the region to learn from Montserrat's experience with Hugo? and can you tell us what role you see the new CARICOM Disaster Emergency Response Agency - CDERA - playing?

RM: Well, one of the things which any Caribbean territory, knowing a hurricane of the size of Hugo is coming in their direction, is to get the Island out of the path of the hurricane. But after that, once the hurricane is hitting, or has hit, it is a matter of getting the system in place and ensuring that people understand what a hurricane is, especially the destructive nature, and then be able to get the Emergency Response agencies to coordinate the activities very closely, everyone knowing what they should do when they should do it and who to contact.

SB: What about the regional level? What sort of coordination should there be and what hopes do you have for this new agency?

RM: I think the RSS did a tremendous job after Hugo, and I think the RSS should be a part of any disaster response agency operation which will take place. One of the things, which we have in the Caribbean, is an abundance of agencies, each specialising in doing something and perhaps not doing it properly. I am not saying CDERA falls in that mould, but I think we need to consider the direction that CDERA ought to take and the role of the RSS as it relates to disaster mitigation.

SB: In the last few months, there has been widespread criticism of the pace at which the integration movement is moving. As one of the newest Heads of Government in the region, what is your assessment of CARICOM at this stage?

RM: CARICOM is still a very important institution, but we should not be forced into making decisions that are hasty nor indeed based on third country decisions. What has happened, in the European Community, what has happened to North America and Mexico, should not force us into moving any faster. We must move at a pace at which our people are satisfied and are willing to cope with.

SB: You have had your introduction to the official CARICOM fold in Jamaica. Is there anything at that meeting that encouraged you about the future of the integration movement?

RM: Well, I have been involved with integration movement for quite some time because the CDB is one such institution and the University of the West Indies. But at this level, CARICOM and the OECS as the two coordinating agencies should get their act together and ensure that documentation reach the Heads of Government and the officials in sufficient time so that national discussions and dialogue can take place before we attend those meetings.

SB: Are you satisfied with Montserrat's role in the Caribbean Common Market and intra-regional trade and how do you see Montserrat fitting into a CARICOM Single Market?

RM: Well, what has happened in the past, is that Montserrat perhaps was not sufficiently well represented at these meetings. What we want to ensure is that Montserrat will play a full role as any of the other members in CARICOM to ensure that the organisation works and works for the betterment of the Caribbean people.

SB: What about your role in a CARICOM Single Market?

RM: The CARICOM Single Market is important but the whole question is whether or not we need to implement the Common External Tariff to ensure a Single Market arrangement and I think we can have a Single Market without the CET because we will then be forced into a position when we are discussing GATT arrangements, negotiations with the European Community, discussions with the North America Free Trade Area in terms of what force they will bring against us in terms of reducing the CET or increasing it.

SB: Montserrat is one of four countries, which at the time of this interview have not yet implemented the tariff. Are you saying a definite no to it?

RM: We are not going as far as saying a definite no. We need to be convinced, we need sufficient documentation and sufficient work done both by CARICOM and OECS to determine the pros and cons of the CET, so that at least we can make a judgmental decision rather than a decision which is being forced on us by the pressure of CARICOM or the pressures of outside agencies.

SB: Back to intra-regional trade - to what extent do you purchase goods from within CARICOM and what sort of base do you have here in terms of local production?

RM: We are currently working at increasing our local productive capabilities and that will be part of our five or ten-year development program. In terms of importing from the rest of the region, it is easier for us to import from Puerto Rico and Miami. I know this can be seen as dropping out, but shipments could be had from Puerto Rico and Miami in under two weeks. Shipments from as close as Dominica or St. Lucia can take as long as two months and no one would be willing to operate a business where there is a two months lag as against a two-week lag in terms of getting their shipment.

SB: So, do you see the revival of WISCO as crucial to Montserrat's deeper involvement in intra-regional trade?

RM: I think WISCO should be disbanded simply because it is a government institution and like all other Government Institutions, they are not run efficiently. I think the private sector should be encouraged to operate shipping lines within the region and direct them in terms of the direction of trade and then Government, providing whatever support facilities to ensure that those shipping facilities operate to the betterment of trade within the region.

SB: In relation to the move towards a CARICOM Single Market, how does this mesh with the fact that Montserrat is still a British Colony and the fact that Britain is going to be a part of the European Community come 1993?

RM: Britain's involvement in the European Community does not affect our involvement in CARICOM in any manner in that we have been through special arrangements with the British Government, given full authority to be full members in CARICOM and OECS. So, we can make our CARICOM decisions without consulting the British Government.

SB: When the Single Market becomes reality in the European Community, would you have easier access as an Overseas Country and Territory?

RM: Now that is an additional advantage which Montserrat has in that we are full members of CARICOM but we still have preferential trading arrangement within the European Community so it gives us full focus in CARICOM, and also an arm or leg into the European Community market, so we need in terms of our development possibilities, to look at industries which can capitalise on both areas.

SB: Chief Minister, is the question of independence being considered by your administration.

RM: Independence will always be considered by any dependent territory but the whole question is whether or not we should go independent today, five years or ten years. We need to get the bread-and-butter issues sorted out before we get involved in any debate on independence. But going one step further in terms of political independence, whenever we become independent we will be independent as a full-fledged member of CARICOM or indeed of the Caribbean region because that is where our future lies.

SB: Montserrat is to be the Headquarters of the CARICOM foundation of Arts & Culture. Can you in a nutshell tell us what the logistics of this body are and what role you see it playing, not only integrating culture in the region, but on the integration movement as a whole?

RM: The foundation is basically a coordinating planning body for the Arts within the region. One of the things which one tends to find on almost all National Television is the Young & the Restless, Bold and Beautiful, and American soaps but we have not yet been in a position to develop sufficiently our art form and be able to have it sold to the public. I think, coming out of this foundation would be greater prospect and possibilities for us to develop local programming, local awareness in terms of our culture and our history.

SB: Does that mean that this foundation will provide financing and also awards to help develop and promote Caribbean culture?

RM: It will go as far as providing awards for local programming but not necessarily in terms of financing. It will possibly be a vehicle for achieving certain financial objectives by seeking sponsorship. Basically, it will be a coordinating body, so that funding can be attracted from other agencies that are willing to provide it.

SECTION J

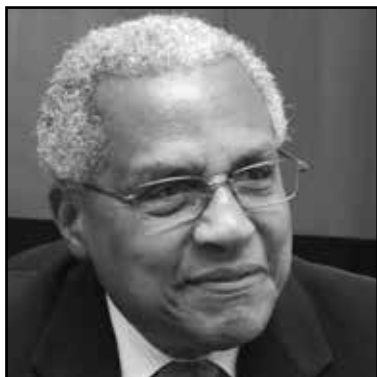
ECONOMIC AND SOCIAL ISSUES



Sir Erskine Sandiford
Prime Minister
Barbados



Sir John Compton
Prime Minister
St. Lucia



Wendell Mottley
Minister of Finance
Trinidad and Tobago



Asgar Ally
Minister of Finance
Guyana



George DePeana
Regional Advisor
International Labour Organisation (ILO)



Wes Hall
Minister of Tourism
Barbados



Carmeta Fraser
Senator
President, National Organisation of Women

Sunshine after the rain

Sandra Ann Baptiste looks at how Barbados is coping with the IMF medicine
Caribbean World Magazine (London)

1992, BRIDGETOWN, Barbados - The Paradise island of Barbados is in transition, with its economy in crisis, a climate of stormy industrial relations and the emergence of cracks in its social fabric. But there are hopeful signs.

The 166 square-mile island is suffering from an acute shortage of foreign exchange. It has just negotiated an 18-month structural adjustment package with the International Monetary Fund to provide access to badly needed foreign exchange of just over U.S. \$58.1 million.

The Government has now signed a Letter of Intent with the IMF for a program that has averted a much-feared devaluation of the local dollar (pegged at Bds \$2 to U.S. \$1). It involves the usual painful measures such as layoffs in the public sector, a reduction in wages and subsidies to state-owned enterprises, a privatisation drive and increased taxation.

Barbadians from all walks of life have been questioning the reasons for the seemingly abrupt downturn, given the election campaign assurances in January 1991 of a reasonably sound economy. The Democratic Labour Party Government led by Erskine Sandiford, a trained school teacher, was returned to power with 17 seats against 10 for the Opposition Barbados Labour Party under lawyer Henry Forde.

However, the Government's new dose of medicine has left many Barbadians, including its own supporters, angry.

At the centre of the economic woes has been a growing deficit projected at just over U.S.\$185 million, before the mini-Budget. The revenue-raising measures, intended to reduce the deficit from 6 percent – 1 percent of GDP in 1991-92, is now estimated to be U.S. \$17.9 million.

The Government was under pressure to meet the October deadline to repay a Japanese bullet loan of close to U.S. \$32 million (4.3 billion yen). The Central Bank says the repayment is now overdue and negotiations are taking place for rescheduling the repayment. The national debt is now close to U.S. \$1 billion.

The turmoil coincides with a decline in tourist arrivals to the island, a poor performance by the sugar industry and a continued slump in the manufacturing sector. The island recorded a 7.5 percent decline in arrivals for the first seven months of 1991, compared to a similar period of 1990 when 432,000 visitors came, down from the record of 461,000 in 1989.

The 1991 sugar crop, now being cultivated on reduced acreage, was the lowest production since 1931 at 65,673 tons, down from between 80,000 to 100 000 in the mid-1980s.

In the manufacturing sector it has been estimated that the re-imposition of duties on inputs used in this sector could lead to the loss of about 4,000 jobs or a shut down of 50 percent of the sector.

Sandiford, who is both Prime Minister and Minister of Finance, introduced a mini-budget in mid-September with sizeable increases in the stabilisation tax (recently introduced to raise additional revenue), national insurance contributions and the unemployment levy, and a 20 percent surcharge on a wide range of imports.

So, in addition to 2,000 public sector workers being laid off, the pay packets of those employed are now considerably reduced. With increases in the cost of food and other basics, there has been considerable alarm as to how the lower income groups will survive.

The economic crisis has come at a time when the social fabric of the society is under pressure.

There is rising crime, including violence among rival gangs, much of it believed to be drug-related; youth indiscipline, and a high level of unemployment. The unemployment figure was officially put at 15.3 percent up to June 1991, but this is likely to rise in the coming months.

Police Commissioner Orville Durant has publicly stated that the force lacks the manpower to deal effectively with rising crime. Short-term steps have been taken to cope with the situation such as reduced days off for policemen and releasing more lawmen engaged in clerical duties for crime prevention work. In addition, the 50 neighbourhood watch schemes have been stepping up their activities.

On the credit side, the Government has appointed a committee to look into youth problems, which has begun work. Another encouraging factor is that the statistics for crime against visitors has been decreasing. Up to June 1991 there were 359 such crimes compared to 496 for the same period a year ago.

The Barbados Board of Tourism (BBT) has embarked on a plan to diversify and improve the product. Tourism Minister Wes Hall is convinced that the industry which accounts for 12 percent of GDP and employs 25,000 people, will come to the rescue of the ailing economy. "Any Government that is having economic slowdown and recession will turn to the productive sectors to revitalise the economy. My own personal view is that tourism is the one," he said.

The BBT has negotiated for new charter flights from Detroit, Atlanta, Philadelphia and Baltimore for this winter season. In addition, charters out of Belgium and Italy are being pursued.

Hall confidently predicts: "We are going to recover dramatically in the last half of the season. I don't think we will go below 400,000." His optimism is shared by the Barbados Hotel Association, which is predicting a bright outlook for the winter season.

The tourism industry will guarantee an inflow of foreign exchange, but Senator Carmeta Fraser, a local Food Promotion specialist, is among those who are convinced that Barbados must limit food imports. Items such as mackerel, corned beef, pickles and frozen vegetables, cake and pie mixes, bottled seasonings and other spices are available on the island, argues Fraser, adding that Barbadians should begin to grow some of their own food especially vegetables and greens. The annual food import bill stands at U.S.\$100 million.

"Barbadians should realise that countries, which can feed themselves, are not as vulnerable as those who have to spend millions on food," explains Fraser, who was President of the National Organisation of Women for six years. She also chairs the National Development Foundation, which provides finance for small business ventures.

She feels Barbadian women can make a contribution to saving foreign exchange by making a conscious effort to purchase the new range of well-designed and reasonably priced clothes sewn by local young talent.

Keith Laurie, President of the non-profit-making Barbados Agricultural Society, agrees with Fraser, that the agricultural sector has tremendous potential to grow and to earn foreign exchange. "Government will have to make direct incentives into the agricultural sector for exports if it wishes to go that route."

Luther Miller, Tourism Development Specialist at the Caribbean Tourism Organisation, is concerned that the recent budgetary measures will push up hoteliers' costs and, in turn, the cost of a package to Barbados. The outlook for the industry, in his view, depends on how soon the U.S., the largest market for the island, comes out of recession. "We must go beyond the gateways of London, Miami, New York and Toronto and expand our market share. We have done that successfully out of Manchester with Airtours. We have also gone into Sweden and Finland producing good returns for the destination," Miller said.

In the meantime, the private sector is looking to raise an additional U.S. \$100 million in foreign exchange from manufacturing, agriculture, and international business and financial services. The private sector, which is represented on a special committee set up by the Government to examine ways to boost foreign exchange earnings, expects the bulk of the additional earnings to come from tourism and manufacturing.

Barbadians are trying to come to terms with the new economic realities and the hardships which many of their Caribbean Community (CARICOM) neighbours have endured for years. Winston Cox, the former Director of Finance and Planning, says economic difficulties should not be allowed to open cracks in the society. He believes that there is still hope for Barbados to become attractive to foreign investors with a carefully designed program of economic reforms.

As far as Senator Fraser is concerned, the current economic crisis has brought with it many lessons that will serve Barbados well in the future. "The economic crisis will force people to think. People are going to have to become more innovative and creative out of this because they have to survive."

Compton: Wage restraint key to economic growth

1992, CASTRIES, St. Lucia - St. Lucia's Prime Minister John Compton says the moderation of demands for wage increases was a key factor in maintaining economic growth in the Eastern Caribbean Island in 1991.

"We had to let the trade unions know that if they make certain demands the economy cannot carry it and their members will be first to suffer," says the 65-year-old leader of the ruling United Workers Party (UWP).

The island's Gross Domestic Product (GDP) grew by about 3 per cent in 1991 compared with 4 per cent in 1990.

"There have been wage increases but they have been moderate and the economy can carry it," Compton, a lawyer and planter, said in an interview in his Castries office in one of the new high-rise buildings in the city.

Compton says continued growth in the economy is the result of planning by the government since 1987 when the ruling UWP recognised the need for prudent economic management to avert financial difficulties.

"We have to speak to the trade unions. We have to be open with them and show them the books, as it were to show them we have no hidden agenda."

In spite of the economic slowdown in the developed countries, he says, St. Lucia recorded growth in 1991. The increase in GDP was just under half that registered in 1988 when the island recorded growth of 6.8 per cent.

The main agriculture sector suffered in 1991 from a long dry spell, which adversely affected the banana industry that brings in the bulk of the island's foreign exchange.

Compton acknowledges that despite growth in GDP, the island which has a solid infrastructural base and a reasonably healthy tourism industry, has major social problems including inadequate housing, a high rate of crime and a growing problem with illegal drugs.

He concedes that a recently established Drug Strike Force has not brought the results he is seeking. "Our success has not been dramatic. Let me be very open about that. We have tried to contain it but we have not eliminated it."

He adds that lack of public co-operation, necessary to acquire vital information, is hampering police investigations. Nevertheless, efforts are continuing to crack down on the drug trade.

On the housing problem, Compton reports that the government is encouraging institutions such as the Development Bank and the National Commercial Banks to lend more for housing.

The St. Lucian leader is "reasonably optimistic" about the security of the banana industry after 1992 when the single European Market is established. Caribbean bananas currently enjoy preferential access into the European market and no formula has yet been announced to protect Caribbean bananas from competition from the more cheaply produced Central American fruit.

Compton feels the leaders of the four Windward Islands - St. Lucia, Dominica, Grenada, St. Vincent and the Grenadines - have done enough lobbying in Europe. He believes that the preferences now enjoyed in Europe will not be granted indefinitely and stresses that the region must prepare itself for this by increasing productivity, lowering costs and improving quality.

In relation to diversification, he says the local market is much too small to absorb the production of agricultural produce and manufactured goods and the approach being pursued is a joint one by the seven countries of the Organisation of Eastern Caribbean States (OECS).

The high level of unemployment, according to Compton, is compounded by the high growth in population. "We have not been producing jobs in certain sectors as fast as we have been producing children," he remarks, noting that the country's population growth is among the highest in the region. While Compton puts the unemployment figure at 15 per cent, the Opposition St. Lucia Labour Party (SLP), led by businessman Julian Hunte, claims that it is nearer 30 per cent.

Compton says the school leavers who would previously be absorbed in the agriculture sector have shunned work in this area. The Government, he says, is diversifying the economy to create more jobs, with plans in the pipeline for the expansion of the tourism industry and the services sector. In addition, technical colleges are being constructed in the north and south of the island to address the shortage of technical skills and to prepare young people to participate in an economy that is more technologically rather than agriculturally oriented.

St. Lucia, he says, in a determined effort to avoid dealing with the International Monetary Fund, has been adjusting its economy since 1981.

The UWP has dominated the government since its formation in 1964. The party was out of office for three years from 1979, the year the island gained independence from Britain.

Reacting to accusations that the ruling party is attempting to gerrymander the electoral boundaries in three constituencies in the Castries area, the Prime Minister says: "The charges are absurd. It's because the Opposition is facing defeat. Under the constitution we can look at the boundaries not more than twice in seven years. We looked at it about five or six years ago and we are coming now to elections and we see some distortions. You have some polling divisions in one or two constituencies sticking out like a sore thumb and you have people that deal with one area, go to school and church in one area and they are represented by a parliamentarian from a completely different district. When you are going to change you change at the end of the term. That is how it is done," he insists.

Compton, whose party won a slender 9-8 majority in the historic twin elections of 1987, says he is confident of taking all of the 17 seats in parliament. He noted that although the Opposition St. Lucia Labour Party won 8 of 17 seats, it captured 35 per cent of the votes while the UWP won 55 per cent of the votes. "I am going for a comfortable majority. I am targeting every seat because every seat is winnable," declares Compton, who represents the Micoud South constituency.

He adds: "What happened last time is that the seats the Labour Party won they won by a small majority. They won one seat by a majority of six votes, another by 36 votes and some others by less than 100 votes, so all of these seats are being targeted."

Commenting on concern over public altercations between opposition leader Julian Hunte and himself and the overturning of a table and smashing of glass by Hunte at a Constituency Boundaries Commission meeting, Compton said there has not been enough criticism of Hunte's actions which he believes will work against the SLP leader in the upcoming poll.

"I think there should be more talk from the Press and the church to advise us to conduct ourselves in a proper manner and to conduct these elections in a civilised way."

If the UWP is returned to office, Compton says accelerating the move towards a Political Union of the Windward Islands, which has preoccupied much of his attention in the last few years, will be a priority.

"Once the elections are over then the next step is the referendum for the public to decide where they go with respect to Political Union," promises a confident UWP leader who turns 66 two days after polling day.

On whether he will hang up his political hat after the April 27 poll he asserts: "This will be the last time in St. Lucian politics. I won't say in West Indian politics."

Asgar Ally's plan for economic growth in Guyana

1992, Georgetown, Guyana - The Guyanese economy, which recorded economic growth in 1991 for the first time in several years, is expected to remain on a growth path. The new Finance Minister, Asgar Ally, believes that renewed confidence in the country by overseas investors will bring a much-needed injection of foreign capital in the near future.

Ally said shortly after the swearing-in of the new cabinet that accountability would be a watchword during his term of office. The new Finance Minister is a 50-year-old graduate of the University of Guyana and the University of the West Indies. He is a former Deputy Governor of the Bank of Jamaica, and is well respected in Jamaican business circles.

Ally had a reputation with the Jamaican media for keeping a low profile, sensibly perhaps for an expatriate public servant who served under both Jamaica Labour Party and People's National Party governments. But since his return to Guyana, he has been more than ready to explain his policy approach to the press.

Guyana recorded a 6 percent increase in Gross Domestic Product in 1991 and forecasts for 1992 are for growth at around the same rate.

So far for 1992, sugar and rice production are up compared with the same period in 1991 and recorded gold production is higher than it has been since 1915. But bauxite remains a weak spot. Production is expected to be slightly down for 1992 as a whole.

The strategy for economic development will be influenced by current discussions with the International Monetary Fund and the World Bank. The new administration recognises that foreign investment will not flow into Guyana unless there is a determined effort to improve the water, electricity and health system and the country's badly run-down infrastructure.

An IMF-World Bank team came to the country shortly after the October 5 general elections. The new government wants to start drawing some of the U.S. \$17 million available under the Enhanced Structural Adjustment Programme.

Ally told Caribbean Week that since the new government assumed office, investors from Jamaica and Trinidad and Tobago, from elsewhere in the Caribbean and from the United States, the United Kingdom and Germany have expressed interest in doing business with Guyana.

Among the larger companies which say they want to cash in on the upturn in the Guyanese economy are the Trinidadian conglomerate Neal and Massy, Grace Kennedy and the Industrial Commercial Development (ICD) group from Jamaica.

Ally also says that British businesses want to invest in power generation and help develop the water supply system, while a German company wants to invest in the financial sector.

"I am encouraged. There is also quite a lot of interest from Guyanese overseas. The holding of free and fair elections has generated quite a bit of interest and people recognise that there are a lot of investment opportunities."

He says divestment must be part of an overall strategy of development that also looks at areas such as consumer protection. The government will not want to privatise the Guyana Electricity Corporation, for example, without ensuring the right of the consumer to have a proper service.

"There have been some mistakes with divestment in Jamaica. I will try to ensure that those don't happen here," he said, without going into details.

"The programme of divestment has to be transparent. We will not be giving one set of people preference over and over. We want to use privatisation to spread ownership and will allow more people to participate." He plans to work closely with the trade union movement to ensure that when companies are being divested some shares are sold to workers. Caribbean companies and nationals will be given preference in divestment deals, in keeping with the new government's plan to promote economic integration within CARICOM.

He also wants a stock exchange to be established in Guyana next year. A lot of the groundwork has already been done, and legislation now needs to be put in place.

Another priority is new legislation to modernise the financial sector. Ally says that some of the financial institutions are “somewhat backward”.

Under the cambio system, introduced in 1990, banks and other business can trade freely in foreign currency and set their own rates. This makes foreign exchange easily accessible to the Guyanese public and the system will remain in place although the way it operates could be reviewed.

The government wants to have a substantial portion of Guyana’s U.S. \$1.9 billion foreign debt written off. A third of Guyana’s foreign earnings now go to service “the worst debt service burden in the region.”

The new government will also be trying to find ways to wipe out Guyana’s U.S.\$623 million debt to Trinidad and Tobago.

The president of the Guyana Manufacturers Association, Yesu Persaud, told Caribbean Week that he expects the economy to “be on the move” under the new administration.

The GMA will lobby the Jagan government for duty-free concessions for industrial inputs, particularly machinery, and for concessions no less favourable than those granted to foreign business which invest in Guyana.

Trinidad and Tobago trying to build foreign reserves

1992, PORT OF SPAIN, Trinidad - Trinidad and Tobago, which is trying to rebuild its depleted foreign reserves, will depend largely on its energy sector to maintain economic growth while strategies are put in place to boost agriculture, manufacturing and the growing tourism industry.

“We will have to depend on the energy sector to earn the foreign exchange to get us out of the bind which we are now in,” says Wendell Mottley, Finance Minister in the four-month-old People’s National Movement (PNM) Government which assumed office in December 1991.

Mottley, who served as Minister of Trade and Industry under a previous PNM administration, reports that the economy grew by about 2 percent in 1991, the first increase in Gross Domestic Product (GDP) since the economic downturn began in 1983. However, the growth recorded was “fragile” and was achieved at the expense of consuming foreign reserves. At the end of the 1991, U.S. 200 million in foreign reserves were lost.

The Finance Minister, who notes that the energy sector is labour intensive, says the twin-island Republic now has the reputation for being the most desirable location in the world for methanol production.

“We are going to capitalise on this to give us the immediate bangs for the foreign exchange earnings and then immediately put in place the structural changes required to assist agriculture and manufacturing, but recognising that the bang from that will not come for several years,” Mottley said in an interview in his office at the Eric Williams financial complex in Port of Spain.

The Finance Minister says one of the strong areas of performance in 1991 came from the petrochemical sector. In addition, favourable prices have turned the urea plant into a money-spinner. On the other hand, the petroleum industry especially (TRINITOMAR), is not having a good year in 1992.

The tourism industry, Mottley says, is “yet to take off.” However, once the industry is developed, he is confident that Trinidad and Tobago will become the gateway to Latin America. As part of “a new kind of tourism,” the country will promote itself as a hub, which offers much more than just sun, sand and sea, including modern communications.

Mottley says the agriculture sector preformed reasonably well in 1991. However, while small farmers have been increasing production the same is not true for the big farms including Caroni.

In the short term, he is not anticipating significant inflows of foreign exchange from the export sector which, among other things, is concerned about the effects of the removal of duty-free concessions.

He says Governments policy on liberalising foreign exchange, a long-term goal, is “crystal clear.”

“Very clearly any attempt to liberalise the exchange system can not be undertaken in the absence of a solid stabilisation fund of foreign currency with which you back and support the TT dollar as it is being liberalised.”

He elaborates: "Since we are not in that fortunate position of having such a large stabilisation fund this government has no intention in the short term whatsoever of so liberalising the exchange mechanism."

Mottley acknowledges that servicing the country's external debt of over U.S.\$2 billion will be "a real problem" over the next two to three years. "This year 1992, we have to repay over 3,600 million dollars and a lot of that is in unrescheduled Japanese bonds." To make room for these payments, he explains the government has to be careful in husbanding foreign exchange reserves.

"That is why we have this extremely tight liquidity situation in the banks. It is unpleasant, it is deflating the economy but there is not much that we can do about it in the short term as we make room within our balance of payments to deal with these debt payments."

Trinidad and Tobago, he stresses, is not out of the process of structural adjustment which began informally since 1981. The effect of economic reforms, he recalls, began to bite hard between 1981 and 1986 when subsidies to state-owned enterprises were removed and devaluation took place.

"This administration is very much aware that this adjustment cannot continue and infinitum and that we must this year change gears and get on to a growth mode," he declares.

The Finance Minister adds: "What happened to us is that perhaps we tried to change gears too rapidly in 1991 and burnt up the foreign exchange reserves that we had started to build."

He says emphasis will be placed on growth in export industries that can bring in foreign exchange and cautions that the construction and other sectors can quickly burn up the foreign exchange system.

Mottley says unemployment, at close to 20 percent officially, is a major concern which the government is addressing, along with the many social ills such as crime, the use of illegal drugs and vagrancy.

New role for Caribbean trade unions urged

1993, PORT OF SPAIN, Trinidad - A Trinidad and Tobago-based regional trade union official has urged the labour movement in the Caribbean to shift the emphasis in collective bargaining from wages and salaries to job security and the maintenance of decent conditions of work.

In addition, the International Labour Organisation (ILO) Regional Advisor on Worker Activities, George De Peana, has called on unions to find solutions to the dilemma facing many countries in the region and to re-orient their services.

De Peana observed that relations between unions and governments across the region were strained, and in some cases, the two sectors were "on a collision course."

Noting that the current economic situation in the region was leading to retrenchment of hundreds of workers, he said the issue of job security in the region was worrying.

"There is a lot of anxiety about job security and I think the trade unions in collective bargaining now will have to put greater emphasis on job security and proper severance arrangements and put less emphasis on money wages," De Peana said in an interview. He further noted that, with the exception of Barbados, large-scale retrenchment without employment relief was taking place and, even in the case of Barbados, there were problems.

"Workers are suddenly faced with a very serious situation and when there is proper severance arrangements it is necessary for the trade unions to begin addressing the question of how to help workers who have secured severance pay to make the best use of such money."

He advocated that unions start thinking about running courses to help workers understand the skills necessary to run a small business and the types of activities that would be profitable.

"There is also need for some education in cooperatives and here the ILO can give assistance so people can band themselves together and get into business," he added.

De Peana also suggested that the issues of overtime and the work week be examined. "We have to begin thinking if we can have a shortened work week for some people so as to spread whatever there is. It must be your brother's keeper and we must seek to allow everybody an opportunity to have some earnings."

“These are revolutionary ideas, if I might call them that, and they won’t go down easily but it is a test of leadership for trade unions. They have to put in new services like guidance for workers on how best to use limited funds,” he said.

De Peana said it was necessary for governments and unions across the region to engage in meaningful dialogue that would lead to a social contract for workers.

“The idea of the social contract is that if workers are going to have to make the sacrifices now and there is an improvement in the situation, arrangements will have to be made for the workers,” he explained.

One of the central issues to be addressed, according to De Peana, is how the burden of structural adjustment could be shared.

“In my view the workers are being called upon to take too much of the share of the burden of structural adjustment and there is need to bring about some equality in the sharing of the burden,” he commented.

The ILO official said the conditionalities of the Washington-based international lending agencies were too stringent and struck at the core of collective bargaining. “In fact, in some cases it would be correct to say that there is no collective bargaining. Positions have been handed down and this contributes to the problem.”

By and large, he said, workers understood the need for economic reforms and were willing to make some sacrifices. However, if painful measures were prolonged the situation would become intolerable as was already happening in some CARICOM countries.

“The emphasis must be put on solutions which brings me to the point of tripartite discussions because all three social partners must be actively involved,” he stressed.

“I think what is missing not only in discussions between government and the trade unions but employers and trade unions is something which is talked about but not practiced - mutual trust and confidence. Not only are the trade unions involved too late, but the whole situation is not revealed to the unions. There is need to have all the cards on the table.”

Commenting on recent industrial unrest that involved marches in Trinidad and Tobago and Barbados he said: “the thing about these marches is to try to indicate clearly a dissatisfaction and hopefully out of these demonstrations there might be some rethinking by government.”

“In fact, in Trinidad and Tobago there is the likelihood that the government is going to have another look at some of the intended retrenchment in the public service and public corporations,” he observed.

De Peana said it was necessary after the marching, for the unions to have some ideas about solutions to the tremendous problems.

He said the unions had to come to terms with the fact that there was going to be some retrenchment. “The question is how this is done. The agreement that is reached, the kind of severance packages that can be agreed upon. These must be the subject of in-depth discussions.”

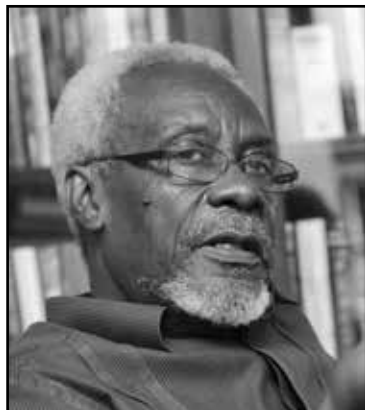
On calls for wage restraint, he said while less emphasis might have to be placed on money, the unions could not be faulted for trying to ensure there was no further deterioration in the standard of living of their members.

De Peana argued that since the problems facing both governments and workers were severe, a national approach to the lending agencies should be pursued.

“There must be some concern for the social implications of these structural adjustment schemes and there must be some attention to the social debt. In other words, machinery must be put in place to alleviate some of the hardships that would be felt by the workers.”

SECTION K

CARIBBEAN PULSE



P. J. Patterson
Prime Minister
Jamaica



G. Arthur Brown
Central Bank Governor
Jamaica



Dennis Lalor
President
Private Sector Organization of Jamaica



Dr. Norman Girvan
UWI Professor of Economics
Jamaica



Dr. Blossom O'Meally
Executive Director
National Development Foundation
Jamaica



Father Richard Ho-Lung
Brothers for the Poor
Jamaica



Phillip Nassief
Managing Director
Dominica Coconut Products Ltd.

From the Radio Documentary Series

1992

The Rise and Fall of the Jamaican Dollar: Lessons for the Caribbean

Introduction : The Jamaican economy has been on a see-saw for several years, a huge foreign debt, several devaluations and structural adjustment programmes under the IMF have taken a toll on the northern Caribbean country and many of its 2.4 million people. The most recent development in the economy is the foreign exchange system initiative by Jamaican hotelier Gordon Butch Stewart to hold the slide in the value of the dollar. But what are the effects of freeing up the foreign exchange market? Is the Stewart initiative sustainable?

SB: In 1991 the Jamaican Economy grew by 2 percent, 1 percent less than expected and down from 3.8 percent recorded in 1990. Central Bank Governor G. Arthur Brown reports that the bauxite and aluminum industries and the tourism sector faced setbacks while sugar and bananas did well. The implementation of measures to further liberalize the foreign exchange system was one of the major economic developments in 1991.

AB: On the financial side, the most important event took place in September 1991, when we embarked on currency liberalization and foreign exchange control stabilization. This was, of course, a very major step taken by the Government. It was full of risks. We suffered an immediate adverse impact in that the exchange rate started to depreciate quite substantially. By the end of December 1991, the rate had gone from around 10 to 22 dollars. This continued over into the first few months in 1992 with the same pattern. The rate depreciated to a maximum of 30 dollars. Since then, we have seen an appreciation taking place and we are hoping very much that this momentum will sort of continue.

SB: UWI Professor of economics Dr. Norman Girvan says that one of the most damaging effects of the weakening of the dollar was the extremely high level of inflation.

NG: The most recent slide of the dollar has resulted, first of all, in inflation, with over 100 percent between March of last year and March of this year. It is quite unprecedented in Jamaica's history. We never had inflation of that magnitude. Secondly, those in a position to try to protect themselves, have been investing in property and not productive investment, meaning they have been investing in real estate or the stock market until recently or they have been investing in government securities, certain to get some of the profits.

As a result of that, not as much investment has been going into productive activity because in a highly inflationary environment, what people tend to do is to protect themselves. They don't want long term investment because of uncertainty, both socially and economically. The rapid slide of the dollar has had that effect. Now, it is true that we need to remain competitive in our export prices and the cost of our export production but the slide in the value of the dollar has gone far beyond what is needed to make us competitive.

SB: The Central Bank Governor Mr. Brown says speculation played a huge part in the declining value of the Jamaican dollar and the high level of imports continues to be a problem.

AB: Throughout the Caribbean, it has been a problem and in Jamaica particularly so. The exchange rate depreciates if people attempt to consume more imported goods than we can pay for by our exports. In the last year, and this trend continued into this year, we have seen a decline in imports and a marginal improvement in exports. This year, if it continues to improve both by increases in exports and decreases in imports, then this pressure that we have had in the exchange rate should be reduced. Now, we believe that a substantial part of the depreciation of the Jamaican dollar that took place this year in March and April, is attributed to speculation. There were several reasons for this speculative frenzy and what we are seeing now is the removal of what I call speculative overload. The dollar declined from 22 to 30 dollars for no reason. We had no fall out in the balance of payments, at least in Jamaica, there were no civil wars, so there was no reason for the exchange rate to depreciate that much in a month. As I said, our studies show that this could only have been attributed to speculation.

SB: Prime Minister, P.J. Patterson believes that Government headed in the right direction when it decided to liberalize the foreign exchange system.

PJP: We came to the view that the only way of dealing with the value of the dollar was to release it to the forces of market competition. We recognised that in a short run it would mean a depreciation in the value of the currency, especially in a context where we did not have and are not likely to have any significant foreign exchange reserves. The dollar has now bottomed out and it's back to finding its true level. We expect that as a consequence of a stable dollar, people would be able to take investment decisions, that people would be encouraged to return their foreign exchange earnings to Jamaica for investment and growth in Jamaica. A stable dollar would certainly enable the Government to plan on the long-term basis for those areas where it must continue to exercise the lead responsibility especially in the areas of human resource development and in the provision of the physical infrastructure on which growth and production must rest.

SB: Senior Opposition JLP official and former Minister Anthony Johnson says the level of inflation has caused severe hardships.

AJ: Jamaica traditionally, I mean up to 1977, has never had double digit inflation. We are not accustomed to having the prices of our prices of our items, any item at all, increasing by nearly more than 10, 15, or 20 percent. A movement of 100-200 percent in a year is for everyone - business sector, government, private consumers, pensioners, fixed income earners, such as civil servants - absolutely disastrous not only in Jamaica, but anywhere in the world.

In our country, since we have been having low rates of growth, and indeed negative rate of growth over the last two decades, these movements in the inflation rate have meant that savings for large number of persons have been wiped out. The middle classes are finding themselves in a category called the new poor. As for people who have retired, from middle income position in the civil service, or in general business, if they did not own a home or have property which is giving an income, they, I am afraid, are on the door steps of penury. This is a social disaster spreading across the country and while it is true that the liberalization does offer opportunities for new investment, for increased income from foreign exports, it still means that for a very large number of persons they can see very little hope.

SB: Johnson, a former Agriculture Minister, also says that getting into exports is extremely difficult for farmers as production costs and high interest rates mitigate against them.

The liberalization process has been welcomed by the Private Sector Organisation of Jamaica, the PSOJ whose President is Insurance Executive Denis Lalor.

DL: We think that 90 to 95 percent of the things that needed to be done, have been done by the body politic and what we find in practical terms are the following - since liberalization in September 1991, Jamaica has managed to accumulate over 200 million U.S. dollars in our commercial banking system. We have cleared our private sector arrears and we are operating on a current basis. The Jamaican Government debt is in a very healthy position in terms of its servicing. We have managed to reduce it from approximately 5 billion U.S. to 4.8 billion U.S. dollars the Government or public sector debt, albeit some of that is by virtue of write offs. We have managed, when you compare January 1992 to 1991, to increase our exports by 11 percent and reduce our imports by 6 percent and our balance of trade has improved by 25 percent, so that all in all, our economy is moving in the right direction, and the business sector sees a very positive sign for the future.

SB: Jamaica, which has been involved in several IMF programmes, has had a parallel exchange rate and an auction for foreign exchange. In April, 1992 came what has been described by the Jamaican publication, the Money Index, as a revolution without guns, gun power and bloodshed. With the Jamaican dollar hovering at nearly 30 Jamaican dollar to 1 U.S. dollar, Butch Stewart, who heads the Sandals group of hotels, announced that he would sell 1 million U.S. dollars a week to the banking system at a rate of 25 Jca dollars to 1 U.S. dollar. Stewart has promised to lower his selling rate each week to a rate just behind the market. Prime Minister Patterson gave an early nod of approval to the Stewart Initiative.

PJP: It was the sequel to a number of economic measures which were implemented by the Government to help stabilize the dollar, including a mopping up of excess liquidity, but I think that the most significant impact which that Initiative has is to show people at different sectors of the economic spectrum that by their own action they can make the difference. It is not only the person who can afford to sell a million dollars per week to the system who is making a contribution, it is also in the little people who have been getting their remittances from abroad and bringing in their postal orders or their dollars of small denomination to sell it to the banks, rather than people who are going to speculate against our currency, because our people have come to realise that they are the ones who are hurt more by inflation.

SB: Lalor, who heads the ICWI group of Companies says the private sector is enthusiastic about the Butch Stewart Initiative.

DL: It is a great idea. The feedback is that, if wasn't for that initiative we might have been looking at 40-50 Jamaican to one U.S. dollar. It is not sustainable unless there is a way to increase the level of exports from Jamaica or reduce the imports. Interestingly, my group only this morning launched the Jamaican Production Fund which is designed to stimulate export-oriented activities and import substitution activities. We are looking at a minimum of 100 million Jamaican dollars for starters. We hope to expand this Fund and already there have been extremely positive results to it.

SB: The JLP's Anthony Johnson says his party started the Liberalization Programme. He says that JLP had a food stamp that helped 300,000 Jamaicans.

AJ: That has now been increased by the present government from 20-30 dollars a week. But it is an increase of 50 percent, whereas, for instance, a basic item like condensed milk which used to cost under \$4.00 a tin is now costing \$15.00 a tin and our national food, which is dried salt cod fish, which we had at a price of \$5.40 per pound is now selling at \$60.00 a pound. A loaf of bread is now at \$16.00 as opposed to somewhere about \$5.00 per loaf and it can go on. Chicken meat is selling for \$22.00 a pound as opposed to selling for \$6.00 a pound. Those kinds of movements, in all cases well over 100 to 300 percent, have meant that people simply have not been able to keep up and we have felt the need for some sort of social safety net of whatever kind or type. We had brought in a food security program which was one particular type. There are many other types of systems that clearly needed to be brought in to allow people who are earning below the poverty line to survive.

SB: The JLP believes that the Butch Stewart Initiative is a dangerous move.

AJ: The JLP's view of it is that one individual cannot, simply by stating what he thinks what the rate ought to be, fix the rate. We think that it is very dangerous for the country to get the impression that any individual, no matter how rich and well meaning, did in fact have the power, simply by making a simple announcement, to reduce the exchange rate. The exchange rate is fixed by the forces of demand and supply for the currency which are influenced by the relative cost and prices of goods and services in Jamaica as opposed to goods and service priced overseas, by the overhang of debt which we owe overseas, and by a capacity to meet our future needs. All of these things have to be taken into account and it is all of those things that fix the rate. So, we feel it is a dangerous thing for people to have an idea that it is possible for any person to manipulate the rate in that manner. However, we would say that in the first place, we did not think there was any necessity to have moved the rate from \$5.50 to \$30.00 or \$20.50. We think that the rate only got out of control because of total monetary and fiscal mismanagement by the current administration and we're certainly very pleased to see that at least that there is some halting in the slide. Our view is, and I think this is borne out of any sort of gradual assessment, that the rate or the stability of the rate can only be maintained if there is absolute fiscal integrity, absolute tight monetary management, and a total reduction in the flow of money out of the Bank of Jamaica. That, in fact, has been the major reason for the decline in the Jamaican dollar rate. It has been the expansion of the money supply as well as, of course, our difficulty of overseas payments, but those have been the minor matters. The main factor has been with the expansion of money supply.

SB: What is the reason for this expansion of money supply?

AJ: Well, the expansion of the money supply is Government policy. I don't know why they have found it necessary. We have overseas debts and it is the chicken and the egg. You increase the money supply, therefore as you increase it, there is more money in Jamaican hands. We have a high propensity to import, so as people get more money, they import more goods, you import more goods and you can't pay for them because you don't have the foreign currency, therefore, there is a decline in the Jamaican dollar rate and you need more Jamaican dollars to pay your overseas debt. So, you increase the money supply again to do that. You put more money in the Jamaican hands who, in turn, import even more. And that has been the cycle that has led us down this unfortunate path.

SB: Roman Catholic Priest Father Richard Ho Lung, a social commentator and columnist, who runs the Brothers for the Poor organisation, says the move to liberalize the foreign exchange system has been devastating for lower income Jamaicans.

FRH: Prices have gone up on all basic commodities - lights, water, basic foods, rice, flour, chicken, anything that is simple and basic that our poor people are accustomed to having. The transportation has gone up too, which means that has hurt the kids, as well as people who are working. It has gone up five times as much as it was, I would say, and, of course, the wages have not risen in relationship or in ratio to the rise in cost of everything. So, for the poor, I think it has been disastrous. In the matter of basic social services too, it has been very very difficult. The problems of the nurses strike, indicate that nurses, who are mainly women, who are low to middle class, cannot survive.

SB: Father Ho Lung says the level of poverty has resulted in more Jamaicans turning to drugs and desperation. He says that although the dollar has gained ground due to the Stewart Initiative, prices for basic foodstuff remain high.

FRH: The supermarkets are not bringing it down, and I think it is a very selfish thing. The point they made is that they paid a higher price for the goods they have to put on the shelves though those same prices have gone down through the Butch Stewart Initiative. It is of no consequence to them because they paid a higher price, whereas some people have taken up the call of Butch Stewart and have brought in their money at a lower price and made the sacrifice. Gasoline, which should have gone way down, has not gone down. Again, people are just not willing to make sacrifices. Those who have the goods and can make the sacrifices because they possess so much capital are just not making them.

SB: I gather that you welcome the Butch Stewart Initiative.

FRH: Oh, tremendously so. I think he has done a wonderful thing. It is entirely patriotic. I think it took a lot of guts. He brought in money at a lower level and completely at his cost. I think that looking down the line, he saw an unstable country and felt that it would be bad for tourism and finally bad for the entire island.

SB: What do you think should be done to cushion the effects of the adverse social consequences?

FRH: I believe that the Government should be brave enough to have price control exercised, but liberalization, I am afraid, is in itself saying, I am a liberal, so I am not going to control people through law, such as price control. I think that Government has taken that in a wholesale way, in a foolish wholesale way. They should do it and understand the context of the island, that it does require price controls and the people who can afford it, should send their prices down in relationship to the dollar's rise against the U.S. dollar.

SB: Professor Girvan says price controls are unlikely given the recent need to liberalize and the IMF preoccupation with freeing up the market. The Jamaican Economist believes that liberalization should not be viewed as a bad word.

NG: Liberalization can be beneficial in the medium to long term if you get more investment. We always come back to that, investment in agriculture, investment in tourism, investment in garments, investments in the export of services, investment in things that can earn or save foreign exchange and that is the bottom-line test.

SB: While consumers cry out about prices, Professor Girvan argues that they can take action.

NG: Well, I think what we do need is a very active, vigilant and strong consumer group. We do need a consumer movement that demands and analyses information on production costs and profit margins which is in a position to target wholesalers and retailers who are earning excessive margins and excessive profits. They should boycott those wholesalers and retailers and those products when they have excessive margins. Now, this requires much more information. It also requires a change in our culture, the growth of a consumer culture. Consumers should cease to be passive and accept what is dished out to them and insist that they have rights and the power to bring pressure on excessive profit making.

SB: So what can or should the Government do in this situation?

NG: I think that the Government can channel more resources to small enterprises, to small farmers, to the informal economy, to women. In other words, channel resources to the most vulnerable and affected groups, but not in a sense of simply subsidizing them or transferring income, but in the sense of providing them with the skills and the access to assets which they need to increase their productivity, increase their production, thereby increasing their income. This is the only real solution to the decline in the standard of living. People should be able to produce more and thereby earn more.

SB: The supermarket owners contend that it is not easy for them. Conrad Tony Chen runs the Family Pride supermarket in Kingston.

TC: It has been a lot of work, changing prices each time the dollar drops. You have bought stocks at that price and then you sell it and turn around to buy new stocks at the new price and you can't even buy back what you had before. The consumer, from top to bottom, is feeling the pinch right now. You can see that everybody is cutting back on their spending. If the dollar were to be at 30, I don't know what will happen. I am expecting something really serious.

SB: What about the Butch Stewart Initiative? What effect do you feel bringing it down to about 20 dollars would have?

TC: Well I am very glad to see that happen, because where it is at present now, I can't imagine what it would be at 30, because when the dollar was 28, I don't think any merchandise was coming out, costing at 28, was actually on the shelves yet. So we really felt the brunt of it.

Jamaican Vendor: It is very hard. I have to wake up in the morning at 3 o' clock to get the early bus to go to the market which is hard. You buy your things, carry it on your head and it is very very hard to make a dollar.

SB: What sort of changes would you like to see?

Vendor: I would like to see prices for basic items going down. The price of the things is so hard on the poor people. The food items, clothes, rent, the water rate, the light bill; everything is so high on poor people.

SB: Prime Minister Patterson concedes that life is hard for many Jamaicans.

PJP: Let me admit that the inflation rate in 1991 was at an unprecedented high level. It should be stated, however, that some steps were taken during 1991 in terms of our special employment program, as to the numbers of people, and as to the levels which would be made available for that particular program. We also started a Rehab Program whereby we gave sums of money to persons who would otherwise qualify for food stamps to enable them to get in some sort of business activity of their own that would generate income within a reasonable period of time. Despite all of that, we must accept that the increases in cost of living had a very adverse impact on most sections of the population, and that is why this year, we are determined to regard the fight against inflation as the number one priority in our economic program.

SB: Are you satisfied that the merchants are responding positively and reducing the prices while moving towards a more stable dollar?

PJP: We think that there is much more that could be done. After all, we have seen prices going up in anticipation of an upward movement of the dollar. Now the dollar has in fact been coming down, we believe it is only fair to demand a commensurate reduction in prices.

SB: Professor Girvan believes that the social fabric of the society is being eroded.

NG: The social fabric is under extreme stress. We can see that in increasing levels of violence, especially inter-personal violence, domestic violence, criminal violence. We can see this in an increasing incidence of drug trafficking and drug abuse especially among young males, working class males who are unemployed. On the other hand, there have been positive aspects. There is an increasing sense of civil society needing to take responsibility for the future of the country.

There is an increasing sense of social responsibility on the part of some people in the business sector. There is an increasing sense that we, in this society, cannot and should not allow political and social discourse to be monopolised by the politicians and by the political parties. It is possible, for more and more other kinds of organisations and individuals to contribute to public opinion, discourse through the media, and in so doing, to have an effect on the future of the society.

SB: The typical medicine which the IMF doctors prescribed including the reduction of the public sector, devaluing the local currency, and freeing up the local market, have been swallowed for many years. It has been a bitter pill for many Jamaicans. Father Ho Lung is convinced that the medicine is not making the patient well.

FRH: I think it is completely useless for the Caribbean islands and for Third World countries at large. I think they have absolutely no concept or experience of what the people are enduring and what they are experiencing at the grassroots level. They have no idea of the need for social services and for building a country from rock bottom by providing good solid education at the roots level. They don't understand that. All they understand is balancing books. Somehow, I think we have to come to our senses in the Third World and devise certain systems without getting into communism, but devising systems which I think is appropriate to our own cultures, our economic cultures. So, it is going to take a lot of courage and we Caribbean people have simply got to find the guts to do it our way.

SB: The Executive Director of the National Development Foundation, Blossom O'Meally, does not believe that Structural Adjustment Programmes work.

BO: I think that structural adjustment programmes are by and large, iniquitous. What is usually meant by stabilization is when a large proportion of adverse people, poorer people, drop out of the economy totally, and then one begins to say the economy has stabilized. I am very concerned about stabilization, which occurs at such a level that the indigenous people, the people who stuck with this country through thick and thin, no longer have the capability to purchase anything and then those who have migrated or those who live abroad, or foreign owners, can come in and buy out the country. They buy it from over your head and you have been the one who have been there over the years sticking with it. I think that Structural Adjustment programmes are very suspect. The examples that have been sighted as success stories have meant serious dislocation for the people. It has meant a lot of degradation for the people of the country where these programmes have been in place. I think that one really needs to look seriously at this business of being your brother's keeper. I don't think that the IMF have any sort of humane approach in their programmes and we have just swallowed them, lock, stock and barrel here in the Caribbean, certainly in Jamaica. I think that in Jamaica we are beginning now to see a kind of response. We can't allow this to happen to us and we are beginning to see people now, within the last three or four weeks, really responding to that and trying to do something for themselves.

SB: O'Meally says, though, liberalization is a step in the right direction.

BO: The impasse in the initial stage would be negative. The liberalization process has a lot of positives. It makes things possible which were not possible before, in terms of trading in foreign exchange, accessing foreign exchange loans and export development. It is definitely necessary, but it probably has not gone far enough. We probably need a total liberalization in terms of trade and even the currency itself. There is no turning back from that, obviously no turning back, but I don't think that could happen without incentives. The IMF feels that you must have level playing fields and this totally market-driven situation. I don't think that is a reality anywhere in the world. I think in every country there is interference with the system and the economic system would not survive without human intervention and we need to recognise that.

SB: The value of the Jamaican dollar has remained for several weeks at just over 22 to 1 U.S. dollar. The question which many are asking is whether the Butch Stewart Initiative is sustainable. Professor Girvan.

NG: It can be sustainable once the major earners of foreign exchange, like Stewart, continue by not demanding the highest rate they can get for the dollar, but accepting the rate that is socially acceptable because they understand the need for social stability in order for business investment and economic growth to continue. Secondly, it can be sustainable in the medium to long run, with more and more dollars going into exporting and investment.

SB: When you say the rate should come down, what rate are you thinking of?

NG: Well I think we have a rate of just over 23. I think if we got it down to 20 and were able to maintain a responsible fiscal monetary policy and a policy of responsibility to wage demand then I think we can hold it there for an indefinite period of time.

SB: The rise and fall of the Jamaican dollar and the experiences of the liberalization process clearly has lessons for the Caribbean. What are they?

NG: I think one lesson is that you don't liberalize your foreign exchange regime if you have a weak economy. If you have a weak balance of payments with no reserves, that is not the time to liberalize your foreign exchange at all. I think another lesson is - don't borrow yourself into a hole, into a situation such as we have where you have an economy which is overloaded with debt, of which between a quarter to a third of foreign earnings is absorbed by the debt service and fifty per cent of the national budget is absorbed on the public debt. I think the lesson is to manage the economy well, manage the economy efficiently. Don't get into a situation where you have to go to the international lending agencies. Work towards a social contract in which the interests of business, labour and other sections of the population are adequately catered to without there being an over balance on one side or the other.

SB: Private sector leader Dennis Lalor believes that the message to the region is that West Indians should avoid living above their means.

DL: What do we do? We borrow money from other people's savings, the savings of the First World to maintain a standard of living that we have not really earned for ourselves. The lesson to the rest of the Caribbean is - if you can't afford something, do not enjoy the luxury of it. In terms of structural adjustment, those have come about because we over borrowed to live beyond our means. My advice to others in the Caribbean in the private and public sectors is we have got to learn to live within our means and we got to get rid of the dependency on Government and the public sector. The private sector needs to find ways of increasing its activity in the respective economies and to earn hard currency and create import substitutions entities.

SB: A challenge from Dennis Lalor, President of the Private Sector Organisation of Jamaica. the PSOJ wrapping up "Caribbean Pulse" which focused on The Rise and Fall of the Jamaican dollar: Lessons for the Caribbean.

St. Lucia Confronted by Major Social Problems

Article from radio documentary series

St. Lucia, whose economy has been one of the most buoyant in the Caribbean, continues to record economic growth against the backdrop of the growing concern about major social problems - a high level of unemployment and crime, the illegal use of drugs and deplorable housing conditions in some parts of the island.

Non-Governmental Organisations (NGO's) and other sectors of the society say that they are concerned that economic growth is not trickling down to the average St. Lucian and that the social fabric of the society is being eroded.

"We must make a distinction between Gross Domestic Product (GDP) and the development and the growth of the people themselves," declares Roman Catholic priest, Father Theo Joseph.

He says while the country has excellent infrastructure, including good roads and nice buildings, and there is scope for upward mobility, many St. Lucians are "left behind."

"It's like development has come and because they were not part of the process they have to be left behind" says the Roman Catholic priest.

He feels the church and the government have to be more concerned with the large sector of the population that is not part of the development process.

The church, he says, is alarmed about the rate of homelessness, an upsurge in crime, drug use and abuse, and an increase in all types of immoral behavior and gambling.

Former President of the National Youth Council, lawyer Mario Michel, regards the level of unemployment, particularly among rural youth as, “far from acceptable.”

The Government says unemployment is about 15 percent of the labour force, while the Opposition puts the figure at nearer 30 percent.

Compton says one of the contributing factors to the unemployment situation is that young people are shunning agricultural work. He says the government is constructing technical colleges to train young St. Lucians to participate in an economy that is more technologically rather than agriculturally oriented.

Michel regards the housing situation as a major social problem: “We have major areas within the city where people live in a sort of slum existence with no sewage facilities and we are still in a very primitive state of rivers having to be used for human waste.”

He says impressive rates of economic growth are fuelled in the main by a high British pound and a high price for bananas.” It is an appearance of economic growth that is not filtering down in any meaningful way touching the lives of those most in need in the country.”

Prime Minister John Compton said that the island recorded about 3 percent growth in the economy in 1991. A major contributing factor was the moderate wage demands by trade unions.

Opposition Leader Julian Hunte, while acknowledging growth in the economy, says the banana industry was down by EC 40 million dollars in 1991, and there was a slowdown in growth in tourism and manufacturing.

“With regards to use of GDP as an indicator of growth, unfortunately, this is being pushed a bit too much and what has happened is that everybody is comparing St. Lucia with sister Caribbean territories,” says the Director of Folk Research Centre Embert Charles, who is also a social commentator.

“There is an erosion of certain values in the society which force people to pay more attention to materialism and individuals. I think the collective spirit, which was the basis of St. Lucia’s growth, is vastly being eroded. I think this is one of the major dangers facing us,” says Charles.

The housing problem, largely restricted to Castries, is reflected by the housing scheme on top of the cemetery on the road to the hospital. One of the residents says she was forced to live there. “I am not from Castries and I cannot travel every day because I cannot afford it so that’s the only place that I could get to live,” she asserts.

“I start getting accustomed to it so it don’t bother me at all,” adds the young St. Lucian who lives with her mother and boyfriend at her cemetery residence.

Father Joseph says the housing problem is not island wide but limited to Castries and Vieux Fort in the south of the island. “Castries is like the developmental capital of St. Lucia. Everybody from the countryside believes there is money in Castries and would leave and come to Castries for the money, have nowhere to live, get a few pieces of board, build a shack and a shanty town develops.”

The Prime Minister stresses that the housing problem is really confined to the capital and points to fairly decent, and sometimes impressive houses built by farmers in the rural areas. “The shacks in the cemetery are really an extreme condition in which people want to live near to the town and there is a land shortage in the Castries area,” explains Compton.

The government, apart from building some public housing in the city, is not too directly involved in housing. Instead, it encourages the development and commercial banks to make more money available for housing.

The crime situation is one which is causing concern nation-wide. “In order to correct crime we have to look at the social situation under which people live because this is what festers the criminal attitude in people,” declares Father Joseph.

Prime Minister Compton, who believes there is cause for concern, says much of the crime is drug-related and he shares the concerns of the Hotel Association that the foreign-exchange earning tourism industry could be damaged.

“Our success has not been very dramatic, let me be very open about that. The Strike Force has not been an outstanding success. We have tried to contain it but we have not eliminated it and we have to look at other areas.”

“We are taking a number of steps to eliminate drug-related crime. First is really the interdiction, working with the Regional Security System in order to prevent the drugs from getting in here. If it gets in here then we try to interdict it locally and after we try to reduce the demand.”

According to Compton, the crackdown on drugs is being hampered by a lack of cooperation from the public which is unwilling, in most cases, to give evidence.

There is plenty of evidence, according to the Head of the Crisis Centre Iona Erlinger-Force, of an escalation of crimes against women, particularly domestic violence. “We have found that there is a definite increase in serious crime, sexual crimes like incest and child abuse.” Domestic violence cases have risen from 64 in 1989 to 307 in 1991.

“The police is trying very hard to cope with it. There are new police stations in every area,” says Erlinger-Force.

At the market square in the city, some St. Lucians express concern about a range of issues. “The salary really low and cost of living going up,” complains a middle-aged man when asked what, if anything in the society, bothers him. A woman in a nearby stall joins in: “Too many young fellas about the place with drugs and so on. They should bring back the cat. These fellas when they commit the crimes, they getting away too freely.”

The Executive Director of the island’s Chamber of Industry and Commerce, Adrian Augier, says investment in human resources development is key. “We believe that there is a lot of work to be done in terms of social services, education and training particularly with an eye on the future.”

Augier stresses that the tourism industry, on which the island is likely to become more dependent, is fragile and, therefore, the safety of visitors must be guaranteed. In addition, he says “for our own citizens as well, there has to be a perception that growth and development and personal progress is not going to be thwarted by hooligans and drug-related crime which undoes all of the progress of the society as a whole.”

Dominica’s Experiment with Economic Citizenship

Article from radio documentary series

The Dominica government is pushing ahead with its scheme to grant economic citizenship to about 1200 investors from the Far East amid concerns about the impact of this policy on the culture of the 290 square-mile island and mixed views on the issue from the island’s private sector.

One of the island’s leading entrepreneurs, Phillip Nassief, stresses that the concept of economic citizenship is part of the strategy to find jobs for young Dominican school leavers.

“We are not going to be able to send them to the agricultural sector. We know the long-term future of agriculture and bananas while we have a little breather, is not a long-term winner,” explains Nassief who is Managing Director of Dominica Coconut Products Limited.

Nassief observes that Canada and several other countries have attracted a lot of capable and experienced investors through its Economic Citizenship Act. The crux of the matter, according to him, is that Hong Kong businessmen are concerned about Chinese administration in five years’ time and are looking for another base.

“The Act passed in Dominica, if anything, is too limited because it is limited to tourism and the jewellery industry. The numbers are marginal in terms of investment, job creation and foreign exchange earnings because we still depend on bananas for 60 per cent of our gross revenue, something that is frightening,” the Dominican businessman said.

In addition to the hotel sector and jewellery production, the Eugenia Charles administration, which is granting economic citizenship at a price of U.S. 35,000 dollars, is encouraging investment in the construction of an international airport.

To date, close to 100 persons, mainly from Taiwan and Hong Kong, have been granted economic citizenship in Dominica which has a population of 82,000. The President of the Dominica Association of Industry and Commerce (DAIC), Sheridan Gregoire, regards economic citizenship as an acceptable strategy to woo foreign investors. However, he is seeking to ensure that the local private sector is not marginalised and is concerned that undue pressure might be put on the island's health, education and other social services.

"We feel that the emphasis should be on encouraging the foreign investor to invest in productive sector activities geared primarily for exports. We are finding quite a number of passports have been issued and we don't think this has been spread over that many investments and that the level of investment is not as high as we advised the government it should be."

Opposition leader Edison James heads the United Workers Party (UWP) which objects strongly to "instant citizenship". James says the UWP's stance is not a racist one but it is concerned that government's policy is targeted at one particular race. He also charges that there is too much secrecy about the policy, something which the government denies.

Historian and social commentator Lennox Honeychurch is also worried about the policy of granting economic citizenship. "I am concerned about the influx of a large number of people whose background has nothing to do with the traditions of Dominica and who will quite obviously form themselves into a separate clique."

Says Honeychurch: "The question is, are people actually going to get large scale employment or are relatives and friends of these people going to come down in droves and take up jobs in whatever businesses these people establish?"

"What we really need is markets, agro-industry for the large-scale farming community and things such as hotel development and jewellery production are not going to in any way improve, in a marked manner, the vast section of the Dominican community that are dependent on the produce of their fields," argues Honeychurch. Prime Minister Charles believes that the integration of Taiwanese into the Dominican community will in fact broaden the island's culture. "I believe there will be additional features to our culture which is a good thing, but apart from that I believe that the important thing about economic citizenship is that it is here for the purpose of providing employment and foreign exchange for this country," says Dame Eugenia.

In 1991, Dominica's Gross Domestic Product (GDP) increased by 2.6 per cent, down from the average of 5.4 per cent for the previous five years. Last year, there was a marginal decline in banana production and construction activity slowed while tourist arrivals, mainly cruise ship visitors, increased.

To boost the economy, Opposition leader James advocates diversification of the agricultural sector and getting involved in the marketing of bananas, while avoiding over-dependence on tourism. While the government is hopeful that banana exports to Europe will continue to receive preferential access into Europe after the Single European market is created in 1993, the DAIC says there is cause for concern about the price which the Caribbean fruit will fetch.

"People have to realise that even though the European Community does things for us, we have done our part and be positive in deciding where we are going and what we are doing," asserts the Dominican Prime Minister.

She stresses that tourism development is being pursued alongside agricultural development and not "instead of". Charles says while people comment on the level of unemployment, it is difficult to hire an agricultural labourer as most young people shun work in this field.

"We are looking for other means and other investment. This is one of the reasons why we are developing tourism because it does create jobs."

"We are asking people to put their money into this so that young people can stay and learn and, therefore, not want to go away. You have to attract them to stay and this is what we are trying to do with economic citizenship," Charles explains.

Private sector leader Nassief describes as “sad, irresponsible and disappointing” that some Dominicans regard economic citizenship as a threat.

“China may tomorrow decide to go the Eastern European or Russian route and then we will have nobody wanting to come to this part of the world because they all want to invest in China. Here is an opportunity which I think we have taken too long to grasp,” says Nassief.

While Nassief is optimistic about the benefits which economic citizenship will bring, Roman Catholic priest Father William Jean-Lewis says there is need for caution.

“As a small nation we have to be very vigilant about how much of that type of citizenship there is,” he declares.

“It’s not a matter of being racist. It’s just that we have to preserve who we are and our own identity and be very careful about it.” says Jean-Lewis.

SECTION L

TOURISM DEVELOPMENTS



Sir James Mitchell
Prime Minister
St. Vincent and the Grenadines



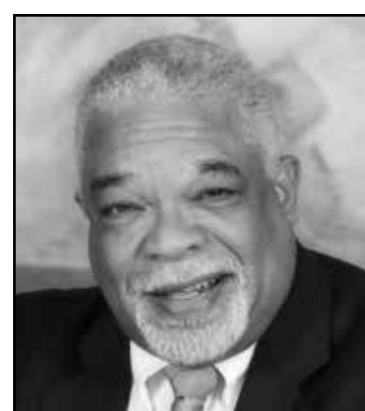
Desmond Hoyte
President
Cooperative Republic of Guyana



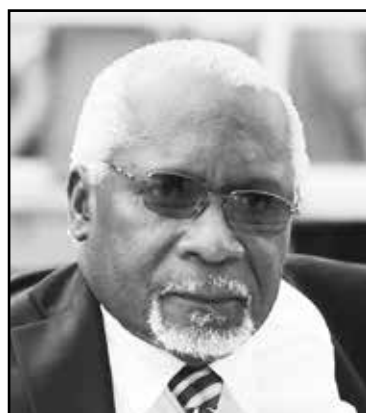
Dr. Jean Holder
Secretary-General
Caribbean Tourism Organization (CTO)



Sir Alister Mc Intyre
UWI Vice-Chancellor
Former CARICOM Secretary-General



Peter Odle
President
Barbados Hotel Association



Dr. Selwyn Ryan
UWI Professor
Trinidad and Tobago



Orville Durant
Commissioner of Police
Barbados



Dr. Auliana Poon
Caribbean Tourism Consultant

Tourism – the key to economic growth

1988, MONTEGO BAY, Jamaica - The Caribbean will have to look to tourism as a catalyst for stepping up growth in the region's export earnings through the services sector and to achieve more broad-based economic growth, Grenada-born economist and University of the West Indies Vice-Chancellor, Alister McIntyre has said here.

McIntyre told the 12th annual Caribbean Tourism Conference that tourism should become the main pillar of economic growth given the performance and vulnerability of other traditional sectors.

He said the demand for sugar was contracting worldwide not only because of the emergence of sugar substitutes but also because of changes in dietary habits.

"The banana industry is always in a potential situation of over-supply while garments, textiles and footwear and consumer electronics have been facing protectionist measures and limited access to markets abroad," McIntyre said in an address on the role of tourism in promoting export growth.

"It is by no means certain that despite all the efforts that are being made to roll back barriers to trade that we can foresee very substantially enlarged opportunities for exporting some of the classical manufactured goods," the former top official of the United Nations Conference on Trade and Development (UNCTAD) said.

"If we try to enter the sophisticated area of manufacturing where world trade is growing rapidly like engineering goods we are moving into industries that require no cheap labour but skilled labour," McIntyre said.

The former Caribbean Community (CARICOM) Secretary-General said studies have showed that one of the major components of competitiveness in the world today was in the competitiveness of the services sector.

"And that extends all the way to producer services like telecommunications, transport to business services like marketing, design, financing, accounting and so on," he said.

"It is therefore in that context that we have to see in the Caribbean how we can use the tourism industry consciously to promote greater competitiveness in the services sector as a whole and through that means improve the competitiveness of the region's economies and the competitiveness of exports," McIntyre added.

He said international trade in services was worth about U.S. \$400 billion annually, equivalent to about 20 percent of world trade in goods and services in general.

Nicholls – high cost and low productivity

1988, MONTEGO BAY, Jamaica, - The President of the Barbados-based Caribbean Development Bank, Neville Nicholls, has identified high hotel operational costs, low productivity and taxation as some of the "disturbing features" of regional tourism.

"The critical determinant of the industry's financial performance, profitability to attract future investment financing, will be the ability of owners and managers to control and manage costs," Nicholls told the 12th Caribbean Tourism Conference which wraps up here today.

The six-day meeting, at the 500 room Wyndham Rose Hotel in this northern tourist city, has attracted over 700 public and private sector tourism officials, travel agents, airline officials and travel writers. It has as its theme "Profit by selling year-round."

Nicholls said Caribbean room, food and beverage costs are high compared to other destinations.

Further, he said in his presentation titled "Financing the Tourism Sector", the tax burdens imposed on the industry may be counter-productive and injurious to the growth and development of the industry. "Inputs required by the industry, especially imported inputs, usually attract a high rate of taxation, which eventually is passed on to guests in the form of higher prices," Nicholls said.

He continued: "This is particularly true of liquor which seems to attract ever increasing rates of tax and which consequently suffers declines in consumption and bar sales."

The CDB president contended that interest rates on loans for construction are "quite high" ranging from 9 to 12 percent at development finance institutions, such as the CDB and local development banks, to over 20 percent at private commercial banks.

Blueprint unveiled for Caribbean hotels

1992 - PARADISE ISLAND, Bahamas - Caribbean hoteliers need to lobby regional governments much harder to remove some of the disincentives to future growth in the industry, including high taxes on essential imported supplies, an international tourism consultant has suggested.

British-based Professor David Jeffries told delegates attending the Caribbean Hotel Industry Conference (CHIC) that import licensing and duties was one of 25 constraints which Caribbean hoteliers should address.

Jeffries who was commissioned by the Caribbean Hotel Association (CHA) to do the White Paper on the hotel industry, cited government bureaucracies, restrictive work permit practices and complex customs procedures as stumbling blocks to the future development of the major foreign-exchange earning industry,

The constraints identified were highlighted in a survey done by Arthur Young. The White Paper will be circulated to regional governments, the Caribbean Community (CARICOM) Secretariat and international agencies. Just under ten million tourists visited the Caribbean in 1988 when expenditure totalled an estimated U.S. \$7.3 billion.

Jeffries said high labour costs, coupled with restrictive labour practices, contributed to inefficiency.

"The way ahead, it is suggested, will be to lobby governments individually, help fill the policy vacuum, change factors which have an indirect impact, like airport and road building priorities, and direct impact like import duties, on the industry's performance and generally remove constraints," he said.

The tourism expert suggested that the CHA and national hotel associations press governments to come up with a coherent policy for tourism.

Jeffries recommended that along with lobbying the governments of its 32 member countries, the CHA focus on "self-help" strategies to improve the hotel industry. Four areas identified for action were training, access to capital, marketing and linkages with other sectors.

Jeffries said if hoteliers planned to modernise and refurbish they would need access to capital.

"The White Paper proposed a central capability at CHA to provide expert architectural and design advice to help ensure that new and updated hotels make cost-effective use of materials, utilities and manpower and are in line with customer preferences," Jeffries told some of the 1,200 delegates attending the five-day meeting.

On marketing, Jeffries advocated that Caribbean hoteliers have a stronger presence at international tourism fairs, especially in Europe.

He said the CHA should take more interest in how national tourism offices were promoting destinations and hotels abroad and he advised that the association push ahead speedily with the long-mooted Caribbean reservations system.

Jeffries also recommended that the Puerto-Rico based CHA, which is relocating to Antigua and Barbuda, establish a technical assistance team expert in manpower and training, raising capital, marketing, research and lobbying.

"My strong personal recommendation is that your top priority should be a research and lobbying capability at CHA," said Jeffries who spent over three decades with the British Tourist Organisation. He added that research priorities should include a manpower study and the production of regular performance statistics.

"Better performance statistics will enable you to carry out more effectively a whole range of operations including lobbying, investment promotion, planning of training and marketing and securing better linkages with other sectors," Jeffries said.

He stressed the importance of improving profitability in hotels, noting that it was now “well below international norms”.

“There will be medium-term recession phases, when there will be intense competition from other regions. The Caribbean hotel industry is progressing, but vulnerable because of low profitability,” the tourism consultant said.

University of the West Indies social scientist, Dr Selwyn Ryan, who moderated the session on the future of the hotel industry, pointed to the heavy debt burden of Caribbean countries.

He said tourism has suddenly appeared to many as the best “intravenous drug” for the region’s ailing economies to give them a “kick-start” into the 20th century.

Ryan, who heads the University’s Institute of Social and Economic Research, said while governments recognised the importance of tourism to their economies, they had the pressure of meeting foreign payments and expenditures.

He said hoteliers should strive for a greater degree of linkages between tourism and agriculture and use more regional inputs in the industry.

The question of foreign exchange leakages was a valid concern, Ryan told the meeting, and collecting statistics on the industry in a professional way would be welcome.

CARICOM backs Bequia airport project

1992 - It had all the fanfare of a mini-CARICOM Summit. But there was only one item on the agenda - the opening of the spanking new multi-million-dollar airport in Bequia, nine miles from the Vincentian capital of Kingstown.

Caribbean Community (CARICOM) leaders, who threw their support behind the construction of the EC \$56 million airport in the largest of the Grenadine islands, have hailed the regional project as a boost for multi-destinational tourism and a plus for marketing the Caribbean as a single destination.

The construction of the airport, at Paget Farm in the south of the seven square mile island of Bequia had to get the approval of all 13 CARICOM governments and Suriname, as well as the 12 European Community (EC) governments, to qualify for funding from the EC as a regional project.

“To the extent that the individual territory in CARICOM is strong, this will contribute to the strengthening of the integration movement,” Barbados Prime Minister, Erskine Sandiford told The Advocate shortly after the impressive opening ceremony.

Last Friday’s function was attended by six CARICOM leaders, Deputy Director General of the European Commission, Phillip Soubestre, EC and CARICOM officials, and dignitaries who celebrated the occasion with St. Vincent and the Grenadines, Prime Minister, James Mitchell, who turned sixty-one the same day.

Sandiford lauded Prime Minister Mitchell for initiating the project which he said would help to increase the flow of visitors into St Vincent and the Grenadines, Barbados and the other Caribbean islands.

“I am happy that we have been able to do it on a regional basis with the support of the EEC,” Mr. Sandiford said.

“I think it is a model of Caribbean co-operation,” declared St. Lucia’s Prime Minister, John Compton. According to Compton, the construction of the airport as a regional venture will help CARICOM’s image and show that Caribbean people can work together.”

“It is going to help us in St. Lucia where we have an international airport, as we can circulate tourists in Bequia and they can go on to the other Grenadines islands and then return to enjoy the rest of their stay in St. Lucia,” Compton said.

His Grenadian counterpart, Nicholas Brathwaite, felt the location of Bequia was ideal for promoting multi-destinational tourism. He suggested that tourists could make trips to Bequia and also visit Carriacou, Grenada, Union Island, Barbados and Tobago under a package deal.

Brathwaite said “I think with the location of Bequia vis-a-vis Hewanaorra in St. Lucia, Grantely Adams in Barbados and Point Salines in Grenada, we now have the connection between the islands which can make us talk seriously about tourism as a package.”

Dame Eugenia Charles of Dominica said she supported the first letter which went to the EEC in Brussels because of the multi-destinational concept. “More people from outside want to visit more than one Caribbean island. The more little airports you have like Bequia, the more opportunity people will have to visit the various islands,” the Dominican leader said. It now takes six minutes by air from the capital Kingstown to Bequia compared to one hour by boat.

She said tourists could visit Bequia and Mustique and then go to Dominica. “Bequia is a great sailing place. They can come to Dominica after and do climbing and enjoy nature as we have something different to offer.”

St. Kitts and Nevis Prime Minister, Dr. Kennedy Simmonds, told The Advocate that the airport was “of special significance” because it was a regional project funded under the Lome Convention through which African, Caribbean and Pacific (ACP) States receive assistance from the EC.

“The fact that we were able to achieve the Bequia airport project gives impetus to similar regional projects such as the Newcastle airport for Nevis. There’s also the Blackburne airport in Montserrat which is to be upgraded. These are positive developments to which CARICOM as a whole has contributed,” said Simmonds, who is currently Chairman of the 13-nation CARICOM.

Guyana’s President, Desmond Hotye, said while some projects might not at the first appear to be regional in nature, the project might have the potential for promoting sub-regional integration, thereby helping with the integration of the region as a whole.

“It surely will help with the multi-destinational nature of tourism which we are trying to promote at the moment,” the Guyanese Head of State said.

He noted that at the CARICOM Summit on tourism in Jamaica last February, the Heads of Government supported the promotion of the Caribbean as a single destination and agreed that there should be an end to a fragmented approach to tourism in the region.

Encouraging Prospects for the region’s tourism industry

1992 - The Caribbean Tourism Organisation (CTO) New York-based Marketing Director, Michael Youngman, says there are encouraging signs on the horizon for the region’s tourism industry, with a reasonable summer expected and plans for launching a new regional marketing programme in North America well on stream.

“In discussions we have had with wholesalers and tour operators in the market place, and with the airlines with regard to advance bookings, the situation is again mixed but looking up, particularly from the tour operators point of view.” Most of the CTO’s 28 members states have experienced a slow winter season.

“I am optimistic. We won’t have a fantastic summer but we won’t have a disaster either. We will show some progress,” said Youngman who has extensive experience in developing management and marketing system for international airlines.

Youngman said the new American Airline service from Miami to Barbados was “a very big plus for Barbados.”

The sharpest declines in tourist arrival in 1991 were recorded out of the U.S. market, with an estimated 7 percent decline overall. A number of larger destinations, Bahamas, Barbados, Bermuda, Puerto-Rico and St Maarten, have reported large percentage decreases in tourist arrivals from the United States.

Youngman said the consensus of American economists was that the U.S. was definitely coming out of the recession. “The last consumer confidence index showed a definite upturn and that to me is a very good indicator that things are looking up.” An estimated 11.6 million visitors came to the region in 1991, a 2 percent decline over 1990.

The CTO Marketing Director is optimistic that the new programme to market the Caribbean as a single destination would attract the required funding to get it off the ground in time for the fall as planned. The marketing campaign is aimed at securing in the first year 320,000 additional visitors for the Caribbean, U.S.\$220 million in increased visitor spending and an estimated three to four percent rise in hotel occupancy across the region.

"We are going to put our fund-raising activities into overdrive within the next few weeks. The material is being prepared by the advertising agency Mc Caffrey and Mc Call in New York and we're quite excited about it," said Youngman, who has specialised in advertising and public relations for travel and tourism accounts.

Youngman said funds for the estimated U.S. \$15 million marketing venture have already begun to come into CTO's coffers. Already, American Airlines and a major credit card company have made contributions. "We have a fairly substantial sum in the bank."

Governments have until mid-June to make their first contribution. He noted that the region's Heads of Government and Caribbean hoteliers pledged their financial support to the marketing thrust at the CARICOM Summit on Tourism in Kingston, Jamaica, last February.

"We have done everything possible to ensure that the burden on governments is as light as possible. This programme is very much aimed at conveying an image of the Caribbean as a diverse area where one can do anything one wants to," said Youngman. He added that the Bahamas and Jamaica which usually have large advertising programmes of their own, would be supporting the new regional programme which will give a Caribbean image, incorporating the diversity of the Caribbean tourism product.

This will include, apart from sun, sand and sea, the region's cultural heritage, its eco-tourism products, festivals, and food. The special interest programmes which promote things like diving, golf and surfing, will continue parallel with the new marketing programme.

The advertising thrust will be largely concentrated on television, both spot advertising in selected markets and cable advertising. In addition, there will be supporting programmes in Sunday magazines of major urban newspapers.

Troubled times for the tourism industry

1992 - The 16th Caribbean Tourism Conference (CTC) gets underway in The Bahamas this week against the backdrop of the substantial decline in market share in the United States, uncertainly in the debt-ridden airline industry and little ease in the prolonged recession in North America.

The September 10-12 Conference will be held at the Paradise Island Resort and Casino and will be hosted by the new Hubert Ingraham administration which was swept to power in recent general elections.

"The industry in the region has been slow to recover," says Jean Holder, Secretary-General of the 30-nation Caribbean Tourism Organisation (CTO) which organises the annual CTC. With the many challenges facing the region's main foreign exchange earner and a harsh economic environment, the CTO has chosen as this year's theme "Working Together as One."

This theme will be very much evident in the impressive television advertisement which will form part of the final presentation on the regional marketing programme, now scheduled to be launched in January 1993.

Some regional governments are, however, yet to inject their share of the U.S. \$4 million dollars contribution they pledged towards the U.S. \$15 million dollar venture to promote the Caribbean as a single destination. The Caribbean Hotel Association (CHA), airlines, credit card companies, cruise lines and others are contributing to the programme aimed at significantly boosting arrivals from the North American market.

Holder notes that 50 percent of the region's tourism business now comes from the United States market compared with over 70 percent in most countries in the "old days". Arrivals to the region from the U.S. declined in 1991 by 5.3 percent over 1990. Reports from 20 countries for the first four months of 1992 showed that the number of American visitors to the region were down marginally by 0.2 per cent over the same period last year.

“The U.S. economy has certainly been slow to recover. It would seem that certainly after the November elections there’s not going to be any serious movement one way or the other.”

Holder says while countries like Jamaica, Aruba and Puerto Rico have been experiencing good business, arrivals have been down in mature destinations like the Bahamas and Barbados.

According to Holder, the European market has been performing much better than the main U.S. market, with the drastic cut in air fares and weakening of the American dollar being some of the contributing factors. And, increased travel to domestic destinations within the United States by budget-conscious Americans has meant a cutback in long-haul trips to places like the Caribbean.

Unlike the U.S. market, there have been signs of improvement in the Canadian market, with arrivals to CTO Member States up for the first four months of 1992 compared to a similar period last year. However, the CTO cautions against expectations of enormous gains out of the Canadian market given the continued recession there.

Cuban tourism officials will be attending their first CTC and the rest of the CTO membership are eager to touch base with officials from the Spanish-speaking destination which is becoming increasingly popular with Canadian travellers.

“There will be an opportunity for the first time to brainstorm with the Cubans to discover what their plans are, what kind of product they are offering and there will be opportunities for seeing on the ground what Cuba is doing,” says Holder.

CTC 16 will, as usual, be preceded by meetings of the CTO’s Board of Directors and the Council of Tourism Ministers, which have on their agenda the state of the airline industry globally and regionally.

“The major carriers have been engaged in some fairly suicidal price wars. I think even they realise that this is something that cannot go on indefinitely without creating even more difficulties for air transportation than currently exist,” says Holder.

He explains: “The Caribbean carriers are caught on the horns of a dilemma. On the one hand, some of them, like BWIA, were beginning to look at profitability, but then the price wars started and they had to cut prices to compete.”

Against a background where regional carriers are essentially “fighting for their life” and companies like BWIA making adjustments in programmes and staff, Holder says it’s understandable that there has not been much movement in the region on increased cooperation and rationalisation of airline operations.

CTC 16 also takes place at a time when Caribbean tourism officials are engaged in discussions with cruise lines on the issue of an entry tax. The cruise lines are unhappy with the decision by some Caribbean destinations to up the tax on cruise ship passengers to \$U.S.10.

The CTO Secretary-General insists that there is no anti-cruise line stance on the part of governments. Rather, joint committees are busy discussing ways to resolve taxation and other issues including sourcing of supplies and environmental matters.

Also on the agenda in the Bahamas is an examination of how to make national tourism organisations at home and abroad more efficient and cost-effective. There should be private sector involvement in tourist boards and in marketing. Marketing trends and the hoteliers’ assessment of the future of the industry will also be debated.

The impact of travel advisories issued against Caribbean tourism destinations is expected to generate much discussion at the ministerial talks in light of the most recent advisories issued on travel to Barbados. “I think there’s a feeling that there is a certain unfairness in the way in which advisories are imposed unilaterally by tourist-generating countries” asserts the CTO Secretary-General.

“There is a case to look at and perhaps for the Caribbean to make its voice heard in those capitals as to what they feel about travel advisories,” says Holder. At the same time, he underscores the importance of Caribbean destinations addressing problems such as harassment and crime.

Senior Vice-President of American airlines, Peter Dolara, will deliver the keynote address at CTC 16, which this year is placing emphasis on specialist travel agent education programmes. And, for the first time, cruise lines, through a high-powered team, will have a platform to discuss their role in the industry.

As private and public sector officials and travel trade personnel prepare for the Bahamas meeting, the CTO Secretary-General is not overly optimistic about the immediate future. "I am not optimistic that in 1993 there's going to be a great deal of change, certainly it will be better than 1992." This year, he projects, should be "a bit better" than in 1991, which was an extremely bad year. In 1991, 11.6 million visitors came to the region, 1.7 per cent less than in 1990.

"I think it is disappointing that we have not got back to 1990 levels. That is a bit worrying," remarks Holder, who is nevertheless confident that "working together" will see the Caribbean's tourism industry on the upswing in the near future.

Tourism's future in Barbados looking brighter

1993 - The President of the Barbados Hotel Association (BHA), Peter Odle, is optimistic about a turnaround in the performance of the main foreign exchange-earning tourism industry but says the BHA has a number of concerns it wants addressed.

"I think Barbados' tourism is going to come back and it's going to come back with a bounce," a confident Odle said in an interview. The BHA president, however, indicated that the level of growth could be influenced by whether the industry received further concessions from the government and by the impact of the planned Value Added Tax (VAT). The new tax regime is intended to broaden the base, remove disincentives to exports and simplify the tax payments system.

Odle, who was "a little concerned" that the VAT could push up costs in the industry, said the association was undertaking a study of the likely impact on the hotel sector.

"We hope that at the end of the day that the industry does not end up becoming even more uncompetitive than it is," he stated.

The BHA, he said, was also concerned about not being represented on the newly established Barbados Tourism Authority which has a nine-member board.

"We were hoping to be able to appoint at least four of the representatives, not necessarily from the hotel industry because we wanted to get the best," Odle said.

"We had a whole vision for this Authority where it would become commercially oriented, where targets would be set for all the overseas offices, where they would be set up like dynamic trade missions and we would get the best brains, put them in charge and give them a mandate," he explained.

"I will not rest until we have a representative on the Authority," said Odle who is Managing Director of the Palm Beach and Island Inn Hotels.

The BHA president, who said he was "cautiously optimistic" about the upcoming winter season, projected an increase in arrivals of two or possibly three percent for 1993. "I think if we can show two percent, the industry would have shown some recovery," he said.

The total number of stay-over visitors for the first seven months of this year was up by 2.7 percent and cruise passengers by close to 17 percent.

Odle said some of the hotels, particularly those on the south coast, were getting reasonably good business for the summer. However, the more up-market west coast properties were having "a difficult time." He noted that on the south coast occupancy was in excess of 65 percent whereas on the west coast it was under 40 percent.

Odle said while airlift to Barbados was not a major problem, the island could use some more seats out of Europe.

He identified South America as a potentially good market for Barbados, particularly Brazil and Argentina, and said initial discussions had begun on how to capitalise on these markets, including through new air services.

Odle said the island's stepped up-marketing programme and the Caribbean Tourism Organisation's (CTO) regional marketing campaign in the United States contributed significantly to the increase in arrivals so far this year.

“Barbados needs to continue a major campaign like the one we did last year. We need to have a sustained marketing thrust and to do it for two or three years,” he said.

“I would like us to continue to be a part of the CTO campaign. How we will fund it I don’t know,” he said, adding that funding would be a problem for the Government.

Odle said that while some properties had begun to refurbish, taking advantage of tax concessions offered by Government, the small hotels were not in a position to upgrade their plant.

“It comes back to the question of the profitability to the industry. It is now an open secret that Barbados’ hotels are probably the least profitable in the entire Caribbean,” Odle said.

“If there is one country doing worse than us it would probably be the Bahamas,” he remarked.

Odle said costs in the hotel sector could be considerably reduced if the Government removed duties on more items, including cutlery, which were used on a daily basis.

“We submitted a list to Government of 196 items and the duties range anywhere from 25 percent to as much as 230 percent. They approved 96 of them but unfortunately not some of the major items which we use on a day-to-day basis.”

“We cannot keep jacking up rates, the consumers are not going to buy it,” he stressed.

On the issue of the head tax for cruise ship passengers, which was discussed over the weekend with the Florida Caribbean Cruise Association, he said the issue was far from settled. “We have really only just scratched the surface.”

He said the BHA did not consider a U.S. \$6 head tax to be introduced next year adequate and pointed to the U.S. \$12.50 departure tax at the airport.

The cruise industry, he emphasised, should be making a much more significant contribution to the tourism industry and that “without a shadow of a doubt” the cruise business was adversely affecting the hotel sector.

Commenting on crime against visitors and beach harassment, which has been reported abroad, he said these problems were considerably reduced. He praised the police and, in particular, Commissioner Orville Durant, for the way in which the problem was tackled.

“I am happy that the Commissioner and the former Minister of Tourism have really come to grips with the particular problem,” Odle said, adding that the problem still persisted and needed continued attention.

He reported that the situation of vendors operating on the beach was much better since kiosks were established to accommodate the sellers and some of the hotels began holding daily and weekly markets.

“That’s a much better situation than people walking up and down and trying to force themselves on the guests,” Odle added.

Regional tourism body to focus on improving tourism product and airline Services

1993 - Concrete steps to improve the efficiency of airlines operating in the region, to upgrade quality of the tourism product and to tighten security for visitors, are high on the agenda of the annual Caribbean Tourism Conference (CTC) being held in Aruba this week.

The five-day CTC, beginning September 8, with the theme “The Caribbean: Where to Go,” is being held in conjunction with the Aruba Travel Exposition (ATEX). The keynote speaker at the conference is former Jamaican Prime Minister, Michael Manley, who heads the Caribbean Tourism Development Task Force.

CTC 17 is taking place at a time of renewed confidence in the major foreign exchange earning industry stemming from a projected healthy tourism performance in 1993.

Tourist arrivals to the region grew by 3.2 per cent in 1992 when 12.1 million visitors came to the region.

“I think that, unless things get badly worse and if the U.S. market continues to perform, we may see as much as five to five and a half or six percent growth in 1993. I am really looking at 1994 to be a year of steady recovery,” Caribbean Tourism Organisation (CTO) Secretary-General Jean Holder said in an interview.

The beginning of a turnaround in the industry, according to Holder, could be partly attributed to the U.S. 15-million-dollar regional marketing programme in the United States launched last February.

“By June we were handling almost 40 per cent more inquiries about holidays to the Caribbean and being asked to send people, brochures, and other information than we had been doing before the campaign ran,” the CTO top executive reported.

Noting that several European countries were having economic problems, he said this was affecting growth in the market. “Although there is growth, the growth that was buoyant has clearly subsided. We have had problems in countries like Scandinavia; we’re beginning to see difficulties in Germany and even in the French markets.”

Holder said, however, that the United Kingdom market had been showing strength. In fact, he anticipated that in 1994 one of the difficulties facing the Caribbean would be insufficient rooms to satisfy the demand which British tour operators were seeking. He reported that the European Community-financed marketing programme in Europe was “off and running” and although the programme was only six-months old there were positive indications.

The programme concentrates on marketing, product development, technical assistance, education and training and research.

The Canadian market has not shown major growth so far this year and the CTO will be expanding its current advertising campaign to include Canada in its marketing efforts for 1994.

Holder explained what while the campaign in 1993 was largely an “image campaign” aimed at raising the profile of the Caribbean, the 1994 strategy would include the production of the tourism travel planner containing information on all the countries, including detailed data from a wide range of private sector operators in the Caribbean.

“The private sector will be asked to purchase advertising space in the planner and that will be their contribution to financing the planner,” the CTO top official said. People responding to the television advertisements by dialing the 800 number will no longer receive the brochure on the region but instead the more comprehensive travel directory.

The CTO, Holder said, was encouraged by the financial support received for the campaign to date. “Out of 31 governments, 27 participated, of which two, Cuba and Haiti, could not because of international embargoes.”

He said the hotel sector had made its contribution but it was “a major struggle”. The cruise lines are still to pay U.S. \$1 million, but have expressed their commitment to pay.

The issue of a head tax for cruise ship passengers visiting the region is expected to surface at CTC and CTO would be seeking clarification on the recent agreement on a minimum head tax by Caribbean leaders from the CTO’s Council of Tourism Ministers when they meet on the eve of CTC 17. Holder said relations with the Florida Caribbean Cruise Association (FCCA), which were strained over the role of the cruise lines, and in particular the issue of the head tax, were now cordial and it was business as usual.

Holder, who said he was optimistic about steps being taken to step up functional cooperation among the financially troubled airlines operating in the region, pointed to the report formulated following recent discussions in Miami among the Chief Executives of nine carriers. The recommendations from this meeting will be discussed at CTC by a panel which will focus on the case for more broad-based cooperation among Caribbean regional carriers.

The report suggested that U.S. \$65 million could be saved annually if there was cooperation in areas such as schedule rationalisation and pooling, reservations, airport services, catering, fueling, aircraft acquisition, joint insurance and maintenance.

“The good news is that these recommendations do not depend on anybody else other than the Chief Executives of the airlines to implement them,” said Holder who met with the CEOs in Miami. The functional cooperation idea is a good one. If the airlines remain as they are, if they are privatised, are all sold, or some of them merged, it remains at the end of the day that the one thing they can do is functionally cooperate.”

The CTO official said while there was some selective upgrading of the hotel plant in its 31 Member States, not enough had taken place. "I regret to say overall the problem of refurbishment of plant and capital investment of new plant remains a problem and we need to give that urgent attention," he remarked. This subject will be debated at CTC under the heading of "Delivering a Quality Tourism Product."

Not surprisingly, the security of tourists is high on the agenda of the Aruba meeting. Holder observed that crime against visitors was a worldwide phenomenon but stressed that any crime and harassment against visitors and locals was "too much" and there was a definite problem in the region.

The discussions, which will involve the Barbados Commissioner of Police, Orville Durant, will be based on the recommendations of a regional conference on crime and tourism in the Caribbean which CTO hosted last April in St. Lucia. The subjects covered in the report include hotel security, the criminal justice system, harassment, crime and violence against property, policing and training. "Those of us that are already taking action are seeing the benefits," the CTO Secretary-General commented.

The spotlight in Aruba will also be on environmental action programmes following the convening of several ecotourism conferences with CTO's assistance.

"The Caribbean's strong marketing point now, and in the future, will be that it has a beautiful environment, it has clean air and pure water, where people who are tired and stressed from the busy and dirty cities in the developed countries, would wish to come and relax," Holder said.

On Cuba's recent membership in the CTO, he said Cuba had kept "an extremely low profile" interacting with the CTO at a technical level. "We have made it clear to market people that Cuban tourism is struggling to make a mark."

Tighten security to save tourism

1993, Aruba - Barbados Commissioner of Police, Orville Durant, has warned regional governments and hoteliers that the future of the tourism industry could be jeopardised if adequate security measures and tougher legislation are not put in place soon.

"The financial resources must be found to provide a higher level and more intense security for our visitors or we shall inevitably face the consequences of tourists abandoning a crime ridden region," he told delegates attending the Caribbean Tourism Conference (CTC) in Aruba yesterday.

Durant said the question of adequate security and law enforcement personnel had been "avoided for far too long." He was one of four panelists addressing the subject "Protecting the Security of Visitors" on the final day of the three-day meeting.

The police chief recommended the establishment of a body of qualified security personnel to monitor and evaluate developments which affected the security of visitors. He also called for more punitive laws to deal with drug traffickers and said whipping "should not be scoffed at."

He urged hoteliers to take more responsibility for the security of their guests by using guard dogs and putting more effective surveillance systems in place. Additionally, all hotel staff should be exposed to security awareness training and visitors provided with security tips.

Durant, who expressed disappointment after the session at the small number of hoteliers who attended, said that given the foreign currency which tourism generated, expenditure on public and private security for the industry was "grossly inadequate". He insisted that the "administrative coma" which plagued the management of the industry should be eliminated.

Durant told the Sunday Advocate that although 50 policemen and 60 special constables were recently added to the local police force, there was still a dire need for the 1,250 strong force to be increased to 1,490.

In his address, he advocated the adoption of "community tourism" to ensure community involvement and participation in the industry". This approach sees the industry reaching out to the entire society, and the creation of an atmosphere, which on its own, attracts and maintains community support and community security."

Durant emphasized that crime against tourists should not be treated separately and in isolation from crime generally in any small society. "Any attempt at such a strategy is doomed to failure and frustration," he asserted.

One of the biggest problems from a security point of view, according to Durant, was the sizeable amount of cruise ship visitors. He said this placed heavy demands on the resources and facilities of the country and intensified the threat to security of our visitors.

He reiterated his long-held view that crime was related, among other things, to high levels of unemployment, indiscipline, and drug abuse, and pointed as well to a feeling of hopelessness among the youth. And, there was an already spiraling trend in criminal activity and violence, Durant stated.

The Commissioner said the root causes of crime needed to be addressed, not just specific measures enforced which curbed, but did not eliminate the problem.

Durant also highlighted the need for speedy trials, counselling and support for visitors who were victims of crime.

At the same time, he said, tourists were taking risks by frequenting night clubs and bars late at nights, venturing into areas which residents considered "dangerous" and seeking out drugs and prostitutes for "kicks."

Exploit eco-tourism for all its worth

1993, Aruba - A Caribbean tourism consultant is urging governments and hoteliers in the region to adopt a new approach to the development of the rapidly changing tourism industry, including a more business-like attitude to the preservation of the environment.

Trinidadian-born Dr. Auliana Poon is calling, among other things, for a constant analysis of developments affecting the tourism industry, an improvement in the product offered by hoteliers and for eco-tourism to be treated as an income-generating activity.

Poon, President of Caribbean Futures, a consulting practice operating out of Trinidad and Tobago and Germany, says the industry needs to develop a capacity "to monitor, anticipate and respond creatively and effectively to change."

"This is the only way in which this region could really be able to compete successfully in the future," says Poon, who holds a Ph.D. in Tourism from the University of Sussex in England, and has just released her book, "Tourism, Technology and Competitive Strategies."

She supports the call by former Jamaican Prime Minister, Michael Manley, made during the Caribbean Tourism Conference in Aruba, for the establishment of a think-tank on the industry.

"Too much of the time we sit and wait for a recession to finish, and we just pretend nothing is going to happen until the American economy gets better, but we need to anticipate when these things are going to happen and how to respond as a region," says Poon, a former senior economist with the Caribbean Tourism Organisation, who recently completed a review of the region's key foreign exchange-earning tourism sector for the Caribbean Development Bank.

In 1992, described by CTO as a year of "modest recovery" from the weak performance in 1991, 12.1 million visitors came to the region, generating earnings of U.S. \$9.8 billion.

Poon believes that eco-tourism should not be regarded as a fad and that the environment must be preserved if the industry is to survive. "What it means is not just a hotel focusing on eco-tourism or a national park. We should be looking at developing a culture of conservation among the peoples of the Caribbean region."

She exhorts West Indians to take a leaf out of the book of some European countries. In Germany, Poon observes, people take bicycles to the train station and take the train to avoid using motor cars, which affect the pollution level. Also, the German Government uses only recycled paper.

“We also have to see the environment as an industry, as a possibility of generating income and employment not only through eco-tourism, but also through the recycling of paper, bottled glass and environmental conferences.”

She laments that the region has largely imported solutions to problems. “As far as the environment is concerned, it is very critical for us to solve our problems and export the solutions,” advises Poon, who has undertaken assignments in Berlin, Portugal, London and Singapore and served as tourism advisor in Belize.

She welcomes the decision by the Cayman Islands to legislate stiff penalties for ships which dump waste in its waters. “I think it is a very important initiative which a lot of other Caribbean islands would find it very useful to follow.”

The main issue, however, is not the level of penalties, but the level of implementation, Poon points out.

“Our waters are so large we have to think of the environment and conserving it as a job and an economic activity,” says the tourism consultant. She recommends that this be done through hiring more coast guard officers and sea-faring people.

“We need to work together because garbage dumped on one beach can end up on another one,” she adds.

Poon regards the cruise lines as the Japanese of the tourism industry. “They are fiercely competitive, they are doing a fantastic job in marketing and promoting and segmenting their market,” she asserts.

In addition, she says the cruise lines are innovative and “ahead of the game.” Poon contends that the cruise lines have become almost an alternative to land-stay tourism, whether we want to agree with it or not.

“Because of the level of satisfaction guaranteed on a cruise holiday, it has become a substitute for that,” she says, adding, “the point at stake is whether they are competing fairly and what is to be done about it.”

The only serious competitors to the cruise lines which have emerged, in her view, are the all-inclusives “simply because they have produced a product which people want to buy.”

Poon says many hotels do not normally know what segment of the market they are catering to - whether the guests are young, old, or low-income. On the other hand, the all-inclusives cater to couples only, or families, and meet specific needs such as health and fitness.

“All-inclusives understand the market, are responding to it and are doing well. Unfortunately, a lot of the hotel industry hasn’t done its homework and while it’s nice to blame the cruise lines there’s a lot of work to be done by the hotels right at the destination.”

She acknowledges that hotels, unlike the cruise lines, bear a heavy tax burden, but says there are other factors which make some hotels in the region uncompetitive.

“Unfortunately, governments over-tax the very industry on which they rely heavily for income and foreign exchange. The solution is to build other dynamic legs of the economy, whether it be a fashion or health industry that’s competitive and that could generate other levels of income which could create employment, satisfy tax revenues and create foreign exchange.”

One factor which is definitely harming tourism, according to Poon, is crime against visitors, which she describes as a plague and the single most important factor that could affect the industry.

“Hotels need to look beyond the four walls of a hotel room with regard to security. This is one of the factors why cruise has become a major alternative because there’s no hassle, there’s no harassment.

“We have to be concerned about what happens on the beaches and at the airport. Quality control is important at every single aspect of the tourism experience.”

SECTION M

COMMONWEALTH ISSUES



Sir Shridath Ramphal
Commonwealth Secretary-General



Chief Emeka Anyaoku
Commonwealth Secretary-General



Edward Seaga
Prime Minister
Jamaica



Brian Mulroney
Prime Minister
Canada



Dame Eugenia Charles
Prime Minister
Dominica

COMMONWEALTH ISSUES



Sir Harold Bernard St. John
Prime Minister
Barbados



Sir James Mitchell
Prime Minister
St. Vincent and the Grenadines



Rashleigh Jackson
Foreign Affairs Minister
Guyana



Dame Nita Barrow
Ambassador to the United Nations
Barbados

Meeting the challenge of Southern Africa

1985, London - When Heads of Government of the 49-nation Commonwealth meet in the Caribbean in mid-October, the situation in Southern Africa, the security of small states and the global economic situation, particularly the prolonged debt crisis, will be high on the agenda.

Political analysts expect the Bahamas summit to again prove a challenge to the multi-faceted Commonwealth which groups developed and developing countries with divergent political and economic interests.

At their last meeting in New Delhi, India, in November 1983, Commonwealth leaders stated in the declaration on international security that relationships between the world's major military alliances were in danger of becoming more confrontational.

The New Delhi statement on economic action was just as pessimistic. "Most countries have suffered from economic stagnation, unemployment, and inflation. World trade has declined. The international monetary financial and trading system has further weakened," the statement said.

On the economic, military and political fronts, the news is still gloomy. "The North-South Dialogue has flattered and all but collapsed" said Secretary-General, Shridath Ramphal, in a recent address to mark the 20th anniversary of the establishment of the Commonwealth Secretariat in London. One of the major talking points in The Bahamas is expected to be deterioration in the political situation in Southern Africa since the last summit.

Commonwealth government officials expect violence in South Africa, where a state of emergency has been declared, and the installation of the controversial interim government in South Africa-run Namibia to come up for discussion.

The Caribbean Community (CARICOM) Heads of Government at their summit in Barbados last month, joined the international community in declaring the unilateral action in Namibia null and void.

"The Heads of Government considered that such action by South Africa and its insistence in linking the independence of Namibia to irrelevant and extraneous issues are tactics for prolonging occupation while Namibia's natural resources are being plundered," the summit communiqué said.

The CARICOM leaders called on the international community to make a determined effort to ensure that the people of Namibia under the acknowledged leadership of the South West Africa People's Organisation (SWAPO) are enabled, without further delay, to exercise their alienable right to self-determination and dependence.

Commonwealth government officials also expect sporting contacts with racially-divided South Africa to be a major talking point. This is because the problems associated with the England's planned 1986 cricket tour of the Caribbean. The English team is expected to include players who toured South Africa, including batsman Graham Gooch, who said given the same set of circumstances that led him to visit Pretoria he would again play in South Africa.

The Guyana government's off-stated policy is that cricketers who have played in South Africa will not be able to play in the CARICOM member country. Antigua recently said Gooch would be allowed to play in the island.

CARICOM foreign ministers last May reaffirmed their commitment to pursuing the objectives of the Gleneagles Agreement among Commonwealth states aimed at the elimination of sporting contact with South Africa.

"With particular reference to the forthcoming tour of the region by an (English) cricket team, they were at one in regarding as wholly unacceptable as visiting players, persons currently in breach of the Gleneagles Agreement as well as those expressing an intent to violate it through sporting contacts with South Africa." the CARICOM summit communiqué said.

At the summit too, a great deal of attention is expected to be given to the question of the security of small states, which featured prominently at the New Delhi summit following the United States-led military intervention in Grenada.

These countries have expressed alarm about increasing disregard for moral and legal principles which they think should govern the conduct of states and about the degree to which the ethic of peaceful settlement of disputes is being eroded, as well as about the readiness of nations to resort to the illegal use of force.

The Commonwealth Secretary-General has said the report on the security of small states by a 14-member group, established following a mandate from New Delhi, is expected to be the centre-piece in Nassau. The group is headed by Chief Justice of the Bahamas, Telford Georges and includes foreign affairs officer of the CARICOM Secretariat, Lloyd Searwar and former minister of External Affairs of Barbados, Henry Forde.

"The report, on which we began work over a year ago, looks at the economic political and military aspects of security as well as intelligence gathering and maritime implications," Forde explained. "We got the views from government and non-governmental organisations when we held meetings in New Zealand, the Seychelles and the Bahamas."

He said the question of drug-trafficking was dealt with by the group. CARICOM governments have become more worried about drug-trafficking, which like the use of hard drugs, is reported to be on the increase in the region.

The confidential document on the security of small states, according to Forde, contains practical solutions and recommends action at the regional and international level.

The political issues facing the summit also includes the continuing conflicts in the Middle East and Central America. There is concern over Nicaragua, which Commonwealth countries in 1983 said posed a threat to peace and stability in the region with potentially dangerous consequences for international security persists.

Latest Press reports quote Nicaraguan leader Daniel Ortega as saying that in addition to the American-backed contras fighting to overthrow his government, Israeli forces are training troops in neighboring Honduras on instructions from Washington.

The Guatemalan claim to neighboring Belize is also down for discussion, Commonwealth officials said. This and other elements seen to indicate a potentially stormy summit.

The fight for aid

1985, London - Several Caribbean countries are expected to take their fight for continued access to International Development Association (IDA) soft loans to the Bahamas next October.

Poor regional states like Dominica, St. Lucia, Barbados and St Vincent and the Grenadines have been openly voicing concern about the World Bank affiliate criteria for aid, which will see all these countries cut off from some of the financial markets' easiest repayment conditions by mid-1986.

Formal complaints have actually been lodged with the World Bank and there has been lobbying in Washington aimed at getting some ease from this so-called "graduation" process and some government leaders expect the issue will surface not only during next month's Commonwealth finance ministers meeting in the Indian Ocean, but also at the mid-October Bahamas Summit.

Prime Minister Eugenia Charles of Dominica has complained that the island's "graduation" from IDA resources could adversely affect the government's economic drive over the next few years.

"This (graduation) comes at a time when we are most in need of concessional aid to support the structural changes that we have been trying so hard to make," Charles told Parliament. She said the irony of the situation was that while the small Caribbean countries were being forced out of the low-income group eligible for concessionary aid, they were considered not credit worthy for non-concessional loans.

Director of Economic Affairs at the Commonwealth Secretariat here, Dr. Vishnu Persaud, said the poorer Caribbean countries could not afford to pay commercial bank interest rates of between 10 to 11 percent.

Dr. Persaud suggested that the World Bank move away from the concept of “graduating” countries with a per capital income of U.S.\$800 and above and display more flexibility.

He also emphasised that countries should not be graduated unless alternative sources of financing were identified.

Commonwealth Secretary-General Sir Shridath Ramphal, commented: “Graduation normally means achievement, but in this context it means demotion. It means that countries like Dominica, St. Lucia and St. Vincent and the Grenadines would move into a higher category of countries which means that they will no longer be eligible for loans available for the smallest and poorest countries.”

Ramphal elaborated: “These countries will have to pay more to borrow on commercial terms and this is totally out of the question. These countries are in fact being told that they are no longer eligible for help.” The Commonwealth Finance Ministers have stressed that the graduation would be a hard blow for countries which still have great need for external resources to promote balanced and more stable development.

But it’s not only the World Bank and its soft loan affiliate which are under fire from third World countries with economic problems. The International Monetary Fund (IMF) is also being urged to maintain a flexible approach to the issue of bolstering Third World economies.

“In view of the urgent need to reserve or at least moderate the offers of severe import cut-backs by developing countries in recent years, Ministers urged the fund to continue and widen its effort from appropriate sources and facilitate improved rescheduling,” the Finance Ministers said at their last meeting.

The IMF is being encouraged to revise its rigid conditionality practices, improve its facilities in accordance with the circumstances of member countries as well as pay greater attention to the extended fund and compensatory financing facilities.

Debate in the Maldives and Nassau will focus on the implications of the problem of certain countries, mainly African, being in arrears with the IMF, as well as the recent decision by the Fund to declare Guyana ineligible to borrow from it.

Persaud also drew attention to Jamaica’s arrangement with the IMF and said the island was “skating on ice.” Jamaica entered a U.S.\$120 million IMF agreement in June. The Government has had to implement deep spending cuts, which has adversely affected social services and subsidies, to sharply devalue the Jamaica dollar, impose a credit squeeze and slash substantially public sector employment.

At their Summit in Barbados last month, heads of governments noted the particular difficulties facing middle income countries with respect to commercial and concessional financial flows.

“They endorsed the proposal to establish third window facility within the World Bank to ensure the continuation of concessionary financial flows in terms more responsive to the requirements of these states,” the Summit communique said.

“They felt, however, that such a proposal needed to be carefully studied with a view to measuring its effectiveness.”

The CARICOM governments, also complained that the principle of multilateralism which characterised post-war international relations was under severe attack.

For CARICOM governments, the two meetings are coming at a time when there’s a pressing need for development aid.

The Barbados Prime Minister and Minister of Finance Bernard St. John who will be attending his first Commonwealth Summit as a head of government, summed up the situation bluntly, in an address to the annual meeting of the Board of governors of the Caribbean Development Bank (CDB), in Barbados this year.

“Countries facing desperate foreign exchange shortages cannot carry out meaningful adjustments. All that happens is that without external support the economy continues on its downward spiral with ever deeper level of misery and discomfort.”

Commonwealth leaders meeting in New Delhi in 1983 held out some hope that the economic recovery, largely in the United States, would pick up and its effects impact most countries which have suffered from economic stagnation, unemployment and inflation. Now, some two years later, the New Delhi statement on economic action said economic recovery remained uneven and fragile, its overall pace was disappointing and the Third World situation remains depressed.

Continuing high interest rates, excessive budgetary deficits, inflationary expectations and rising protectionism were identified as factors which inhibited real recovery. Commonwealth reports such as "Protectionism: Threat to International Order", "The North-South Dialogue", "Toward a New Bretton Woods" and, more recently, the report of the Commonwealth inter-governmental consultative group on international economic actions as well as the report titled "The Debt Crisis and the World Economy" have sought to analyse some of the major problems and offered some solutions. But, these have gone largely unheeded. The Commonwealth Secretary-General said recently that the world is witnessing a major assault on an already fragile structure of international cooperation.

Concern over the Debt Problem

1987, LONDON - When Ministers of Finance from over 40 Commonwealth countries gather in Barbados today for two days of talks, it will be against the backdrop of the slowdown in growth in the industrialized countries, continued protectionism, depressed prices for primary commodities from developing countries and persistent debt problems.

The decline in financial flows to developing states and problems of access for Third World countries to funds from the International Monetary Fund (IMF) and the World Bank are concerns which several of the ministers are expected to air this week.

The two-day annual talks precede the yearly joint IMF and World Bank conference and the outcome of the discussions here is expected to have a significant bearing on the discussions in Washington. The Commonwealth accounts for about a third of the world's nations and a collective Commonwealth position represents a consensus across the north-south divide.

Caribbean countries are expected to join in the concerns relating to the debt problem and Jamaica's Prime Minister, Edward Seaga, will seek support for his proposals for help for small middle-income debtor countries. These proposals were circulated at last July's Caribbean Community (CARICOM) Heads of Government conference in St. Lucia. Seaga will be joined by his counterparts from Canada, Zimbabwe and India as key speakers on the world economic situation.

The debt problem is of particular interest to Jamaica and Guyana, the main debtor countries in CARICOM as well as Trinidad and Tobago and, to a lesser extent, Barbados.

The Inter-American Development Bank (IDB) puts the 1986 external debt for Jamaica at U.S. \$3.8 billion, Guyana U.S. \$1.1 billion, Trinidad and Tobago U.S. \$1.1 billion and Barbados U.S. \$472 million.

According to the president of the Barbados-based Caribbean Development Bank (CDB), William Demas, the needs of debtor countries in the Caribbean are being ignored. This, he explained, was because the region did not have as grave a problem as the poorest countries particularly sub-Saharan Africa, nor the massive debts of the Latin American countries like Mexico and Brazil.

Demas pointed out that for Guyana and Jamaica the debt service due is in the vicinity of 45% of their export earnings.

"Trinidad and Tobago borrowed from commercial banks during the oil boom. For the next few years, they will have a problem because there are big payments coming up," Demas said.

The Baker Initiative, an American plan aimed at stimulating more World Bank help for debtor nations and increased lending by commercial banks, has not materialized, according to the CDB president. "Big commercial banks are causing a net transfer of financial resources from the Third World to themselves. It should be the other way around," the Trinidadian-born economist observed.

The director of Economic Affairs division of the Commonwealth Secretariat, Dr. Vishnu Persaud, agrees with Demas that the Baker initiative is not working because the commercial banks are not doing their part.” He feels, however, that proposals for debt-equity swapping such as proposed by Seaga, will run into problems because developing countries fear that it will result in “sacrificing their assets.”

“You can’t expect countries to allow the conversion of all their debt into equity because a large proportion of their assets would become foreign owned,” Persaud said.

Under the swap programme, a country’s external debt is sold at a discount to foreigners wishing to invest in the local economy. Caribbean countries, Persaud said, have failed to have their debt problems addressed because as smaller middle-income countries they don’t have the clout in the international financial system.

Apart from debt, graduation - being cut off from funds - from both the International Development Association (IDA), the World Bank’s concessional lending arm, and the bank itself is of key concern to CARICOM member states.

Five Organisation of Eastern Caribbean States (OECS) countries will be graduated from IDA in about three years’ time. IDA, which lends to the poorest countries of the world - about 70 percent of the Commonwealth - has a cutoff point of just below U.S.\$800. Trinidad and Tobago has already been cut off from World Bank funds and Barbados and the Bahamas are expected to be in the same position in another two to three years. “There is no recognition yet that we need to take into account access to alternative sources of finance,” Persaud said.

Persaud said countries like Trinidad and Tobago which have been graduated from the World Bank because of a near U.S.\$3,000 per capita income are virtually being told to borrow from private markets when such markets do not exist for developing countries.

Trinidad and Tobago’s Prime Minister, A.N.R. Robinson, who is listed along with representatives from Sri Lanka and Sierra Leone to speak on Bank/Fund issues, has already indicated that he will be voicing his concern about the graduation issue.

“Caribbean countries will have to continue to fight graduation because the per capita criteria is not really suited for small countries,” Persaud added.

The CDB president feels that the World Bank ought to take into account whether a country’s structure of production and exports is sufficiently diversified and its ability to cope with adverse external economic developments beyond its control.

Demas noted that a kind of intermediate term facility from which countries like those in the OECS could benefit, is being mooted. Essentially it proposes a blend of concessional “soft” and more “hard” IBRD World Bank funds.

In addition to the graduation issue, of major importance to the Commonwealth as a whole is a general capital increase for the World Bank. In fact, the Commonwealth is proposing a doubling of its current U.S. \$90 billion resources to enable it to meet new lending targets of U.S. \$20 to 22 billion annually.

Of interest to the developing countries is the bank’s structural adjustment programmes which are in need of more capital. So too is the IMF’s relatively new Structural Adjustment Facility (SAF) from which one Caribbean country - Dominica - is benefiting. The Ministers of Finance will be urged to support a trebling of the SAF’s resources from U.S.\$3 billion to U.S.\$9 billion.

Commonwealth University on Vancouver summit agenda

1987, BRIDGETOWN, Barbados - Commonwealth Heads of Government are hoping that for the first time in many years the situation in South Africa will not “overwhelm” their biennial meeting opening tomorrow.

But Commonwealth Secretary-General, Shridath Ramphal, says the 49-nation grouping, while understandably frustrated, is not backtracking in its campaign for the dismantling of apartheid in the white-ruled republic.

Many Commonwealth leaders are again expected to push for mandatory sanctions against Pretoria but Britain is again expected to oppose the proposal. “South Africa will be prominent on our agenda. It has to be, but it won’t overwhelm the agenda which has to find place for other political issues, has to find a major place for the world economic issues - trade, debt and financial flows,” Ramphal said in a CANA interview.

“It also has to find place for practical things of interest to the Commonwealth,” he added.

The Commonwealth leaders meet in Canada for the second time, from October 13 to 17, in the western city of Vancouver facing a lengthy agenda that includes education, youth employment, environmental concerns and reviving the global economy.

High on the list, Ramphal said, is the proposal for a University of the Commonwealth which calls for a Pan Commonwealth linking body using new communications technologies to bring the courses of colleges, institutions and universities all over the Commonwealth to students in any member country.

“I think this is the most exciting and creative proposal to go before Commonwealth leaders for 20 years,” he remarked, noting that a “full house” including all the Commonwealth Caribbean leaders, is expected in Vancouver.

The University of the Commonwealth, according to Ramphal, is a radical departure from the concept of campuses and concrete buildings, offering the best in distance teaching and being “more effective” than correspondence courses. It means that “a young man in a village in Tanzania can be doing his degree in biochemistry using the best of materials produced by the Open University of Britain, the Indira Gandhi Open University in India and the Athabasca Open University in British Columbia. Of course, all of this has to be coordinated,” Ramphal explained.

The project, which will eventually have a fee system, is expected to cost 2.4 million (pounds sterling) in its first year, rising to 8.3 million (pounds sterling) in the fifth and in addition to Commonwealth governments, financial support will be sought from international institutions and private trusts.

Another significant agenda item is a 141-page report titled “Jobs for Young People” which recommends ways of increasing work opportunities for youth.

The centre-piece of the report is a proposal for the establishment for a Commonwealth Youth Enterprise Fund to help young entrepreneurs who lack capital, skills and experience to be administered by the Commonwealth Youth Programme.

“That report is going forward to Commonwealth leaders at a time when every one of them, developed or developing, has an unemployment problem, has a youth problem and we believe that the response to this can’t rest only with a kind of general response to the economic situation,” Ramphal said.

Another agenda item at the Vancouver summit is financial resources for the Commonwealth Fund for Technical Co-operation (CFTC), which provides much-needed technical assistance and training. “The CFTC is itself a victim of the adverse global economic climate, which has led some Governments to reduce their level of support. Its difficulties have been compounded by delays in payments of pledged contributions by some countries,” Ramphal said in his report to the Heads of Government.

“The overall reversal in the fortunes of the CFTC represents a weakening in Commonwealth multilateral endeavors which must be of serious concern to all member Governments,” he commented, adding that the rise in the value of the pound sterling had affected the level of the Fund’s contributions.

The CFTC Board, which met in Barbados recently said it was seeking a level of funding of 25 million (pounds sterling) for its next annual budget and was hoping to resume three-year planning cycles soon.

Apart from the financial headaches, the Commonwealth leaders will also devote some time to environmental issues, on which countries such as Canada and India have been vocal.

The discussions in this area will centre on the report of the 22-member World Commission on Environment and Development titled "Our Common Future."

"The report went beyond the fact that chemical industries in the developed world are spewing pollutants into the air to the fundamental recognition that environmental degradation is also caused by basic poverty," said Ramphal who served on the Commission. "Poverty in itself a great pollutant and poverty has to be attacked," Ramphal declared.

Commonwealth leaders are hoping that their talks on ways to revive the global economy will lay the groundwork for tackling poverty. But the list of economic ills to be addressed has not been shortened since their 1985 meeting in Nassau, the Bahamian capital.

Commonwealth leaders are still pressing for greater financial flows from the developed to developing countries, easing of the debt burden of the diverse grouping, better lending conditions by the major international financial institutions and an end to protectionism.

"On trade, we hope for a very concerted approach towards making a success of the GATT (General Agreements on Tariffs and Trade) talks in the Uruguay round progress which rolls back protectionism in a significant way," Ramphal said.

This time around, there appears to be an assault on the debt problems of low and middle-income countries with major proposals coming from Britain and Canada. The deteriorating situation in South Africa as expected, will find a prominent place on the agenda. "We haven't seen any positive change on the part of the South African Government," said Ramphal who noted that the calls in Nassau by Commonwealth leaders for Pretoria to take five specific steps towards ending apartheid and establish a nonracial democracy have been ignored.

The South Africa regime has shown disregard for the Commonwealth Eminent Persons Group which went to Pretoria on a fact-finding mission and the renewed call for sanctions by the August 1986 London meeting of seven Commonwealth leaders has not prompted any positive action by the racially troubled state.

The attitude of Britain, which does not favour sanctions, has been a major stumbling block. "It's perfectly clear that the British Government's position has not altered. Since I don't believe in last-minute miracles. I don't believe anybody is going to Vancouver in the expectation that Mrs. Thatcher (the British Prime Minister) has changed her mind on sanctions," Ramphal said. The Commonwealth, he said, will continue to keep up the pressure on South Africa and try to mobilise financial assistance for the African frontline states which are subjected to economic and military aggression from the South African regime.

Other recurring topics at the Vancouver meeting will be East-West relations and the Gulf war. Undoubtedly, the recent military coup in Fiji, the second in five months, will also occupy the attention of the Prime Ministers and Presidents.

The role of the military in small states, Ramphal said, ought to be of concern, especially to countries like those in the Caribbean.

Grant us debt relief

1987, VANCOUVER, Canada - Dominica's Prime Minister Eugenia Charles says she plans to send a strong signal to the Commonwealth's more developed countries that the debt problem of small Caribbean countries deserves as much attention as the plight of the poor African countries.

Charles feels the debt of Caribbean countries ought to be converted into grants, as was being advocated for the Saharan African countries by Britain and Canada. The Caribbean, she said was badly in need of funds for capital projects.

"It is no point giving it to me in loan form because you're going to be stymied. We're not going to be able to get enough to put the country forward, so it would no longer be required to get aid," she said.

"The only reason for having aid is to be able to take yourself out of the necessity to get aid, and if you don't give aid in the proper method sufficient to give you the capital infrastructure that you want, then the aid is frittered away," Charles said.

The Dominica leader, who is attending the current Commonwealth Summit here, suggested that in addition to the conversion of debts into grants, the international financial institutions should reschedule payments over a longer period and reduce interest rates.

Charles said while in Washington recently for the annual World Bank/International Monetary Fund (IMF) talks, she sent home a clear message to World Bank president, Barber Connable, that a separate facility had to be found to accommodate those Eastern Caribbean countries being cut off International Development Association (IDA) funding in three years' time. "Every year, we come here to talk with the World Bank. In the meantime, they have got to think of something for us," she added.

"It's all well and good to talk of the poorest of the poor. We are not the poorest of the poor, but we know that we are the poor, we know that we can't go out and get things done because we haven't got the money to do it," she said.

She added: "The Southern Africa problem is a very sad and important one which requires a great deal of attention, but it is going to take years to solve. Proper assistance now to us would put us out of the aid-requiring stage within the next five to six years."

"It's unfair for us to enter into structural adjustment programmes, for us to tighten our belt and tell our people that they have got to do without for the purpose of being in a position where you do not have to do without in the future, and then you don't assist us to get out of the problem," she said.

Sandiford pushes for sanctions

1987, VANCOUVER, Canada - Barbados Prime Minister Erskine Sandiford said today the most effective way to continue pressuring the racist south Africa regime was to maintain sanctions, and insisted that there should be no substitute for this approach.

"Barbados believes that sanctions is the surest way to bring about substantial change in direction," Sandiford asserted in a CANA interview. He said that while Barbados supported calls for increased assistance to the countries which border South Africa - the so-called frontline states — this could not be considered as an alternative to sanctions.

African frontline leaders, notably Zambia's president Kenneth Kaunda, have said that Britain, which is firmly opposed to sanctions against South Africa, was proposing stepped up military and educational assistance to the frontline states, as an alternative to punitive economic measures.

"We don't see it as one or the other. We see both approaches as being necessary if we are to get a peaceful settlement," Sandiford told CANA. He noted that while everyone at the Commonwealth conference, now into its third day, have spoken out against apartheid, there were differences over the "methods" of bringing that system to an end, without a bloodbath.

The Caribbean, Sandiford said, would try to "strengthen" its efforts to assist the African frontline states, particularly in the area of education.

He said Barbadian institutions were open and would continue to be open to students from the frontline states and noted that Namibians have been educated in Barbados.

"I myself have taught a number of them," the Barbadian leader said.

The economic issues were discussed earlier today before the Commonwealth leaders left for retreat at a lakeside resort 460 kilometers from Vancouver.

Commenting on the debate, the Barbados leader said it was "tremendously important" to win the support of Commonwealth leaders on issues such as debt, because of the multilateral nature of the 49-nation grouping and its influence in the international community. Alluding to his recent participation in talks at international financial institutions in Washington, Mr. Sandiford said there were "encouraging signs from the International Monetary Fund (IMF) which was showing "a more human face."

He was particularly encouraged by the decision that the World Bank's capital resources were to be increased, though not as substantially as he would have wished.

The denouncing of protectionism by the United States administration, he said, was a "move in the right direction" which gave hope for some improvement in global trade.

On the agenda at this summit, the first for Sandiford as a Head of Government, he said he was keen on seeing the conference take "a bold step" to initiate moves to broaden and deepen access for Commonwealth students to educational opportunities, through the proposed Commonwealth University for Cooperation in Distance Teaching.

Sandiford, who holds the education portfolio, however emphasized that the Commonwealth facility should not replace the "face to face" educational experience obtained abroad, but rather, complement it. Sandiford also underscored the importance of maintaining financial resources for the Commonwealth Fund for Technical Cooperation (CFTC), the Commonwealth's technical assistance arm for developing member states.

The CFTC, he said, was a "highly valued" scheme which needed to be beefed up. The Commonwealth leaders are expected to discuss pledges for the CFTC budget which is about 3 million pounds sterling short of its planned 28-million-pound sterling budget for the next year.

Mitchell says it's too costly to study abroad

1987, VANCOUVER, Canada - St. Vincent and the Grenadines Prime Minister, James Mitchell, appealed yesterday to more developed Commonwealth countries to ease the financial burden on Caribbean students studying abroad.

"The exorbitant charges on foreign students abroad today is a recipe for nationalistic chauvinism," Mitchell told about 2,000 delegates and guests attending the two-hour opening ceremony of the Commonwealth Heads of Government conference.

In a 15-minute address Mitchell said the Commonwealth was "much poorer" because of the lack of opportunity for international student exchange.

"I would hope that as the economies of the industrial countries strengthen, the way will be seen to restore some quota of educational opportunity for young people at a reasonable cost in foreign universities."

Mitchell said while he supported the concept of a Commonwealth distance teaching satellite facility, this did not preclude the need for overseas study.

"There is no substitute for the studying and living experience of a young person away from home, learning, for instance, how to cope with winter, and witnessing the values and world ethic that make the industrial world a success," he said.

The Caribbean, Mitchell told the conference, was concerned about the debt crisis, protectionism and low prices for certain commodities. "It is our hope that the new incentives to supplement resources of the International Monetary Fund and the restructuring of the Caribbean Basin Initiative in the United States Congress will provide us with the tools of our economic recovery, commensurate with the progress in the rest of the world," he said.

Mitchell lauded Canadian taxpayers and successive Canadian governments who “have generously assisted” in the region’s development.

Canada earlier this year announced that CAN \$93 million was being allocated for disbursement to the Commonwealth Caribbean during 1987-1988, and Canada’s outgoing Barbados High Commissioner, Noble Power, said recently aid to Barbados and the Eastern Caribbean over the next five years would amount to about CAN \$250 million.

Commonwealth puts its weight behind OECS Political Union

1987, VANCOUVER, Canada - The Commonwealth has thrown its weight behind the move towards a political union by six Organisation of Eastern Caribbean States (OECS) countries promising to support the initiative “whenever possible.” The pledge was contained in the end-of-conference communiqué of leaders of the 48 nations.

The communiqué noted that the unity quest was designed to reduce the vulnerability of small economies about which the Commonwealth had expressed concern at earlier meetings.

The St. Vincent and the Grenadines Prime Minister, James Mitchell, one of the six nations, asked the conference on its final day to give a hearing to the unity plans, which do not have the backing of Antigua and Barbuda, the seventh OECS member nation.

The communiqué noted with regret Guatemala’s continued non-recognition of Belize’s sovereignty and independence, which they viewed as “inconsistent” with the movement toward peace and democracy in Central America. They urged the parties to pursue negotiations to achieve an early and lasting settlement of their land dispute and suggested that whenever necessary the Commonwealth ministerial committee on Belize be convened.

The heads of government welcomed the improved relations between Guyana and Venezuela which also have a long-standing territorial dispute, noting the increase in cooperation in several areas between the two countries and efforts to settle the issue through the United Nations under a 1966 agreement.

The proposal to ease the debt burden of middle-income countries put forward by Jamaica’s Prime Minister Edward Seaga on behalf of the Caribbean Community (CARICOM), according to the communiqué, merited serious consideration by the international community.

The CARICOM initiative calls for the World Bank and International Monetary Fund (IMF) to provide new forms of lending to stimulate growth and for a programmed reduction of debt service ratios. New lending also would be dovetailed with the rescheduling of programmes of the Paris Club of western creditor nations. Seaga told CANA he had not found significant support for the CARICOM proposal, which was expected, because the Commonwealth did not include many middle-income countries at which the debt strategy is targeted.

The Commonwealth heads called for a halt to protectionism and for greater technical and financial help from the Commonwealth secretariat to secure more stable commodity markets and greater diversification of developing countries’ economies.

Canada providing aid to 10 small states

1987, VANCOUVER, Canada - Canada announced today it was contributing CAN \$500,000 to set up a small states Commonwealth facility that would allow ten nations, including five in the Caribbean, to have permanent representation at the United Nations.

Canadian Prime Minister Brian Mulroney made the announcement at the start of a three-day small states exposition organized by the Commonwealth Secretariat.

Mulroney did not name the ten beneficiary states but CARICOM sources told CANA St. Lucia, Dominica, Grenada and St Vincent and the Grenadines had been listed for Canadian assistance.

Mulroney said the United Kingdom and Australia would also contribute financially to the new Commonwealth facility at the U.N.

Eleven Caribbean countries today joined 16 other Commonwealth small states in showcasing a range of regionally produced products targeted at western Canadian buyers and potential investors. All the Commonwealth Caribbean states, except Antigua and Barbuda, are participating in the small states exposition at the Robson Media Centre in downtown Vancouver.

The Prime Ministers of Dominica, St. Lucia, St Vincent and the Grenadines and Grenada and St Kitts and Nevis attended the launching of the exposition which has as its theme: "A World of opportunity - the Commonwealth and Canada" and will also feature an investment conference on Thursday and "Tourism Day" on Friday.

The Canadian Prime Minister, in declaring the exposition open, said Canada was committed to the development of small states and membership of the Commonwealth has never been and should never be decided on the basis of size.

"The role a country plays in the international community is dictated not so much by its size, not so much by the size of the territory or the strength of its economy as by the depth and breadth of its human resources," The Canadian leader said.

The Caribbean items on display were mainly condiments, pepper sauce, limited selection of garments, handicraft items, and vegetables and fruits.

Prime Ministers John Compton of St. Lucia, James Mitchell of St Vincent and the Grenadines and Kennedy Simmonds of St Kitts-Nevis told CANA they welcomed the small states exposition which could open up trade and investments opportunities in Canada, particularly in Toronto, where the exposition will also be showcased.

Simmonds said the Caribbean faced stiff competition from the Pacific, but with good promotion, the exposition could help to lure business and additional tourists.

Barbadian businessman and parliamentarian, Peter Miller, said transportation costs for participating in the show were high and the Pacific countries had an advantage. "But I think it's a good idea and we're certainly looking forward to the Toronto leg," Miller, managing director of L.G. Miller and Sons said.

Guyana's Trade and Tourism Minister, Winston Murray, said the Vancouver exposition offered the Caribbean countries a chance to compare its products, particularly packaging and quality, with the other small states.

Conference has taught us tolerance—Charles

1987, VANCOUVER, Canada - Caribbean Community (CARICOM) leaders say the decision by the 48-nation Commonwealth, with the exception of Britain, to work toward tougher sanctions against South Africa reflects progress in the efforts to get rid of apartheid.

"I am relatively happy with the conference because we have been able to achieve a great deal of what we intended, but unhappy we were not able to bring the British along with us in that struggle in total," Jamaica's Prime Minister Edward Seaga told CANA.

A 28-point Commonwealth statement on South Africa, said the Commonwealth, Britain apart, agreed that the "wider, tighter and more intensified" application of sanctions must remain an essential part of the international community's response to apartheid.

The Commonwealth leaders agreed to study the impact of sanctions, to coordinate help for the frontline states and set up an eight-member Foreign Ministers Committee, including Guyana, to have on-going dialogue on the situation in South Africa.

"I think the Commonwealth has emerged with a positive position on South Africa to carry the whole anti-apartheid movement forward," Trinidad and Tobago's Prime Minister ANR Robinson said.

"We've certainly come out with as strong a statement as possible," added St. Vincent and the Grenadines Prime Minister, James Mitchell.

"We have to wait to see how much further we could use our influence to bring South Africa to the negotiating table with the leaders of the liberation struggle there," he added.

Dominica's Prime Minister Eugenia Charles said the meeting had made progress since the last summit in Nassau and the last meeting in London when sanctions against South African were drawn up and extended. "The Commonwealth is just as strong as it always was against the Pretoria regime determined to make sure that the apartheid system is broken down and disappears for good," said Charles, who stressed the importance of helping the frontline states.

Trinidad and Tobago has announced that it will provide military help to the frontline states, and Jamaica said it is prepared to increase its military aid, while some other countries like Guyana and Barbados said educational opportunities for Africans will be maintained and increased wherever possible.

"The statement on South Africa represents an advance for the Commonwealth in terms of action. We have carried forward the process from Nassau," Guyana's Foreign Affairs Minister Rashleigh Jackson said.

Barbados Ambassador to the United Nations Dame Nita Barrow said the Commonwealth statement was a clear signal to the white-minority Pretoria regime that the Commonwealth would not "soften" its position and actions on the issue.

The Vancouver meeting, she said, displayed the Commonwealth's determination to bring down apartheid.

Dame Nita said the setting up of the Foreign Ministers group was "a definite step" to keep the issue in the forefront.

Belize Prime Minister, Manuel Esquivel said he was "encouraged" by the meeting's decision especially the plan to have a study of the impact of sanctions. This, he said, would determine "how it was working and who was circumventing them."

The position of Fiji was another major topic at the conference. The membership of the Pacific Island nation lapsed when its military leaders declared a Republic.

Jamaica's Prime Minister indicated on Saturday night that his country would not support Fiji's re-admission unless it restored a non-racial democracy. Seaga also said the Vancouver declaration on world trade "reinforced sentiments against protectionism," especially at a time when the U.S. Congress was seeking to enact protectionist legislation.

"It will provide some of the moral persuasion in Parliaments and other places," said the Jamaican leader, who noted that the statement was endorsed by a cross-section of nations.

He said the problem of high costs for university fees in developed countries received some support here but would have to be "kept on the agenda."

The plan for the establishment of a Commonwealth university for cooperation in distance teaching, according to Dominica, was the “most important item.”

“With the cost of things going up, students can’t get to university abroad. Distance teaching can help us in crucial areas like teacher training and community health,” Charles said.

“I think it’s been a very successful conference. We’ve learnt not to quarrel and to understand that there can be very diverse ideas that do not separate us. What this conference has done more than any other is taught us tolerance,” she remarked.

Commonwealth leaders gear up for summit

1989, London - Commonwealth leaders, who meet in Malaysia later this month, are expected to keep up the pressure on the racist South Africa government, discuss how to tackle the ever-increasing problems of debt and drugs more effectively, and consider far-reaching new economic and political proposals.

“I expect it will be a good meeting. It will have a much more varied agenda than in the past,” says Commonwealth Secretary-General, Shridath Ramphal who might be attending his last Summit after close to fifteen years at the helm of the 49-nation grouping of former British colonies.

The agenda includes two just-released reports on the effect of structural adjustment on women and on climate change as well as the sea level rise, both of which hold structural significance for the Caribbean.

Ramphal says ten Caribbean leaders are expected to attend the October 18-24 meeting, the second to be held in South-East Asia. The meeting coincides with the 40th anniversary of the founding of the modern Commonwealth.

Prime Minister Eugenia Charles of Dominica and Vere Bird of Antigua and Barbuda are not expected at the Biennial Summit which will see another female head of Government, Pakistan’s Benazir Bhutto, join the virtual all male club. Pakistan rejoined the Commonwealth on October 1 after a 17-year-old break from the grouping.

Ramphal says the division between Britain and the rest of the Commonwealth on the imposition of sanctions against the South Africa Government remains. Britain is against economic sanctions for South Africa, but in Kuala Lumpur, Ramphal says, Commonwealth leaders will discuss how to tighten them.

A study known as the Hanlon Report, commissioned by the eight-member Commonwealth foreign ministers committee on Southern Africa, recommend that sanctions be increased fourfold, preferably over the next five years, to force white-ruled South Africa to the negotiating table.

“I think Commonwealth countries will think that is a good blueprint for the kind of sanctions efforts that should be put in place, if real and irreversible progress does not take place quickly in South Africa,” Ramphal told CANA. He argues that sanctions remain as valid as in Vancouver, Canada two years ago.

The new president, F.W. De Klerk, has promised a South Africa free of domination or oppression in whatever form.

“I do not believe things have changed in fundamental ways. There is more rhetoric about reform but increasing uncertainty as to what that means,” the former Guyanese Foreign Minister said. He feels sanctions, combined with international pressure for the dismantling of racial segregation, have begun to bite.

Ramphal is hopeful that Britain will join in the plan, initiated by Australia, to lobby international banks to refuse to reschedule South Africa’s U.S. 14-billion-dollar debt due to foreign banks by June 1990.

The Commonwealth Secretary-General is optimistic that Namibia, which has been ruled by South Africa, in defiance of United Nations’ resolution 435, will become the Commonwealth’s 50th member after next month’s elections. “We have got to get the elections right and that’s why we have an observer mission there now,” he remarked.

On international trade, Ramphal says hopes pinned on the Vancouver Declaration on World Trade, issued by Commonwealth leaders at their last Summit, have not been fulfilled. Commonwealth Finance Ministers last month expressed concern that unilateral and bilateral action being taken to settle trade disputes could endanger the current Uruguay Round of international trade talks and noted that commitments in Vancouver to halt protectionism are yet to be realised.

Ramphal reports, too, that there has been no real ease in the debt burden, particularly those of the middle-income countries like those in the Caribbean, though the problem has been in the forefront of the international financial community.

Jamaica's Prime Minister Michael Manley is expected to raise the debt problem very strongly in Kuala Lumpur. Caribbean Community (CARICOM) countries have chalked up a foreign debt of about U.S. \$10 billion, with Guyana and Jamaica accounting for the bulk of it.

Commonwealth leaders will also review a proposal recently endorsed by Finance Ministers to set up a Commonwealth Equity Fund which will serve as a mechanism for attracting badly-needed flows of private capital to developing countries. The fund is expected to be set up early next year with initial capitalization of about U.S. 50 million dollars.

"The Caribbean countries are especially well-placed to benefit. The bigger ones of course have more opportunity because they have the stock exchanges and listed companies and we're talking about portfolio investment," says Ramphal.

"Built into the Fund proposal is a specific obligation on everyone, including the Secretariat, to work towards facilitating investment in the smaller countries. This is when the Jamaican proposal for the regional stock exchange becomes important," he adds.

Another bold proposal which Ramphal is urging Commonwealth Heads to give the green light to is the establishment of a standing Commonwealth facility to observe elections in member states. "Such a standing facility would be a small but significant step in making a reality of the Commonwealth's commitment to democracy," writes Ramphal in his 1989 report.

Debate will centre, too, on the Report on the Challenge of Climate Change and Sea-level rise. The report urges governments and international agencies to avert disaster by incorporating planning for climate change in decision-making on infrastructure and natural resources.

The Commonwealth expert's study on Guyana has highlighted the need for low-lying countries to build protection dykes and drainage systems to prevent flooding of highly populated and economically crucial areas.

The report on how structural adjustment economic reforms affect women notes that declines in expenditure on health and education services, rising food prices and falling income in the 1980's forced women in Latin America and the Caribbean to find the means for families to survive. It advocates in a lengthy list of recommendations that Governments and international agencies incorporate women's concerns in the objectives of adjustment, involve women in all levels of decision-making and improve their access to credit.

The Commonwealth leaders will be brought up to date on the new distance education facility, the Commonwealth of Learning, which has its headquarters in Vancouver. It has received pledges of some 15 million pounds sterling since the Vancouver Summit gave the go-ahead for its establishment.

Ramphal is unhappy, though, that several of the contributions, including the British, are tied to particular institutions.

Programmes from the Commonwealth of Learning will be channeled through UWIDITE (The University of the West Indies Distance Teaching Facility) and the University of Guyana, but I see UWIDITE playing the coordinating role, says Ramphal, who is Chancellor of the UWI and UG.

He adds, however, that it will be a couple of years before courses begin to filter through to Caribbean students.

The controversial issue of sporting links with South Africa is likely to surface again in light of the planned visit to South Africa by an English cricket team in January at around the same time as the start of the Commonwealth games in Auckland, New Zealand, and the scheduled visit to Pretoria by the British rugby team. In this context, the 1977 Gleneagles agreement which allows Commonwealth governments to take steps to discourage sporting contact with South Africa will come under scrutiny again.

Ramphal, 61, insists that this is his last term as Secretary-General, but diplomats here say given the apparent stalemate in choosing a successor, he may well be asked by Commonwealth Leaders to stay for a fourth term.

Commonwealth leaders are reported to be split over the two candidates for the job - deputy Commonwealth Secretary-General, Nigeria's Chief, Emeka Anyaoku and former Australia Prime Minister, Malcolm Fraser.

The Commonwealth marks the end of the Ramphal era

1990, London - Guyana-born Shridath Ramphal has wrapped up 15 years as Commonwealth Secretary-General leaving behind an institution which has earned international respect and one which he is confident will help its culturally diverse members tackle the challenges of the 1990s.

During his tenure as Secretary-General the membership grew from 34 to 50 and the London-based Secretariat was transformed from a fledgling institution now mapping out its work programmes to one whose expertise is very much in demand.

The Secretariat undertakes programmes of cooperation in fields as varied as economic development, agriculture and food production, education, law, health, youth and women's affairs, science, public management and parliamentary affairs.

Ramphal, a former Guyanese Foreign Minister and Minister of Justice, asserts that the 41-year-old modern commonwealth has done much in the area of development, has identified with "forward positions" on world economic affairs and is widely respected for its highly visible "progressive position" on Southern African issues.

"Today nobody would conceive of the Commonwealth as Anglo-centric not after all our rows with Britain and Mrs. Thatcher. Nobody would think it was anything but dynamic in a front-line sense," says Ramphal.

The value of the Commonwealth has nevertheless been questioned by some sections of the British press and Ramphal's passionate pleas for an end to social and economic injustices have come in for criticism. He dismisses these critics as mainly "a small coterie of right-wing ideologies in Britain who are hostile to the Commonwealth because it has dared to speak out against white South Africans."

"They are the racists that exists in all societies. In Britain they get column space, that's the difference," says Ramphal, the second Commonwealth Secretary-General and the first from the Third World.

According to Sir Shridath, better known as "Sonny," the Commonwealth's major contribution in a practical sense has been in the area of international economic issues, with development at its core.

"I am very glad that as I am leaving the Secretariat we have brought out a publication about those contributions which brings together the work of the 13 Expert Groups which have worked over the past 15 years." The report, produced by eminent persons on a north-south Basis include those on the New International Economic Order, Debt, the Common Fund, Small States and their Vulnerability, Protectionism, Structural Adjustment and its Impact on Women, and Climate Change.

But Ramphal leaves the Secretariat unhappy that the world economic situation continues to deteriorate. Among other things, the debt crisis remains unresolved and protectionism is rampant.

"There is greater poverty, there is greater deprivation. There are greater dangers down the road. At least in 1975 we were looking down the road to a dialogue. There is no dialogue, there is none in sight."

He continues: "Perhaps environment provides a vehicle for developing countries to insist that saving the world doesn't only consist in saving rich countries than that saving poor countries involves more than traditional style pollution. It involves something about alleviating poverty."

The gregarious former Secretary-General says institutions like the International Monetary fund and the World Bank have undergone many changes in the past ten years. "I've seen the IMF go through a period of change from dreadful years, ten years ago, maybe even five years ago when they really did believe that they had a formula which should be applied across the board to all developing countries. It was strong medicine but it would not get you well. In fact, it damned nearly killed some of the patients."

"Today, I think there is greater enlightenment in the Fund and it is not essentially the Fund we should worry about, but the big countries in the IMF who exercise the virtual vetoes of the Fund, what they are doing and what they are thinking and they are squeezing the Fund by withholding resources, by insisting on conditionalities. They are running the Fund and, in some respects, running it down."

Ramphal believes that the Uruguay Round of international trade talks, scheduled to be completed in December, is "going nowhere" in terms of the developing countries. "Unless there is a last-minute change of heart the Uruguay Round is likely to prove to be a disaster," he says. "The interest of developing countries are being marginalised. The Uruguay Round is becoming a deal among the rich countries themselves that is not going well."

Ramphal also hails the work of the Commonwealth Fund for Technical Cooperation (CFTC) as another significant contribution of the Commonwealth. While in 1975 the CFTC spent 2.9 million pounds sterling on projects in Commonwealth countries, the 1991 budget is targeted at 30 million pounds.

Ramphal, who has been concerned for years about the decline in educational standards in developing countries, anticipates that one of the "big and lasting achievements" of the Commonwealth will be the Commonwealth of Learning, the Vancouver-based distance teaching facility.

During his stewardship there has been a political settlement in Rhodesia and Namibia and only recently the beginning of dialogue in South Africa between the two key players in any negotiated settlement - President F.W. de Klerk and African National Congress deputy leader, Nelson Mandela.

Ramphal feels the reforms which have taken place so far should be welcomed, particularly Mandela's release from prison and the partial lifting of the state of emergency.

"The ground is being cleared in a positive way for negotiations. Having said that, let us caution ourselves. It is still very early days. Mandela certainly believes that De Klerk is serious and that is a judgement we must accept."

"Mandela obviously needs De Klerk to move the white community away from the past but De Klerk needs Mandela if this movement is to take place in a time frame that is now rather than an indefinite tomorrow and through peaceful processes. That is the best hope we have, the fact that these two very important figures have this commitment."

"The question is how far is De Klerk really prepared to go. Does he share the vision of a free non-racial democratic South Africa in all its implications and those implications must mean one man vote, one equal vote in one South Africa."

Ramphal is emphatic that sanctions must be maintained to assist the process of negotiations. "It would be very dangerous for us to go over the top and believe we are home and dry in South Africa," he declares. He has had three meetings so far with Mandela. The most moving was the telephone conversation two days after he was released from prison during which he was touched by Mandela's expression of faith in the Commonwealth during his years in prison.

Despite disagreements with the former British Foreign Secretary Lord Carrington and sharp differences with British Prime Minister Margaret Thatcher over South Africa, Ramphal describes his relations with the British government as "always cordial."

"We have never reached the point of not being able to do business with each other and I think that derives from the fact that the Commonwealth was firm, stood by principle, as it saw it and that it earned Britain's respect."

A farewell dinner hosted by Mrs. Thatcher characterized their relationship. "There was no pretence of an abandonment of differences but there was a cordial environment and she did me the courtesy of hosting my friends, people who had worked with the Commonwealth and worked with me in a personal way. She was paying tribute to me and to the Commonwealth and that tribute to the Commonwealth was even more important because it is the British attitude in the future that is going to be significant."

As Ramphal leaves the Commonwealth, he is conscious that the Caribbean has lost yet another West Indian in an influential position. Trinidadian-born Edwin Carrington is no longer Secretary-General of the African Caribbean and Pacific (ACP) Group, and Alister McIntyre of Grenada and Arthur Brown, a Jamaican, recently quit top posts with U.N. agencies to return to the region.

"First of all, the West Indies has to produce the people who can command positions of influence. I think if they do produce those people and bring them forward into the international community, the Caribbean's influence is not so minimal that they can't prevail."

"Certainly there is need for more West Indians to be occupying places of significance in international and multilateral institutions and I will use all my influence with governments to help to advance that."

Ramphal has been criticized for being too high-profile and vocal on issues rather than opting for quiet diplomacy. He makes no apologies for his style, especially since commonwealth leaders re-elected him twice. "There is no way a Secretary-General, particularly a Secretary-General from the Third World can be silent over poverty," he says.

He is looking forward to his role as Chancellor, not only of the UWI but also of the University of Guyana and Warwick, and, even more so, to making a contribution again to regional integration as Chairman of the West Indian Commission, an independent body mandated by Caribbean Heads of Government to advance the goals of the Treaty of Chaguaramas which established the Caribbean Community (CARICOM).

After their 1989 summit in Kuala Lumpur, Commonwealth leaders accepted Ramphal's proposals for a high-level group to identify possible roles which the Commonwealth might need to play, and to examine whether its institutions are adequately equipped for the task. He plans to stay close to issues like development and the environment, to continue to make contributions to Southern Africa and, as expected, to write a book about his 15 years as Commonwealth Secretary-General.

Sir Shridath spent his last few weeks in office visiting several Commonwealth capitals including New Zealand, Nigeria, Canada, and Zambia. Many of the governments conferred on him their highest awards.

"I have found a confidence in the Commonwealth that really is the best reward for all the years of effort." The one which has touched Ramphal most is the special award he received recently in London from Hansib Publishing at its 1990 Community awards ceremony. The Third World publishing house produces the Caribbean Times newspaper.

"The West Indian community in the Caribbean, and here in Britain, really have been the anchor for me, support on which I could always count, understanding on which I could always count and I'd like to think that in return I didn't let them down."

Poor global economic climate

1990, PORT OF SPAIN, Trinidad - When Finance Ministers and representatives from 40 Commonwealth countries gather in Port of Spain this week for three days of talks, it will at a time of high interest rates, declining financial flows and levels of aid to developing countries, no rollback in protectionism, little ease for the debt burden of middle-income debtor countries and continued concern about International Monetary Fund (IMF) programmes.

The September 18-20 meeting at the Trinidad Hilton Hotel will take place at a time of growing alarm about the consequences of spiraling oil prices, as a result of the prolonged Gulf crisis, on the already fragile economies of Commonwealth developing countries, including many of those in the Caribbean Community (CARICOM). Trinidad and Tobago, which is still recovering from the July 27 hostage crisis, is putting the finishing touches to preparations for the Conference which it last hosted in 1983. Commonwealth Secretary-General Emeka Anyaoku said he is confident the talks will proceed smoothly.

"We have received all the necessary assurances from the Trinidad and Tobago Government and there is a considerable degree of empathy and a feeling of solidarity with Trinidad and Tobago. I am sure that Commonwealth governments are very pleased not to have their own plans to go there disrupted by recent events," he told the Barbados Advocate.

The Commonwealth finance talks precede the annual meeting of the IMF and World Bank. How to cope with external factors beyond your control when undergoing economic adjustment is a plight which is of deep concern to Trinidad and Tobago, whose economy has been set back as a result of the attempted coup by a group of radical Muslims. Guyana and Jamaica, too, now have to worry about the additional burden which the hike in oil prices will place on their efforts towards economic recovery and growth.

"Such a development can throw your whole programme out of gear. You're in a kind of marginal situation where it's touch and go whether you'll actually make it. Well now, it's not really touch and go. It means some countries are not going to make it, that is, if the oil prices continue at a high level," says Dr. Vishnu Persaud, Director of Economic Affairs at the Commonwealth Secretariat.

He said if anything, the situation in the world economy since the 1989 Commonwealth Finance Ministers meeting in Jamaica "has not improved." "The world in fact has been veering towards a recession. Now with the increase in oil prices which are going to keep up interest rates, and with the military buildup in the Middle East, which will continue and the high budget deficit in the United States, I think the situation on the whole has worsened."

Continued high oil prices, Dr. Persaud says, will "wreak havoc" with the world economy, with disastrous consequences for some developing countries. "For the Caribbean, only Trinidad can benefit. The others are going to suffer. Countries like Guyana and Jamaica that are facing very serious problems and trying to adjust their economies will have their programmes thrown back. Oil is a very important commodity. It makes a lot of difference to import and if you can't afford the imports it affects production which earns foreign exchange."

The Guyanese-born Commonwealth official feels the IMFs Structural Adjustment Facility are good schemes which offer a lot of concessions but the rate of disbursement of funds under these facilities are slow and the time it takes to negotiate the programmes too long. His concern is echoed by Trinidad & Tobago Central Bank Governor, William Demas. "These programmes have too short a time frame. In addition, heavy conditionalities remain a problem," Demas said in an interview with The Advocate.

Dr. Persaud feels that not only is the flow of IMF funds slow, but the amount of money available is too small. He criticized the international financial institutions for adopting the view that once reform policies are undertaken all will be well and that money is not important. "That is wrong, the countries are undergoing tremendous strain and if countries are prepared to undergo reforms and adopt some market-oriented policies, raise rates of interest, cut subsidies and this kind of thing, there are social costs and really the institutions should endeavor to come in and provide an adequate amount of money." Dr. Persaud says there is a need for both the IMF and the World Bank to refine and improve policies.

He notes that while the IMF has begun to take account of the social costs of adjustment programmes it does not do so to any large extent. In addition, conditionalities at the World Bank "remain strong" and more and more the International Development Association (The World Bank's arm which lends to the poorest countries) is taking performance criteria into the account, looking at things like management of the economy.

"I think the World Bank is concentrating perhaps too much on adjustment and not enough on financing investment. While countries are adopting reforms they have to look at productive projects, mining projects, new production ventures in agriculture and industry and so on, and these have to be financed."

Dr. Persaud says too the World Bank's International Finance Corporation (IFC), which lends to the private sector, needs a substantial increase in capital if it is to be more effective. Another concern of the developing Commonwealth states is the debt situation which Dr. Persaud says "remains serious" despite initiatives like the "Toronto" terms for the poorest countries and the Brady Plan under which the principal or interest rate is reduced. With only about five countries benefiting so far from the Brady Plan, there is a need for the plan to be extended to cover a wider net of countries, according to the Commonwealth official.

Dr. Persaud noted that while about 16 countries have benefited from the "Toronto" initiative, the amount of actual help they have received is very small. "Very often when we hear of debt relief we think of rescheduling for all the debt. It's a rescheduling for the debt that falls due in the next eighteen months, and that's really a small part of the debt."

At the last Finance Ministers meeting in Jamaica a case was again made out for assistance for the lower middle-income countries like Zimbabwe, which do not benefit from the Brady Plan nor the "Toronto" terms.

The Trinidad and Tobago Central Bank Governor says debt remains a "very heavy burden" for some Caribbean countries which owe the multilateral financial institutions which do not reschedule. Jamaica, Guyana and Trinidad & Tobago account for the bulk of the region's U.S. \$10 billion foreign debt.

Demas said he is somewhat encouraged by signals from the U.S. administration that it is willing to reduce the debt burden for developing countries. Canada announced earlier this year that it was writing off bilateral debt owed by Caribbean countries.

Dr. Persaud said, as well, if the Brady plan is to have a greater impact, the amount of money available to relieve debt has to be increased. Funds available now, largely from the IMF and Japan, are inadequate in his view.

So too are levels of aid to the developing countries which have remained stagnant in recent years and in some case, have declined. Rather than making progress towards the United Nations target of 0.7 percent of Gross National Product (GNP), Dr. Persaud observed that "we are moving backwards."

"In 1993 we moved back to 0.33 percent and then is expected that it will be 0.31 percent. The United States, once one of the largest donors has moved down to 0.21 percent and this year is may be 0.15 percent."

The level of aid from Canada has also been declining, but countries like Japan, France and West Germany have been making progress towards the U.N. target while some of the other European countries have almost achieved the U.N. goal.

On a more positive note, the Finance Ministers will be pleased that the Commonwealth Equity Fund has been launched with initial capital of U.S.\$55 million. Dr. Persaud said the Fund will be targeting the stock markets in Trinidad & Tobago, Barbados and Jamaica and may move on to Guyana later.

"We have had discussion with these countries. They are prepared to change their legislation to make their market accessible to equity funds, portfolio investment from abroad."

Since the 1989 Kingston meeting, work has also advanced on a study on the economic consequences of disasters, proposed by Jamaica. Dr. Persaud reports that there is a dearth of data on the subject and the study is taking longer than anticipated. A preliminary study will go before the Port of Spain meeting and a final study is expected to be completed in two months.

"The study will concentrate on the possibility of an insurance arrangement. It would require some facilitative assistance on the part of governments to get those insurance schemes going. We also think there is scope for the World Bank to improve their responses to disasters to see how they could help. They are concerned with long term investment and are not looking at how long-term development could be affected by disaster."

At the same time, Dr. Persaud stressed, Governments need to improve their planning mechanisms in relation to disaster preparedness.

The Trinidad Conference will also be hearing an interim report from Bank of Jamaica Governor, Arthur Brown on the impact of global and political change on the development process.

CARICOM leaders to meet new Commonwealth Secretary-General

1990, BRIDGETOWN, Barbados - Caribbean Community (CARICOM) leaders will get a chance today to have face-to-face talks with the new Commonwealth Secretary-General, Chief Emeka Anyaoku, who succeeded Sir Shridath Ramphal just over two months ago.

The Chief, as he is known, plans to have bilateral discussions with Caribbean Heads of Government and representatives at the September 18-20 Commonwealth Finance Ministers meeting to be held in Port of Spain, Trinidad.

The 57-year-old Nigerian-born Commonwealth Chief had a rapport with many CARICOM governments during his more than two decades of involvement with the Commonwealth especially in his post of Deputy Secretary-General in charge of International Affairs and Administration which he held from 1977.

The Chief says arrangements are in place for the Finance Ministers talks which comes only weeks after the attempted coup in Trinidad which left two dozen people dead.

He feels it is "not likely" that recent events in the twin-island Republic will adversely affect its tourism industry. "But I am very confident that prospective tourists and the industry on the whole will soon re-establish their confidence in Trinidad and Tobago and the fact that Commonwealth governments are going there for this meeting will be helpful in that process," he told the Barbados Advocate.

Mr. Anyaoku believes the crisis in Trinidad, during which Prime Minister A.N.R Robinson, other parliamentarians and media personnel were held hostage, underscored the vulnerability of small states which the Commonwealth has been highlighting for several years.

"I believe that it was right that the CARICOM Heads of Government, when they met about the same time at their last Summit in Kingston, adopted in their communiqué a paragraph which pledged them to work towards more intensive consultations on possible areas of more effective regional cooperation in the security areas, through the CARICOM Secretariat."

The Chief says he has already been in touch with CARICOM Secretary-General, Roderick Rainford, to offer technical assistance to facilitate this process.

"The first important step is to discover in what ways effective cooperation can be best organized in the region and for that you need some expertise on how the region could best set about this, and for this, the Secretariat will be very happy to provide support for the expertise."

The Chief hopes that an enlarged role for the Regional Security System (RSS) will be part of the outcome of this new study. He shares the concern of developing countries that since the 1989 meeting Commonwealth Finance Ministers in Jamaica the international economic environment has become worse. "The signs are that the anxieties which informed discussions in Kingston last year are still there and, if anything, are becoming more acute."

The Chief points to declining levels of aid, the growing debt burden, and notes that these, as well as the effects of the Gulf crisis, are taking their toll on developing states.

"I would hope that this conference would pay a little more attention to how the Commonwealth can more effectively mobilize international support for dealing with some of these problems."

The Commonwealth Secretary-General has emphasized the need for governments in the developing countries to continue to work to sensitize European Community Governments to resist any temptation to become "Fortress Europe" after 1992 when the European Single Market will become a reality. He says assurances from the EC that it will not adopt a protectionist stance post 1992 ought to be translated into practical measures.

The Chief also believes that there is good reason for developing countries to be concerned about a possible diversion of aid from the Third World to Eastern Europe.

"When one looks at the rate at which resources are being mobilized for Eastern Europe, the rate at which investment opportunities in Eastern Europe are being pursued, there is good reason to be concerned that this will redound to the disadvantage of developing countries."

On South Africa, he remains optimistic that some positive changes will occur soon, asserting that President F.W. De Klerk's reforms and the release from prison of African National Congress (ANC) leader, Nelson Mandela, are reasons for hope.

"We've now had two formal sets of talks between the ANC and the South African government and plans are afoot for resuming those talks on a broader basis. So I think changes in South Africa will help to lessen the extent to which South Africa remains the center of controversy at Commonwealth Summits."

He says the recent outbreak of violence between supporters of the ANC and ZULU Chief Buthelezi's Inkatha movement, if left unchecked, could pose a stumbling block to any negotiated settlement. He notes, however, that the parties concerned have given signals that they are willing to talk.

Responding to allegations that the Commonwealth has been silent on repression and a lack of democracy in some African states and in other developing countries, the Chief says allegations of this nature often come from people who believe too much attention is being paid to apartheid. "Quite often the comparisons they make are totally unfounded and totally inept."

Nevertheless, he feels the Commonwealth is becoming "more alive" to the need to foster the values to which its members are committed, like respecting human rights and democracy.

The Chief says he finds his new role exciting and is still mapping out his manifesto. Current international developments, he argues, makes the role of the Commonwealth even more important for the future. Outlining his priorities, the chief wants the Commonwealth address the alleviation of poverty in more practical terms.

"To do this more effectively we require practical activities in socio-economic areas, human resource development, enhancing the capability to trade and in dealing with impediments to economic progress."

The Commonwealth Secretary-General also wants to see the London-based institution focus more on democracy and human rights by providing technical assistance and facilities to countries which desire this to reinforce their efforts to support these principles. He feels observing elections is only one way of helping to strengthen confidence in an electoral process. The Commonwealth could also help with setting up electoral machinery, helping write and adapt constitutions to make them more effective to the demands of democratic principles and human rights and helping to mobilize and conduct the public information process to sensitize the population to their rights.

A Commonwealth team was in Guyana last week assessing the feasibility of sending a mission to observe the upcoming elections.

The Chief would also like to see the Commonwealth do more to help the emergence of international consensus on issues like development. "The Commonwealth has this built-in and comparative advantage of being able to forge consensus among its diverse membership."

"I would like to see the Commonwealth translate the consensus it makes among itself into a broader-based consensus on major issues particularly when there are new global problems requiring consensus whether it is in the area of the environment or dealing with drug-trafficking."

SECTION N

CARIBBEAN PERSPECTIVES

An in-depth focus on Caribbean issues



Articles and Columns 2009-2014



Dr. Ralph Gonsalves
Prime Minister
St. Vincent and the Grenadines



Donald Ramotar
President
Cooperative Republic of Guyana



Irwin LaRocque
CARICOM Secretary-General



Dr. Kenny Anthony
Prime Minister
St. Lucia



Paul Martin
Former Prime Minister
Canada



Dr. Warren Smith
President
Caribbean Development Bank



Hugh Riley
Secretary-General and CEO
Caribbean Tourism Organization (CTO)



Particia Affonso-Dass
President
Barbados Hotel and Tourism
Association



Ramesh Dookhoo
President
Private Sector Commission (PSC)
Guyana

CARIBBEAN PERSPECTIVES

An in-depth focus on Caribbean issues



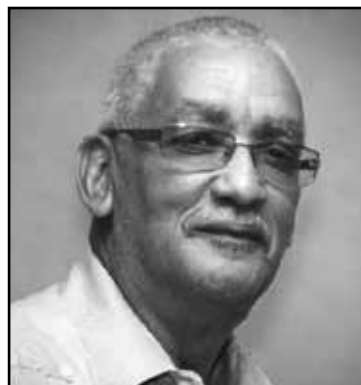
Evelyn Greaves
Barbados High Commissioner
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Director for the Americas
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LIAT needs financial support from more Caribbean Governments

The recent EC \$3 million contribution of Dominica to the Regional island-hopping airline LIAT was a display of leadership by the Dominica government and hopefully other governments that benefit from the services of the regional carrier will follow suit and provide financial support to ensure the airline regains profitability.

Dominica's Prime Minister Roosevelt Skerritt said the investment in LIAT was a means of "safeguarding and protecting the investments the government has made in tourism".

The injection of badly needed fresh capital and an additional shareholder was made against the backdrop of three years of losses for the airline, which Chairman Jean Holder says was "never properly capitalised".

Holder told me that the airline has been operating "hand to mouth" for years and is always trying financially to "catch up" due to high operating costs and under capitalisation.

Holder, who welcomed the Dominica government's contribution, feels that for the airline to be put on a sound financial footing it needs new capital and not just from its major shareholders – Barbados, Antigua and Barbuda and St. Vincent and the Grenadines. He feels the amount of shares currently held by smaller CARICOM shareholders should be increased.

Losses over the past three years are in the vicinity of EC 80 million dollars. Chief Executive Officer Ian Brunton has reported that the airline's estimated losses for 2012 is EC \$23 million. However, some good news is on the horizons. LIAT is projected to reverse its current losses and record a profit of EC \$7 million in 2013 and by 2017, profits in excess of EC \$40 million are projected.

Brunton has noted that since 2009, the airline has had to deal with high fuel costs and lower passenger traffic that has seriously affected its finances.

LIAT flies to 21 destinations in the region and has to maintain offices with staff in all the English, French, Spanish and Dutch countries. The airline's fleet of 18 planes does over 100 flights per day.

Last year, a fire destroyed a LIAT Dash 8 passenger aircraft, a hangar and two office buildings operated by the airline.

Over the last few years, because the airline was cash-strapped, it did not have funds to buy new planes. The LIAT Chairman says the airline needs to replace its Dash 8 aircraft with ATR planes, which have larger capacity. The airline announced this week it will be purchasing three 48-seater ATR 42-600s aircraft.

According to Holder, by changing its fleet, 90 per cent of its maintenance costs would be eliminated and 50 percent of its fuel costs would disappear.

In addition to new equipment, the airline is under-insured for buildings at its St. John's headquarters in Antigua.

Commenting on the recent setting up of a Caribbean Tourism Organization (CTO) Aviation Task Force, Holder called for the issue of fuel subsidies and a level playing field among Caribbean carriers to be addressed.

He observed that in Barbados the national bus service, which is "excellent" is subsidised, alluding to his contention that there can be no low fares without subsidies.

Another agenda item he recommends for the Task Force is examining the impact of adding more and more airline capacity to already thin Caribbean markets. The best approach, in his view, is to form alliances that will result in joint marketing and joint purchasing and this will enable carriers to offer decent prices.

He also observed that private sector-owned or operated airlines and charters operating in the region have not survived. Red Jet, which offered clearly unsustainable low fares, and EzJet, are two of the most recent airline failures in the Caribbean.

Fly Jamaica Airways is scheduled to have its inaugural flight to John F. Kennedy International Airport in New York this week. The airline has announced that plans are in the pipeline to also fly to Toronto and also Guyana.

The LIAT Chairman is encouraged by recently resuscitated talks with Caribbean Airlines Limited (CAL) on how the two airlines can collaborate. He feels it is “not beyond” LIAT’s major shareholder governments and Trinidad and Tobago to come up with new approaches that will see LIAT and CAL operate as collaborators rather than competitors.

He is convinced that working cooperatively, the two airlines can be “very serious competition” for other airlines flying into the region.

LIAT recently reduced its workforce from approximately 1,000 to 850. Its management has the unenviable task of dealing with as much as 10 different unions. Holder advised me that the industrial relations climate has improved.

Former CEO of LIAT, Dr. Warren Smith, feels the airline’s business model needs to be revisited.

“LIAT needs to be put on an economic basis flying economic routes, charging economic fares and should receive the same subsidies from governments that they provide to airlines such as American Airlines and British Airways to come into the region,” Smith, now President of the Caribbean Development Bank (CDB) told me recently.

He agrees with LIAT Chairman Jean Holder that there can be no low fares without subsidies for the airline. Smith feels talk that LIAT fares are high is unjustified and is a moot point. He argues that given the configuration of inter-island aviation and thin markets to many destinations, there is bound to be high operational costs.

He also observed that CAL has a “serious advantage” over LIAT in terms of fuel.

According to Smith, regional aviation, in terms of uneconomical routes, has to be rationalised. “We can’t expect to fly routes which are uneconomical and expect fares that are low.”

Both the LIAT Chairman and former CEO agree that the Caribbean Single Market and Economy (CSME) will never be effective without reliable and affordable regional air transportation that can adequately provide for the movement of passengers and cargo across the region.

It is something that regional governments ought to bear in mind. Those countries that benefit from the services of the airline should consider injecting some capital to ensure LIAT’s plans to operate on a more secure financial footing materialise.

Long Overdue focus on effects of crime in the Caribbean

This month three regional and hemispheric institutions have taken bold initiatives to tackle head on the unacceptably high levels of crime in the Caribbean and examine the impact and costs of criminal activities and violence on the region’s economic and social development.

The premier regional financial institution, The Caribbean Development Bank (CDB) announced prior to its annual Board of Governors meeting in the Cayman islands that it was taking concrete steps to help stem the increase in crime and violence in the region, which it regards as “a significant threat to economic and social development and hampers efforts to reduce poverty and achievement of the Millennium Development Goals.”

“CDB recognises the urgency with which this issue must be addressed if the region is not to lose the developmental momentum of the past two decades or worse, experience an erosion in the socio-economic gains attained,” the CDB said in a statement.

The governors of the financial institution also participated in a panel discussion in the Cayman Islands on improving citizen security.

For far too long, an assessment of economic development in the region has been narrowly focused on annual increases in growth rates, in particular Gross Domestic Product (GDP). The fact that a few countries in the Caribbean have recorded growth rates in the face of the global recession is commendable but this is not necessarily curbing the erosion in the social fabric of these societies.

In the early 1990's, Guyana's Desmond Hoyte administration and the Patrick Manning Government in Trinidad and Tobago were touting that their respective countries were on a solid track because they were recording decent rates of economic growth. When I visited those countries to produce documentaries on the social conditions on the ground, it was an entirely different picture - one of serious economic hardships for a large segment of the population and, in the case of Trinidad and Tobago, a spiraling crime rate and high levels of homelessness and vagrancy. Now, two decades later, the challenges have escalated.

It is commendable that the CDB is taking the bull by the horn on one of the region's most pressing issues that seem to be on the backburner of the agenda of meetings of CARICOM Heads of Government.

Earlier this year, in conversation with the CDB President Warren Smith, he told me that the levels of crime and violence in the Caribbean was also having a negative effect on the region's key foreign exchange earning tourism industry. This, at a time when the Caribbean's tourism sector is facing fierce competition for scarce North American and European dollars due to the financial and economic crisis in those regions.

Canada is one of the most lucrative tourism markets for the Caribbean. The highly publicised crimes against Canadian visitors in Mexico have been a worrying trend for Canadians. Caribbean tourism destinations have to pay more attention to security if they want to continue to capitalise on the solid Canadian market. Visible and concrete action is needed to ensure that both visitors and nationals are safe.

Earlier this month, the Secretary-General of the Organization of American States (OAS), Jose Miguel Insulza referred to organised crime as "the main challenge to security in our hemisphere."

He alluded to the agreement by Heads of States on Mexico's proposal at the sixth Summit of the Americas in Cartagena, Colombia for the creation of a Centre for Coordination against Transnational Organised Crime. According to the OAS Chief, the institution will deliver to the region's government "a study of the possible scenario and different strategies, of different alternative policies". CARICOM Governments will hopefully be integrally involved in this process.

Both the OAS and the CDB have included in their initiatives, a special emphasis on preventing youth from exposure to criminality, with the OAS stressing the importance of providing Caribbean youth with more educational, job and other opportunities.

In addition to the CDB and OAS stepping up the fight against crime, the Inter-American Development Bank (IDB) is calling for research proposals on the measurement of costs of crime and violence in Latin America and the Caribbean. The IDB says this is an effort to quantify the negative consequences of this phenomenon, inform the public policy debate, and provide tools for systematic and robust analysis of citizen security policies promoted by governments.

The IDB noted that crime and violence in the region negatively affect the business climate and the well-being of the citizens, especially the most vulnerable groups in society.

The bank explained that proposals may focus on tangible and/or intangible costs of crime and violence in one or more countries in the region. Tangible costs include, for example, investments by people and communities to avoid being victims of crime and violence and expenditure on activities to identify and prosecute offenders. Some of the intangible costs that could be evaluated are the losses of social capital, well-being, equanimity, freedom, and trust.

Each selected research proposal will receive IDB financial support of up to U.S. \$35,000. Projects with additional funding from other institutions to complement this financing will receive special consideration. Hopefully, both CARICOM government and non-governmental organizations (NGOs) will get involved in this much needed research project.

For CARICOM governments, critical attention must continue to be paid to rooting out corruption and indiscipline in the region's law enforcement agencies. Some countries are taking action on this front but much more needs to be done.

CARICOM governments also have to bite the bullet and find the resources to significantly increase the salaries of law enforcement officers, provide on-going training, monitor their performance and hold them accountable.

At the same time, policemen, in particular, need to understand that they are there to protect and serve. While in Florida recently, I observed written on the police vehicles their motto: Courtesy, Professionalism and Respect (CPR). CARICOM's police forces are badly in need of a makeover with CPR at the core. Action on this front should be taken sooner, rather than later.

PM Gonsalves: T&T needs to be more engaged with CARICOM

ST. Vincent and the Grenadines Prime Minister Dr. Ralph Gonsalves is concerned about the role of Trinidad and Tobago in the regional integration movement. The Vincentian leader believes that the Trinidadian government is "less than engaged" in the integration process and this is adversely affecting the 15-nation grouping.

He observed that CARICOM countries are no longer benefitting from the CARICOM Petroleum Facility, set up by Trinidad and Tobago. The fund is a grant facility established to provide relief to CARICOM member states that were net importers of petroleum products and were affected by increasing energy costs.

Gonsalves would also like to see a level playing field in the area of air transportation. He asserts that the Trinidad and Tobago-owned Caribbean Airlines Limited (CAL) continues to subsidise fuel costs for that airline and is therefore able to charge cheaper fares than LIAT. In addition, he accused CAL of "cherry picking" routes to the disadvantage of Vincentian nationals.

Another area Gonsalves would like to see Trinidad and Tobago taking the lead role in CARICOM is in regional security.

Gonsalves believes that Jamaica also needs to become more involved in integration initiatives. He is hopeful that this situation will improve because the People's National Party (PNP) is back in office and historically the PNP has been very pro-CARICOM.

According to the Vincentian leader, while Barbados is "committed as ever" to CARICOM, former Prime Minister Owen Arthur was "very passionate" about the CARICOM Single Market and Economy (CSME) that had helped to invigorate the regional movement.

Gonsalves had declared in February 2011 that the Caribbean Community and Common Market (CARICOM) was at risk of stagnation. One year later, prior to publicly expressing his concerns about CARICOM's deficiencies, he advised me his sentiments have not changed.

He identified functional cooperation, coordination of foreign policy and freedom of movement of CARICOM nationals within the region as some of the areas where there is little or no progress.

Gonsalves has since detailed wide-ranging concerns in a letter to CARICOM Secretary-General Irwin LaRocque.

On the issue of governance, Gonsalves says the often-talked about proposal of the West Indian Commission for the establishment of a CARICOM Commission to oversee the implementation of decisions taken by the region's Heads of Government is "simply not going to fly".

He will go along with proposals that find consensus, which are practical and workable. The CARICOM leader supports the proposal for the establishment of a CARICOM Committee of Ambassadors as a solution for improved governance, which has drawn widespread criticism across the Caribbean.

He noted that in the Organisation of Eastern Caribbean States (OECS), each country has a Regional Integration Unit, headed by an Ambassador who reports to the Head of Government and contends that this can work in the rest of the region.

The key, he stressed, is to have a very effective integration unit. St. Vincent and the Grenadines has a Regional Integration and Diaspora Unit with a staff of eight, five of whom are University graduates. Gonsalves, who will mark 11 years in office as Prime Minister this month, also feels the lack of political will and outdated legislation are responsible for the standstill in some key areas of the CARICOM Single Market and Economy (CSME).

A report from the CARICOM Secretariat stated that the CSME is operating at about sixty-four percent overall level of compliance. The CSME study identified major deficiencies with respect to the Free Movement of Services and the regime on the Right of Establishment. It concluded that there is need for improvement with the regime for the Free Movement of Skills.

The Vincentian Prime Minister has called in the past for an end to the “indignities and irrationalities” to which Guyanese, Jamaicans and Vincentians are subjected to at CARICOM airports.

He highlighted three issues that need to be addressed for the Single Market to be more effective in the area of freedom of movement – more updated and relevant legislation, training for all immigration officers across the region so they can be more professional and humane, and application of sanctions for breaches of the law by immigration officers.

One of the fundamental flaws in the system, in his view, is that the immigration laws have the same framework as legislation from the 1930s which focused on keeping undesirable persons out. Gonsalves wants to be told precisely by his fellow CARICOM leaders what his nationals are entitled to in terms of health and education, if they move to another member state. He believes all CARICOM nationals and their immediate families should be entitled to primary health care once they are residing in a CARICOM country.

Some countries such as Barbados have indicated that capacity and resource constraints would prevent them from providing full access to social services.

The leader of the United Workers Party (UWP) also believes that the CARICOM Treaty of Chaguaramas, needs to be revised again, in light of global economic conditions and also because it has to take into account the OECS Economic Union Treaty, which he described as a “deeper form of integration”.

Gonsalves has expressed concern on numerous occasions about “rising crime” throughout the Caribbean. He advocates a strengthening of the Regional Task Force on Crime and Security, which he says functioned effectively during World Cup Cricket in 2007, but not since then.

The wider CARICOM, in his view, ought to take a page out the book of the Regional Security System (RSS), which is highly effective due to sharing intelligence gathering and analysis, coordination of coast guard activities and over flight operations among the OECS countries and Barbados.

In addition, the CARICOM leader wants to see increased communication among the region’s police forces especially in coordinating information systems that target persons who are likely to represent security risks. Gonsalves agrees with the current Chairman of CARICOM, Suriname’s Prime Minister, Desi Bouterse that 2012 should be a “year of change” for the regional integration movement.

He would like this week’s CARICOM Inter-Sessional meeting of Heads of Government in Paramaribo to record progress in freedom of movement issues and coordination on major functional cooperation areas such as Climate Change.

Above all, the Vincentian Prime Minister is hoping to see evidence that oil-rich Trinidad and Tobago is willing to become “more engaged with CARICOM”.

CARICOM'S stance on Venezuela criticised

CARICOM'S response to the current unrest in Venezuela came under scrutiny at a recent discussion at the University of the West Indies, where the region's heads of Government were taken to task for a soft response on events in the South American Republic.

In a statement issued last month, CARICOM called for "respect for the democratically elected Government of the Bolivarian Republic" and for "all parties to take the necessary steps to refrain from any further action that would hinder a peaceful resolution of the differences and a return to peace and calm in the country."

At the forum titled "Assessing current events in Venezuela" at the Institute of International Relations (IIR), Lecturer in International Law Dr. Michelle Scobie implied that CARICOM was displaying double standards by denouncing moves to denationalise persons of Haitian descent in the Dominican Republic but remaining silent on the damaging actions and policies of the Caracas Government.

However, Senior Honorary Fellow at the Institute Dr. Anthony Peter Gonzales contends that the issues in The Dominican Republic and Venezuela are totally different.

He feels that it would not be in the interest of CARICOM governments to be critical of the Nicolas Maduro regime given that several Member States owe a huge debt to Venezuela. On the other hand, with the exception of Trinidad and Tobago, CARICOM governments have "little to lose" by taking a stance against policies of the DR Government since there are minimal trade and financial links.

Venezuela has been one of the biggest aid donors to CARICOM countries and has been a lifeline for several cash-strapped and oil dependent economies in the region.

Gonzales told me after the discussions that because Jamaica owes around \$U.S. 2 billion to Venezuela under the Petro Caribe program, other CARICOM countries millions of U.S. dollars, and the state of most of the region's economies, they "cannot afford to speak out".

He believes the Petro Caribe beneficiary countries that receive oil under preferential payment arrangements should be prepared for a tightening of conditions or amendments especially since the Venezuela Ministry of foreign affairs has asked for a review as it felt conditions were too lax.

As far as Gonzales is concerned, CARICOM countries don't usually take principled positions on issues, noting that the region's leaders don't criticise the Cuban dictatorship.

"CARICOM countries in their bilateral relations do not stand on principle but are more concerned with expediency," he said in an invited comment.

According to Gonzales, CARICOM countries seem to be only concerned about whether the largesse of Chavismo continues. "This is especially so for some countries like Jamaica that are in dire financial straits with an onerous agreement with the IMF."

CARICOM has been criticised for ignoring the strongman tactics of the late Venezuelan leader Hugo Chavez as well as human rights abuses, media control and the creation of a risky environment for foreign investors.

Gonzales said one of the disturbing trends in Venezuela is the involvement of the military in every aspect of the country through holding senior management positions and observed that many of Venezuela's governors are former military allies of Chavez.

Caribbean Affairs Specialist, Dr. Anthony Bryan believes the recent CARICOM statement on CARICOM was sufficient.

In a conversation with the Miami-based Bryan following the UWI discussion on Venezuela, he said CARICOM has to be careful and make only "broad statements",

The Emeritus Professor at the University of Miami observed that Latin American governments are mostly silent on the Venezuela situation and are adopting a "watch and see attitude"

Bryan feels while Venezuelan President Maduro is not likely to abandon Petro Caribe, eventually domestic fiscal constraints will force his administration to review foreign aid.

An energy specialist who is also a Senior Fellow at the UWI's IIR, Bryan believes that "Venezuela has now been unmasked for the dictatorship that it is" and that the effects of the policies of the Chavez regime are now being felt.

"His imperative was to keep himself in power and he subjected that need over the Venezuelan economy. He failed to manage the economy in a proper fashion. He used the state-owned oil company PDVSA to finance his Bolivarian dreams," Bryan said.

He also pointed to a lack of investment by PDVSA and its heavy involvement in many non-oil-related aspects of the economy.

Bryan feels Chavez did not have a good management team for the economy. "They were mostly party faithful without the requisite credentials and in effect a "B" team, which Maduro has inherited."

He acknowledged that Chavez was a savvy, charismatic politician who did much for the poor in Venezuela. "He did try to lift the poor out of poverty using a whole range of social programmes which cost a lot of money but under his administration the public sector debt ballooned. His failure to manage properly exacerbated the problems in the Venezuelan economy. Windfall profits were never put away for a rainy day and he spent lavishly on his constituents."

One of the differences between the Chavez era and the Maduro regime, in his view, is that while Chavez mismanaged the economy, the effects were cushioned by the oil price boom.

Bryan predicts that the economic situation will worsen unless Maduro undertakes reforms. "How long can the government use oil revenue to buffet spiralling inflation?"

Because the private sector was minisculed by the Chavez administration, production of goods decreased leading to an upsurge in imports.

Bryan said basic food items are scarce and during a recent visit to Port of Spain he witnessed Venezuelans taking suitcases of toilet paper back to Caracas.

Because Maduro has military backing, he thinks it is unlikely that he will be ousted from power but asserts that he will not be able to govern easily unless significant reforms are made.

According to Bryan, Maduro seems bent on governing with "a big stick" and it is fashionable to continue to blame the U.S. for instigating unrest in the country.

Bryan, who over a year ago underscored the importance of a CARICOM Energy policy, noted that while there has been discussions on this recently, a large focus is on alternative energy and most countries in the region are not moving ahead as rapidly as they could in areas like hydroelectricity.

Meanwhile, Senior Lecturer at IIR Dr. Mark Kirton believes Guyana and Trinidad and Tobago have a responsibility to address the increasing migration from Venezuela as a result of the instability there.

"CARICOM should from up-front come up with a strategy of dealing with the humanitarian crisis and therefore provide opportunities for the brothers and sisters from Venezuela who may be moving in a sense toward safer ground," Dr. Kirton said in his contribution to the UWI discussion on Venezuela.

CARICOM Single Market report card (2010)

A comprehensive appraisal of the state of implementation of the CARICOM Single Market (CSM) has found that all five core regimes – movement of goods, movement of skills, the right of establishment, movement of capital and the provision of services – are functioning. At the same time, the report, which will be discussed by the region's Heads of government at their upcoming Inter-Sessional meeting in Dominica, said legislative actions taken so far do not mean there is full legislative compliance by all Member States.

"The CSM is accessible but not always at the level of effectiveness, in respect of the treatment to which CARICOM nationals are entitled," the review conducted by the CARICOM Secretariat over a nine-month period stated.

Nevertheless, the report dispelled a widely held view that the Single Market is not functioning or is at a standstill. “There are still several actions which are required to be taken in all areas of the CSM Project, each with varying degrees of emphasis, but this does not subtract from the fact that CARICOM Nationals can and have been accessing the CSM.”

The study noted that two of the twelve Single Market Member States have not yet taken legislative steps to bring the revised CARICOM Treaty of Chaguaramas into force.

The Single Market element of the CARICOM Single Market and Economy (CSME) came into effect in 2006 while the Single Economy is scheduled to come on stream in 2015.

On the sensitive issue of the movement of skilled persons, the audit team observed that there are constraints to the capacity of Member States to absorb potential incoming workers and to provide for them. But it emphasized that the evidence is not strong that CSM countries cannot cope with the volume of CARICOM nationals who have moved to date.

The Barbados-based CSME Unit played a key role in the appraisal, which also found a need for policies to be developed on government procurement, contingent rights, E-commerce and free circulation and movement of goods involving free zones.

A key issue under the Customs Tariff Regime is the non-application of the Common External Tariff (CET) to extra-regional imports of goods that compete with similar CSME originating goods.

Concern was also voiced during audit about the mechanism for suspending the CET and derogations from the rules of origin.

CARICOM officials suggested that the process be redesigned and restructured to make it more transparent. At the same time, they noted that countries have a right to appeal rulings of the CCJ on disputes in this area. Member States have complained that national standards are being used as technical barriers to trade.

Not all of the Member States have enacted the agreement establishing the Caribbean Regional Organization for Standards and Quality (CROSQU).

Fifty-four mandatory and voluntary regional standards have been developed but investigations found that regional cooperation to implement and enforce these standards “appear to be weak “ and very few of the regional standards are enforceable by law.

CSME officials found that several countries are implementing international standards as national standards, which leads to CARICOM goods that adhere to the regional standards being denied entry at some Caribbean ports.

There is also insufficient progress towards regional harmonization of Sanitary and Phyto-Sanitary (SPS) legal regimes, another obstacle to the movement of goods within the CSM.

Issues include “the capabilities of available, scientific, technical and institutional capacity and skilled personnel to operate the SPS systems.”

While the soon-to-be established Caribbean Agricultural Health and Food Safety Agency (CAHFSA) will address some of the key issues, the agency has no enforcement powers.

The report noted that the CSM Free Movement of Skills regime “ has borne a disproportionate share of the blame for imported competition in national labour markets and for every manner of social, cultural and other difficulties alleged to have been experienced in Member States.”

The audit found that the number of CARICOM nationals who acquired the Skilled National Certificate between 1996 and 2009 averaged less than 700 per annum. While all Single Market countries have passed legislation to facilitate the movement of the original five categories of workers designated for free movement of skills – university graduates, artistes, musicians, media workers and sportspersons – only four Member States have taken legislative action to enable the movement of teachers and nurses. None of the countries have taken the required legislative steps to accommodate holders of associate degrees and artisans, who have a certificate of Caribbean Vocational Qualification (CVQ). Artisans are high on the list of CARICOM nationals who are unaware of the requirements for free movement of skills within the region.

There were complaints in many Member States about the efficiency of the CARICOM Line. Widespread feedback is that it is not achieving the intended purpose because of the attitude of immigration personnel towards CARICOM nationals compared to non-CARICOM Nationals.

CARICOM citizens are entitled to a six-month entry, irrespective of the purpose of travel. However, unlike in the European Union (EU) where European nationals holding a EU passport can simply “swipe and go”, Caribbean visitors are subjected, in most cases, to more scrutiny by immigration officers than non-Caribbean tourists.

The Appraisal confirmed that there is general compliance by the Member States with the Programme for the Removal of Restrictions relating to the right of establishment and that no specific restrictions under the Companies and Registration of Business Names Act exist.

However, it found many collateral issues connected to the exercise of the Right of Establishment. “They include, entry into force of the Movement of Factors Act or its equivalent, removal of the Work Permit, relevant subsidiary laws and factors connected to the process of establishment, immigration entry procedures for Right of Establishment and treatment of Managerial, Technical and Supervisory Personnel.”

In addition to the practice of granting exemptions from work permits, instead of amending their Immigration Acts, there are also challenges with access to incentives and land, especially state-owned land.

Guyana, Jamaica and St. Lucia have incorporated the Movement of Factors Act into their domestic law, while Barbados and Trinidad and Tobago have variations of the law in place. The abolition of exchange controls “is a fact” in all Member States, except Barbados and Belize. The report noted that there are significant policy considerations that impact the rate of progress in these two countries.

The appraisal report commented that convertibility of currencies has not succeeded, except in the case of the Eastern Caribbean Dollar. It went on to state: “However, CARICOM Nationals continue to express interest in and to ask why full convertibility of all currencies is not happening. The interest is understandable because of the potential impact of convertibility on transactions by ordinary people and business.” Liberalisation of services under the revised Treaty of Chaguaramas has succeeded, according to the CSM audit, which noted that restrictions that remain are specific. “Restrictions have been identified which discriminate on grounds of nationality, citizenship, or residency, but these are not in the majority, in comparison to the overall level of implementation and compliance which has been achieved.”

On another key issue, the report disclosed that only three Member States – Guyana, Barbados and Jamaica – have established a National Competition Commission and only the latter two countries have strong consumer protection regimes.

Noting that each of the five Single Market regimes required creating new institutions or strengthening existing ones, the report acknowledged that for the majority of countries there are capacity issues at the levels of governmental operations and technical capacity.

In addition, a large body of regulations is required to operate the CSM effectively and much of this has not been done. Donor assistance has been provided to address this gap.

Another constraint cited is that the national CSME Focal Point is often not a Unit but one person with many other portfolios, so there is no dedicated focus on the Single Market.

The audit highlighted the unfamiliarity of public officials with the CSM agenda and found that the CSME is often not viewed as an integral part of the domestic economy. To address this, more CSME public education programmes are in the pipeline.

Despite the gaps identified, the appraisal emphasised that the Single Market is “open for business” and in no case was there condemnation of the CSM “as a whole or any of its core components.”

While recognizing that there are genuine capacity constraints, Member States were urged to “go the extra mile” to realize the full potential of the CSME.

Steering the regional integration boat

The Caribbean Community will in 2011 have a new Secretary-General, who will have the unenviable task of steering an organization whose governance structure is in need of an overhaul and in the face of waning commitment to regional integration on the part of some of its 15 Member States.

Outgoing Secretary-General Trinidadian-born Edwin Carrington has indicated that during his 18-year tenure there have been significant accomplishments as well as disappointments.

In one of his first interviews on assuming the post in 1992, I recall the headline of my article: “Secretary-General pleads: Give me the tools to do the Job”. There is no doubt that some of the tools were defective and, in many cases, either unavailable or in short supply. Undoubtedly, there have been positive initiatives under Carrington’s watch, many of them in the functional cooperation area.

To address the continued lag in implementing decisions, at the end of August this year, CARICOM leaders agreed to the establishment of a Council of Ambassadors. Jamaica’s Prime Minister Bruce Golding explained that the Ambassadors will head regional integration units in the individual Member States “to follow up, make sure that domestic action is taken to give effect to the decisions of the Heads.”

Will the Committee have the authority to nudge Ministers who are not following through on decisions taken by the CARICOM leaders or will they report directly to their Head of Government and what options will be available for fast tracking implementation? Perhaps the terms and conditions of the Ambassadors and when exactly they will begin functioning will clarify this.

Among the issues that need to be addressed is the current scenario where at meetings of the Council for Trade and Economic Development (COTED), both Ministers and their senior functionaries, sometimes try to back down from previously taken positions, claiming they are unaware of the implications of decisions taken, that there is a lack funding to implement them and even try to reverse decisions taken by the Heads.

Addressing a lack of commitment displayed by some Member States is an underlying issue that no Committee can fix. One fundamental problem is the fact that CARICOM decisions are not automatically binding and await national legislative provisions.

There is a growing consensus among CARICOM technocrats and analysts who have been part of the regional integration process that it is time to re-examine the proposal for a CARICOM Commission, similar to that of the Brussels-based European Commission on a scaled-down basis. The proposal for the regional Commission was the centre piece of the 1992 “Time for Action” report of the West Indian Commission chaired by Sir Shridath Ramphal.

As Communications Consultant to the Commission, I recall the many interventions at public consultations throughout the region where private and public sector groups as well as Non-Governmental Organizations (NGOs) sang one tune that was familiar – regional governments were not delivering the goods. The lyrics are pretty much the same two decades later.

One regional consultant who has done several regional integration studies for CARICOM Governments supports the proposal for a Commission-type arrangement, where the Secretary-General would serve the political directorate such as Heads of Government and the COTED, while a Commission would deal with Executive matters.

“This separation of functions is key to a proper functioning of the body. Concern is expressed about the cost of this but there is room for cutting out a lot of fat to make this workable since the Secretary-General and his staff would be much smaller and the bulk of the technical people would go to the Commissioners,” the consultant recommended.

“The present system of waiting for domestic parliaments to approve all decisions into law is not working. In this new dispensation. I would get rid of the Bureau, which in any case, is just another wasteful bureaucratic layer and there would be no role for a permanent committee of ambassadors as that can only function well if all countries have a representative in Georgetown,” he added.

Apart from the fact that several governments oppose the idea of a Commission, the question that arises is how it will be financed given the challenging economic circumstances of member countries, many of whom are finding it hard to come up with the funds for the implementation of the Economic Partnership Agreement (EPA) with the European Union and other initiatives, including the regional marketing fund for the tourism industry.

Another key issue that needs to be addressed is more autonomy for the Office of Trade Negotiations (OTN), formerly the Regional Negotiating Machinery (RNM). CARICOM watchers familiar with the agency feel it has lost some of its “teeth” and the spirit of the technical staff has been affected in the process.

Apart from reducing the long list of issues that are go before the CARICOM leaders, video conferencing for some Ministerial meetings has been suggested as an option once the problem of band-width in Guyana is addressed. Video conferencing has been tried in the past but resulted in the participants being downgraded to junior technocrats who advised they were not in a position to make decisions.

On the issue of a successor to Carrington, it would be interesting to know the credentials being considered and, in particular, whether there will be term limits, a different mandate, a requirement to be multi-lingual and reduced travel.

Candidates for the post being mentioned include the current CARICOM Assistant Secretary-General, Trade and Economic Integration, Irwin LaRocque, former Deputy CARICOM Secretary-General Dr. Carla Barnett, current OECS Director General Dr. Len Ishmael, and Vincentian Ambassador to the Organisation of American States (OAS) Elsworth John.

In addition to the search for a new Secretary-General, a replacement will have to be found for Dr. Edward Greene, Assistant Secretary-General, Human and Social Development, who has resigned and word is that Colin Granderson, responsible for Foreign and Community Relations, may not be around for too much longer.

The considerable influence wielded by Jamaica in both regional institutions and in external trade negotiations has not gone unnoticed. Jamaicans now head several regional bodies including CARICOM’s OTN, the Caribbean Development Bank (CDB) Caribbean Export and The CARICOM Development Fund (CDF). Also of interest is how Trinidad and Tobago views its role in the regional integration process, given Prime Minister Kamla Persad-Bissessar’s comments about Trinidadian aid to the region that was considered offensive by some Jamaica and the Eastern Caribbean nationals and business leaders.

In 2011, there will hopefully be more visible movement in three areas – the CARICOM Single Market and Economy (CSME), EPA implementation and the trade negotiations with Canada, which are reported to be bogged down on the CARICOM side.

The drive and energy associated with the CSME during the Owen Arthur administration in Barbados has since dissipated while some of the January deadlines for EPA implementation are unlikely to be met.

At a recent COTED meeting, Carrington urged the Ministers and their representatives not to fail the people of the region and to strengthen their resolve to meet the expectations of Caribbean youth who have demanded quicker implementation of the CSME.

Jamaica, Haiti to consort with the powerful

CARICOM countries will finally have a voice at a major forum of world leaders that precedes this month’s Summit of G20 countries in Toronto.

Jamaica and Haiti are among 10 countries invited to attend the June 25 meeting of the Group of 8 industrialised nations - comprising Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States - in the Muskoka region, north of Toronto.

Colombia and seven African countries will also participate in the high-level meeting in Huntsville.

The G8 has evolved from a forum dealing largely with macroeconomic issues to an annual meeting with a broad-based agenda. Maternal and child-health programmes for developing countries is a major focus at the upcoming meeting, which will also address issues on security, nuclear proliferation and the environment.

Jamaica and Haiti are expected to participate in a special session on international narcotics trade.

Peter Kent, the Canadian Minister of State for Foreign Affairs - Americas, who paid an official visit to several CARICOM countries last year, pointed to significant assistance to the region through the Canadian International Development Agency in a wide range of areas, including help on several fronts to enhance the region's capacity to fight crime and drug trafficking.

"We recognise that some criminal organisations have resources that are larger than some states and can protect and expand their enterprises," Kent said.

Canada is among those countries that announced travel advisories and alerts for travel to Jamaica after a state of emergency was declared last month following the clashes in the capital Kingston that led to 73 deaths during the search for wanted drug lord Christopher 'Dudus' Coke. The advisories have since been lifted.

Kent said Jamaica and Haiti would also have the opportunity to raise issues of concern to CARICOM in the outreach sessions.

CARICOM Secretary-General, Edwin Carrington, has identified inadequate access to concessionary financing and the harsh impact of international regulations on the region's financial services sector as key issues the region wants addressed.

A leading Caribbean economist has suggested that Caribbean governments should make the case that the global economic meltdown and its consequent stimulus packages have resulted in inward looking policies that affect investment flows to the region as well as demand that impacts critical sectors like tourism.

On the issue of Haiti, the G8 leaders will undoubtedly hear of the need for the timely disbursement of aid, which was stressed at the World Summit on the future of Haiti, held earlier this month in the Dominican Republic. It was attended by Haitian President Rene Preval; former U.S. President and Special Envoy for the U.N. Secretary-General, Bill Clinton; and CARICOM's envoy to Haiti, former Jamaican Prime Minister, P.J. Patterson.

"Unless there is decisive action and evident momentum, we face the threat of a pervasive and paralysing crisis which would imperil the social, economic and institutional recovery of Haiti, thereby also preventing a smooth democratic transition," Patterson told the World Summit.

Around 1.5 million people were displaced following January's catastrophic earthquake. While U.S. \$10 billion was pledged at the New York international donors conference on Haiti last March, Brazil is reported to be the only major donor to have met its commitment so far.

Ethiopia, Malawi, the Netherlands, Spain and Vietnam were invited earlier this year to attend the wider G20 Summit on June 26-27 in Toronto.

Some Canadian and Caribbean analysts at that time questioned why CARICOM, which has long-standing ties with Canada, was not invited to have representation at the gathering of world leaders.

Canadian Prime Minister Stephen Harper, who identified the G20 summit's focus as moving forward commitments made by world leaders to ensure recovery of the global economy and restore jobs around the world, said those five countries initially invited would "bring valuable perspective to the task."

Prior to the announcement of the Caribbean's participation, Minister Kent advised that he would be raising issues of concern to CARICOM at the G20 Summit.

Kent said the 15-member CARICOM bloc "represented a significant political, commercial and social part of the hemisphere."

The G20, which includes 19 countries and represents about 80 per cent of world trade and two-thirds of the world's population, will discuss steps to keep the fragile economic recovery on track, stimulate the economies of the G20 member countries and keep their markets open.

Even though Canada's post-recession economic forecast is considered rosy and it recorded a robust 2010 first-quarter GDP growth of 6.1 per cent, Minister Kent admitted that the Canadian economy was still vulnerable to a global economic downturn.

Canada's banking rules and effective supervision is widely hailed as effective in preventing the type of banking crises that have hit the United States and Europe, which is also battling a debt crisis. Several eurozone countries have announced austerity packages.

Former Canadian Prime Minister, Paul Martin told me the Toronto Summit should address three key issues - global financial reforms, food security and climate change.

He regards food security as a critical issue for the Caribbean, noting that the cost of basic commodities has increased, poorer countries are unable to get financial credit, while the price of the region's major export commodities are dwindling and trade preferences have been eroded.

On the issue of climate change, Martin singled out Guyana and President Bharrat Jagdeo as "showing great leadership in the protection of tropical rainforests" and recommended that on major climate change issues, Canada "would do well to just quote Mr. Jagdeo's speech at the U.N."

Mixed views on moving the regional integration movement forward

This month's meeting of Caribbean leaders in Suriname addressed some of the recurring thorny issues afflicting the regional integration movement without moving much of its agenda forward.

Despite this, one CARICOM leader who is cautiously optimistic that there will be progress on several fronts in the near future is Guyana's President Donald Ramotar who was attending his first ever CARICOM Summit.

Ramotar believes deepening and widening the integration movement should take place simultaneously. He advocates moving ahead with the CARICOM Single Market, addressing current deficiencies, while at the same time making aggressive approaches to tap into the vast and potentially lucrative South American markets.

"Pursuing South American markets such as Brazil, Chile and Argentina will broaden the base of CARICOM economies and help them to be more resilient to the effects of the global financial crisis. We can continue to pursue traditional markets as well as take advantage of these new opportunities," he advised.

Ramotar told me he fully shares the views of current CARICOM Chairman, Suriname's Prime Minister Desi Bouterse, that the region has sufficient resources to enable it to not just survive but to flourish. One of the strategies being touted by Bouterse is for the Caribbean private sector to invest more in projects and joint ventures in CARICOM Member States.

This is not an entirely new concept. In the 1980's, there was a drive towards the establishment of a CARICOM Enterprise Regime (CER) but this was no longer pursued once the Single Market was established.

The Guyanese President acknowledged that freedom of movement and contingent rights for nationals relocating to another CARICOM country are major impediments to the CARICOM Single market.

On the issue of hassle-free travel for both relocating and holidays, Ramotar reported that the situation has improved for Guyanese travellers to places like Barbados because the Guyana Ministries of Foreign Affairs and Home Affairs have been pro-active in this area. "We can't have genuine integration unless this cardinal issue is resolved. I get a sense of growing appreciation of this among CARICOM leaders and I am optimistic that things will get better in the near future."

He agrees that training and sensitising immigration officers across the region is critical if there is to be significant progress in this area.

Ramotar describes as challenging the crime situation and upsurge in illegal weapons in Member States. He says a lot of coordination among the region's police forces in terms of intelligence sharing is currently taking place. However, the region needs assistance from western countries that are the markets for the drugs shipped through the Caribbean by the Mexican and Colombian drug cartels. "We need two-way sharing of information and help with areas such as training. We have no problem working with the U.S. DEA (Drug Enforcement Agency)."

The Guyanese President disclosed that at the recent Suriname meeting discussions were held between security services in Guyana and Suriname on joint crime fighting strategies including intelligence sharing and ways to stamp out piracy.

On one of the most prominent agenda items at the Suriname meeting, the regional cricket controversy, Ramotar said Guyana made its case in a strong way and he is hopeful it will have an impact when the Prime Ministerial sub-committee on cricket deals with this issue.

International Relations Specialist Dr. Anthony Peter Gonzales believes that the cricket issue overshadowed much more important issues at the Suriname meeting, which he feels produced "nothing of substance and only massaged the real issues".

Gonzales, currently serving as Director of the Institute of International Relations at the Trinidad campus of the University of the West Indies (UWI), feels Caribbean leaders missed the boat in terms of coming to grips with the governance dilemma and crime and security issues. In addition, the impact of the global financial crisis on the region was a serious omission from the agenda.

Gonzales, one of the consultants who contributed to the work of the West Indian Commission that reviewed the regional integration movement, said announcing the Secretariat will develop a five-year Strategic Plan is puzzling as this is the norm for any organization. According to him, the Heads of Government have had ample time to make a concrete decision on new structures to better facilitate the implementation of decisions. There has been no clarification of whether the announcement at the 2011 CARICOM Summit for a Committee of CARICOM Ambassadors is still one of the options being pursued.

"As far as the CARICOM Secretariat is concerned, this is a separate issue. There have been reports done that conclude that the Secretariat had grown too big, lacked focus and had a problem prioritising. The move now should be to have the Secretariat do fewer things and do them well."

Gonzales, an International Trade and Economics Specialist, expressed surprise that the Suriname meeting did not address the debt crisis, which several CARICOM countries are facing.

"What they ought to be focusing on is how to get better terms and conditions from the IMF and how they can access resources without the stringent conditionalities of the past."

He agrees with St. Vincent and the Grenadines Prime Minister Ralph Gonsalves that for CARICOM to move forward, Trinidad and Tobago and Jamaica need to be more engaged in integration initiatives. "There seems to be no political will to give impetus to many of the CARICOM initiatives and that's where the impasse is."

Gonzales noted that the former Patrick Manning administration in Trinidad had an elaborate and well-structured program to deal with drugs and guns interdiction. "We are in a very dynamic situation with the Zetas from Mexico, who have been driven out of the Dominican Republic and Haiti, targeting in a very sophisticated way, certain CARICOM countries and yet in terms of a regional strategy we seem to be at a standstill."

Gonzales feels CARICOM countries need, among other things, to have larger vessels, equipped with radar systems and backed up by helicopters, patrolling the Caribbean waters on a permanent basis.

The dilemma that some Governments have is whether to plough limited financial resources into beefing up their own police and security forces or divert some of this money towards regional security operations.

CARICOM's on-going challenges and priorities for 2013

A year ago CARICOM Chairman at the time, Suriname's President Desi Bouterse, called for 2012 to be a significant year of change for the regional integration movement which will be marking its 40th anniversary this year.

The outgoing Chairman, St. Lucia's Prime Minister Dr. Kenny Anthony gave a harsh assessment of CARICOM in a recent address to the Barbados private sector, which left little doubt that the regional integration boat is drifting and still very much in need of a lifeboat.

The St. Lucian leader's CARICOM review titled 'CARICOM: QUO Vadis' was strange enough the identical title of an earlier assessment of the integration movement by Caribbean affairs expert Dr. Anthony Bryan, the former Director of the Trinidad and Tobago-based Institute of International Relations at the University of the West Indies.

"CARICOM as an institution appears to be emerging as a "half-way" house reflecting a shift from the solely inter-governmental framework to an emerging integration model in which members are now more willing to explore the options of multiple integration schemes simultaneously," said Bryan, now a Senior Associate with the Centre for Strategic and International Studies (CSIS) in Washington.

He said as an institution, CARICOM is "neutered" and further stated that CARICOM member countries tend to pursue their different development and political strategies pragmatically, without consultation or coordination with other member states.

Bryan observed that the management of CARICOM relations with Venezuela is not approached collectively. "Some of us would argue that Petro Caribe's regional impact and the individual state response of ALBA (Bolivarian Alternative for Latin America and the Caribbean) may have damaged the coherence and integrity of CARICOM and further emphasised the vulnerability of the regional institution."

Bryan feels Barbados is likely to strengthen relations with the sub-regional group Organisation of Eastern Caribbean States (OECS), which he described as "well organised".

He sees Trinidad and Tobago as having its "own agenda" and observed that there is "no great enthusiasm" in Port of Spain for CARICOM.

In this column a few months ago, St. Vincent and the Grenadines Prime Minister Ralph Gonsalves called on Trinidad and Tobago to be "more engaged" with CARICOM and address how its fuel subsidy impacts the rest of the region in terms of trade and air transportation.

His St. Lucian counterpart Dr. Anthony has called on Trinidad and Tobago to "live up to its responsibility as a regional power."

He contends that Trinidad and Tobago has a unique opportunity to re-define its vision and its role in "an emergent but troubled Caribbean."

Guyana's President Donald Ramotar agrees that Trinidad, which has the strongest economy in the region, can play a much bigger role in the regional integration movement especially in the area of investment. He believes the Port of Spain administration is beginning to be more aware of the "extremely important" role it can and should play.

He noted that Trinidad and Tobago is among those countries in the region finally sitting up and taking notice of the critical issue of food security in the region and the role that Guyana can play in addressing this problem.

Ramotar also told me he is encouraged by recent exploratory talks with a high-level Trinidad Ministry of Agriculture team on agricultural investment opportunities in Guyana. In addition, the Jagdeo Initiative on Agriculture is being accelerated. Hopefully, early in 2013 these initiatives can be translated into concrete projects that result in jobs and a dent in the region's massive food import bill.

According to the Guyanese Head of State, because food security is now a global issue and higher food prices are affecting the region, there is "stronger interest" by CARICOM countries that can no longer ignore the issue.

On observations by other CARICOM member states, especially Jamaica, that Trinidad enjoys a significant trade surplus with its CARICOM partners and calls for a more level playing field in intra-regional trade, Ramotar says the private sector in the region needs to play a stronger role in addressing this persistent issue.

Ramotar reported progress in the area of free movement of persons within the region, including long-standing complaints of poor treatment of Guyanese at the Barbados airport, although there are still some nascent problems in specific Member States he preferred not to identify.

On the current negotiations for a trade and development agreement with Canada, he stressed the importance of Canadian development assistance, especially to equip the region to improve its competitiveness, given that the accord will provide reciprocal duty-free access for goods.

The state of the region's economies has not improved significantly over the past year but there are indications of "incipient growth" in some countries, according to the Caribbean Development Bank (CDB).

CDB President Dr. Warren Smith told me that the Borrowing Member Countries (BMCs) are beginning to take concrete steps to diversify their economic structures, pointing to a new sizeable agro-industrial development in Antigua and Barbuda and investment in medical tourism in Barbados.

He also cited as a positive development in 2012, moves by Jamaica and the Bahamas to participate in the Panama Canal Expansion Programme (PCEP), slated for completion in 2014. When completed, it will roughly triple the size of vessels that can pass through the Canal, significantly enhancing international trade for those two CARICOM countries.

Smith has also seen progress with countries strengthening their financial and regulatory systems, one of the CDB's concerns he highlighted last year.

The CDB President has cautioned against expectations of significant growth in the region's economies, noting that as long as the U.S. is in recession or emerging recession and the Euro Zone's debt crisis continues, Caribbean economies "will be hard pressed" to be on a robust growth path, with the exception of commodity exporting countries such as Guyana and Belize.

He welcomed the Caribbean Growth Forum, a new regional platform for dialogue to foster higher levels of economic growth. It is supported by key international and regional institutions including the World Bank, the Inter-American Development Bank, the CDB and the University of the West Indies (UWI).

For 2013, CARICOM Secretary-General Irwin LaRocque has identified the restructuring of the CARICOM Secretariat as one of the priority areas. It would be interesting to get an update on the 2012 priorities and how many of these have been advanced or implemented. This includes the Caribbean Investment Programme, Suriname's proposal for Joint Economic Ventures and the long-awaited Caribbean Business Council.

It would also be informative to get some specifics on exactly what elements of the CARICOM Single Market and Economy (CSME) will be "advanced" this year.

The new CARICOM Chairman, Haiti's President Michael Martelly, who is a newcomer to the CARICOM fold, will have a full plate of challenges over the next six months.

Trinidad and Tobago, which assumes the Chairmanship for the second half of 2013, will have an opportunity to display its commitment to the regional integration movement that badly needs an injection of dynamism, improved leadership, governance and productivity that could result in tangible benefits for Caribbean people.

It is interesting that all of the specialists in Caribbean affairs who recently assessed the state of the regional integration movement have come to the same conclusion. Coincidence? I think not.

CARICOM Chairman reports progress in key areas

As CARICOM Heads of Government prepare for their annual Summit, the outgoing Chairman, St. Vincent and The Grenadines Prime Minister, Dr. Ralph Gonsalves, is reporting “incremental and steady” progress on several initiatives that are critical to bolstering the regional integration movement.

In a recent conversation with Gonsalves, he advised that there has been considerable progress in getting the CARICOM Secretariat’s Draft Strategic Plan completed and the agenda at the Summit in Antigua and Barbuda will also include comprehensive recommendations from the CARICOM Commission on the Economy. The Commission is recommending both joint and country specific immediate action in the areas of financial sustainability including debt management, private sector stimulation, the business regulatory environment and resource mobilisation.

Decisions are expected to be taken, according to Gonsalves, on proposals from the CARICOM Transportation Commission. There has been significant progress in collaboration among the Caribbean air carriers on ways to provide a more efficient, reliable and affordable air service to the Region.

Gonsalves, who is keen on seeing more CARICOM Governments take a stake in the ownership of regional carrier LIAT, admitted there has been no movement in this area and remains convinced that major improvements in terms of LIAT’s operations and viability are dependent upon an injection of major new capital. He confirmed that despite his pleas, St. Lucia would not follow Dominica and become a shareholder in LIAT.

On External Relations, one area where there has been an impasse is the CARICOM-Canada negotiations for a new trade and development accord, which both sides had initially targeted to be completed by mid-2014.

CARICOM leaders are now pursuing “an engagement” with Canadian Prime Minister Stephen Harper to discuss how to remove the current stumbling blocks.

While the talks are stalled, Gonsalves indicated that the Canadian Government has been allowing Caribbean traditional exports that have entered the Canadian market duty-free to continue receiving preferential treatment.

The World Trade Organisation (WTO) waiver for the Caribbean-Canada Trade Agreement CARIBCAN, the one-way non-reciprocal agreement which accorded CARICOM countries duty free access to the Canadian market for most imports originating from the Commonwealth Caribbean, expired on December 31, 2013.

The Organisation of Eastern Caribbean States (OECS) group is particularly concerned about losing customs revenue from Canadian products entering the Caribbean duty free.

Canada’s concluded FTA’s with countries such as Chile and Peru do not have an aid component. An official of the Canadian Department of Foreign Affairs, Trade and Development told me Canada does not negotiate development assistance in the context of international legally binding trade treaties and pointed to programmes for the Caribbean under the Canadian International Development Agency (CIDA). The official said, Canada is committed to seeking an “ambitious outcome” from CARICOM that “addresses the core interests and sensitivities of both sides” and like in all trade agreements the Federal Government negotiates, it works closely with the provinces and territories.

The Canadians want to ensure that they do not get less favourable treatment than that accorded by CARICOM to the European Union under the Economic Partnership Agreement (EPA) especially in the areas of services, exports and investment.

CARICOM countries have a list of sensitive products they are not willing to liberalise and are looking for an improved market access offer.

Standard in all of the FTA’s Canada has concluded, are labour and environmental side agreements and an Investor Dispute Mechanism. CARICOM has concerns in all of these areas, though the region’s private sector has no issue with these being part of the accord.

The Caribbean Association of Industry and Commerce is among those groups that feel there was not enough input from the region’s private sector prior to and during the start of talks.

CAIC President, Guyanese business executive Ramesh Dokhoo, believes the issue of Federal negotiators who do not have the legal authority to impose conditions at the state level, puts the Caribbean at a disadvantage, especially in areas such as rum exports.

On reciprocal duty free access, Dokhoo commented that local manufacturers will be at a disadvantage in terms of competing with Canadian companies which possess larger economies of scale and lower production costs.

The former President of the Private Sector Commission also advised that CARICOM countries need urgently to harmonise SPS (sanitary and phytosanitary standards) to ensure that there is a unified response to companies entering the Canadian markets.

For the first time in years, the Heads of Government will engage regional private sector leaders at their annual Summit.

CARICOM Secretary-General Irwin LaRocque has pointed to an “urgent need” to strengthen the institutional capacity of private sector support organisations.

While the outgoing CARICOM Chairman welcomes the re-engagement with private sector groups, Gonsalves believes that these organisations should submit well-researched papers with specific recommendations that could first be considered by the Council for Trade and Economic Development (COTED) and then Heads of Government could provide feedback on what is feasible and identify areas for public-private sector partnerships.

What is not productive in his view is business and other civic leaders making speeches at the annual Summits and raising issues that the CARICOM leaders will hear about for the first time.

While acknowledging deficiencies in some aspects of the CARICOM Single Market and the Economy (CSME), Gonsalves pointed to several areas where companies are doing business across the region unimpeded, utilising, among other things, the Rights of Establishment. “In effect, the revised Treaty of Chaguaramas is working in many areas.”

The Vincentian Prime Minister has also been pressing his CARICOM colleagues to take action to implement programmes addressing energy access, cost and reliability.

Gonsalves concedes that implementation of CARICOM decisions will continue to be challenging unless there is a CARICOM Commission type structure as proposed by the West Indian Commission in its “Time for Action” report but the Region’s leaders are unlikely to go down that road.

Gonsalves feels it is not the individual “Change Drivers” in each Member State that will have the most impact in pushing the integration movement forward, but the Regional Integration Units in each country, which need to be equipped with experienced and qualified persons. In St. Vincent and The Grenadines, the unit is staffed with seven University graduates and headed by an Ambassador.

In most CARICOM countries, this Unit is a one-man operation and is manned by junior civil servants.

The outgoing CARICOM Chairman feels another area that requires the availability of substantial new capital is major agricultural expansion, which has been promoted under the Jagdeo Initiative. While there have been new Barbadian and Trinidadian investments in Guyana, Gonsalves contends that major new investment has to be secured to finance projects that could help reduce the spiraling food import bill.

Attracting new investment to the Region would be a much smoother process with the implementation of the long mooted CARICOM Investment Code, which, according to the CARICOM Secretary-General is at an advanced stage, along with work on a regulatory framework for Financial Services.

Updates are also expected on the work related to medical marijuana, which the Vincentian Prime Minister champions, but not all of his colleagues are on board with this.

Hopefully, details, such as specific strategies, goals and timetables regarding the recommendations of the CARICOM Commission on the Economy, the Regional Transportation Mission, the Strategic Plan and new governance arrangements, among others, will be available after the Antigua meeting.

Antigua and Barbuda’s newly elected Prime Minister, former banker Gaston Browne, whose Antigua Labour Party (ALP) recently won a landslide victory at the polls, is a newcomer to the CARICOM fold who will have the opportunity to ensure that some of the critical projects on the table are translated into action with meaningful and visible results.

CTO targeting Canadian investors during Caribbean Week in Toronto

Member countries of the Caribbean Tourism Organization (CTO) have an excellent and timely opportunity to lay the groundwork for attracting new Canadian investment in the region's tourism and hospitality sector at the CTO's inaugural investment conference in Toronto next month.

Senior Canadian government officials will be participating in the June 26 Forum along with Canadian companies that will be expecting Caribbean tourism destinations to make a solid case to lure more Canadian dollars to the region.

At this event, one of the highlights of the annual Caribbean Week programme, Caribbean countries, upon request, will be afforded a one-hour window to pitch their projects to the Canadians.

Director of the CTO's USA operations, Sylma Brown Bramble, has stressed that potential investors are not always looking for mega projects and the drive to attract new investment should not be focused mainly on large hotels and infrastructure projects.

One investment opportunity which she feels should be encouraged is more solar energy production, which could result in lower energy bills with the savings passed on to hotel guests.

In promoting the investment forum, the CTO has been highlighting the Caribbean's stable political climate. A Conference Board of Canada official told me that in addition to this, Canadian investors will be looking to see growth in direct airline seat capacity from the key source markets (United States, Canada and Europe), an increase in marketing budgets, attractive tax incentives and an enthusiastic local workforce.

Potential investors will also be looking for specific information on infrastructure, labour costs and the range, cost and quality of human resources available.

CTO's Chairman Beverly Nicholson-Doty, who is Tourism Commissioner in the U.S. Virgin islands, will be joined at the opening session of the investment forum by top policy-makers in the federal government in Ottawa and the new provincial government in Ontario (elections are due on June 12).

"The Canadian market is critical to the Caribbean region," said Nicholson-Doty, noting that the region is working strategically to increase arrivals and revenues from Canada.

CTO Secretary-General Hugh Riley said the intent of the Toronto Investment Forum is to spread the word that the Caribbean is "open for business" with the message aimed at Canadian companies and entrepreneurs, the Canadian government, large financial institutions and the Caribbean Diaspora.

Riley is also urging the organisation's member countries to highlight investment opportunities in non-traditional tourism sectors such as sports and medical tourism, an area in which some Caribbean countries have made tremendous strides by attracting more overseas visitors for recuperative and cosmetic surgery.

One area with tremendous potential for expansion directly linked to the tourism and hospitality industry is the agro-industry sector. The high level of food imports used by the region's hospitality sector could be considerably reduced with expanded and diversified food production, which is often talked about, but much more investment is needed especially in countries like Guyana.

In this regard, the CTO Secretary-General has underscored the importance of the Caribbean as a region producing enough to meet requirements of large-scale buyers and doing so consistently, with efficiency and to meet international standards.

A regional project that would help Caribbean farmers not just to develop the skills and use new technology to improve production, but to be involved in marketing and management, is in the pipeline.

The Toronto investment conference is timely since Canada and CARICOM are engaged in talks on a new trade and investment accord that will undoubtedly encourage more Canadians to invest in the region when it materialises.

The CTO investment conference comes at a time of marginal, but continued growth in the Canadian economy. The International Monetary Fund has forecast that the Canadian economy will continue to expand over the next two years, growing by 2.3 per cent this year and by 2.4 per cent in 2015.

The CTO has projected that overall visitor arrivals to the region in 2014 will be between 2 to 3 percent.

The CTO Secretary-General noted that the tourism and hospitality industry was adversely affected by the bad weather during the winter which led to many flight cancellations.

Curacao (25.7%), Anguilla (20.7%) The Bahamas (11.7%) and St. Lucia (10%) registered significant increases in Canadian arrivals for the winter season while most CTO member countries saw marginal increases or declines in Canadian visitors.

St. Lucia (13.9%), Dominica (12.7%) and Belize (11%) recorded decent increases in U.S. arrivals.

Several CTO member countries saw significant increases in visitors from Europe, including Belize (26.6%), the Cayman Islands (17.7%), Jamaica (14.9%) and Antigua and Barbuda (10%).

As anticipated by CTO, many destinations experienced a healthy increase in cruise arrivals during the winter season, including Martinique (69.8%), Dominica (37.3%) and Belize (22%).

The Caribbean Hotel and Tourism Association (CHTA) is reporting that most of its member countries experienced a “respectable” winter season.

CHTA President Richard Doumeng told me that even though occupancy might have been at the same level of the 2013 season, the Average Daily Rate (ADR) was higher and it was overall a “rate recovery” season. The main concern of CHTA members is adequate air seats. Some countries have felt the pinch of the loss of the American Eagle services to the region.

While the increase in the number of arrivals from Europe is welcome news, the CHTA notes that this is being compared to a period when there was a significant fall off in European visitors due to the British Air Passenger Duty (APD).

The CHTA continues to be concerned about the “astronomical” energy costs, which hotels across the region face as they try to balance high operating costs with room revenue.

In terms of attracting new investment into the sector, the CHTA President insists the region does not need more large hotels and mega attractions. Instead, existing properties and infrastructure need to be modernised and many destinations are in dire need of a “facelift”.

Doumeng pointed to growing interest by visitors to the region in historical sites and unique culinary experiences as well as Caribbean spices and vegetables.

He also advocated that more Caribbean countries promote sustainable projects and offer “green” incentives.

Not surprisingly, the hotel executive said feedback from investors attending the CHTA’s annual Caribbean Hotel Investment Conference & Operations Summit (CHICOS) is that there are too many agencies to deal with when pursuing investment projects. In particular, obtaining permits required to do business in many Caribbean countries is a major hassle as there are too many government agencies involved in the process. It is critical that governments in the region take steps to address these concerns including ensuring that investment agencies have the clout, financial and human resources to efficiently facilitate investors and to engage in effective international marketing.

Jamaica (JAMPRO) and Barbados (Invest Barbados), which do an excellent job in both facilitation and international marketing, have highly trained investment promotion specialists with sector expertise, are allocated significant marketing budgets, and have offices in key overseas markets.

New tourism initiatives as CTO celebrates Caribbean Week

As the Caribbean Tourism Organization (CTO) gears up for Caribbean Week in Toronto, there is welcome news on a number of fronts including in the areas of marketing, improving service, action on protracted aviation issues and intra-regional travel hassles.

The CTO and the Caribbean Hotel and Tourism Association (CHTA) will be embarking on another major television marketing campaign in the United States. The new initiative will be similar to the 2002 ‘Life Needs the Caribbean’ campaign, which promoted the Caribbean as a single tourist destination.

According to the CTO Secretary-General Hugh Riley, the success of the 2002 campaign was evident from the statistics.

In the last public-private sector marketing collaboration a combination of cash and unused inventory was used to finance the U.S.\$10 million campaign. Unused rooms in hotels during low occupancy periods across the region were bartered for advertising space.

Several CTO member states experienced a decline in U.S. visitor arrivals including Barbados, the Bahamas, and Antigua and Barbuda. Several destinations registered small declines in cruise ship passengers or marginal increases.

“We are finally coming out of the difficult environment created by the world’s financial crisis in late 2008. While occupancies across the region increased already in 2012, our average rates are now moving up as well. But we are still not yet where our rates were prior to the crisis. We are very concerned, however, that economic and social difficulties in our own islands could affect our recovery adversely,” Immediate CHTA Past President Josef Forstmayr commented.

Riley told me he was “extremely optimistic” about the upcoming marketing campaign as it is in line with the CTO’s vision to position the Caribbean as the most desirable, year round, warm weather destination by 2017.

The CTO Secretary-General also feels another step in the right direction is the decision of the region’s transport Ministers to address some of the critical aviation issues especially those affecting intra-regional travel. In particular, he said CTO’s Aviation Task Force made a “meaningful input” in the CARICOM Multilateral Air Services review.

As a result of this, the CTO Secretary-General is optimistic that the CTO Aviation Task Force will be afforded the opportunity to make a presentation to next month’s meeting of CARICOM Heads of Government in Trinidad and Tobago.

Riley, who will be in Toronto for Caribbean Week activities on June 26 and 27, believes the Canadian market needs “some stimulus and attention”. Canadian arrivals to the region have been down for several destinations for the first quarter this year including the Bahamas (-16.3%), Jamaica (-12.3 %) and Barbados (-9.9%).

Riley believes that there should be more focus on database marketing with a focus on who is coming to the Caribbean from Canada. This information could be used to identify loyal repeat visitors and reward them, and to tailor the tourism product to match the type of visitors coming to the region.

On expanding Caribbean Week in Toronto to incorporate some of the activities featured at the New York events, Riley said some of this can be achieved once CTO members determine that the Canadian market is of critical importance to them and put in the resources needed.

He noted that the Caribbean Week in New York will always attract a bigger and wider audience and participation because approximately 50 per cent of the region’s tourism business comes from the U.S.

CTO Chairman Beverly Nicholson Doty has identified a major improvement in standards and consistency of service to significantly improve visitor experience in the region as one of the major goals of the organisation that was a key agenda item during Caribbean Week in New York.

The U.S. Virgin Islands Commissioner of Tourism said the CTO’s Total Visitor Satisfaction Programme is the means to bring about the desired changes in visitor experience and after a successful pilot in six countries, the CTO is ready to roll out the programme to the wider membership.

“We did a lot of work on the methodology of gauging visitor feedback. We had to ensure we were comparing apples with apples. Now we have to get a lot of buy in from our member countries,” she said in an invited comment.

The TVS programme will be delivered under a train-the-trainer arrangement to ensure there is consistency in assessing visitor satisfaction and that the programme is conducted on a long-term basis.

The CTO Chair said the region has to get the message out internationally that the Caribbean has much more to offer than sunshine and beaches. More emphasis should be placed on the rich culture, diversity, heritage, culinary and other authentic offerings.

She agreed that there is huge potential for the region to market itself as one of the best destinations for medical tourism, providing an appealing warm weather and attractive ambience for patients to recuperate. In addition, the CTO Chairman believes another big market for the Caribbean is wellness tourism, capitalising on the many medicinal herbs in the region and sea salt for re-energising and healing purposes. She cited as one of the highlights of the 2013 New York Programme the Invest Caribbean Forum, which identified many investment opportunities in the tourism and hospitality sector. In particular, she feels there is considerable scope for engaging the Caribbean Diaspora to encourage them to do more business in the Caribbean.

The CTO Chairman said steps will be taken to expand and improve the Vacation Mart which was inaugurated in New York this year. She acknowledged that bookings were “modest” but the forum has the potential for significant branding for the Caribbean.

The importance of CTO members working together to ensure the success of the joint marketing of the Caribbean as a premier tourism region and the benefits of strengthening public-private sector tourism partnerships are expected to be reinforced during the upcoming Caribbean Week in Toronto.

Tourism officials urged to address taxation and bureaucracy

International tourism and aviation industry leaders have urged Caribbean tourism policy makers and finance officials to re-examine taxation policies and remove bureaucracy, which is harming the industry’s growth and competitiveness and turning off investors.

Peter Cerda, Regional Vice President of the Americas for the International Air Transport Association (IATA), told participants at the Caribbean Tourism Organization’s (CTO) State of the Industry Conference (SOTIC) that aviation taxes increase the cost of travelling to the Caribbean and make the islands less competitive relative to other destinations.

His message to the recently concluded forum was clear: “The simple truth is that this region is a very expensive place for airlines to do business.” It’s a message the Caribbean Hotel and Tourism Association (CHTA) has been trying to get across to finance and tourism decision makers in the region for some time.

The Chairman of the CTO’s Aviation Task Force (ATF), Antigua and Barbuda’s Ambassador Brian Challenger, in an invited comment on these observations, told me that there is a need for “intensified dialogue” between governments, tourism operators and airlines to review creative responses to this problem, including possibly trial periods during which time taxes are lowered.

Challenger, in acknowledging the continued concerns about the level of taxes and charges on the industry highlighted at the CTO Conference in the United States Virgin Islands (USVI), noted that the current level of taxes are, among other things, a major contributor to high inter-regional air fares.

In his presentation to the Aviation Day forum, which preceded the State of The Industry Conference, the IATA official chided the management of two Jamaican airports – Montego Bay and Kingston – for proposing airport tariff increases of over 100 percent, to attain a return of capital of around 20 percent a year.

Cerda believes that measures such as these do not encourage or support the development of the industry in the region. He urged regulators to act strongly and swiftly against such “big increases.”

He also recommended that Caribbean Governments foster positive business environments through consultation with the industry and transparency “to ensure win-win situations for all.”

Noting that fuel typically represents about a third of an airline’s operating costs, Cerda also observed that fuel expense across the Caribbean is around 14 percent higher than the world average.

The IATA Executive argued that for the region’s tourism industry to deliver the most benefits to Caribbean citizens and spur additional tourism and trade “we need to be able to compete on a level playing field and have the infrastructure capacity needed to grow.”

He also pressed for the use of technology to address bottlenecks at peak operational times at airports in the region.

The keynote speaker at SOTIC, Apple Leisure Group's CEO Alex Zozaya, cautioned that the region cannot afford the levels of bureaucracy that now exist. "The Caribbean needs to step out of its comfort zone, be pragmatic and run tourism like a business. Put the political agendas aside, and you will move faster." Pennsylvania-based Apple Leisure Group is the worldwide leader in travel to the Caribbean, sending more visitors to the region than any other company.

According to Zozaya, fragmented regulations and lack of continuity in policies scare investors and taxation and investment barriers create uncertainty.

He also pointed to the need for detailed and up to date statistics and identified the lack of a comprehensive energy plan as another contributor to the high cost of doing business in the region.

Zozaya issued a reminder that in the Caribbean, tourism and the aviation sector facilitate and support 140,000 jobs and contribute U.S. \$3.12 billion, roughly 7.2% of the Caribbean's Gross Domestic Product (GDP). With stiff competition from other warm-weather destinations such as the Seychelles, Thailand, and Croatia, Zozaya also said the region had to stop competing against itself.

He lauded Jamaica for doing a "much better job than other places" and observed that 'Brand Jamaica' has great positioning in the U.S., which he cited as the Caribbean's major competitor.

Zozaya pointed out that the Caribbean region has proximity to the most important tourism market in the world, the U.S. "I don't see why the U.S. alone cannot provide the 30 million visitors a year that the region has set as its goal by 2017."

Following the annual CTO Forum, the CTO Secretary-General and CEO Hugh Riley told me that a renewed effort will be made to find the right mechanism for funding and sustaining the marketing of the Caribbean. "This will require the CTO to look for answers within its own organisation but also to work closely with regional partners. There is also an expectation that there will be increased partnerships with media outlets that might be willing to support regional marketing by apportioning advertising funds toward a budget to be managed by the Caribbean Tourism Development Company."

An example of CTO's collaboration with the media is the current campaign with Caribbean Journal. Ten percent of the advertising revenue from all qualified business placed with this media outlet will go into a Caribbean marketing fund.

Riley also reported that while the CTO awaits the results of the taxation study currently being conducted by IATA in association with a number of agencies, steady progress is being made in key areas related to the passenger experience.

This includes standardising the Embarkation/Disembarkation cards, which passengers are required to complete and regularising the issues relating to secondary screening of passengers traversing multiple Caribbean destinations on the same itinerary.

Among the priorities of the CTO's Aviation Task Force (ATF) are supporting facilitation within the Organization of Eastern Caribbean States (OECS) as a first step towards hassle free travel.

Another item that is high on the CTO's agenda and which received widespread consideration during the USVI Conference is the issue of entry visas. "There is a growing sentiment that the Caribbean must find a way to return to the domestic space/common visa arrangements which were instituted seven years ago during Cricket World Cup," Riley said.

The region's immigration, home affairs and security officials need to be decisive in this area and take visible action to address this long overdue initiative.

Regional governments, will also, hopefully, take seriously the observations from the IATA and Apple Leisure Executives on the harmful impact the current level of taxes and bureaucracy is having on the major foreign exchanging earning tourism and hospitality industry, which is the lifeblood for many of the region's economies.

Barbados Tourism Minister Richard Sealy, the new CTO Chairman, has promised to focus on "some of the vexing problems that we have right now with tourism."

A CARICOM Tourism Summit is long overdue

Concerns about the performance, operations, challenges and future of the region's key foreign exchange earning tourism industry are among the main reasons that prompted a recent call by the Caribbean Hotel and Tourism Association (CHTA) for a Caricom Heads of Government Summit on Tourism.

"The Caribbean is the most tourism dependent region in the world and is also extremely vulnerable to both external and internal forces and many of the issues that affect us really require a unified approach in order to obtain any level of success or progress," President of the Barbados Hotel and Tourism Association (BHTA), Patricia Affonso-Dass, told me in an invited comment on the CHTA Summit proposal.

Her St. Lucian counterpart Karolin Troubetzkoy echoed similar sentiments. "With tourism being the number one source of revenue for the majority of Caribbean islands and the challenges affecting our individual tourism industry being globally the same, it only makes sense to dedicate an entire Summit to tourism specifically."

Troubetzkoy, who is the President of the St. Lucia Hotel and Tourism Association (SLHTA), told me at past Caricom Summits, tourism was the "stepchild of the agenda". The Last CARICOM Tourism Summit was held in the Bahamas in 2001.

The CHTA, which is hoping that a CARICOM Tourism Summit will be convened within the next six months, wants the agenda to focus on airlift, travel facilitation, marketing, visitor security, human resource development, the environment and new ways to encourage economic growth through a common approach to the problems facing the industry. The association believes a Summit can lay the foundation for helping the industry to return to "levels of success last seen in 2006".

The Caribbean Tourism Organization (CTO) has reported a 5.2 per cent increase in overall arrivals to the region in 2012 compared to 2011, visitor spending returning to pre-recession levels and hotel occupancy up by 7.1 per cent, but stressed that the industry still faces significant challenges.

CHTA Chairman Josef Forstmayr says the Caribbean needs to be marketed as a region through combined public and private sector efforts and joint funding.

"Some of the funds which the governments are allocating to tourism boards to do their own marketing should be allocated to a regional marketing fund, so we can create a pool of funds that can be used to effectively promote the Caribbean as one brand," Forstmayr told me.

Forstmayr said among the issues to be raised with CARICOM leaders would be making it less cumbersome and expensive for visitors to the region, including revamping "excessive" airport improvement fees and departure taxes.

A recent meeting the CTO's regional aviation committee called for the implementation of a single visa system for visitors travelling within the region, similar to that of the European Union whereby visitors who are cleared at the initial port of entry can continue travelling seamlessly throughout most of the member countries.

CTO Secretary-General Hugh Riley said the Caribbean Tourism Development Company (CTDC), the marketing and business development unit, owned equally by the CHTA and CTO, needs to be properly capitalised.

"Every stakeholder and decision maker in the industry needs to understand that this is an effort that needs to be sustained. We cannot just take action when there is a crisis," Riley said in a recent conversation.

"While the forecast for tourism growth in 2013 is positive, there are future storms on the horizon, and it's best that we lock arms to tackle upcoming as well as current challenges – from declines in intra-Caribbean tourism to the onerous Air Passenger Duty that is adversely affecting business from the United Kingdom," CTO Chair and U.S. Virgin Islands Commissioner of Tourism, Beverly Nicholson-Doty commented.

The timing, venue and cost of a small no-frills CARICOM Tourism Summit that will have tourism as its only agenda item needs to be addressed sooner rather than later.

For such a meeting to be productive, it is critical for Heads of Government to be briefed on the state of the tourism industry, including by national private sector associations, which should be represented in delegations to the Summit.

I fully endorse the sentiments of Patricia Affonso-Dass. The President of the Barbados Hotel Association on the need for a CARICOM Tourism Summit said: “Once and for all the critical importance of tourism to this region needs to be agreed, focused on, championed and all necessary measures put in place for its sustainability and growth. There has been enough talk over the years. It is now time for action and conviction.”

More commitment needed to boost trade and investment with Canada

2011 Column

THE just-concluded Canada-CARICOM Trade Development Forum held just outside of Toronto underscored the need for Caribbean exporters, business organisations and the region’s governments to adopt a much more serious approach if they are to reap the benefits of a new trade and development accord currently being negotiated between the two sides.

The absence of key producers from the region was disappointing. Barbados High Commissioner to Canada, Evelyn Greaves, for example, expressed concern that Barbadian manufacturers did not participate in the forum and that there was no representation from the Barbados Manufacturers Association(BMA). The lack of communication among private sector organizations and their failure to provide input when requested by regional umbrella organisations is also worrying.

The Canadian and CARICOM Governments will, through a new Canada-CARICOM agreement, set the policy framework and conditions that will provide opportunities to significantly enhance two-way trade and investment opportunities. It is the Caribbean producers and service providers who will do business and they should therefore have a vested interest in what the region’s negotiators are putting on the table with their Canadians counterparts.

The Forum did come up with detailed and useful recommendations for CARICOM’s Chief Negotiator, Ambassador Gail Mathurin, who is Director General of the Office for Trade Negotiations (OTN) and her team in five sector areas – Trade in Goods, Professional Services, Financial Services, Tourism Promotion and Product Development.

The trade negotiations are expected to be concluded by the end of 2012 and hopefully CARICOM governments, after stalling on the commencement of the talks, will be encouraged by the recent forum and be energised to provide the necessary mandates to keep the negotiations on track so a new accord can be enforced by 2013, bearing in mind that it takes another 12 months after the agreement is signed for the ratification process.

CARIBCAN, under which the region was granted duty-free access for most goods, but did not take full advantage of, will expire at the end of this year and a two-year WTO waiver has been sought to allow for the current negotiations.

It is also worrying to note that some private sector organisations, including those in Guyana, have not had an input into their government’s official positions on the negotiations. As with all of Canada’s Free Trade Agreements (FTAs), this new accord will provide for two-way duty-free access for trade in goods and services. This means that Canadian goods will be coming into the CARICOM market with duty-free access; and as with CARICOM’s Economic Partnership Agreement (EPA) with the European Union, requests will be made for sensitive Caribbean industries that require some protection to be phased in.

The question of which industries is, of course, something which the private sector needs to identify and therefore the region’s business community ought to ensure it has a say on this sooner rather than later, and not after the ink is dry on the a new Canada-CARICOM accord.

One protracted issue on the CARICOM side is the CARICOM Investment Code. I recall making an input on this during my tenure as Head of the Guyana Office for Investment (GO INVEST) in the late 1990's, and it still has not come to fruition. The draft code has been stuck in the legal department of the CARICOM Secretariat for a while, and it is time that this is taken off the back burner. Canadian investors eyeing the Caribbean for new business are looking for uniform and consistent investment policies in the region.

The delivery and quality of services at investment agencies in the region is another issue that needs to be addressed with some urgency. The Caribbean Association of Investment Promotion Agency (CAIPA), currently under the aegis of Caribbean Export in Barbados, is spearheading valuable training and other initiatives intended to benefit the region's investment agencies.

Countries like Guyana that do not participate in these activities should take advantage of opportunities to upgrade their services, which is vital if we are to be competitive when it comes to attracting investment. As well, Caribbean governments have to understand that understaffed investment agencies and overseas missions, with limited marketing budgets, will not be equipped to sell the region to Canadians as an attractive investment location. Some of the overseas missions don't even have promotional material.

At the recent Trade Development Forum, one interesting proposal in the area of production integration was thrown out by the Guyana Private Sector Commission representative who asked why Guyana, with vast amounts of available land and skilled workers, cannot produce the over \$1M in pork products that Barbados currently imports from Canada. The thinking here is that Canadian and Caribbean companies need to engage in joint ventures and licensing arrangements to facilitate this kind of joint production that would be cost effective for the Canadians and bring much needed jobs to Guyana. Franchising operations by Canadians in the Caribbean is another area that should be explored, once the new Canada-CARICOM trade accord is effective.

Back in the mid 1980's, during a CARICOM Heads of Government Summit, then Barbados Prime Minister Errol Barrow talked about the need for joint regional production and at that time there was a lot of interest in Guyana and Barbados collaborating on housing projects in Barbados, using Guyana timber. Needless to say, there was no follow through.

Production integration in the region will only become a reality if the region's manufacturers are serious about working with each other.

At the recent forum, it was noted that even within individual CARICOM member states there is a lack of trust among private sector entities. These agencies have to find ways to work more closely together and manufacturers should be at the forefront of any discussions that relate to trade in goods, not Chambers of Commerce or umbrella organisations.

The recent withdrawal of Barbados Manufacturers Association from the Trinidad and Tobago based Caribbean Association of Industry and Commerce (CAIC) is also cause for concern.

Granted, CAIC is not as vibrant as in the days when it was headed by Guyana's Pat Thompson. But, whatever the perceived deficiencies of CAIC, the issue must be addressed and hopefully, efforts will be made to have the BMA rejoin since CAIC is the regional entity that officially collaborates with CARICOM on behalf of the region's business community and works closely with Caribbean Export and the OTN. The three agencies organised the Trade Development Forum in association with the Canadian Government.

Despite the many challenges that need to be addressed, the recent Canada-CARICOM Forum made some positive headway. The Caribbean private sector representatives that participated recognised the tremendous opportunities that will open up to grow Caribbean-Canada business once the new trade agreement is signed, and the steps necessary to equip themselves to take advantage of this new deal that has the potential to contribute significantly to the region's economic development.

CARICOM-CANADA Trade and Development Agreement

First in a two-part series

Caribbean and Canadian Government representatives are optimistic the two sides can conclude by the end of 2012 a Trade and Development agreement that would significantly enhance business and investment opportunities for Caribbean and Canadian companies and generate much-needed jobs in the fifteen member countries of CARICOM.

Both Canada's Minister of State in the Department of Foreign Affairs and International Trade, with responsibility for the Americas and Immigration, Diane Ablonczy and CARICOM's Chief Trade Negotiator, Ambassador Gail Mathurin signalled their government's commitment to work towards the 12-month timeframe so the Accord can be effective within two years, with one year required for ratification and legal work.

The third round of talks were held in Ottawa in April this year, discussions reconvened by videoconference last week and a fourth round will begin early in 2012. CARIBCAN, which currently facilitates duty-free access for most Caribbean exports to Canada, expires at the end of this year and a two-year waiver has been sought from the World Trade Organization (WTO).

The commitments by the high-level Canadian and Caribbean officials were made at a just-concluded two-day Canada-CARICOM Trade Development Forum in Mississauga organised by the CARICOM's Office for Trade Negotiations (OTN), Caribbean Export Development Agency and the Caribbean Association of Industry and Commerce (CAIC), in association with the Canadian Government.

The Forum provided an opportunity for Caribbean exporters, investment agencies and service professionals to provide input into the trade negotiations and to specifically identify constraints to doing business in Canada and key areas with significant potential for expanding business between Canada and the Caribbean. The Caribbean delegates were also afforded the opportunity to interface with officials from Canada's Department of Foreign Affairs and International Trade (DFAIT), The Canadian Export Corporation (EDC), the Trade Facilitation Office (TFO), Canadian Trade Commissioners and Canadian-based Caribbean companies. Business match-making was also part of the program.

Minister Ablonczy underscored the link between trade and jobs as well as "trade and prosperity for families, trade and the quality of life for our countries". In addition to addressing barriers to trade and improved trade flows, she said a new Canada-CARICOM Accord would "create a strong investment framework that would provide a secure, transparent and predictable environment for both sides" and send a clear signal that the Caribbean is a sound place for investment.

The Canadian Minister noted that Canada takes into account the vulnerabilities and varying levels of development in the region and is committed to negotiating labour and environmental provisions.

The CARICOM Chief Negotiator, who is Director General of CARICOM's OTN, advised that labour and environmental accords, which are standard in all the trade accords Canada has concluded with other countries, is still a sensitive issue for CARICOM and while formal talks will be held on this, the Caribbean negotiating team has not yet received a mandate from CARICOM governments in this area.

Barbados High Commissioner to Canada, Edward Evelyn Greaves, speaking on behalf of CARICOM, said "a significant development dimension is critical if CARICOM is to maximise the benefits of a more mature trade arrangement with Canada".

He welcomed Canada's commitment to capacity building associated with the agreement and the allocation of \$600 million in Canadian aid to the region over 10 years, which was announced by Canadian Prime Minister Stephen Harper in 2007.

Delegates identified obstacles to doing business with Canada and potential areas of opportunities to expand business in five key areas: Trade in Goods, Professional Services, Financial Services, Tourism Promotion and Product Development.

A constant theme in all the discussions was the importance for development funds to be allocated under a new Canada-CARICOM trade accord, assistance for capacity building, including competitiveness programs and training, and clear channels of communication between the Canadian and Caribbean private sector organizations, especially the regulatory agencies in Canada.

In the area of trade in goods, Caribbean products identified with good potential in the Canadian market included condiments such as pepper sauce, jams and jellies, fresh produce and winter vegetables especially plantains and provisions, watermelons, guavas, mangoes and papaws, rum and beer, pork and pork products, water and waste water treatment, waste management, air pollution and control equipment suppliers, exploration and production. Extraction and smelting sub-sectors and downstream services were also identified.

Stringent Canadian regulations with regard to registration, labelling, packaging, sanitary and phytosanitary measures were listed as the most challenging areas for Caribbean goods exported to Canada. On the other hand, the forum emphasised the importance of regional harmonisation and integration within CARICOM of standards, labelling and packaging and significant improvements in trade facilitation, port facilities and other CARICOM border agencies.

The tourism promotion and product development group identified as new product areas, Health and Wellness, Eco-tourism, Sports tourism, Culinary tourism, Heritage and Cultural tourism, Agro tourism and Edu Tourism.

This round table noted that Caribbean banks were “risk averse” when considering tourism projects especially large ones. Mechanisms for financing suggested were the use of Canadian retirement savings funds in CARICOM and the management of Canadian pension funds in the Caribbean.

The Tourism panel also called for more investment in hard infrastructure such as transportation and telecom and facilities and soft infrastructure including people skills, customer service, strategy development, entrepreneurship and institutional support for Business Support Organizations (BSOs) and Small and Medium Sized Enterprises (SMEs).

In the area of financial services, the Forum highlighted regulatory barriers to access such as licensing, professional and residency requirements in Canada, high transactional costs and taxes as well as overly high capital requirements. It recommended that the trade negotiations address issues such as lease financing, factoring, the development of vibrant equity markets, a Canada-Caribbean Venture Fund and export credit and finance insurance.

On the cultural side, the Audio-Visual sector group called for increased visibility of Caribbean content in Canada, both for cinema, television and cable and vice versa, increased collaborative projects and upgrading the skills of CARICOM AV workers through scholarships, exchange and internship programs.

A major obstacle cited was the absence of a Co-production agreement between Canada and the Caribbean. “Film producers in Canada face difficulties with employing indigenous Caribbean actors because of the lack of a Coproduction Treaty,” the final sector report stated.

Canada-CARICOM Trade and Development Agreement

Second in a two-part Series

The West Indies Rum and Spirits Producers Association (WIRSPA) wants the Rum Protocol in a new trade arrangement with Canada to be maintained, but with modifications. The rum issues have been long-standing, with the association waiting since 2005 for regional governments to move ahead with the negotiations with Canada.

WIRSPA has noted that the Bahamas has a separate arrangement for rum exports to Canada. As well, Suriname, a member of the Caribbean Community and Common Market (CARICOM), is not included in the CARICOM-Canada 1998 Rum Protocol.

Given that the region's rum industry generates significant employment and foreign exchange, WIRSPA is keen on seeing the protracted rum issues resolved sooner rather than later.

Canadian international trade officials indicate that Canada is prepared to "consider revisiting" Canadian requirements for Caribbean rum exports.

Current rules regarding Caribbean rum in Canada were put in place by the Canadian government to offer protection to the name 'Caribbean Rum' for Caribbean rum products in Canada, according to the Canadians.

Caribbean rum producers take issue with regulations that require rum bottled in Canada to be blended with Canadian alcohol by 1 to 1.5 per cent by volume. Caribbean rum exporters mostly export bottled rum, but production costs could be cut considerably if regional rum could be bottled in Canada without the blending requirements.

WIRSPA is also pressing for the removal of the current requirement that Caribbean rum exporters buy all their molasses from within the Commonwealth Caribbean. The association contends that other spirits producers who export to Canada are not subject to this requirement. In addition, they argue that only a few Caribbean countries are producing sugar and they may not always be able to meet the needs of all the region's rum distilleries.

Despite the challenges, rum exports from the Caribbean have overall been robust. According to WIRSPA, for the first six months of this year, compared with a similar period in 2008, exports were up by 33 per cent, with exports from Guyana up by 51 per cent. Jamaica and Barbados were reported to be "holding their own" while two countries experienced sharp declines - Trinidad and Tobago (-42%) and Antigua and Barbuda (-24%).

In 2006, the stock of Canadian direct investment in, or transshipped through the CARICOM market registered at almost Cdn\$53 billion, an increase of 52% since 2001, according to Canadian government data. This is mainly in financial services such as banking and insurance.

Canada is keen on investment provisions in a new agreement that would provide Canadian investors with greater stability, transparency and protection for their investments.

The Caribbean wants to ensure provisions that would stimulate increased investment flows and bring much-needed jobs to the region. Energy, financial services and tourism are some sectors identified as ripe for Canadian investment.

Investment promotion and protection is not part of the CARIBCAN agreement and only Barbados and Trinidad and Tobago have bilateral Foreign Investment Protection Agreements (FIPAs) with Canada.

Under National Treatment, Canada may be seeking improved market access in the area of government procurement. The Canada-Peru FTA guarantees Canadian suppliers the right to bid on a broad range of goods, services and construction contracts carried out by the Peruvian central government. CARICOM accorded similar treatment to the EU under the Economic Partnership Agreement (EPA) but still has the option not to open all contracts for international bidding.

Under the Canada-Peru FTA, the investment provisions include strong obligations to ensure the free transfer of capital, to protect against unlawful expropriation and to provide for non-discriminatory treatment of investments. In addition, investors have access to binding international arbitration to resolve disputes.

The CARICOM governments have an interest in getting institutional strengthening support for investment promotion and ancillary government agencies but will have to identify projects that are not already receiving financing from other donors.

The lack of a CARICOM Investment Code and harmonization of incentives, in the pipeline for over a decade, and the slow pace in fully implementing the CARICOM Single Market and Economy (CSME) pose some constraints. Among other things, Canadian investors and service providers are not subject to uniform regulations when doing business in the region.

Ways to expand trade and investment with U.S. and Central America being explored

Stronger CARICOM government lobbying efforts in Washington, the need for a more unified and effective regional private sector organisation and the creation of specific programmes to strengthen public and private sector links with Central American countries are some of the key areas for action recently identified at a recent forum in the U.S. capital.

Priority areas and strategies to significantly boost trade and investment between the U.S. and CARICOM countries were also key talking points at the Caribbean Central American Action (CCAA) annual conference, held for the first time in Washington after being held in Miami for three decades.

Officials from the U.S. State Department, Department of Commerce, Department of Energy, U.S. Agency for International Development (USAID) and the influential U.S. Chamber of Commerce participated in the conference.

Anton Edmunds, President and CEO of The Edmunds Group International (TEG), a boutique consulting firm that focuses on supporting clients with interests in the Caribbean Basin region told me the message emanating from U.S. administration representatives was one of seeking to build a partnership with CARICOM and Central American countries as opposed to being regarded as a “benefactor”.

Edmunds, a former CCAA Executive Director, believes as far as getting major enhancements to the Caribbean Basin Initiative (CBI) and reaping benefits under the U.S. CARICOM Trade and Investment Framework Agreement, the ball is very much in the Caribbean’s court.

When a Canada-CARICOM Trade and Development Agreement is signed, it will likely serve as a benchmark for talks with the U.S. administration on an expanded CBI.

During the two-day event, discussions also centred on drug trafficking and crime in the region and its impact on attracting investment, trade and competitiveness.

Conference participants heard from the Organisation of American States (OAS) Assistant Secretary-General Albert Ramdin about the importance of the region moving forward in the areas of political and economic stability. The OAS also wants to engage the private sector to play a bigger role in programmes to address employment issues and training.

Among the issues discussed was how CARICOM countries are managing multiple international relationships. One message that was loud and clear was that there is a need for CARICOM countries to better manage its relations with China, especially regarding transparency and contracts.

It was noted that many CARICOM countries have embraced new infrastructure, grants and loans from China without addressing the critical issue of standards for projects.

One of the highlights during the CCAA conference was the launch of the Services of the Caribbean (SOCA) initiative which focuses on advancing new trade and investment opportunities between the U.S. and CARICOM services.

“While the Caribbean Basin Initiative (CBI) regime is focused solely on goods, paradoxically, CARICOM countries have much greater potential for trade in services, yet the CBI does not cover services,” SOCA Co-Chair Nirad Tewarie, CEO of the Trinidad and Tobago Coalition of Services Industries (TTCSI) said at the launching.

Former Assistant U.S. Trade Representative, Stephen Lande, who played a key role in the implementation of CBI legislation in the U.S. Congress, noted that the region's economies are already over 70 percent concentrated in the services sector.

"It is a necessity of trade and business policy to upgrade and expand the original CBI which was centred on goods and to make the CBI more relevant to the services reality of U.S.- CARICOM trade," said Lande, who is now President of Manchester Trade, a business advisory firm in Washington.

The SOCA group emphasised that tourism and travel account for 30 percent of GDP and 25 percent of employment in the Caribbean, while financial and professional services are also major contributors to revenue earnings.

In addition, several studies have identified emerging opportunities in the areas of ICT and offshore education, and non-traditional tourism such as eco-tourism and health tourism.

The newly-formed services coalition believes that since CARICOM already has access to the European Union through the Economic Partnership Agreement (EPA), the region could be a service hub for interchange between the E.U. and the U.S.

The Trinidad and Tobago and Barbados governments and private sector representatives were highly visible at the Washington forum.

Trinidad and Tobago's Ambassador to Washington, Neil Parsan urged CARICOM and Central American countries to consider "tactical" cooperation in the areas of energy and trade. He also pointed to the potential opportunities arising out of an expanded Panama Canal.

The Trinidadian diplomat acknowledged the need to reduce the time it takes to do business in both regions. He referred in particular to the challenges of poor infrastructure and weak institutions. Barbados Minister of Industry, International Business, Commerce and Small Business Development Donville Innis said public-private sector cooperation in the region needs to be strengthened.

The CCAA event provided excellent opportunities for CARICOM private sector organisations and entrepreneurs to partner with their Latin American counterparts.

One of the challenges that need to be addressed quickly is the lack of a cohesive Caribbean private sector group that represents the region's interests at an event such as the CCAA forum which is attended by key U.S. policy makers and business groups.

CCAA Executive Director Sally Yearwood told me the Washington venue for the annual conference allowed for a much stronger emphasis on policy issues and put Caribbean and Central American issues on the radar of U.S. policy makers and business organisations.

Yearwood said in recent years, there has been an increasing focus in the Obama administration on the Caribbean, energy, debt and security issues. Among the successes of the Caribbean Basin Security Initiative (CBSI) recently identified are cocaine seizures across CARICOM Member States, training of police personnel and the provision of fast boats to help curtail maritime criminal activities.

The CCAA official observed that the private sector delegations from Central America travelled together and provided a united front at the conference, something she believes the Caribbean private sector should emulate.

Edmunds believes it is time the region's private sector gets its act together and engages in advocacy on key issues both within and outside the region. He feels the "harsh reality" is that current private sector leadership in the region seems to lack the sophistication, expertise or influence of past leaders.

I recall that highly respected CAIC presidents such as Trinidad and Tobago's, Thomas Gatcliffe and John Stanley Goddard of Barbados had the ear of CARICOM leaders and the organisation made a substantial input on major trade and economic policy issues on the agenda of CARICOM Summits. They were also strong advocates on regional issues internationally.

There are question marks over whether a revamped CAIC or the approach of CARICOM leaders to constitute the long-mooted Caribbean Business Council will be the main vehicle to engage the region's private sector, international policy makers and business groups.

The launch of the SOCA services coalition also raises the question as to why the launch of such a group became necessary, how it will relate to a regional umbrella private sector entity and how much input it will have in the development of strategies for the region's external trade negotiations managed by the CARICOM Office of Trade Negotiations (OTN).

More private sector input needed to expand trade

THE need for increasing involvement by the region's private sector to ensure benefits from trade agreements and to influence the trade agenda of regional governments was one of the recurring themes at the recent annual Conference on the Caribbean and Central America in Miami.

The President of Jamaica Promotions Corporation (JAMPRO), Diane Edwards, told participants at the event that CARICOM has a patchwork of trade agreements that have not served to bring the region together or resulted in intended economic gains.

She argued that the only way to revitalise some of the numerous trade accords which CARICOM negotiated but which "lie in abeyance" is for the private sector to put pressure on governments. In particular, the JAMPRO head wants business leaders to press for removal of Non-Tariff Barriers (NTBs) that dissuade producers in the region from taking advantage of trade accords.

At the event organised by the Washington-based Caribbean Central American Action (CCAA), Edwards said the region still seems divided by colonial and linguistic history but region's private sector can help to break down some of the existing barriers.

She identified freight costs as one of the biggest impediments to expanding intra-regional trade, including between CARICOM and Central America countries, citing as an example, the cost of shipping from Antigua and Barbuda to neighbouring Guadeloupe, which is twice as high as shipping from France to Guadeloupe. In addition to the range of Non-Tariff barriers, she identified the free movement of labour and capital as well as harmonisation of fiscal policies as continuing challenges.

JAMPRO is being pro-active by aggressively pushing non-traditional exports, while at the same time, developing bilateral trading arrangements outside of the 15-nation CARICOM. Jamaica has signed off on trade accords with the Dominican Republic, Cuba and Costa Rica.

All of Jamaica's trade missions are organised in conjunction with the private sector. "We are not there to talk but to do deals and get actual business," Edwards commented.

"The way to strengthen trade relations with Central America is to pursue reciprocal trade fair visits, do road shows and promotional seminars."

Edwards also believes that institutional capacity in the region needs to be strengthened and should be done through Caribbean Export and the recently resuscitated Caribbean Association of Industry and Commerce (CAIC).

She welcomed recent initiatives by the Caribbean private sector to become more involved in the region's external trade negotiations and supported the current initiatives to strengthen hemispheric business dialogue.

The U.S. Chamber of Commerce is spearheading an effort to ensure there are comprehensive discussions with specific follow up sessions between the region's governments and the private sector at the April 2015 Summit of the Americas in Panama.

The process involves developing and negotiating an agenda for one and a half days of talks between the region's business and political leaders. That dialogue will include selected CEO's from across the region.

Matthew Rooney, a Senior Fellow at the U.S. Chamber of Commerce in Washington, told the forum that only with a genuine partnership between governments and the private sector will the goal of stronger economic growth and greater job creation be realised.

The Chamber official noted that while there has been dialogue between governments and private sector leaders and initiatives and strategies agreed to at previous Summits, these rarely materialise as they get stymied in government bureaucracy or local politics.

The U.S. Chamber contends that it is critical that the region's private sector be more involved in the planning process for the next Summit of the Americas and has set up a meeting with the Summit Implementation Review Group. It is proposing follow up between Governments and mandated regional business groups and leaders and updates on a quarterly basis following the Summit.

At the CCAA business forum, Caribbean governments were urged to consider pursuing Foreign Direct Investment (FDI) from China as opposed to loans, which have been secured over the past few years for large projects, especially in construction.

In a presentation titled "The Scale, Impact and Potential of China's Investment in the Caribbean", the former leading Caribbean trade negotiator, Ambassador Richard Bernal, proposed that one way of controlling the level of Caribbean debt to China is to shift from loans to FDI.

Dr. Bernal, Executive Director for the Caribbean at the Inter-American Development Bank, who was speaking in a private capacity, is the author of "Dragon in the Caribbean: China's Global Re-Dimensioning – Challenges and Opportunities for the Caribbean", launched earlier this year.

Noting that China's investment in the region has been used mainly for the construction of public buildings, sports arenas, houses and infrastructure, the former diplomat recommended that Chinese investment be considered for projects in tourism, entertainment, health, education, real estate, manufacturing and services.

With China being one of the fastest growing tourism markets, countries like Barbados and Jamaica have begun marketing to the Chinese, who have begun investing in the tourism and hospitality sector in the region. China's Import Export Bank has provided funding for the massive Baha Mar resort in the Bahamas, while China State Construction Engineering Corporation (CSCEC) earlier this year purchased the downtown Hilton hotel in Nassau, the capital.

Dr. Bernal also observed that there have been small Chinese investments in Jamaica in the sugar industry and in projects in Guyana and Suriname.

To attract substantial Chinese investment, according to Dr. Bernal, will require more promotional efforts by the region's Investment Promotion Agencies (IPA's) and initially it will be a learning experience due to language and culture considerations.

He advocated that the Caribbean take advantage of world-renowned Chinese medicine by establishing centres of oriental medicine and promote these to global visitors.

The CCAA annual conference returned to Miami in 2014 for the first time in three years. Executive Director Sally Yearwood confirmed that based on the very positive feedback about the event, the 2015 Conference will also be held in Miami, which was the venue for many years. In the 1980's and 1990's, the Miami Conference was a major annual business forum, which attracted several Caribbean Heads of Government and leading private sector officials.

The 2014 conference also received a very favorable response to its Connecting Women in Business Forum and will be expanding this in the future. "This turned out to be a valuable opportunity and we want to help more women from the Caribbean and Central America connect with U.S. business women," the CCAA Director told me.

At the top of the CCAA's agenda for 2015 is support for new technology in the region, especially for capacity building and training to ensure that the region has the skills to take advantage of new technology, especially in areas like energy efficiency.

Mixed views on calls for a new regional private sector body

A debate is on-going among regional private sector groups as to what, if anything, should replace the now dysfunctional Caribbean Association of Industry and Commerce (CAIC), once an influential regional umbrella business association.

Former board member and former head of Guyana's Private Sector Commission, Ramesh Dookhoo, believes there is an urgent need for a new vibrant regional private sector organisation that could represent and safeguard the interests of the business community across the region.

In conversation with Dookhoo about the demise of CAIC, he recommended that a new Caribbean private sector association should have as its core members with responsibility for decision-making in the umbrella organisations in each of CARICOM's member states. This could include the PSC in Guyana, the Private Sector Organisation of Jamaica (PSOJ) and the Barbados Private Sector Association (BPSA).

Dookhoo, also a former President of the Guyana Manufacturing and Services Association (GMSA), is confident that donor organisations would be willing to help finance the launch of a new Caribbean private sector organisation.

In the past, Dookhoo observed, the financing of CAIC initiatives became a major problem because of the cost of travel and accommodation for members. The future direction, in his view, is for more a smaller and more cohesive body that makes more use of technology to communicate.

In the 80's and 90's, the CAIC, then based in Barbados, had a seat at the table at the annual CARICOM Heads of Government Summits and made well-researched and detailed presentations on intra-regional trade and other issues affecting the private sector. Guyanese Pat Thompson, who was at the helm of the organisation, was well known for his influential role in representing the interests of the Caribbean business community.

Executive Director of the Barbados Manufacturers Association (BMA) Bobbi Mc Kay feels a restructured CAIC will not be a vehicle from which the BMA can benefit, especially given the numerous intra-regional trade challenges the country's manufacturers are facing.

Mc Kay feels there is too much self-interest and not enough regional cooperation when it comes to trade among CARICOM Member States.

According to her, since the global recession, CARICOM countries have become more inward-looking and mostly concerned with protecting jobs rather than how as a region the productive sector could move forward.

She asserted that while Barbados markets are "wide-open" to other CARICOM countries, there is no reciprocity in this regard. In particular, Barbadian beer exports to Grenada and flour exports to St. Vincent and the Grenadine face non-tariff barriers. Barbadian milk exports to Jamaica also face a similar challenge.

Mc Kay says the BMA was not an active member of CAIC for over six years as it could not see the value of the regional umbrella private sector body.

She doesn't agree that any restructured regional private sector group should have as its core members, national umbrella private sector organisations since these umbrella groups deal with macro issues affecting the private sector and not the day-to-day challenges.

The manufacturers association, on the other hand, focuses on market research and trade issues which are discussed with the CARICOM Council for Trade and Economic Development (COTED).

Mc Kay's Trinidadian counterpart, Ramesh Ramdeen also feels that a revitalised CAIC or any similar organisation being mooted, is not the right fit. He contends that the interests of Chambers of Commerce, who mainly represent importers, and those of manufacturers are quite different.

Ramdeen advised me that in the last few years the regional association had very little "teeth" and tried to do too much to appease individual constituents.

Ramdeen, who is CEO of the very dynamic Trinidad and Tobago Manufacturers Association (TTMA), is calling for a regional manufacturers association to be established.

Such a group, he argues, can represent the interests of manufacturers in international trade negotiations and the manufacturers in the region through a regional organisation. It can also help to shape the process in terms of ensuring the interests of Caribbean producers are on the table in the negotiations between Canada and CARICOM for a trade and development agreement.

Trinidadian manufacturers are particularly concerned about trade with the Dominica Republic (DR), a member of the wider CARIFORUM group, against the backdrop of calls for the DR to become a full member of the 15-nation CARICOM.

The TTMA's Executive Director believes the DR's full membership in CARICOM is inevitable but it is a question of whether this process is being accelerated when there are current obstacles in trade between the Spanish-speaking Caribbean country and CARICOM States.

While the debate continues about a replacement for the CAIC, the much talked about Caribbean Business Council (CBC), which the CAIC was initiating before its demise, continues to be stalled and private sector organisations in the region seemed to be unaware of the status of this proposal.

Legislation for the CBC was apparently drafted and in the offices of the CARICOM Secretariat. The Council was intended, among other things, to have regular dialogue with the region's Heads of Government.

The last public information about the Business Council was in September 2011 when CARICOM Secretary-General Ambassador Irwin LaRocque met with CAIC President Carol Evelyn in St. Kitts and Nevis and it was announced that discussions centred on "finalisation of the Caribbean Business Council and its endorsement by CARICOM."

In the meantime, some initiatives out of Port of Spain, suggest moves are being made once again to re-establish a regional umbrella private sector group.

The need for such an organisation is clear but its *modus operandi* will have to be vastly different from the original CAIC, given not only the changed economic circumstances in most CARICOM countries, but the calls from manufacturers for a regional grouping of their own.

The Caribbean private sector, which has often highlighted the inertia in implementing CARICOM decisions, needs to show they can put aside differences and put regional interests first in any effort to establish a dynamic and productive regional private sector umbrella association.

Equipping the region's foreign service

As CARICOM Member States continue to grapple with the effects of the global economic and financial crisis, the CARICOM Secretariat has been addressing the capacity building needs of the region's foreign service through a Commonwealth-funded initiative supported by the Institute of International Relations (IIR) of the University of the West Indies.

Engaging in economic diplomacy requires our foreign affairs and international trade ministry officials to be well grounded in the theory and practice of diplomacy, international relations, and international trade and investment promotion strategies, among other things.

Beyond the very valuable occasional seminars organized by CARICOM Secretariat, one of the areas that should be accorded a priority by the region's governments and private sector agencies is more tangible support for IIR, which used to be the premier training ground for Caribbean diplomats and Foreign Service officials.

The Trinidad and Tobago-based Institute has been attracting only a handful of Caribbean students in recent years. The sprinkling of non-Trinidadian students pursuing the Diploma and Master's Program in International Relations at IIR is partly the result of the dwindling financial resources of Member States and a decline in scholarships.

But it is also because several of the region's foreign ministries have attempted to run their own foreign service training institutes, most of which are not structured, lack experienced trainers and do not cover in depth core international relations and international trade training.

While it's expected that national foreign affairs ministries will have internal training programs to address their own foreign policy objectives, this is not a substitute for much-needed in-depth training at the regional level.

One CARICOM observer, familiar with many of the region's foreign ministries, believes many of them lack a coherent foreign policy that is clearly defined, are not well structured and place little emphasis on human resource development.

More recently, the proposal by the Patrick Manning administration to establish a Diplomatic Academy in Trinidad and Tobago that would offer training at a regional level raised eyebrows in diplomatic and academic circles and begged the question: Why was the Institute being overlooked?

Up to the 1980's, a period in which some of the smaller CARICOM states were still evolving into independence, IIR attracted a good mix of students from across the region, most of whom were relatively new foreign service officers, a few mid-career diplomats and some Caribbean professionals looking for a career change.

As a graduate of the Institute in the mid 1980's, I can attest to the benefits of the training. The IIR Diploma program, in addition to international relations and diplomacy, covers international trade and economic development, international business and finance, international law and a foreign language. It is a well-rounded and solid curriculum although the diplomacy module can be strengthened.

The Institute has weathered some rough economic times, facing numerous challenges to meeting its operating budget. The cost for non-Trinidadian students has also increased significantly.

Dr Anthony Peter Gonzales, who was the Institute's Acting Director for three years, believes the Institute should still maintain its status as the main regional institution providing post graduate training in International Relations, as mandated when it was established in 1966.

A lecturer in international trade and international business at the Institute for several years, Gonzales recommends that the institute seek funding to retain a retired diplomat, on a two or three-year contract, to run a program that focuses on diplomacy.

He feels that in addition to its academic curriculum, IIR should provide on-going short-term practical diplomatic training programs. But, Gonzales, who was at one time based in Geneva as the World Trade Organization (WTO) representative of the Regional Negotiating Machinery (RNM now OTN), notes that such a program would have to be sustained through donor funding.

Dr. Vaughan Lewis, who served as Professor of International Relations of the Caribbean at IIR for 10 years until 2008, shares his sentiments. Lewis advocates more specialized short-term courses in specific disciplines that are directly related to the requirements of the region's foreign affairs ministries.

A former St. Lucian Prime Minister, he recommends programs that focus on climate change, the diverse implications of globalization for policy-making, issues related to the role of emerging economies and their implications for the Caribbean, and the contemporary implications of Caribbean regional integration.

Lewis, now a Professor Emeritus in International Relations, also believes it would be extremely beneficial to provide training to the region's foreign service officials that cover the new arrangements between developed and developing countries in the context of the WTO, the various Economic Partnership Agreements (EPAs) between the African Caribbean and Pacific (ACP) States and the European Union (EU), and the possibilities and benefits of new trade negotiations with Canada and the United States.

The Board of IIR, which is in search of a new Director, will hopefully appoint a suitably qualified Caribbean national with a long-term commitment to the job and whose sole focus is the institute.

CARICOM Governments should identify new sources of funding to enable participation in IIR programs. In recent years, the Institute did undertake in-house programs in some CARICOM countries and it is now running a Summer Institute, offering short-term courses.

The region's business conglomerates have an opportunity to be good corporate citizens by providing scholarships to IIR on an annual basis.

The region's foreign affairs and trade ministries also need to ensure that they derive the intended benefits of training organized by the CARICOM Office of Trade Negotiations (OTN).

In some cases, Caribbean technicians have been exposed to international agencies, often impressing these organizations, but when some of them return to their respective Ministries, they are promoted away from negotiations into protocol and other areas.

As well, some Foreign Service officers who have been exposed to the operations and programs of the World Bank and the WTO, through OTN programs, are not being fully utilized.

In addition to beefing up training for foreign service and trade officials, Caribbean economic diplomacy will only yield results if the region's governments are prepared to overhaul some of their missions, particularly in North America, and provide them with more tangible support.

Several of the Caribbean diplomatic missions, both in New York and Toronto, lack personnel trained or experienced in international trade and investment promotion, and those that do, have limited budgets or promotional material to undertake on-going promotional activities. A recent case in point was the inability of one CARICOM Consulate to participate in the Caribbean Tourism Week activities in Toronto because it had less than a dozen brochures.

Caribbean governments should also be providing opportunities for its trade officials to pursue the Master's Program in International Trade at the Shridath Ramphal Centre for International Trade Law, Policy and Services in Barbados.

Any training for the region's diplomats and trade and investment promotion officials should also focus on negotiating skills, marketing, public relations, business etiquette and business communication, especially presentation skills.

Caribbean Perspectives is a collection of articles and broadcast material on the regional integration movement and major economic and social issues in the member countries of the Caribbean Community and Common Market, CARICOM.

The author, Sandra Ann Baptiste, is a former journalist who worked for print and broadcast media specialising in Caribbean affairs.

This publication, which features the views of Heads of Government and regional institutions, private sector executives, civic and trade union leaders, academics and other professionals, covers a period of just over three decades.

Caribbean Perspectives is intended as a resource for university and international relations students engaged in Caribbean studies. It provides an insight into key CARICOM and national issues from 1980 to 2014.

The publication includes a focus on many of the issues affecting intra-regional trade, the CARICOM Single Market and Economy, the economic performance of member states, tourism developments, the region's external relations, as well as the pace of integration and implementation of decisions made by CARICOM leaders.

Based in Barbados for over a decade, Sandra Ann worked in senior positions at several media organisations, including the Caribbean Broadcasting Corporation (CBC) and the Caribbean News Agency (CANA). She was the CARICOM specialist for the British Broadcasting Corporation (BBC) Caribbean service before moving to the Canadian Broadcasting Corporation (CBC) in Toronto. She covered high-level meetings in the Caribbean and international events that had an impact on the region.

Sandra Ann, who is the recipient of awards from the Caribbean Publishing and Broadcasting Association (CPBA) and the Barbados Association of Journalists, served as the Communications Consultant to the Independent West Indian Commission, established by the region's Heads of Government in 1989 to review CARICOM.

She has a Master's Degree in International Journalism with distinction from City University in London, and was a Press Fellow at Cambridge University in the U.K. She also holds Diplomas in Business Management, International Trade and International Relations.

Sandra Ann, a business and communication consultant for over 20 years, is the Chief Executive Consultant of Carigold Signature. The group, which focuses on training and investment and tourism promotion, publishes Caribbean Business & Travel and the Caribbean Tourism and Hospitality Investment Guide.

Sandra Ann, who was the first head of the Guyana Office for Investment (GO-Invest), holds the Certified International Trade Professional (CITP) designation from the Forum for International Trade Training (FITT) in Canada.



Sandra Ann Baptiste