CARICOM: 25 YEARS OF A UNITED CARIBBEAN VOICE.(Caribbean Community)

by Larry Luxner

The 25th anniversary of the Caribbean-area trade and cultural organziation Caricom (formerly the Caribbean Free Trade Association) is commemmorated. It includes 15 members, islands except for Guyana and Suriname. Caricom is based in Georgetown's Bank of Guyana, and sees free movement, not only of goods, but of services, capital, and skilled people across the entire Caribbean Community, as its continuing legacy and mission.

When the Caribbean Free Trade Association (Carifta) was established in 1968 by Barbados, Guyana, Jamaica, and Trinidad and Tobago, few islands enjoyed direct air service from Miami. No one had touch-tone phones, and much of the English-speaking Caribbean was still calculating prices in shillings and pence.

On July 4, 1973, the Treaty of Chaguaramas transformed Carifta into the Caribbean Community, or Caricom, and now--twenty-five years later--the dollar is the region's currency of choice, tourism is a booming industry, and schoolchildren from the Bahamas to Barbados regularly correspond via e-mail.

Some things, however, haven't changed over the past quarter-century: bananas are still the economic mainstay for many poorer eastern Caribbean islands, and Fidel Castro--still the president of Cuba--continues to be a thorn in the side of U.S. foreign policy.

Through it all, Caricom has tried to bring together its culturally and geographically diverse member states. Although the organization is headquartered in the Bank of Guyana building in Georgetown, only two of Caricom's fifteen member nations--Guyana and Suriname--are located in South America. Except for Dutch-speaking Suriname and French-speaking Haiti, all the rest are English-speaking Caribbean islands with a common heritage and similar problems.

"For us, the twenty-fifth anniversary of Caricom is an occasion of outstanding significance, not just for the governments but also the people of the region," says Caricom secretary general Edwin Carrington. "What it signifies is that we have been able to sustain for a quarter of a century a process of intense cooperation across a broad sweep of national and regional interests. Our strengthening process is reflected in the widening of the Community to Suriname, which has joined Caricom as the first non-English-speaking member, and Haiti, which was accepted last year but hasn't yet completed the terms and conditions of entry."

Asked to name Caricom's single biggest challenge, Carrington--a sixty-year-old Trinidadian diplomat who's been active in Caricom from its early days--says it is "deepening the integration process" among its fifteen members.

"Our goal is free movement, not only of goods, but of services, capital, and skilled people across the entire Caribbean Community--something close to what the European Union has done," he says. "As small individual units, we are not viable politically or economically. We are much more viable as a group."

David Lewis, deputy executive director of Caribbean Latin American Action, a Washington-based lobby, says that since its formation, Caricom has evolved into "an effective voice for fifteen nations speaking as one bloc, giving them all much stronger negotiating power than their combined population of twelve million would otherwise give them in the international arena."

"Pretty much for the first twenty years, Caricom was seen as probably one of the world's best examples of regional integration schemes," says Lewis. "Over the past five years, things have slowed down a bit, but it's really a result of the comparative advance of other integration schemes like Mercosur. Caricom has been moving swiftly in terms of establishing a single market and economy, and creating a free-trade area within its member nations. But the organization has limited financial and human resources."

Shridat Ramphal, a former Guyanese foreign minister and Commonwealth secretary general, agrees with Lewis. "We are more pressed than most groups because we have Europe and the Western Hemisphere to contend with," says Ramphal, who was appointed last year to head Caricom's newly established Regional Negotiating Machinery. "There's a danger of being marginalized in the new configuration of the global economy, which places a premium on the large trading blocs like the European Union and NAFTA, and in which the whole process of globalization and liberalization threatens the Caribbean as a region of small economies."

As a consequence, Caricom is gradually moving toward

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adoption of a single currency for all its members--a process the EU has already launched and one which much larger trade blocs, such as Mercosur and the Andean Pact, have at least begun to consider.

"Several of our members already have a single currency, but we do have a big task ahead of us," says Carrington. "One of the first things we need is convertibility between the various currencies and a fixed exchange rate."

Meanwhile, Caricom has been keeping a close eye on internal disputes within some of its member nations. When the tiny island of Nevis (population ten thousand) threatened to secede from St. Kitts and Nevis last year, for instance, Caricom stepped in to lobby against the idea--warning of dire economic consequences if the pro-independence referendum passed.

In Haiti, Caricom is working to solve a disagreement between President Rene Preval and rival politicians that has paralyzed that country's fragile economy.

And in Guyana, where Caricom is based, the organization has appointed a special mediator, former attorney general Maurice King of Barbados, to iron out lingering differences between President Janet Jagan's People's Progressive Party (PPP) and ex-president Desmond Hoyte's People's National Congress (PNC) following last year's contested presidential elections.

"Caricom has matured to the point of being able to contribute significantly to the resolution of internal political crises," says Carrington. "Guyana is one example."

Jagan, who was chosen to lead Guyana following the death of her husband, President Cheddi Jagan, says Caricom "has been very useful" in trying to bring the two parties together.

Guyana is geographically the largest member of Caricom; the smallest, volcanic Montserrat. But the Caribbean's chief problem is the smallness of its population in relation to the rest of the world. The combined population of Caricom's fourteen full-fledged members is only around six million, and while Haiti's entry into the club more than doubles its population, Haiti's eventual membership will bring down Caricom's per-capita income considerably.

Besides Haiti, the British Virgin Islands--currently an associate member of Caricom--will likely be admitted as a full member. Other associate members of Caricom are Anguilla and the Turks and Caicos Islands.

"Our economies are extremely fragile and vulnerable, and even collectively, they need the support of special regimes," says Ramphal. That is why it is so important, says the veteran diplomat, that the EU be allowed to continue giving trade preferences for bananas produced in former European colonies in Africa, the Caribbean, and the Pacific.

On November 10, the U.S. Trade Representative's Office published a list of European products, ranging from sewing machines to suitcases, that may be hit with 100 percent import duties in the United States early next year if the European Commission--the executive arm of the EU--fails to abolish those banana preferences.

The unilateral sanctions, if imposed, would take effect February 1, though the penalties could be delayed until March 3 if the EU requests arbitration before the World Trade Organization in Geneva. While the U.S. itself doesn't produce bananas, U.S. companies, led by Chiquita Brands and Dole, have invested heavily in Latin American banana plantations, which are put at a competitive disadvantage by the EU trading preferences.

Other issues that divide the United States and Caricom include the continued U.S. trade embargo against Cuba, U.S. congressional reluctance to grant President Clinton "fast-track" negotiating authority to sign the Free-Trade Area of the Americas and other deals with foreign nations, and its failure to grant beneficiary nations of the Caribbean Basin Initiative (CBI) the same unfettered access to the U.S. market that Mexico enjoys under NAFTA.

Except for Washington's anti-Castro policy, which Ramphal calls "an anachronism that must change," the diplomat says the Caribbean ranks pretty low on the Clinton administration's list of priorities these days. "The United States is quick to pay negative attention, but the contradiction is that it's been doing so while adopting the rhetoric of positive action," charges Ramphal, adding that the results of Clinton's visit to Barbados last year has been nothing short of a letdown. "The U.S. lectures us about bananas, while its own subsidies [on sugar and other commodities] are protected."

Carrington says the Windward Islands--Dominica, Saint Lucia, Saint Vincent and Grenada--are heavily dependent on bananas for foreign-exchange earnings, in some cases for 70 percent of foreign exchange, yet their overall exports constitute no more than 3 percent of the world market. "If people lose the capacity to earn their income legally, they'll try to earn money by any means possible," he warns. "There's an inextricable link between economic development and drugs. If you destroy the banana industry, you'll only exacerbate the drug problem. We have

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told President Clinton that if you want to get an appreciation of what bananas mean to the Caribbean, think of what cars mean to Detroit."

Says Lewis: "Bananas are important and critical, but this is not about bananas. This is about where preferential arrangements for small, developing countries fit into this new trade environment. The message we're getting is that they don't fit in at all."

Few observers expect the United States to change its position on the issues that matter most to Caricom. In fact, one top Washington lobbyist, Michael Barnes of Hogan & Hartson, says he's not optimistic at all about trade liberalization in the immediate future.

"I wish it were otherwise, because I think we ought to be moving more rapidly to implement the Free-Trade Area of the Americas, but it's difficult to be optimistic given the climate in Congress on these issues," says Barnes, a former Maryland congressman whose firm represents several governments, including the Bahamas and Jamaica. "The CBI-NAFTA parity bill has a better chance than fast-track, but that won't be easy either."

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