

# Speeches

## Challenges In USA/Caribbean Relations in the Early 21st Century

**Remarks by the Hon. Billie A. Miller, M.P.**

**Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade of Barbados to the Caribbean Studies Group, Georgetown University**

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Dr Clissold and members of the Caribbean Studies Group, Friends of the Caribbean, distinguished guests, ladies and gentlemen,

I am grateful to the Director of Georgetown University's Caribbean Project for affording me this most timely opportunity to be with you this afternoon, to share perspectives with the Caribbean Studies Group on the development of Caribbean/US relations in the early 21st century, and on the challenges that lie ahead for both sides of the partnership.

I must begin by commending you on the important work the Project is doing in promoting serious discourse on and study of so many of the critical issues affecting modern Caribbean development. I hope that my remarks will at least make a small contribution to the overall effort.

It is now quite fashionable for trends in the development of relations between states to be evaluated in the context of changes of Government and the periodic rotation of political leadership to which happily all good democracies are subject. The use of these arbitrary mileposts to measure the development of the US/Caribbean partnership would, in my judgement, ignore the important continuum of that development. For our relationship spans over three and a half centuries of history, from the early days of New World settlement, when many of your Southern states were colonised by populations from the islands of the Caribbean, to the current attempts at geographical regrouping under the banner of hemispheric integration. Our trading links are of equally ancient lineage, dating back to those times, when technology transfer and expertise flowed in an inverse direction from that which obtains today, and when the economic worth of my own small country, Barbados, where sugar was king, was said to outweigh that of all the American colonies combined.

The alliance has been sustained over centuries through a shared colonial experience, a turbulent history of slavery, plantocracy, civil wars and conquest, into a twentieth century marked by rapid industrialisation, devastating wars, ideological polarisation, and divergent paths to decolonisation and development, leading ultimately to the present phenomenon of economic globalisation.

The progressive evolution of the English-speaking Caribbean countries over the last century from British colonies to nation states to committed regionalists, has gradually brought them more and more into the geopolitical sphere of influence of the United States. On balance, despite intermittent periods of tension, the relationship has been strong and constant. The interchange of people, goods and services has continued to grow, to the extent that by 1998 nearly 40% of Caricom's trade was with the United States, which enjoyed a surplus with the region of some \$2.8 billion.

It is fair to say that the countries of the English speaking Caribbean have been good and productive neighbours. It is also largely true that the vicissitudes in the relationship have been driven more often by responses to external circumstances affecting perceived national security or strategic interests of the super power, than by widely divergent policy prescriptions on the part of one Administration or the other. So that responses to the declared communist threat in the Cold War

years under the Republicans differ little in substance or final effect from those launched more recently against narcotrafficking under the Democrats. There is, in sum, a high degree of constancy in the relationship.

Caribbean peoples are as pragmatic as they are proud. They have few illusions about their place in the scheme of things. They have long understood the importance of maintaining a healthy and well-balanced relationship with the USA and the ever present need to nurture and sustain that vital lifeline. At the same time, they do not delude themselves into thinking that their continued well-being is a central determinant in US foreign policy making. The economic fate of an Anguilla cannot destabilise the world financial system, as might the crash of a Mexico or a Brazil.

Caribbean leaders are therefore acutely aware that they are likely to show up on the US radar only in times of high profile security crisis in the region. They have cultivated a healthy degree of cynicism for the short attention span of their powerful northern neighbour, and an equally astute ability to exploit that momentary blip on the radar screen to maximum advantage.

While it can be argued that the relationship has more often than not been driven by negative preoccupations on the part of the United States, and corresponding reactions of suspicion and mistrust on the part of the Caribbean, there is no reason why either side should accept this as a permanent characteristic. Barbados certainly does not.

It is against this background that the significance of the 1997 Bridgetown Partnership for Prosperity and Security in the Caribbean becomes apparent. The Bridgetown Accords represent for both sides a conscious acknowledgement of "the need for a new era in our partnership", the fashioning of a more mature relationship for modern times. It is true that it took the banana crisis, the sovereignty issues inherent in the Shiprider Agreements, the then approaching Second Summit of the Americas in Chile and direct expressions of concern from CARICOM Heads to President Clinton over the apparent deterioration in relations to jump-start the process. The fact nevertheless remains that these negative and potentially confrontational circumstances led to the first ever Summit between Caribbean leaders and their US counterpart, and produced an outcome that was eminently positive and far-reaching.

>From the Bridgetown process a framework emerged for specific action and follow up in the areas of trade, development, finance and the environment on the one hand and justice and security on the other. A permanent structure for annual dialogue and review of progress was institutionalised between Caribbean Foreign Ministers and the US Secretary of State, and a Quick Consult Mechanism established on trade related issues. Between 1997 and 2000 the Ministerial dialogue was convened six times, and the Committees of Officials met annually.

This tradition of regular high-level policy consultation has now taken firm hold, and the plea from Caribbean leaders that the relationship be placed on a more certain, regular and predictable footing has gained an unambiguous and positive response. Above all, for the first time the United States has shown a distinct willingness to interact with the Caribbean as a unified region, rather than on an individual bilateral basis, thereby giving clear recognition to the growing maturity of the integration movement of the Caribbean Community.

We are immensely pleased that, for its part, the new US Administration has readily endorsed the validity of the Bridgetown process, and committed itself to strengthening the dialogue. In early March, Secretary of State Powell expressed the view to me that strong mutually supportive relations between the United States and its Caribbean neighbours are essential, and confirmed that "Meetings with Caribbean Foreign Ministers and efforts to follow up on the Bridgetown Accord will be key elements of my tenure as Secretary of State". It is of great significance that in the first three months of this Administration's life two high level meetings have already been held with Secretary Powell, In addition we have had a productive exchange of views with National Security Adviser

Condoleezza Rice, and President Bush has met with CARICOM Heads in the margins of the Quebec Summit. To have been afforded this level of access so early in the term of a new Administration is unprecedented for Caribbean states. We are therefore more than satisfied that the consultative process is alive and well.

But what of the content of that process? It is perhaps opportune at this stage to examine the Bridgetown structure, review performance to date, and determine whether it is achieving its central objective, that of promoting regular, meaningful, positive consultation and agreement among the high level participants.

Any frank appraisal in that regard will demonstrate that while Bridgetown has provided certainty and structure, its emphasis on the need to show results through constant reporting has led to an excessively bureaucratic format for our periodic meetings, which has in turn constrained the scope for dynamic exchanges among Ministers. This defect is simple to remedy, and my colleagues and I are committed to working closely with Secretary Powell to make our sessions more substantive, interactive and policy-oriented.

Secondly, the range of issues being dealt with under the Plan of Action is wide, and the results are not uniform. Progress has been much more rapid in the area of justice and security where decision-making rests largely with the Administration, than on economic and trade issues where several actors and levels of consideration are involved. I believe that one way of energising the process is to allow the routine follow up and discussion on the status of all these matters to continue at the officials level, while providing scope for the Ministers, when they meet, to concentrate their focus on a smaller number of priority matters on which there is a commonality of interests, likely to produce positive results.

The Bush Administration has already taken steps in that direction, and has put forward a proposal called the Third Border Initiative, which was launched at Quebec City in April. It is now incumbent on the Caribbean, which has traditionally reacted to a US-driven agenda, to take urgent action to define its own core interests for a new agenda, and to put them on the table for discussion.

Thirdly, Caribbean Governments, while developing excellent rapport within the White House and the State Department, have too often paid insufficient attention to the other important levels of decision making and influence in Congress, at the state and local levels, and within the private sector and Civil Society. The Bridgetown process does not specifically provide for this type of interaction, which we nevertheless recognise as an essential part of doing business with this country.

President Bush's Third Border Initiative, in its preliminary version, has many useful components including programmes on HIV/AIDS, teacher training, disaster preparedness and civil aviation. While the Caribbean was not consulted on the initial concept, we are aware that it is still a work in progress, and we fully expect to have a meaningful input into its final design. More significant than its actual content, however, is the important signal it conveys that a pre-eminent place has been accorded to the Caribbean, along with Canada and Mexico, at the centre of the Twenty First Century's new American neighbourhood. The concept of border, creatively interpreted, should not be about new barriers to contain the free flow of people, goods, services and ideas. On the contrary, it should be seen as a desire to foster a greater level of interaction, to target new horizons, and expand the frontiers of mutual possibility. The hemisphere of the Americas will be a market of some 800 million people generating 17 trillion dollars in trade.

It is at this juncture that a fundamental question should be asked. What action is now required from both parties to transform America's third border into a secure, stable and successful Caribbean-American neighbourhood, confident in its ability to master the new hemispheric and global realities?

As a first step the United States should actively support the efforts of CARICOM states to create a

Single Market and Single Economy as the sub-region's most practical response to globalisation and trade liberalisation, and as a means of increasing the competitive position of the six million inhabitants of the Caribbean Community in advance of the creation of a Free Trade Area of the Americas.

After decades of trade preferences, we are suddenly expected to manage the transition to free trade in ten years whereas the large developed economies of the North took 50 years.

In this context it is worth reflecting on the enormity of the fiscal adjustment required of CARICOM countries, many of whom derive a disproportionate share of Government revenues from the tariffs and import duties which must be progressively dismantled under the new trade rules.

The Caribbean is pleased that the Hemispheric Heads at Quebec City gave recognition to the Buenos Aires Trade Ministers recommendation for special and differential treatment of smaller economies.

We are now engaged in preparing proposals for consideration by the Consultative Group on Smaller Economies, by the established deadline of November 1st, on ways of applying the treatment of the differences in levels of development and size of economies. United States' support for these proposals, once articulated, will be critical.

We are also heartened by the level of acceptance of the work of the Commonwealth and the World Bank on preparing a Development Agenda for Small States. My own Prime Minister, The Rt. Honourable Owen Arthur, has worked tirelessly spearheading the Task Force that has brought international attention to the issue of the vulnerability of Small States, their volatility to external shocks, and the need for the international community to embrace a new development paradigm in responding to the challenge of successfully integrating them into the new global economy. The fact that this issue now features on the Agenda of the World Bank's Annual Meeting is a matter of great satisfaction to all the affected countries.

The modern relationship which the United States wishes to build with the region is based in part on trade. Since 1984 Caribbean countries have been beneficiaries of non-reciprocal duty free entry to the United States market for a range of products under the Caribbean Basin Initiative. The original Bill was not however of major significance to many of the smaller Caribbean countries since it excluded eight major product groups which in 1984 accounted for some 66% of CARICOM's exports to the USA. Its competitive advantage was further eroded by the passage of NAFTA and exports fell consistently after 1996. The share of CARICOM's hemispheric trade with the USA also fell from 59.4% in 1990 to 46.2% in 1998. Finally, in May 2000, after 17 years of concerted effort to seek to correct some of the most significant omissions of the original legislation, and later, to obtain NAFTA parity, the Caribbean Basin Trade Partnership Act was adopted. This action made good on the pledge given by the Clinton Administration at Bridgetown and was the product of a concerted effort on the part of the Administration, our friends in Congress, and the Caribbean lobby.

Passage of the CBTA is significant for the Caribbean, and the inclusion of product areas such as textile and apparel articles, leather goods and liqueurs and spirituous beverages produced in Canada from rum originating in a CBI beneficiary country, represents an important gain. At the same time however, it can be anticipated that the benefits will again accrue principally to the larger Caribbean Basin countries with more competitive manufacturing and labour costs. For the OECS and probably also for Barbados, market access will not automatically mean increased trade, nor will their private sectors necessarily find it profitable to exploit the new opportunities on a larger scale.

Indeed, in one area of principal interest to Barbados, namely rum, the gains made under CBI are already under threat from proposed expansions to the Andean Trade Preferences Act, and consideration of the request of the Philippines to include low value rum under the GSP. It is therefore clear that constant vigilance and effective lobbying will continue to be necessary to

safeguard any advantages conferred on Caribbean producers by the CBI legislation.

The fact is that for Barbados and most of the countries of the Eastern Caribbean, the real advantages of the new trading environment lie not in the production and sale of goods, but rather in the opportunities presented for the financial services sector. It is therefore an unfortunate irony that our competitiveness in this area has of late provoked a dangerous, and in our view, seriously flawed challenge from the OECD, under its harmful tax initiative. We are immensely appreciative of the efforts of all of our friends in Congress and the action taken by Secretary of the Treasury, Paul O'Neill in disassociating the United States from this unhappy attempt to undermine the sovereign right of states to set competitive tax rates. This is an example of the effective partnership which can occur between the United States and its small neighbours when our national interests coincide. We hope that the way is now clear for us to concentrate on the issues that truly merit our combined attention as we seek to ensure the integrity of the international financial services sector. Barbados remains committed to enhanced cooperation in the fight against money laundering, tax evasion and tax crime through improved standards of regulation and supervision, and the effective exchange of information. This is an area where the United States, the OECD and the Caribbean have worked closely together in the past and we will continue to do so.

We recognise that the Caribbean, with its relatively high production costs, has limited scope, except in a few specialty areas, to improve its position in the areas of traditional trade. We must therefore adopt an aggressive strategy to exploit the exciting niche opportunities in the new knowledge-based industries, where we have the human and intellectual capital to compete effectively. The Connectivity Agenda which emerged from Quebec City is therefore of great significance, and commits us to mobilising and sharing human resources to strengthen our capacities for applying information and communications technologies to human development. It also speaks to cooperation among governments, sub-regional, regional and multilateral organisations, civil society and the private sector to share best practices to take advantage of the new economy.

In Barbados the Government is pioneering a comprehensive programme, Edutech 2000, to empower our new generation to compete in the digital economy. It is our intention that every primary and secondary school child should become computer literate. The literacy rate in Barbados is in the order of 98%. We trust that its obvious merits have by now overcome any doubts and that the United States will give its active support to our own efforts at capacity building for the new information age.

Caribbean Governments and their peoples have become increasingly conscious of the urgent need to protect, manage and preserve their shared patrimony, the Caribbean Sea. We have therefore launched a major initiative at the United Nations aimed at focussing international attention on the fragility and vulnerability of that resource, and the need for cooperation to safeguard it against environmental degradation and over-exploitation. In order to create an effective regime for its careful management, we have requested of the international community that the Caribbean Sea be designated a Special Area in the context of Sustainable Development. The concept is still in its embryonic stage, and we are in the process of assembling a team of experts to develop it further. We hope that we can persuade the Bush Administration to participate fully in these efforts. We believe that through creative diplomacy it is perfectly possible to devise a Special Area regime in this unique context which will meet both the Caribbean's sustainable development objectives as well as the security concerns of the United States.

The majority of Caribbean countries are small islands or low-lying coastal states which are all at great risk of sea level rise. Against this background you will appreciate that we have viewed with great alarm the action taken by President Bush to repudiate the Kyoto Protocol. I have read the President's new Energy and Environmental Proposals with care and await his further definition on a way forward. There is an urgent need for the US position to be clarified. Otherwise, there is a real danger that the uncertainty now prevailing on the issue will erode the vital international consensus on dealing with what we now accept to be an environmental threat of major global

proportions.

Barbados hopes this matter can be brought to good resolution in the near future. There is no need for environmental and energy policies to be at odds, and indeed there is much in the Administration's new plan that lends itself to cooperation on a hemispheric scale. The Caribbean contains both energy importing and energy producing economies, and we would welcome a comprehensive strategy of cooperation with the United States. We would also welcome a joint research initiative on renewable energy, particularly solar energy, on which the University of the West Indies has done much pioneering work.

Barbados believes that our economic efforts at building a secure, stable and successful neighbourhood must be underpinned by a comprehensive partnership for hemispheric security. That partnership must be based on a clear recognition of the growing interdependence of hemispheric states, and the need for coordinated regional strategies to deal effectively with the new and non-military threats to their security. For the smallest and most vulnerable states, we have defined security as multidimensional in scope, involving state and non-state actors, and political, economic, social and natural components. We have further identified as the principal threats to our security the illicit traffic in drugs and firearms; increasing levels of crime and corruption; environmental vulnerability, exacerbated by susceptibility to natural disasters and the transportation of toxic and nuclear waste; economic vulnerability, particularly in relation to trade; new health threats, including the HIV/AIDS pandemic, and increased levels of poverty. Our strategies to respond to these threats have received significant levels of US cooperation and support. Under the Bridgetown Accords there has been a high level of success in our joint efforts at strengthening the judiciary and developing our physical and human assets in interdiction and enforcement. We believe there is now much scope for broadening the effort beyond the traditional bilateral approach to a region-wide multilateral response. We look forward to working with the United States and others to further this objective.

The countries of the English-speaking Caribbean and the United States are natural partners in the effort to promote and strengthen the values of democracy, human rights and good governance throughout our hemisphere. In many ways CARICOM countries can serve as models of how to build a democratic, tolerant, multiracial society from the crucible of slavery and racism. This is the positive message that Barbados will be taking to the Third United Nations Conference against Racism which takes place in South Africa this summer. As the "old" democracies of the Americas, we believe that we have a positive role to play in reinforcing these values throughout the hemisphere. We must be careful, however, that the crusading zeal of the newly converted does not lead us to a premature adoption of hastily drafted and vague new prescriptions in the name of democracy. We have no difficulty with the proposal for the putting into place of new mechanisms to reinforce democracy and to ensure its consolidation and institutionalisation throughout the region. But any effort to adopt an Inter-American Democratic Charter must be undertaken as a thorough and serious process, and not just for political expediency. We are satisfied that with goodwill on all sides the matter can be brought to good resolution through a process involving the widest consultation among all member states, including civil society.

In his address at the opening of the Quebec Summit, Prime Minister Arthur articulated CARICOM's strong belief that we can and must fashion a hemispheric community from which no-one is excluded, least of all in the name of democracy. He stressed that the time had come for engaging Cuba constructively in the creation of a community of the Americas.

CARICOM is aware that the question of Cuba is one on which our two sides have deep and hard-held differences. While we disagree fundamentally with US policy on Cuba, we recognise the complexity of the elements which drive that policy, and accept that our own views will have little bearing on that domestic reality. By the same token, however, we fully expect the United States to respect our right, as neighbouring Caribbean states, to treat with Cuba as best suits our national interests, and from a perspective that is based not on past ideological baggage, but on the realities

of the modern Caribbean. The Caribbean is a dynamic region, and it is our full intention to create a supportive framework in which all can progress together and in which the sharing of ideas and experiences can foster change and inclusion. We confidently expect Cuba to be part of that future, and are already building the trade and economic linkages to make that a reality. Economic prosperity for the Caribbean in the new economy, must and will embrace new partners. The Dominican Republic is part of that strategy. So too are other areas of the insular Caribbean, including Puerto Rico, the US Virgin Islands, and the island dependencies of France, the Netherlands and Britain, which have a clear interest in cooperating more closely with CARICOM.

Haiti, the newest applicant for membership of CARICOM, remains a priority concern for the region. We have a duty and a responsibility to remain engaged in Haiti, and to render whatever assistance lies in our power to assist the people of Haiti to institutionalise democracy. As CARICOM has said repeatedly, democracy begins, not ends, at the ballot box. The complexity of the Haitian situation has confounded the best efforts of the international community to bring stability, progress and democratic order to bear. But we cannot simply abandon the Haitian people. CARICOM will continue to use its best efforts to build bridges to all the stakeholders in Haiti, the Government, the public sector, the opposition, the business community, the Church, the University, and all the members of Civil Society. Our interaction must be at all levels, and must be aimed at assisting Haiti to fulfil the necessary preconditions for full membership of the Caribbean Community, and to create a culture in which democracy can take root and flourish. We have cooperated on this issue with the US and other friends of Haiti, and will continue to share our thinking on the best way forward. As an important new element of our policy, CARICOM will shortly be setting up an office in Port-au-Prince to coordinate our efforts at integrating Haiti into the mainstream of progressive economic, social and political development in the Caribbean.

In the cases of Cuba and Haiti the CARICOM Heads have made it clear that the minimum acceptable entry-level to membership of CARICOM is the Charter of Civil Society.

In concluding my remarks, let me turn specifically now to the way forward for Caribbean/US relations by asking: what steps can we take in the short term to consolidate the gains made through the Bridgetown process, and what longer term strategies are necessary to ensure Caribbean progress and prosperity, to the ultimate benefit of both sides of the partnership?

We recognised that the Caribbean has not managed to devote consistent and concerted attention to developing and unifying a national constituency in the United States in support of its vital economic interests. Without that constituency, the United States has been left to view the Caribbean through the only prism which in the post-cold war era makes any sense to a lone superpower, namely its security from illegal drugs, arms trafficking, terrorism, money-laundering and foreign criminal elements.

The Caribbean must invest seriously in the building of strategic alliances to capitalise on the reservoirs of goodwill toward it that exist throughout this great country, often in the most unexpected of places. Our Prime Ministers, our Ministers and our high level public and private sector leaders must drive this process.

Equally important, we must develop a firm strategy to capitalise on one of our most valuable, but woefully underutilised strategic assets, the Caribbean diaspora in the United States. Our tiny region, which has produced two Nobel Prize winners, has exported some of its best brainpower to the United States. Their Caribbean heritage has instilled in them the ethic for hard work, sound education and strong community values. As a result, many are in key leadership positions throughout this country, and all are conscious of the contribution Caribbean values have made to their success. One of them currently occupies the chair of the Secretary of State, and it is reliably reported that his Department now sways to the beat of the Mighty Sparrow.

There are two concrete steps we can take to bring about a new era of effective engagement. The

first step, which has already begun, is to reactivate the 1980's grouping: the Friends of the Caribbean on Capitol Hill. That group should work towards the promotion, at an early opportunity, of a Congressional Hearing on US/Caribbean relations which would serve to assist in further defining the partnership, especially in the context of the Third Border Initiative. It could also promote creative measures to invest in the Caribbean in support of its process of economic transformation.

The second initiative, which if properly planned and coordinated, could have far-reaching consequences, is the promotion in the United States of a Special Conference on the Caribbean. The Conference would bring together the leaders of the region, the diaspora, the Administration, Congress, state and local level public and private sector actors, eminent scholars and entrepreneurs in a carefully structured environment to develop a programme for the Caribbean. Its main objectives would be to energise the Caribbean community and friends in the United States in support of the region's development; to mobilise the human and financial resources of the Caribbean, African-American and Hispanic diaspora towards specific development objectives; to renew the interest of the United States in things Caribbean; to reshape the image of the Caribbean in the United States, and ultimately, to provide critical input and ideas for the creation by the United States of a new post-cold war policy on the Caribbean.

It is my sincere belief that the Caribbean/US relationship is at this time on a sound and positive footing. On most issues vital to our mutual interests, there is a high degree of spontaneous agreement, and cooperation. On some issues, where our interests clearly differ, we do so with respect and without rancour. The strength of our diplomacy has allowed us, for the most part, to minimise the irritants in the relationship. With adequate consultation and good will on both sides, we are optimistic that a strengthened strategic partnership will emerge, based on a clear understanding of and sensitive response to the priority concerns of both partners.

The Financial Times of today, in its leader on Bush in Europe, makes a point that holds equally true for the Caribbean and I quote: "A constructive partnership does not require a complete identity of views. However, both sides need to be clear about each other's interests and priorities and the domestic pressures and constraints underlying them."

I am excited by the prospects for the future in our shared neighbourhood, and anxious to play my part in fashioning that future.

In this great enterprise, we are not expected to complete the task but neither are we at liberty to abstain from it.

I thank you.