

ARTÍCULO ORIGINAL

A CARIBBEAN PERSPECTIVE ON REGIONALISM: WHAT ROLE FOR CELAC?

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Introduction

Caribbean regionalism today is extremely fluid and often fragile, heavily influenced by global and hemispheric dynamics and by the political and economic situations in many territories in the region. This paper focuses on the Caribbean Community (CARICOM) and discusses its perspectives on regional integration and cooperation, particularly in the context of the newly formed CELAC.

We argue that CARICOM has been experiencing a period of crisis and currently faces three main challenges:

- The revival and restructuring of its own integration process in order to render it more sustainable and more relevant in a rapidly changing regional and international context. This restructuring process should also seek to align CARICOM's operations more closely with other groupings to which many of the member states now adhere;
- The second, related challenge is to adequately monitor, analyse and participate meaningfully in the various broader processes of regional integration that are taking place in Latin America and the Caribbean. These processes include the CELAC.
- The third challenge is to adjust regional and national foreign policies to rethink the international dimension of CARICOM development strategies. On the one hand, there is the need to collectively address the new possibilities for South-South cooperation. On the other hand, there is the need to maintain but also to reconfigure their traditional international partnerships in a climate in which concessionary aid and preferential market access continue to decline.

Regional integration for CARICOM has always had developmental objectives. These have evolved and expanded from an initial focus on economic growth and development

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cooperation to later explicitly include vulnerability reduction and resilience-building, conflict management, support for democratic norms of governance and stable institutions, adaptation to globalization and market liberalization. Among other things, regionalism has been a mechanism for the defence of sovereignty, for foreign policy coordination and expanding their leverage as very small players in the international community.

The next section initially summarizes the characteristics of the CARICOM grouping. It goes on to explore contending definitions of developmental regionalism indicating those that are most relevant in the context of CARICOM. Finally, it traces the gradual expansion of its member states' engagement with other regional groupings in Latin America and the Caribbean. We continue with an analysis of the crisis into which Caribbean regionalism has plunged since 2009, the various responses of member states and the intensifying pressures on regional institutions and cohesion.

The penultimate section discusses member states' engagement with new forms of regionalism and the new challenges encountered in the process. The final section focuses on CELAC and its significance for CARICOM.

CARICOM and the concept of Developmental Regionalism

So, what is developmental regionalism and what is the relevance of this concept to the territories of the Caribbean Community? CARICOM is made up for the most part of small developing economies and societies. In addition to their history, an assorted set of vulnerabilities has determined where they are located within the global political economy. Approximately 75% of the membership consists of Small Island Developing States (SIDs). With the exception of Haiti, they all have populations of three million or considerably less. Although Haiti has a population of eight million, it is classified as a highly vulnerable Least Developed Country. CARICOM economies have very small domestic markets, narrow production bases and limited possibilities for creating economies of scale. They have open economies with high international trade to GDP ratios. Most economies are now heavily oriented towards tourism and financial services. Most have limited land space, a restricted range of natural resources and limited institutional capacity. There are high levels of asymmetry within the group, with Trinidad and Tobago and the Bahamas at the high end of the GDP per capita scale and Haiti at the other end. Most states are very vulnerable to economic or ecological shock and many are categorized as highly indebted, middle income developing countries. (IMF, 2013)

There are various interpretations of the term Developmental Regionalism. From one perspective, there is an essentially Neoliberal definition provided by Michael Doidge (2007) who presents it as regional integration that promotes economic liberalization and growth and will ultimately produce development. However, in general, regionalism in the 1990s and beyond has been viewed as more than just a strategy to support economic liberalization, although it has been influenced by such global processes.

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Analysts like Hettne (1999) and Farrell et al (2005) argue that the contemporary wave comprises many different regionalisms, portraying different socio-economic situations, diverse values and ideological positions. Regional initiatives are quite specific to the prevailing conditions and histories of many different regions, and diverse institutional frameworks are developed to support various forms of regional cooperation.

For Hettne (1999: xxiv), contemporary regionalism should be evaluated on the basis of its contribution to development, peace and security and ecological sustainability. He lists the possible benefits of developmental regionalism as the creation of economies of scale, economic viability and collective self-reliance, greater leverage through regional collective bargaining, the strengthening of social stability, more effective conflict management and resource management (Hettne 1999: xxvi – xxvii).

Wil Hout (1999) argues in the same vein that developmental regionalism has been for many developing states a means of avoiding marginalization, overcoming resource and capability constraints and managing unequal power relations in a globalized world. Anthony Payne (2005) asserts that for all states, developed or developing, globalization has made the regional political and economic environment more integral to their national development. Contemporary regionalism also manifests the growing influence of inter-regional diplomacy and exchanges, policy dialogues and development cooperation.

The Greater Caribbean reflects many of these trends. It is a microcosm of hemispheric dynamics and in the current fluid environment, several territories struggle to adapt to the various reconfigurations of the region. The older regional groupings, such as CARICOM are hard pressed to evolve and demonstrate continued relevance while several new initiatives seek to establish themselves on a sustainable basis.

Since the 1960s, there have been three broad phases of regional cooperation in the Caribbean. The first encompassed 1960 to the 1980s. The groupings that were formed concentrated on constructing more dynamic economic links and stronger political cooperation among their members. However, the Greater Caribbean remained disarticulated by different colonial and cultural heritages and by Cold War tensions, leaving countries such as Cuba, Haiti, the Dominican Republic and Panama not integrated into any of the organizations. The Central American Common Market which evolved into SICA, was founded in 1960. It now includes Belize, Panama and the Dominican Republic in some of its institutions and activities. CARICOM has been in existence for forty years, slowly evolving beyond its original membership of English-speaking Caribbean territories to include Suriname and Haiti.

Finally, the Organization of Eastern Caribbean States (OECS) emerged as a subregional group of the smallest territories in CARICOM in 1981, pooling their resources to offer a wide range of common services to their populations. Between 1973 and the present, despite a hiatus in the 1980s, the Cuba-CARICOM partnership for

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economic, social and cultural cooperation was constructed and has become one of the most productive vehicles of development cooperation in the region.

The second phase of regionalism began in the 1990s as a reaction to economic globalization and the major changes in the global political order with the collapse of the Soviet Union. Most groupings were formed at this time with the goals of developing competitiveness for a liberalized global economy and avoiding marginalization in the post-Cold War international system. Within the Caribbean Basin, the Association of Caribbean States (ACS) was launched in 1994 as the first regional initiative which sought to bridge all the diverse historical, political and cultural legacies in the Caribbean and engage almost all the territories in and around the Caribbean Sea, independent states or dependent territories, in various economic, cultural and environmental cooperation projects. At the broader hemispheric level, MERCOSUR was established in 1991 while NAFTA came into being in 1994.

The final example of that new era of regionalism was the ambitious attempt to form a Free Trade Area of the Americas (FTAA). Launched in 1995, it would ultimately founder in 2003, unable to transcend or reconcile the competing interests, ideologies and regional visions of the United States and NAFTA vis-a-vis various countries in South America.

The failed FTAA would, nonetheless, leave a considerable legacy of “Free Trader” ideology and structures for the contemporary period of regionalism. One legacy is the CAFTA-DR agreement between the United States, Central American countries and the Dominican Republic, signed in 2004 and implemented by its various parties by 2008, which focuses primarily on trade liberalization and investment flows. It is based on a neoliberal model of regional exchanges, a “hub and spokes” structure similar to the NAFTA. A Free Trader grouping of much more recent vintage and without any such hub and spokes model, is the Pacific Alliance, established in 2012. On the other hand, the FTAA was also a catalyst for the emergence of alternative models of regional integration that were not based on neoliberal economic principles. Foremost of these is the Bolivarian Alliance for Latin America (ALBA), founded by Cuba and Venezuela in 2004 which now also encompasses Bolivia, Ecuador and in the Caribbean Basin, Nicaragua, Antigua, Dominica, St. Vincent, St. Lucia as full members and Haiti and Suriname as guest members. ALBA describes itself as “a political, economic and social alliance in defence of independence and self-determination” and its cooperation is based on the principles of solidarity, economic complementarity, special and differential treatment for its less developed economies, trade and investment that aim to build just and sustainable development (ALBA-TCP, 2010).

The integrationist vision of the Chavez administration in Venezuela also produced the PETROCARIBE agreement in 2005. At a time when most economies in the region were reeling from spiralling world energy prices, PETROCARIBE launched almost a decade of cooperation in energy security and development among 19 countries in the

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Caribbean Basin that has gone way beyond predecessor schemes in energy cooperation like the San Jose Agreement that operated from 1984 to the end of the 1990s (SELA, 2013; PETROCARIBE, 2013).

The current phase of regionalism in the Caribbean Basin is characterized by an increase in the number and diversity of regional cooperation groupings, and also by a growing integration of English-speaking Caribbean actors into Latin American regional groupings. In addition to ALBA-TCP and PETROCARIBE, there is the CELAC, which came into being in 2010. All independent Caribbean states are members of this bloc which is intended to serve as a mechanism for the coordination of foreign policy and the projection of a Latin American and Caribbean voice in global fora. Additionally, the states on the outer fringes of the Caribbean Community have all become more absorbed in the sub-regional dynamics of their geographical setting. Guyana and Suriname became members of UNASUR in 2008 and Associate Members of MERCOSUR in 2013, while Belize continues to deepen its participation in SICA.

The objectives pursued in CARICOM states' regional cooperation efforts have generally been to strengthen sovereignty and access increased development resources, achieve economic growth, build a more secure regional environment, pool resources for the production of regional public goods and participate more effectively in multilateral governance processes. Strategies for attaining these objectives have shifted over time in response to changing international or domestic conditions. Regional organization, however, has been a constant. Actors have formed or acceded to new groupings in response to the perceived shortcomings of the existing organizations, in order to address new development issues and security needs or to expand access to resources. A defining ethos continues to be the quest for the right formula for developmental regionalism.

The contemporary proliferation of regional groupings and more complex patterns of alignment are products of several factors. To some extent, they are derived from a geographical logic and the changing geopolitical dynamics of Central and South America. They also point to the growing economic and in some cases, ideological diversity and divergent interests among CARICOM states and political elites. Finally, they suggest the increasing scarcity of development finance and the interest of state actors in exploring new avenues and partnerships. The crosscutting patterns and obligations of membership underscore the increasing challenges to both CARICOM and the OECS to carry out the function of coordinating and reconciling diverse foreign policy agendas. In the final section we will examine if the emergence of CELAC can be a useful mechanism for enhancing foreign policy coordination.

Caribbean Regionalism in a Time of Crisis

Caribbean societies as well as the regional projects were severely affected by the political, social and economic repercussions of the global economic crisis which began in late 2008. C.Y. Thomas (2009) lists various negative developments that beset

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CARICOM. These included reduced demand for their exports, a scarcity of trade credit for Caribbean firms, reduced inflows from traditional sources of development assistance and foreign direct investment, reduced inflows of remittances and fewer labour market opportunities in OECD countries for Caribbean migrant workers, contagion in Caribbean financial markets from the global instability.

Growth slowed substantially, leading to steep reductions in economic activity and rising unemployment rates in many countries, decline and temporary or long term closure of many enterprises in the extractive and service sectors. The subregional average GDP growth rate fell from 4.8% in 2008 to -0.8% in 2010. Fragile growth of 1%, unevenly distributed, was evidenced in 2012, creeping up to 2.4% in 2013 (Alleyne et al., 2013; CCMF, 2014). The IMF (2013) indicates a regional debt to GDP ratio of 70% for CARICOM countries, many of which have been engaged in Structural Adjustment Programmes since 2008. Government resources shrank at the same time as the need for social protection, business bailouts and employment generation programmes was increasing. Most countries now face the long term challenge of building new productive sectors to replace the former bases of their economies that are no longer viable. Between 2010 and 2014, seven of the fourteen states underwent electoral changes of government (www.caribbeanelections.com), while various countries experienced social conflicts.

Governments became absorbed in addressing their national crises while their beleaguered populations became more protectionist and less favourably disposed towards regional trade and labour mobility. Regional integration programmes, particularly the CSME freedom of movement regime, were negatively affected by the falling levels of political and financial commitment. The imbalances in regional trade benefits engendered acrimonious disputes and a slowing down in market liberalization (Girvan, 2011a). Other contributing factors to the regional malaise included delayed leadership succession arrangements in regional institutions and delays in reforming governance structures and completing the implementation of the CSME programme. One of the most serious challenges for both CARICOM and the OECS concerned weak regional and national regulation of their financial sectors. The financial regulatory failures of 2009 – 2011 included the collapse of the largest financial conglomerate in the Caribbean, CL Financial, with grave consequences for various economies, for the finances of private citizens and for the region as a whole (IMF, 2011; CCMF, 2013). The management and resolution of this crisis across the entire Caribbean has been inevitably slow and uncertain, and has periodically attracted criticism¹.

¹ For example, Prime Minister Gonsalves of St. Vincent wrote an open letter to the CARICOM Secretary-General in February 2012 entitled “Strategic Directions for CARICOM” in which he stated “the CLICO-BAICO conundrum presents arguably the greatest danger to the integrity of CARICOM if it is not resolved speedily, fairly and cooperatively. This matter has the potential to wreck CARICOM”. See Singh (2012), Cumberbatch (2012).

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Therefore, the overall picture for traditional regional groupings was bleak - declining resources, disaffection of their constituencies, increased pressure to perform but dysfunctionality in various aspects of their mandates. This had contradictory results for the organizations. On the one hand, it demonstrated starkly the shortcomings and deficits in regional governance. On the other hand, it fuelled significant new regional initiatives in response to the challenges. Both CARICOM and the OECS continued to offer valuable services to their member-states and despite the crises, they have during 2012 – 2014 received new applications for associate membership from French and Dutch Caribbean territories.

In the case of CARICOM, arguably there have been three very significant outcomes of the period of crisis. In the first place, Haiti's devastating earthquake in 2010 has resulted in that country's more profound incorporation into the community, greater regional mobility for some of its business operators and more participation by Haitian actors in regional governance.

Second, since 2011, one has witnessed the appointment of a new slate of regional administrative leadership. This was accompanied by the commissioning of a report on the restructuring of the CARICOM Secretariat (Stoneman et al., 2012), and the appointment of officials and units at the national and regional levels to spearhead CARICOM's administrative reform. The process resulted in widespread consultations with interest groups in member states and associate member territories and the adoption in July 2014 of the first CARICOM Strategic Plan 2015 – 2019 (CARICOM, 2014a), which will guide annual resource allocation and programme implementation for the next five years. The initial emphasis of the Landell Mills Report of 2012 seemed to be on a reduction of the Secretariat's roles and functions, a review of CARICOM agencies and work processes and a tightly defined, narrow range of priorities for short and medium term implementation. The national consultations subsequently broadened this proposal and listed eleven priority action areas for the regional agenda.² One of the priority areas relevant for this discussion is the strengthening of foreign policy coordination. The Plan also contains some procedural flexibility in the selection of areas for implementation on a year to year basis (CARICOM, 2014a).

² See *Strategic Plan for the Caribbean Community 2015 – 2019: Repositioning CARICOM Vol. 1 final.pdf* www.caricom.org accessed 14/09/2014. The priority areas are: (1) Accelerated implementation of CSME; (2) Macro-economic stabilization; (3) Competitiveness and economic growth; (4) Competitiveness, economic growth and employment; (4) Human capital development; (5) Health and wellness; (6) Citizen security and justice; (7) Climate adaptation/disaster management; (8) A common ICT space; (9) Deeper foreign policy coordination; (10) Public education and information; (11) Reform of the Secretariat and other agencies. In the context of our analysis, it is significant that foreign policy coordination was eventually prioritized since this function has been subjected to so much strain in recent years.

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CARICOM also made some progress in addressing the morass of failed financial entities. In 2009, a College of Regulators was established which would share information on cross-border financial activity and issues, and provide more consolidated and comprehensive supervision of transnational financial firms. The Council on Finance and Planning (COFAP) approved a draft CARICOM Financial Services Agreement in August 2013. Once this agreement has been approved by the Heads of Government and ratified by member states, it will establish “a framework for the supervision and regulation of financial entities operating across borders in the regional economic space” (CARICOM PR 175/2013). Advances have been made in resolving CL Financial issues in three territories, but in several others, settlement of claims and the construction of alternative insurance and pension arrangements are far from being concluded (CCMF, 2013).

In the case of the OECS, the crisis provided the backdrop for the launch of the Revised Treaty of Basseterre and the East Caribbean Economic Union in 2010 and the OECS Assembly in 2012. The consolidation of this union has been the main programmatic focus of the OECS during the last five years. The sub-region was the hardest hit by financial turbulence, losing an estimated 17% of its GDP in 2009 – 2010 (IMF, 2011, 2013).

Regional agencies have been a major source of technical support for economic crisis management, for negotiations with international financial institutions and for formulating strategies to renew growth and development. The East Caribbean Central Bank coordinated the production of the East Caribbean Currency Union Eight Point Stabilization and Growth Programme in 2009.³ This has been the blueprint for recovery and for developing greater economic resilience, particularly through more stringent regulation of the financial sector and the stimulation of new economic activity.

The OECS also led the way between 2012 and 2014 in expanding associate membership that may eventually include the French Departments of both Martinique and Guadeloupe. Technical negotiations with Martinique are quite advanced and are expected to lead to a novel type of associate membership that will be somewhat different from the agreements with the existing associate members (OECS 2014)⁴. It is hoped that this type of agreement will stimulate new forms and models of regional cooperation which will benefit all the partners involved (Byron and Lewis, 2013).

³ The Eight Point Plan includes fiscal reforms, debt management strategies, public sector investments, strengthening the social protection net, strengthening the financial safety net, encouraging the merging of indigenous banks to make them stronger, rationalizing, developing and regulating the insurance sector.

⁴ The existing Associate Members are Anguilla and the British Virgin Islands. They share the same colonial legacy as the independent OECS states and participate in one or more of the common institutions of the Eastern Caribbean Currency Union and the Eastern Caribbean Judiciary in addition to other functional agencies.

New Forms of Regionalism, New Challenges for Regional Coordination

The period of crisis has been a catalyst for the emergence of new models of developmental regionalism. It demonstrated graphically that neither CARICOM nor the OECS could mobilize all the resources needed to emerge from the crisis. While these organizations would remain at the core of Caribbean integration, regional development cooperation had to also advance beyond such small groupings and engage increasingly with the other actors in Latin America. It fuelled unilateral quests for new development partnerships in the context of a greater awareness of hemispheric actors beyond the traditional partners in North America, and the rise of new economic and political centres from the South in a dynamic global economy. Since the early 21st century, many Latin American states and populations had been exploring greater autonomy in their domestic and foreign policy and had been building coalitions and launching initiatives based on alternative visions of development and of regional integration. Key players in this process were Venezuela, Cuba, Bolivia, Brazil and other Southern Cone states.

CARICOM's pioneers in the process of constructing new linkages with their regional environment were Belize in Central America since the 1990s, followed by Guyana and Suriname. The latter embarked on a significant new phase in their continental integration when they participated in the formation of the Community of South American States in 2004 and signed on to UNASUR in 2008. One of the questions raised by observers at that time concerned the possible implications of their participation in the UNASUR South American Defence Council, given that both countries are also signatories to the CARICOM Treaty on Security Assistance of 2006.⁵ Their absorption into the political and economic dynamics of South America deepened in 2013 when they became Associate Members of MERCOSUR.

⁵ The Consejo de Defensa Suramericano (SADC) is one of UNASUR's sectoral councils, not an organ but a deliberative agency tasked with consultation, cooperation and coordination in defence matters. Its objectives are generally to maintain South America as a Zone of Peace, gradually develop common perspectives where possible on security, including the identification of regional threats and risks, share experiences on international peace-keeping, contribute to the formulation of joint positions in international fora on defence and further dialogue and cooperation on security issues with the rest of Latin America and the Caribbean. Thus far, the SADC appears to have placed greatest emphasis on mediation and conflict management and has not made much progress in developing common security and defence positions. See "Consejo de Defensa Suramericano <http://unasur.org/inicio/organizacion> , COHA editorial "The SADC, UNASUR, the Latin American Military and the Regional Political Process" 1/10/2008 www.coha.org; COHA editorial " The Paradox of South American Integration: The Founding of a Defence Council" 12/03/2009 www.coha.org .

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Associate Members must assume the democratic commitments of the regional grouping and where there is mutual interest, they may accede to the agreements on political, social and citizenship matters.⁶ Associate membership does not entail assuming all the regional trade disciplines but one criterion of eligibility concerns economic cooperation with MERCOSUR that is in line with Article 25 of the ALADI Treaty of Montevideo of 1980 (www.sice.oas.org/trade/montev_tr/indexe.asp). Guyana has had a Memorandum of Understanding with MERCOSUR on trade and investment since 1999 in addition to bilateral trade agreements with Argentina and Brazil.

Three OECS member states participated as guests at ALBA meetings in 2007, signing a Joint Declaration with Venezuela in February 2007⁷ in which they expressed their interest in having greater understanding and cooperation with the ALBA member states. Dominica became the first CARICOM country to join ALBA in 2008, later joined by St. Vincent and the Grenadines and Antigua in 2009. These developments rekindled a vigorous debate, first begun in 2005 when some states joined PETROCARIBE, about the implications of the new alignments for the cohesion of CARICOM and possible contradictions between the membership obligations of the various groupings⁸. A policy paper first prepared by Norman Girvan in 2008 aided the consultations which ultimately helped to defuse the issue within CARICOM. The CARICOM Council for Foreign and Community Relations concluded in May of that year that “member states should continue to pursue and explore all opportunities available to them for their social and economic development, recognising at all times their obligations under the Revised Treaty of Chaguaramas” (CARICOM, 2008; Girvan, 2010: 228).

⁶ See MERCOSUR/CMC/DEC No.11/13, www.mercosur.int

⁷ Joint Declaration by Hugo Chavez Frias, President of the Bolivarian Republic of Venezuela, Roosevelt Skerritt, Prime Minister of the Commonwealth of Dominica, Ralph Gonsalves, Prime Minister of Saint Vincent and the Grenadines and Winston Baldwin Spencer, Prime Minister of Antigua and Barbuda, Kingstown Saint Vincent and the Grenadines, 17th February 2007.

⁸ See, for example Jamaican Prime Minister Golding’s expressions of concern about ALBA and other integration initiatives, “CARICOM at Risk” www.bbccaribbean.com 10/06/2009 accessed 15/07/2014; likewise, see Nigel Jacobs “St. Vincent treading cautiously with Chavez’ ALBA deal” CANA News 30/01/2008, www.cananewsonline.com accessed 15/07/2014. St. Vincent’s Prime Minister gave assurances he would not sign ALBA unless there was legal documentation ensuring there would be no new trade arrangements that would conflict with CARICOM. The points for and against CARICOM/OECS members’ accession to other regional agreements are best summed up and analysed by Norman Girvan “ALBA, Petrocaribe and CARICOM: Issues in a New Dynamic” (Hall and Chuck-A-Sang 2010) in which he argues there is no intrinsic legal incompatibility and makes a number of policy recommendations for CARICOM and its member states.

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It should be noted that Caribbean member states of ALBA, MERCOSUR and UNASUR have tried to maintain flexible adherence within those groupings. So, for example, the member states of the OECS that have joined ALBA have not adopted the Sucre system of payment which would conflict with their obligations under the ECCU agreement. Although twelve CARICOM countries are now members of PETROCARIBE, only four acceded to ALBA between 2008 and 2013. However, St. Kitts-Nevis and Grenada have now applied for membership while Haiti and Suriname are listed as guest participants at ALBA meetings. All members of CARICOM continue to declare that CARICOM and OECS remain the core agreements which determine their engagement in other spheres of regional integration.

Despite these assertions, CARICOM's coordinating role where foreign policy is concerned has been substantially diluted during the past decade, due to the organization's institutional weakness and the growing divergence in economic and sometimes political interests among its member states. The lack of coordination has been equally evident in the OECS which has moved significantly away from an earlier era of joint diplomatic representation and cost-sharing in various foreign capitals.⁹ Between 2005 and 2012, a significant feature of some of the new regional diplomatic engagements was the level of presidential/prime ministerial involvement and the importance of their personal relationships. While this may facilitate cooperation in the short term, it may not promote strong institutional cooperation in the longer term that can survive regime changes. Notwithstanding the capacity constraints and the heavy toll on these micro-states from servicing multiple and frequent hemispheric meetings and undertaking their implementation responsibilities, there has been little evidence of coordinated representation at such meetings, or of regular consultations which would inform joint policy development on hemispheric issues within the grouping.

Girvan (2010: 229) cogently summed up the risk for all the countries of CARICOM that "in the absence of coordination...external trade policy will continue to be a series of *ad hoc* bilateral responses to opportunities afforded by global and hemispheric configurations, lacking a coherent strategic dimension.....the Community could, in effect, be pulled in several different directions at the same time". This statement is self-fulfilling, especially as most of the groupings which CARICOM states have joined already have significant economic and political weight and/or are consolidating themselves into more dynamic poles as time goes by. In each case, the benefits of membership for the individual state and for CARICOM are evident. However, the latter can only be realized if CARICOM maintains and strengthens its foreign policy coordination role even while adopting a more flexible and pragmatic orientation towards hemispheric regionalism.

⁹ It now has merely a Working Group of officials aimed at coordinating foreign policy under the Revised Treaty but has not yet progressed very far in constructing routines and procedures. Interview with OECS officials July 2014.

Other challenges inherent in the new forms of cooperation concern their longer term political and economic sustainability. On the one hand, ALBA and PETROCARIBE programmes have contributed significantly to sustainable human development in beneficiary societies. On the other hand, PETROCARIBE loans have substantially increased the public debt of beneficiary countries since 2005 to levels that risk being unsustainable (Bryan, 2009; Jacome, 2011; Dukharan, 2013). This has fuelled negotiations within PETROCARIBE in 2013 and 2014 to modify the terms of payments and loans. The PETROCARIBE cooperation has also placed energy issues high up on the regional policy agenda and has highlighted the need to focus on developing renewable sources of energy and greater energy self-sufficiency.

Some Eastern Caribbean countries, most notably Dominica, have made substantial investments in geothermal energy while other CARICOM countries increase their use of wind and solar energy. The last two years have demonstrated that development cooperation with Latin America continues to evolve and adapt itself to changing political and economic conditions within all the participating countries, including the major providers of economic assistance. In general, the long term trend of such cooperation demonstrates continuity and modification rather than abrupt cessation.

The positive impact of this new era of cooperation agreements is evidenced in the network of energy procurement and infrastructural arrangements between the Venezuelan state, PDVSA and Caribbean countries, and in the fact that Venezuela, ALBA and PETROCARIBE are now the most significant providers of development financing in the region.¹⁰ Likewise, the Cuban cooperation model arguably offers a best practice framework for CARICOM since it is grounded in an institutionalized multilateral agreement, the Cuba-CARICOM ...which underpins and provides the guidelines for a series of bilateral arrangements with the individual states.

Since the 1990s, Cuba has provided tertiary scholarships for approximately 3000 students from CARICOM territories predominantly in the fields of medicine, agriculture, engineering and education. Cuba has also worked with CARICOM governments to provide medical care free of charge to under-served populations throughout the region. The participation of Guyana and Suriname in IIRSA has upgraded the transport, water and energy infrastructure that will improve productivity and facilitate their economic

¹⁰ There are various figures for development assistance provided by Venezuela between 2006 and 2013. Officials in Eastern Caribbean countries cite loans and grants for development funding of approximately US\$300 million. This is in line with figures cited by Norman Girvan (2011) based on his research 2010 – 2011 in the OECS ALBA member states. In the case of Jamaica, ODA excluding PETROCARIBE development funds amounted to US\$475 million in 2012 – 2013. PETROCARIBE financing alone amounted to US\$500 million. Over a four year period 2009 - 2013, PETROCARIBE financing provided Jamaica with US\$2 billion (Interview with Jamaican government officials July 2014).

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exchanges with their neighbours. Brazil, Argentina and Chile, in part through their peace-keeping engagements in Haiti since 2004, now have various forms of technical cooperation with the CARICOM subregion (Girvan, 2011b).

While Latin American-Caribbean cooperation has had very significant outputs in development assistance and social investment, the impact on trade flows has been less marked, but is nonetheless visible. PetroCaribe arrangements include a facility to repay a portion of the fuel costs through countertrade. Under such arrangements, Guyana has exported US\$423 million worth of rice to Venezuela between 2010 and 2013, while Jamaica shipped US\$7 million worth of clinker to Caracas in 2013 (PETROCARIBE, 2014). Such initiatives may stimulate further trade development. Guyana and Suriname have the potential to substantially increase their trade with the MERCOSUR market. Through technical cooperation, Cuba has demonstrated its strength and competitiveness in delivering medical and educational services.

Likewise, there is evidence of Cuban trained CARICOM health personnel being recruited not only in their home territories but also in other parts of the CSME labour market.

The new models of cooperation have also engendered a quantum leap in the regional consciousness of CARICOM actors and societies. In OECS territories, there is a greater awareness of being part of a hemispheric community based on the increased interaction with counterparts from Cuba, Venezuela, and other South American countries, especially those from ALBA. Due to social, economic and cultural exchanges, there is greater familiarity with organizational norms and culture of their Latin American counterparts.

There is a significant cadre of Spanish-speaking officials, mostly trained in Latin America, now available to their governments for diplomatic deployment and functional cooperation within the hemisphere. CARICOM diplomatic representation in Latin American capitals, resident and non-resident, has increased. The language and ideology of this South-South cooperation is distinct from earlier models in its greater emphasis on solidarity, sharing and complementary contributions. Social protection and the reduction of poverty and inequality feature prominently in national and regional development policy discourse. The inputs of CARICOM actors to the cooperation process have historically included diplomatic support in global fora and the contribution of small state perspectives on various development issues.

Presently, there is increasing evidence of their counterpart contributions in cash or kind to support the cooperation projects. There are calls to “reach beyond the limitations of size, natural resource endowment and vulnerabilities in order to create new opportunities for our development...to step away from donors and recipients to South-South partnering and sharing expertise” (Persad-Bissessar, 2014).

CELAC and the Caribbean Community

CELAC was established with the merging of the Rio Group and the Latin American and Caribbean Summits process (CALC) in Mexico in 2010¹¹. Its main objective is to be a regional mechanism for political dialogue and for strengthening cooperation. CARICOM countries had been involved in the antecedents to CELAC first by the participation of a rotating Caribbean representative in the Rio Group since 1991, and then by the participation of Guyana, Jamaica and Trinidad in particular, in the CALC.

CELAC is loosely institutionalized. Its four main mechanisms include an annual Pro Tempore Presidency, National Coordinators in each member country and Specialized Meetings on themes and issues that are of significant interest to member states. Finally, there is a Quartet of countries which steers the grouping, made up of the current, immediate past and future presiding countries and the country which holds the chairmanship of CARICOM at any time. Earlier moves to incorporate CARICOM in this manner were formalized at the 2014 CELAC Summit in Havana (CARICOM, 2014b). It constitutes prominent recognition of the Caribbean within the CELAC community and offers Caribbean states the chance to play a major role in shaping the new entity. It also confers considerable responsibility on CARICOM to respond by participating actively in developing CELAC's agenda.

Thus far, CELAC has been chaired by Chile, Venezuela, Cuba and now Costa Rica. It faces the challenge of carving out a distinct diplomatic and functional space for itself among such varied actors as the Organization of American States, UNASUR, and many other regional groupings, in addition to the equally formidable task of building consensus among its very diverse membership. What will be its exclusive area for adding value in the sphere of cooperation?

It has a unique voice and identity as the only grouping which represents all 33 Caribbean and Latin American states and which does not include the United States and Canada. It has engaged in research to establish the bases for socio-economic convergence programmes among its member states and has worked to further projects on poverty reduction, equality and social development, including initiatives on cultural cooperation and the advancement of women. CELAC has established fora for dialogue and cooperation with China, India and the European Union between 2012 and 2014. Costa Rica appears to be seeking to build on these earlier initiatives while also spearheading a focus on sustainable economic growth in the region, exploring themes such as the role of Small and Medium-Sized Enterprises, strategies for competitiveness through insertion into global value chains and the use of clean energy technologies.

¹¹ See Preambles of the CELAC Declaration of Santiago 27/01/2013 and the CELAC Declaration of Havana January 30 2014.

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A survey of the CELAC Declarations of Santiago (2013) and Havana (2014), and the statements of CARICOM leaders at those summits¹² reveals many common areas of interest among them and the wider LAC community, and also highlights the areas in which CARICOM has contributed to the formulation of CELAC positions. Both documents refer to the special needs of small vulnerable economies, island developing states and landlocked countries. Both documents contain commitments towards Haiti's rehabilitation and sustainable development. They contain many provisions on social development and protection, on working to eradicate poverty and marginalization and the promotion of food security. They affirm respect for diversity, for countries' right to choose their own paths to economic and political development, the acceptance of dialogue and gradualism in political processes; they endorse democracy and the safeguarding of human rights.

The CELAC Declarations make explicit reference to the global issues of climate change, deliberations on a post-2015 development agenda and the challenges facing middle income, highly indebted developing countries. They make statements on regional themes of crime and security, narcotics use and interdiction, disaster management and risk reduction and migration. They highlight the importance of infrastructural integration among CELAC countries, especially in the areas of transport connectivity.

The 2014 Summit also evidenced areas in which there was not a visible consensus, most notably concerning CARICOM's condemnation of the 2013 Constitutional Court ruling of the Dominican Republic which retroactively removed the nationality of large numbers of Dominican Republic citizens born in that country but with Haitian ancestry (CARICOM 2014b). However, CELAC may provide a forum for ongoing dialogue on nationality and citizenship issues and rights in the region. It also offers opportunities for greater policy dialogue on issues concerning Afro-descendants in Latin America and the Caribbean, as well as issues affecting indigenous peoples. Finally, CARICOM is located in the region of the Americas with the largest number of non-independent territories. It is also one of the few sub-regional groupings which offers associate membership to several of them. CARICOM may therefore be able to share useful insights on the theme of colonialism and its eradication in the Americas.

To conclude

CELAC is a valuable mechanism for coordinating Latin American and Caribbean positions on a wide range of global governance issues and an authoritative platform from which to voice them in multilateral and bilateral fora. For the CARICOM grouping of very small, developing states, it provides additional visibility and a new forum for

¹² See *Statement by Most Honourable Portia Simpson, Prime Minister of Jamaica to Second CELAC Summit Havana, Cuba, 28 – 29 January 2014* <http://jis.gov.jm>; *Plenary Statement by the Prime Minister of Trinidad and Tobago at Second CELAC Summit, Havana 28/01/2014* www.news.gov.tt

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interaction with both emerging and traditional global powers. It is clear that CELAC offers diplomatic opportunities not only for CARICOM but for close neighbours such as Cuba and that much diplomatic capital has been invested in its success.

CELAC Summit declarations endorse various models of regional South-South as well as triangular development cooperation. They also support the exchange of expertise and the development of procedures to maximize the benefits from such cooperation programmes. This can be harnessed to support efforts underway in both CARICOM and the OECS to strengthen their own coordination of foreign policy and development cooperation in Latin America and elsewhere. CARICOM's engagement with CELAC began rather uncertainly in 2010 – 2011. However, in the words of Jamaica's Foreign Affairs Minister, its credibility as a forum for dialogue and cooperation has grown, and Cuba's chairmanship "brought CELAC closer home to the Caribbean" (Government of Jamaica 2014b). It would seem that the grouping is now firmly on their diplomatic agenda and is perceived as a promising initiative to strengthen their integration with their Latin American neighbourhood.

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