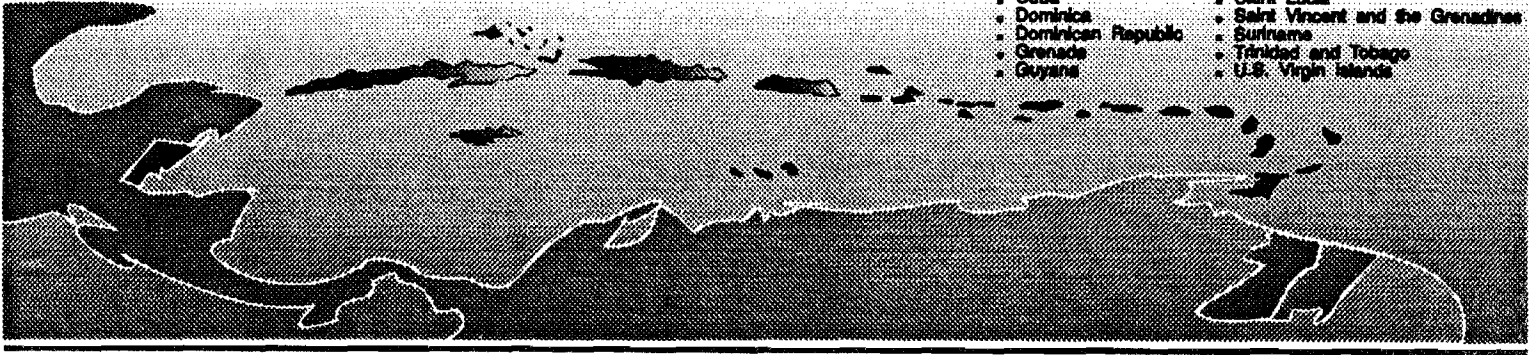


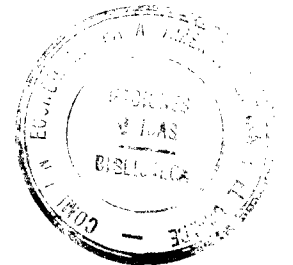


- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Br. Virgin Islands
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Montserrat
- Netherlands Antilles
- Puerto Rico
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- U.S. Virgin Islands



Fourteenth session of CDCC
 St. George's, Grenada
 8-11 December 1992

Distr.
 GENERAL
 LC/CAR/G.379
 18 November 1992
 ORIGINAL: ENGLISH

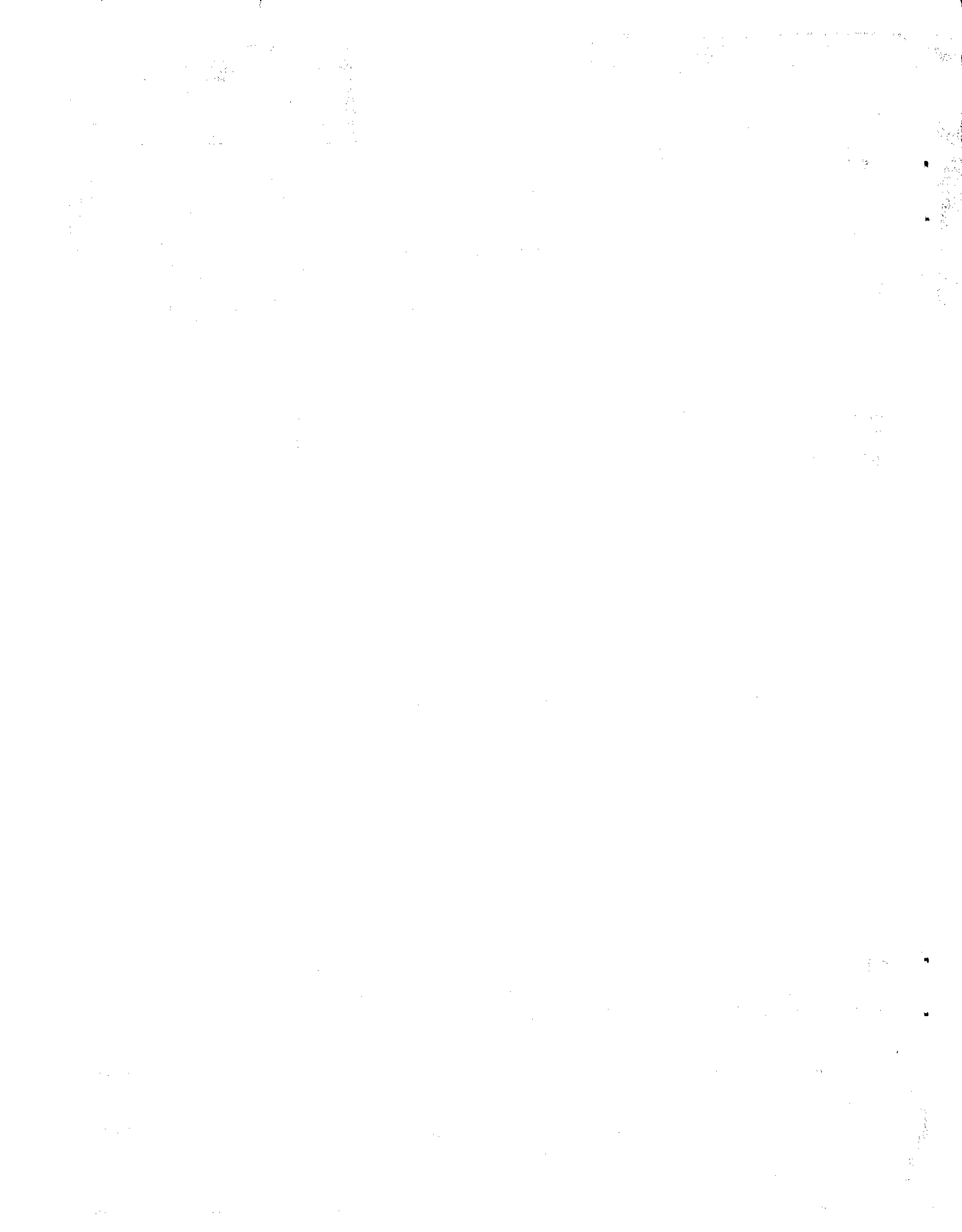


LATIN AMERICAN AND CARIBBEAN RELATIONS *

16 DEC 1992

* This document is a revised version of the paper, LC/G.1725(SES.24/17), prepared by the ECLAC Subregional Headquarters for the Caribbean and submitted to the twenty-fourth session of ECLAC which was held in Santiago, Chile from 8-15 April 1992





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I. INTRODUCTION

Discussions of Caribbean-Latin American relations always raise the question of the definition of the term "Caribbean". In ECLAC documents the term is used to refer to the ECLAC member countries which also belong to the Caribbean Development and Cooperation Committee (CDCC).¹ However, much of the analysis carried out in this document, in terms of the Caribbean, is written from the perspective of the English-speaking Caribbean Community (CARICOM) countries based on their commonality relative to Latin America.

In the past, various conflicts and constraints have affected Caribbean-Latin American relations. Disputes between Guyana and Venezuela and between Belize and Guatemala prompted the CARICOM countries to act as a bloc in opposition to the two Latin American States involved, which strained overall Latin American and Caribbean relations. In the cases of Trinidad and Tobago and Venezuela and of Jamaica and Colombia, the delimitation of fishing zones was a further irritant, while the delimitation of ocean space under the provisions relating to the exclusive economic zone (EEZ) was a source of additional friction. The expressed or assumed support of the English-speaking Caribbean countries for the United Kingdom during the United Kingdom-Argentine conflict over the Falkland/Malvinas Islands also damaged Caribbean-Latin American relations for some time. However, progress has been made in recent times through the use of agreed procedures of conflict resolution, or through the actual settlement of these disputes. This has paved the way for greater cooperation, although other constraints (including social, cultural and developmental differences) have continued to hamper relations.

At present, preparations for enhancing Latin American and Caribbean linkages have been marked by the intensification of bilateral and multilateral negotiations aimed at finding ways of cooperating to their mutual benefit while at the same time keeping their separate identities intact. Some of the challenges which these initiatives seek to address as part of the process of promoting collaboration are of external origin; others exist at the subregional level, and still others arise out of internal conditions in the countries of both subregions.

The Enterprise for the Americas Initiative, the North American Free Trade Agreement and the single European market to be formed in 1992 have been instrumental in accelerating Latin American and Caribbean cooperation and integration efforts, particularly at the intergovernmental and other institutional levels. At the national level the countries of both subregions face serious structural, economic and social problems as a consequence

¹ Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and the United States Virgin Islands.

of their external debt, poverty and the accompanying effects of these phenomena. Solutions to these problems often call for a level of resources that is beyond the reach of individual countries. In recognition of this fact, formal agreements have been concluded and technical and horizontal cooperation missions are being carried out between countries of the two subregions. There has also been effective cooperation at the private sector and non-governmental organization (NGO) levels.

Furthermore, there is a growing desire on the part of both subregions to improve their understanding of each other, as well as a general recognition of the fact that they need to cooperate further in order to cope with the challenges posed by other regional alignments and the new global realities. The nature of initiatives involving Governments of the two subregions has been rapidly changing in the light of the Caribbean countries' increasing awareness of their identities as sovereign nations, as well as their growing realization of the benefits to be derived from participating in the intergovernmental system and of the key role played by this system in advancing their interests. These factors have given rise to several mechanisms for intraregional cooperation and collaboration, and these efforts, in their turn, have been facilitated by this system's mounting strength and influence in subregional fora and by the growing political stability of the region.

Despite these developments, however, little interaction has been achieved in areas of functional cooperation, particularly trade. With the notable exception of oil, trade in goods and services between the Caribbean and Latin America is negligible, and other areas in which the potential for cooperation is strong have also been neglected altogether or have been only minimally explored or exploited. While bearing existing obstacles in mind, the document includes suggestions regarding potential and recommended areas for increasing cooperation.

II. THE CARIBBEAN-LATIN AMERICAN GEOPOLITICAL CONFIGURATION

It is clear that, despite cultural and other similarities, the CDCC countries do not constitute a homogeneous group and that for purposes of political analysis, varying degrees of community identity can be distinguished within that grouping. A typology of concentric circles is perhaps a useful way of perceiving the varying degrees of interlinkage which exist among its members and between them and other countries of Latin America and the Caribbean.

The Organization of Eastern Caribbean States (OECS) constitutes the innermost concentric circle. It comprises eight very small English-speaking countries in a treaty arrangement encompassing foreign affairs, defence and security, and economic affairs. Its member countries are Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and the British Virgin Islands.

The second concentric circle, the Caribbean Community (CARICOM), encompasses the OECS but also includes Barbados, Belize, the Bahamas, Guyana, Jamaica, and Trinidad and Tobago.

The CDCC forms the third concentric circle. Its members include the CARICOM countries plus Aruba, Cuba, the Dominican Republic, Haiti, the Netherlands Antilles, Puerto Rico, Suriname and the United States Virgin Islands. It thus incorporates 22 countries with a population of approximately 28 million people. In this grouping the level of heterogeneity increases further with the addition of new cultural, linguistic and constitutional elements which stem from the fact that, while CARICOM States are all former British colonies, the CDCC also includes former colonies of the Spanish, French and Dutch empires, as well as two territories associated with the United States of America.

The fourth concentric circle takes in all the countries of Latin America and the Caribbean basin. Various multi-country collaborative mechanisms already exist within this grouping which could provide the nucleus for broader-based intraregional collaboration.

III. RELATIONS BETWEEN THE CARIBBEAN AND LATIN AMERICA

A. Overview

A notable development in the formal relations between Latin America and the Caribbean is the movement towards strengthening of multi-country economic integration groupings in both subregions, coupled with a mutual effort to reach out to related groups in the respective subregions. Formerly, most Latin American-Caribbean linkages were bilateral; the formalization of multilateral relations between subregional intergovernmental organizations is a more recent and growing phenomenon.

The nature of these formal relations is changing as well. In the early 1960s and 1970s, they mainly consisted of bilateral overtures by a few Latin American countries offering economic aid and technical assistance to individual Caribbean Governments. Currently relations between the two subregions are oriented more towards trade and technical cooperation, and greater attention is being paid by Latin American countries to the possibility of formalizing linkages with Caribbean intergovernmental organizations.

At the national level as well as within the framework of subregional intergovernmental organizations, Caribbean Governments are responding favourably to Latin American interest in, and initiatives regarding, collaboration in connection with various regional and global issues. However, it is widely felt that this is being done with some measure of reserve, owing to lingering suspicions on the part of some Caribbean Governments with regard to some of the larger Latin American countries based on their differences in size and their history of territorial disputes.

In external affairs, CARICOM member countries have provided for the coordination of their foreign policy to enable them to present a common front in relating to the outside world and to adopt, in so far as possible, common positions on major international issues. The Standing Committee of Ministers responsible for Foreign Affairs (SCMFA) is the mechanism through which CARICOM foreign policy is monitored. Reports of the meetings of this Committee reflect the increasing importance attached to the development of stronger and broader-based relations between CARICOM and the countries and economic groupings of Latin America.

Past attempts at forging stronger relations have generally been slow to meet expectations. For example, although an agreement was concluded between the Caribbean Community and Mexico for the establishment of a joint commission, that commission has met only twice and the programme of cooperation provided for under the agreement has not yet been implemented. Recently, however, rapid progress has been made towards the institution of mechanisms for consultation between the Caribbean and Central America with respect to the establishment of joint negotiating positions relative to the Caribbean Basin

Initiative, the Enterprise for the Americas Initiative, the marketing of bananas in Europe and other hemispheric issues of mutual interest to Central American and Caribbean countries.

B. Bilateral relations

1. Relations with Venezuela

In 1970 an agreement was reached suspending the Guyana-Venezuelan territorial dispute for a period of 12 years. This eased the tensions between Venezuela and the Caribbean, and the dispute has since been referred to the United Nations for settlement. Ongoing relations (including resident diplomatic representation) have been maintained between the two States.

Dramatic increases in oil prices after October 1973 affected non-oil-producing Caribbean States adversely, and in the following period of rising prices, Venezuela provided lines of credit to Barbados, Guyana and Jamaica, while various forms of economic and technical assistance were negotiated by most of the smaller States. Initiatives in the region were consolidated under the Programme for Cooperation with the Caribbean (PROCA).

Numerous agreements or cooperation arrangements have been concluded. In 1975 Jamaica and Venezuela reached an agreement providing for the sale to Jamaica of petroleum at below-market prices and for the sale to Venezuela of large quantities of Jamaican bauxite over a seven-year period. Jamaican-Venezuelan relations have traditionally been quite good. Recently established links have included a pact to promote an energy project, cooperation in the energy and mining sectors (particularly with regard to bauxite), and collaboration in the development and implementation of joint projects.

Bilateral trading links with Antigua and Barbuda were strengthened during a visit made by a Venezuelan government official to Antigua in 1986. Discussions were held at that time with potential local investors to discuss the possibility of joint ventures in such sectors as tourism.

An agreement signed between Venezuela and Barbados in 1987 did away with the visa requirement for travel to Venezuela by Barbadian nationals. Agreements for the control of drug trafficking and for the implementation of a cultural exchange programme were also concluded by the two countries. Previous agreements with Barbados have already provided for the injection of funds into the energy and housing sectors, participation in the Energy Cooperation Programme under the San José Accord, training and the establishment of a Venezuelan cultural centre in Barbados.

As geographically contiguous states, relations between Venezuela and Trinidad and Tobago have traditionally been marked both by occasional tensions and by close economic

and cultural collaboration. There are also large numbers of Trinidadians residing in Venezuela. Conflicts have arisen periodically as a result of disputes over territorial waters and fishing rights.

In 1986, a series of agreements between the two States were signed regarding energy complementarity, technical and cultural exchanges, and programmes of mutual assistance and cooperation. On 4 August 1989, Venezuela and Trinidad and Tobago signed an agreement for the establishment of preferential import tariff rates for a specific set of products from the two countries. An extension of the 1989 partial scope between Trinidad and Tobago and Venezuela was signed on 13 October 1992, granting a 25 per cent reduction in tariffs on specified goods for both sides. During the visit of the Prime Minister of Trinidad and Tobago and the Minister of Foreign Affairs to the Venezuelan capital during October 1992, talks were held between the leaders of the two nations focussing on fishing, cooperation in energy matters, including the control of oil spills and drug trafficking. In January 1990, the energy ministers of Trinidad and Tobago and Venezuela signed a cooperation agreement outlining cooperative activities relating to the supply of crude oil and petroleum products, oil exploration and drilling projects, and technical assistance. In this connection, an accord was also signed for the sale of 30,000 barrels per day of Venezuelan crude to Trinidad and Tobago's State oil company for refining.

Joint sea patrols have been set up by the Coast Guard of Trinidad and Tobago and the Venezuelan National Guard for the purpose of averting fishing disputes and combating drug trafficking between the two countries. Steps towards ending conflicts relating to the seas were re-initiated in April 1990 with the signing of a delimitation treaty to replace the 1942 treaty, which had outlived its usefulness.

2. Relations with Mexico

Around 1970 the Mexican Government started developing very close diplomatic relations with several independent Caribbean countries. Bilateral agreements in the 1970s provided for the extension of lines of credit to several island States as well as technical cooperation agreements.

Recent initiatives in respect of Mexico's relations with Caribbean countries have included the signing of a technological assistance and tourist exchange agreement with the Bahamas in 1991. In May 1991, two technical cooperation agreements were signed which involved a grant of approximately US\$766,000; this sum was to be made available through the Caribbean Development Bank and was to be drawn from Mexican contributions to the Bank's Special Development Fund.

3. Relations with other Latin American States

Other Latin American countries maintaining diplomatic links with CARICOM countries include Argentina, Brazil, Colombia, Costa Rica, and Uruguay. However most

Latin American and CARICOM countries use their permanent missions to the United Nations in New York as a formal diplomatic channel and utilize the Latin American/Caribbean Group (GRULAC) as a mechanism for formal and informal dialogue.

Due to their geographic proximity, Guyana and Brazil maintain close relations. Several joint ventures have been initiated in border areas and are proceeding satisfactorily. Other spheres of Brazilian/Guyanese cooperation that are gaining in scope and importance include science and technology, information, and the prevention, control, monitoring and suppression of the use of illicit drugs and illicit drug trafficking. There has also been increasing cooperation in the field of energy, in particular regarding electricity generation and major economic projects.

A double taxation treaty was signed between Brazil and Trinidad and Tobago in 1989. There is a growing recognition of the potential that exists for trade between the two countries, and some initiatives have already been taken in this respect.

4. Guatemala

Guatemala's non-recognition of Great Britain's dominion over Belize as a crown colony was a source of conflict which continued even after Belize gained its independence in September 1981. Guatemala originally claimed the entire territory of Belize based on a Spanish land grant.

In 1987, the United Kingdom and Guatemala re-established full diplomatic relations, paving the way for the settlement of the Guatemalan/Belizean dispute. The negotiations which were begun at that time culminated in Guatemala's recognition of Belize as an independent State on 11 September 1991, thereby signaling that the way was open for the settlement of the long-standing Guatemalan claim. Areas earmarked for cooperation include marine resources discovered in Belize's exclusive economic zone, and arrangements to allow the shipment of Guatemalan bananas through a new deep-water port at Big Creek in southern Belize.

In October 1991, mayors from both sides of the Guatemalan/Belizean border met for the first time ever and issued the Corozal Declaration. This declaration urged the two Governments to increase the trans-border flow of people, goods and services as a means of promoting economic and social development. The mayors called for the establishment of a "peace park" which would be a reserve to protect the area's Mayan archaeological and cultural heritage and for more interchange between Belize and the El Peten region of Guatemala. As a follow-up mechanism, a commission of mayors and Government officials has been established to continue these talks. A series of joint commissions are also to be set up to negotiate a settlement of the border dispute between the two States and to consider a variety of issues in the fields of education, culture, tourism and the environment.

C. Joint arrangements for collaboration between CARICOM and individual Latin American countries

In many cases, collaborative arrangements between CARICOM and Latin America have proven to be mere formalities because the required follow-up activities have been lacking. Nevertheless, they do represent a positive trend towards greater collaboration and constitute a manifestation of the political will on the part of the Governments to promote intraregional cooperation. The following overview of these agreements, which are dealt with in chronological order, provides an idea of their nature.

In 1982 a joint communique was issued by Colombia and CARICOM in which Colombia expressed its desire to strengthen its relations not only with CARICOM member States but also with the Community itself. Colombia also joined the group of donors to the Caribbean Development Bank (CDB).

From the Caribbean point of view, the issue of relations between Latin America and the Caribbean received renewed impetus with the signing by CARICOM Heads of Government of the Nassau Understanding in July 1984, which proposed the promotion of trade and other forms of cooperation between the two subregions. It states in reference to the above that:

"Heads of Government also agreed that there should be Joint Technical Groups between CARICOM as a group and the Dominican Republic, Haiti and Suriname to assist with the design and implementation of the programme of cooperation particularly in the field of trade. They expressed their deep interest in following up possibilities for greater trade and economic cooperation within Latin America. As a first step they ask the Secretary General to hold exploratory discussions with the Andean Group about the possibility of negotiating a broadly-based preferential trade and economic agreement with them. They give a similar directive to explore possibilities with Brazil, and to invite the Government of Mexico to broaden and deepen its existing cooperation agreements with other countries and groupings ..."

In 1989, the Tobago Communique was signed. In it the Heads of CARICOM Governments present at that meeting re-emphasized the importance of increased cooperation not only between CARICOM member States and Latin America, but also between the integration movements of both subregions. The communique called for the establishment of a working group of CARICOM officials and officials from Venezuela and other interested Latin American countries to design mechanisms for collaboration in the areas of self-sufficiency in food technology, mineral resources, trade, science and technology, human resources and communications. This has already generated a range of collaborative follow-up activities and programmes.

In January 1990, a working group composed of officials from CARICOM, Brazil, Colombia and Venezuela was convened in Caracas as a follow-up to the Tobago meeting.

On 17 May 1990, the Framework Agreement on Professional Upgrading and Technical Cooperation was signed by the University of the West Indies and the Government of Mexico. This agreement is intended to encourage and promote action to upgrade human resources, expand scientific and technological capabilities and increase collaboration among Caribbean and Mexican researchers. Another technical cooperation agreement was signed on 18 May 1990 by the CARICOM secretariat and the Government of Mexico. This agreement involves the utilization of Mexican resources held in the CDB to support CARICOM programmes and institutions in certain key sectors and areas. In 1990 decisions were also taken on the granting of observer status to Venezuela and Mexico in a number of CARICOM ministerial forums.

The identification of possible areas of cooperation with a view to the formulation of a cooperation programme was the objective of a meeting in Venezuela in 1991 of ministries and institutions responsible for science and technology in Latin America and the Caribbean.

CARICOM leaders adopted the following stand at the first Regional Economic Conference in Port of Spain, Trinidad, in 1991: "The process of deepening the integration movement must now be complemented by a determined and systematic effort to intensify relations with the wider Caribbean, [and] Central and Latin America".

In March 1991, a meeting was held in Caracas by four CARICOM member States, the secretariat, and representatives of Brazil, Colombia and Mexico for the purpose of considering issues relating to air and maritime transport between CARICOM States and Latin America.

A one-way free-trade agreement was signed between Venezuela and CARICOM on 12 October 1992, providing for one-way preferential treatment for CARICOM products being exported to Venezuela for the next five years. In return, it allows Venezuelan products most-favoured nation trading status in CARICOM countries.

D. CARICOM relations with Latin American groups

One of the most beneficial multilateral Caribbean-Latin American arrangement is the Declaration of San José, signed by 23 Latin American and Caribbean countries in 1979. A primary objective of the San José Declaration was the creation and strengthening of mechanisms for increased cooperation between groups of Caribbean and Latin American countries, with specific reference to energy, trade and transport. Assistance from the petroleum-exporting countries to the less developed countries involved in the Energy Cooperation Programme is a stated intention of the Declaration. In line with this provision, the Venezuelan-Mexican oil facility has provided financial assistance to those countries which are party to the agreement.

The Treaty for Amazonian Cooperation was signed in July 1978. This treaty formalizes the agreement reached by the signatories as regards the establishment of joint programmes for the balanced development of their Amazonian territories.

In December 1990 the CARICOM secretariat participated in the ministerial meeting of the European Economic Community and the Permanent Mechanism for Consultation and Policy Coordination (otherwise known as the Rio Group) held in Rome, and in February 1991 the Caribbean Community accepted the invitation of the Rio Group for CARICOM to be represented in the Permanent Mechanism and proceeded to designate Jamaica as the CARICOM representative for the first three years. It was also agreed that a committee, comprising Jamaica as the representative, the chairman of the Conference of Heads of Government (when different from Jamaica), the chairman of the OECS, and Belize, with the assistance of the secretariat, would monitor developments in Latin America and keep CARICOM member States informed.

The Nassau Conference of CARICOM Heads of Government mandated the Secretary-General to hold exploratory discussions with the Board of the Cartagena Agreement (JUNAC) about the possibility of negotiating a broadly-based preferential trade and economic cooperation agreement with its member countries. In May 1991 at the fifth meeting of the Andean Presidential Council, the member states of the Andean Pact agreed, in the context of the development of their external economic relations, to promote active linkages with other subregional economic groups, including CARICOM.

In January 1992, CARICOM States met in Honduras at a high-level meeting with Central American States. The meeting sought to establish cooperative links between the two groups, in respect of a wide range of economic, social and political matters as well as more specific subjects relating to transport, tourism, the environment, natural disasters, drug trafficking, and trade and investment. Priority was assigned to the exchange of information, the identification of common interests regarding the Caribbean Basin Initiative (CBI), the Enterprise for the Americas Initiative and the proposed North American Free Trade Agreement (NAFTA), the strengthening of cultural and educational links, and the promotion of economic relations between the two subregions. Banana-producing countries of CARICOM and Central American countries also held discussions in early 1992 on access to the European Community banana market, Caribbean leaders are advocating the maintenance of preferential access for Caribbean produce, while Latin American producers favour a non-discriminatory market.

E. Collaboration within the intergovernmental institutional framework

Direct contacts between Latin America and the Caribbean exist on a continuing basis within the intergovernmental institutional framework. Among the bodies which are most actively involved in the promotion and practice of intraregional cooperation are ECLAC and the Latin American/Caribbean Group, within the United Nations system and outside that

framework, the Latin American Economic System (SELA) and the Organization of American States (OAS).

1. The ECLAC framework and the CDCC

Collaboration between Latin American and Caribbean countries has been on the ECLAC agenda for many years. ECLAC resolution adopted at its Twenty-fourth session in April 1992 (Annex I) reaffirms the intention of the Commission to increase the level of technical and economic cooperation between the countries of the Caribbean area and the other countries of the region. Within the ECLAC framework in general, countries have the opportunity to collaborate by jointly addressing a number of common economic and social development issues.

Upon joining the United Nations, the English-speaking countries of the Caribbean found themselves to be a part of a regional system dominated by Latin American constitutional and political modes and perceptions. Moreover, the developmental issues relevant to Latin America were not perceived to be identical to those of the small islands and mainland territories of the English-speaking Caribbean. Also, the work programme of what was then known as the ECLAC Caribbean Office was perceived by the English-speaking countries as essentially an extension of the programme designed for Latin America.

However, the establishment of the ECLAC subregional headquarters for the Caribbean in Trinidad and Tobago in 1966 and the creation of the Caribbean Development and Cooperation Committee (CDCC) in November 1975 not only facilitated the process of dialogue and interaction between the English-speaking and other countries of the wider Caribbean, but also provided an opportunity for them to enhance their relations with Latin America.

The objectives of the ECLAC subregional headquarters in Port of Spain ensure that the Caribbean provides inputs for the activities of the Commission and carries out a functionally relevant programme for the CDCC. These objectives reflect the aspiration of Caribbean Governments for a United Nations institution with a Caribbean identity, which was what motivated ECLAC to set up a Caribbean office in 1966 and what subsequently prompted the establishment of the CDCC nine years later. This aspiration still remains relevant since it reflects the terms of reference upon which the office was founded: as an agency for preserving the Caribbean consciousness and integrity, on the one hand, and as an agency for linking the Caribbean to Latin America, on the other.

2. The Latin American/Caribbean Group (GRULAC)

Within the wider United Nations system, the forum provided by GRULAC offers a framework for Caribbean-Latin American collaboration. The success of such initiatives in this forum has so far been limited, however, in terms of actual collaboration.

Currently, the English-speaking Caribbean countries, along with Suriname and Haiti, constitute 14 of the 33 members of the GRULAC at the United Nations, New York. However, some Caribbean States have observed that consultation with them is sporadic and that the English-speaking Caribbean countries are seldom accorded one-third of the number of seats sought by or allotted to the Group, even though they account for one-third of its membership.

For the English-speaking Caribbean countries, the language barrier is also a constraint within the GRULAC forum, since important informal contacts are usually made in Spanish in which not many Permanent Representatives from the Caribbean are fluent. Furthermore, the small size of Caribbean States and their limited financial and human resource base tend to limit the degree of influence they can exercise in an organization where economic considerations are often a critical element in political decisions.

3. The Latin American Economic System (SELA)

The formation of SELA in 1975 heralded a new era of closer cooperation between the Latin American and Caribbean subregions. Unlike the OAS, ECLAC and other entities in the United Nations and other intergovernmental mechanisms, SELA's membership consists exclusively of Latin American and Caribbean countries. This circumstance facilitates a full utilization of the advantages offered by SELA as a framework for the advancement of Caribbean/Latin American collaboration, opening the way for greater coherence of action and a more realistic representation of common interests.

4. The Organization of American States (OAS)

Membership in the OAS was one of the first steps taken by Caribbean States after winning their independence as they sought to strengthen their identification with the wider hemispheric grouping. However, Caribbean countries found that they were regarded with mistrust by some Latin American member States because the latter questioned their "true" independence from the United Kingdom, with which they maintained ties through the Commonwealth. Upon securing their independence, Guyana and Belize were automatically disqualified from membership because of their territorial disputes with Venezuela and Guatemala respectively. There was also a feeling that the CARICOM Caribbean States would act as a separate lobbying and voting bloc within the organization. This situation has since changed, and the OAS has become a major forum for Latin American/Caribbean cooperation on regional and global matters and for functional collaboration.

A number of other intergovernmental organizations have programmes for promoting Caribbean/Latin American collaboration. These include the Inter-American Development Bank (IDB), the Caribbean Tourism Organization (CTO), the Latin American Energy Organization (OLADE), the Inter-American Institute for Cooperation on Agriculture (IICA)

and the Latin American Center for Development Administration (CLAD) and the Andean Development Corporation (CAF) of the Andean Pact.

In each of these forums, there is a great potential for cooperation but one of the most important is the presentation of a united regional approach to global issues. Greater political will has to be demonstrated and the scope of collaboration needs to be increased in this respect so as to take advantage of the valuable opportunity currently at hand for formulating regional approaches and for making proper use of the negotiating power inherent in such large, unified groups.

F. NGOs and the private sector

Relations are also maintained between the subregions by the private and other non-governmental sectors. Various organizations have been set up in which both subregions are represented to meet the needs of special groups or sectors.

IV. RECIPROCAL TRADE FLOWS

Initially, Caribbean/Latin American cooperation was largely a matter of rhetoric rather than deeds but recently considerable progress has been made in putting the required institutional framework into place. Nevertheless, although significant financial flows have been mobilized through the San José agreement and contributions have been made to the CDB, overall economic linkages particularly regarding trade, have been limited. The largest trade flows between the Caribbean and Latin America involve petroleum, particularly between the Netherlands Antilles and Venezuela. Trade in other products represents only a minor share of the total exports and imports of the two subregions.

With regard to Caribbean imports from Latin America, data for a subset of major trading partners (11 Caribbean and 8 Latin American countries) indicate that such purchases amounted to about US\$2.1 billion in 1988, representing 29% of total Caribbean imports. However, more than half of this amount consisted of imports by the Netherlands Antilles from Venezuela.

Excluding oil sales from Venezuela, as well as smaller amounts from Mexico and Ecuador, Caribbean purchases of other goods from Latin America are rather modest. Generally speaking, they represent no more than a fairly small fraction of the total imports of the countries of the subregion, despite the natural advantage conferred upon Latin American suppliers by their geographical proximity. This is brought out by data for eight countries which are monitored on a regular basis by ECLAC (Bahamas, Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname and Trinidad and Tobago). Imports of all products by these countries from the whole of Latin America (that is, the nations making up the Latin American Integration Association (ALADI) and the Central American Common Market (CACM)) amounted to US\$740 million in 1990, or just 7.5% of their total imports. The major suppliers in order of importance were Mexico, Brazil, Venezuela and Colombia. Imports from other countries were negligible. Major non-oil imports are meat and dairy products, chemicals and manufactured goods.

Caribbean exports to Latin America are minimal, and their total value is far lower than its imports and the subregion therefore has a large trade deficit with its neighbouring trading partners. For the eight countries mentioned above, exports to the whole of Latin America in 1990 were only US\$170 million, representing 3% of these nations' total exports and an insignificant fraction of Latin American imports. This situation has remained virtually constant over the years; in 1970, for example, exports by the same countries to Latin America accounted for just 2% of total sales. Within this subgroup, the principal exporters are Trinidad and Tobago and Jamaica. However, an examination of trading partner import statistics shows that the Netherlands Antilles and Cuba occupy the top two places among Caribbean exporters to Latin America. For the Netherlands Antilles, the re-sale of

Venezuelan crude after it has been processed into refined products accounts, in all probability, for a large proportion of total exports.

Although no reliable statistics are available, it should be noted that tourism and the movement of individual traders, particularly from the Caribbean to Latin America are of growing importance.

V. OBSTACLES TO INCREASED COOPERATION

Problems in respect of collaboration between Latin America and the Caribbean derive from historical, cultural and linguistic barriers, different systems of law and education, different colonial experiences, different constitutional departures from colonial status, all factors which complicate Caribbean/Latin American relationships.

In addition to these general problems, there are also more specific obstacles to cooperation. For example, because of the currently low level of demand, the cost of transportation and communications between the Caribbean archipelago and the Latin American mainland is often prohibitive, except in the case of Trinidad and Tobago and Venezuela, which have long enjoyed regular two-way traffic. These costs, as well as the cost of intraregional travel, compare unfavourably with the cost of travelling to many destinations outside the region, in particular to the United States.

However, as is demonstrated by the case of Belize and Guyana, geographical proximity to Latin American countries has not always been a factor in establishing closer relations. In fact, proximity and shared natural resources have, as was mentioned before, sometimes been the basis for conflict. A related area of contention has been the Law of the Sea declaration made by certain Latin American States. The proximity of the South American coastlines to the Caribbean has caused the 200-mile exclusive economic zone adjacent to the territorial sea of South American coastal States to affect the customary fishing activity of some Caribbean countries. As a result, in a number of cases bilateral fishing agreements have had to be negotiated between individual Latin American and Caribbean countries.

Prejudices still exist on both sides which arise from a lack of understanding of, and knowledge about, the cultures of the peoples of both subregions. Another contributing factor is the lack of information available to the wider community on the two subregions, as well as communications difficulties. Information on organizations which may be willing to cooperate in both subregions and on the operational modalities of such cooperation are vital in order to facilitate action, but are at present non-existent or not widely disseminated.

The different levels of economic and technological development, types of natural resource bases, and sizes of the countries of the region make for difficulties in establishing equitable relationships. Within many regional and some international intergovernmental organizations, Latin American countries are often accused of smothering Caribbean concerns with the sheer weight of their influence. This has often led to undercurrents of mistrust and hostility on the part of Caribbean countries towards Latin American States in these forums.

Some have attributed these problems with regard to relations at the formal level to a failure to recognize Caribbean countries as fully sovereign States. This perception has

been compounded by the special preferential relations maintained with Caribbean States by the United States through the Caribbean Basin Initiative, by Canada through CARIBCAN, by the United Kingdom through traditional marketing agreements and by the EEC through the ACP grouping and the Lomé Convention. As a result, Caribbean countries are sometimes viewed as belonging to North American and European spheres of influence. Ironically, within Latin America some Caribbean countries are also perceived as being within the spheres of influence of other Latin American countries, in particular of Venezuela and Mexico.

Financial constraints have played a part in inhibiting the establishment, or reducing the extent, of diplomatic representation at the bilateral level. Recent economic crises have been cited as the reason for the closure or reduction in size of some Latin American countries' diplomatic corps in Caribbean countries. Caribbean representation in Latin American countries is generally even more limited, also due to financial constraints. Owing to a lack of the infrastructure needed to maintain adequate representation, the potential of several cooperation initiatives at the bilateral level has not been fully developed. Financial constraints also limit Caribbean representation at hemispheric forums which are vital both to the advancement of Caribbean interests and to a cooperative relationship with Latin America.

VI. POTENTIAL AND RECOMMENDED AREAS FOR INCREASING COLLABORATION

A. Regional goals and approaches

In spite of the obstacles mentioned above, the increasing will of Latin American and Caribbean countries to pursue closer collaboration has been evident in the meetings held in Tobago in 1989 and in Caracas in 1990. At the meeting in Caracas (12-13 January 1990), Barbados, Belize, Grenada, Guyana, Jamaica, Saint Vincent and the Grenadines and Trinidad and Tobago, as well as the CARICOM secretariat, Brazil, Colombia and Venezuela, were represented. The purpose of the meeting was to pursue the mandate issued at the one-day summit in Tobago in 1989 to identify a mechanism to promote certain wide-ranging goals set forth at that time and, in line with the orientation of the CARICOM secretariat, to define workable arrangements to advance cooperation between the Caribbean and Latin American subregions.

At the Tobago meeting the following goals for advancing Latin American-Caribbean cooperation were identified:

- a) Regional self-sufficiency in food;
- b) Effective joint exploration of the mineral resources of the region;
- c) The development and exploitation of export potential in selected areas and development of joint marketing capabilities and strategies;
- d) Increased levels of intraregional trade; and
- e) The sharing of technology.

The following approaches were agreed upon for the fulfillment of the above goals:

- a) Determination of relevant agencies in both subregions to pursue each of these goals which could define and carry forward a programme of collaboration and cooperation in each area concerned;
- b) Maintenance of the working group of senior CARICOM and Latin American officials to function as an overall monitoring and review instrument.

In addition the high-level meeting between CARICOM and Central American Governments which took place in January 1992 identified as potential subjects of cooperation the areas of transport, tourism, the environment, natural disasters, drug trafficking, human resources, and trade and investment.

B. Priority areas for regional cooperation

On the basis of existing bilateral and multilateral cooperation agreements involving Caribbean and Latin American countries it is possible to identify the priority areas of regional cooperation that are developed below.

1. Self-sufficiency in food

Opportunities for cooperation in the agricultural sector exist in such areas as joint agricultural enterprises, research and development, biotechnology, quarantine services and human resources training in the agricultural sciences. Investment in joint agricultural ventures in CARICOM countries by Latin American enterprises would be highly desirable. The active involvement of the private sector of both subregions is essential to the success of such efforts.

2. Effective joint exploration of the mineral resources of the region

Some cooperation takes place in the area of natural resources development, in particular among mineral-producing countries of the region. Technological advances on the part of Latin American countries in such areas as remote sensing and the preparation of environmental impact assessments represent areas in which the potential for technology transfer easily but has not yet been fully developed.

3. The development and exploitation of export potential in selected areas and development of joint marketing capabilities and strategies

A major asset of Caribbean countries is their preferential access to the markets of Canada through CARIBCAN, Europe through the Lomé Convention and the United States through the Caribbean Basin Initiative (CBI). Latin American capital, technology and management could be combined with this Caribbean asset in order to permit the joint exploitation of the potential of these markets to the benefit of both parties. The synergistic effect of combining this Caribbean advantage with the strengths of the Latin American countries in the areas of technology and use of raw materials can create opportunities for the development of trade and manufacturing potential and the establishment of joint marketing capabilities.

4. Services

Special attention should be devoted to services, which have become a major area of growth throughout the region.

Ways should be sought to utilize off-shore banking and other financial facilities to build expertise and attract capital for investment in the region.

Some Latin American countries are exporting construction and engineering services to other developing countries in fields such as construction, energy, mining and aero-industrial projects. Some of these services use indigenous technologies and utilize labour-intensive systems which would be applicable to the Caribbean countries. The construction of low-cost housing would be of high priority in view of the housing deficit in the Caribbean region and its spiralling construction costs. Such cooperation projects, with emphasis on the transfer of housing construction technologies, should be actively promoted.

5. The sharing of technology

It is increasingly recognized throughout Latin America and the Caribbean that in order to change production patterns, increase productivity and adjust to global demand, a significant volume of investment in upgrading the scientific and technological infrastructure is essential.

Closer links between the universities and institutes of the two subregions should be developed in order to derive mutual benefit from training and from research and development in the field of science and technology in both Latin America and the Caribbean.

6. Training and human resources development

Given the traditional language barriers existing between the two subregions, especially with regard to the CARICOM countries, one factor of particular importance for Caribbean-Latin American collaboration is Spanish/English language training, particularly training in interpretation and translation.

Other areas in which increased cooperation in training and research and development should be explored and in which mechanisms for cooperation should be established include computer sciences and medical technology. Marine resource development, biotechnology, microelectronics, environmental management training, energy, geological exploration and communications technology are also areas in which cooperation would seem to be of mutual benefit to both subregions.

Transport and transport-related industries and communications are pivotal areas for the region's cooperation and integration processes. In view of the close linkage between these services, on the one hand, and intraregional trade and export promotion, on the other, improvements in transport and communications are a sine qua non for strengthening intraregional trade and, thus, closer intraregional collaboration.

Based upon the advantageous geographical proximity of the Caribbean to markets in North, Central and South America, as well as major trade routes which pass through the Panama Canal, the islands of the Caribbean provide easy access to Florida and

transshipment points to Canada and Europe, thus constituting possible sites for transshipment services. Although a number of airline services and shipping lines already exist within the region, most of them link the region to the wider global community, while the inadequacy of intraregional transportation links is a major problem and a serious constraint as regards collaboration.

Other possibilities such as container repair services might also be considered as a potential area for joint development.

7. Exclusive economic zone

The area of marine research and development, in keeping with environmental harmony and preservation, is another potential sphere of cooperation. Common approaches to regulating the flow of traffic in the Caribbean Sea and minimizing the danger of oil spills and other accidents could be formulated and implemented more effectively if joint mechanisms were instituted.

8. Disaster preparedness

It is anticipated that in future the Caribbean and Central America will experience a larger number of hurricanes of greater intensity than they have in the past. Accordingly, joint initiatives for disaster preparedness and damage control programmes should be considered as an area for Caribbean-Latin American cooperation.

9. Non-governmental organizations (NGOs) and other private-sector entities

Private-sector links already exist between the two subregions, and these links should be intensified. A comprehensive inventory of private-sector entities and NGOs in both subregions, to include information on their existing portfolios and areas of activity, is needed, however, before fine-tuning potential areas of mutual cooperation between NGOs and other private-sector entities.

In view of the strained nature of most government budgets, NGO and other private-sector economic and social development efforts, in particular with regard to promoting collaboration, are of crucial importance.

10. Environment

The need for increased cooperation and collaboration between the two subregions with regard to the environment should be emphasized. Most of the countries participated in the United Nations Conference on Environment and Development (UNCED) in Brazil in 1992. The need to formulate cooperative and collaborative approaches and initiatives is clearly apparent in terms of the follow-up to UNCED.

11. Assistance to Haiti

Assistance in mobilizing support for Haiti may be cited as a special area for collaborative effort on the part of the Governments of the region.

12. Trade and investment

Cooperation in the field of trade could be increased including participation in trade fairs and trade missions. As a rule, countries are not adequately informed about intraregional trading opportunities. Efforts should be made to establish more linkages with existing trade information systems and to set up and improve national and regional trade information systems.

Various trade arrangements are being developed bilaterally and multilaterally among Caribbean and Latin American countries as a means of promoting integration as well as of pursuing other objectives. However, the disparate levels of development within these free trade areas may tend to create a "centre-periphery" type of relationship. Steps must be taken to avoid this by providing for adequate transitional and adjustment phases. The proposed free trade agreement between Venezuela and CARICOM, under which a five-year one-way preferential arrangement would be granted by Venezuela, is an example of one such approach.

As part of this process, the region must find ways of encouraging complementary forms of investment and of creating an environment where foreign investment is genuinely welcomed.

Widening external markets is also a basic strategy that should be explored on a joint basis with a view to reducing the dependency which has developed in the Caribbean as a result of preferential treatment and which has led to the neglect of other potentially profitable markets; such a strategy could provide an effective protective mechanism to help CARICOM Caribbean countries in particular cope with changes in the traditional marketing structure.

Another way of attracting business and of stimulating the job market is the establishment of export processing zones (EPZs). In point of fact, the EPZs which have been set up in Central America and the Caribbean have been successful in attracting investment from American, European and Asian investors. As the United States demand for EPZ-produced goods weakens, however, manufacturers have been forced to globalize their marketing activities. The competition which this has generated, as well as the sheer number of EPZs being established in the region, has led to confusion on the part of new investors.

The divisive issue between Caribbean and Latin American countries of unilaterally-granted preferences merits particular attention. The Caribbean and the European Economic Community (EEC) enjoy a special trading relationship under the Lomé

Convention which provides preferential access for the Caribbean nations to the markets of the EEC. However, the single European market is perceived as threatening this Caribbean security blanket. It is believed that Caribbean countries may soon have to compete on equal terms with larger and more productive economies -including those of Latin America- for a share in an open European market.

There is also concern about the possibility that the benefits of the Caribbean Basin Initiative might become irrelevant if a free trade system is developed through the Enterprise for the Americas. A more immediate issue of concern relating to the proposed North American Free Trade Agreement (NAFTA) and to the preferences granted by the United States to Andean Pact countries is that they involve duty-free tariff concessions for some of the types of products which figure among the CBI countries' most successful non-traditional exports and thereby jeopardize the production of these goods in the Caribbean for marketing in North America. Furthermore, NAFTA concessions would be contractual and could therefore not be withdrawn without following specified procedures and awarding appropriate compensation. However, under the CBI, individual concessions can be withdrawn unilaterally without consultation or compensation. Foreign investment may therefore be drawn away from CBI member countries. The Caribbean basin countries may thus become increasingly vulnerable.

In light of these developments and their implications for the region, there is a clear need for a collaborative strategy for dealing with the question of trade arrangements, competitiveness, access to new markets and the attraction of investment.

C. Further opportunities for collaboration

A number of other areas that offer opportunities for increased collaboration and cooperation between Latin America and the Caribbean may also be explored, including the settlement of the balance-of-payments deficit, increased productivity and the efficient use of regional resources; control of drug trafficking; the exchange of experiences in areas of mutual interest; and the possibility of using Puerto Rican 936 funds for joint investment projects.

Various areas of complementarity need to be explored and programmes for utilizing this potential to the mutual benefit of both subregions need to be developed. In this connection, consideration could be given to the identification of the more technologically advanced countries or areas within Latin America and the Caribbean and the fuller utilization of the relevant comparative advantages, and of their larger, skilled, literate workforce; the potential for the exploitation of the region's marine resources; the development of collaborative projects and programmes; the sharing of benefits from existing infrastructure,
etc.

Special strategies will have to be devised for dealing with small island developing countries, in particular with regard to the non-independent Caribbean countries within the region.

VII. THE ROLE OF ECLAC

Under the aegis of the United Nations the Economic Commission for Latin America and the Caribbean (ECLAC) is helping to promote closer cooperation between the Caribbean and Latin America through its operational activities.

The ECLAC framework allows for the sharing of ideas as to ways of promoting collaboration among all the countries of the region. Through the Commission, the region's wealth of human and natural resources is coupled with access to United Nations resources for development to create an incomparable instrument for change and for improving the level of collaboration. Its access to the broad resource base of the United Nations system, its operational linkages to other regional intergovernmental organizations and its regional and extra-regional donor membership make ECLAC a unique forum for action on the question of collaboration between Latin America and the Caribbean.

At the thirteenth session of the CDCC, held in 1991, the secretariat was mandated to consider the question of Caribbean-Latin American cooperation and, in particular, of the strengthening of institutional linkages. The Monitoring Committee of the CDCC re-emphasized the importance attached to this issue at its fourth meeting, in January 1992.

The proposed 1992-1993 work programme has incorporated the wishes of the CDCC member Governments in this respect. In the area of international trade and finance, proposed activities include the formulation of proposals for a structured programme of cooperation between Latin America and the Caribbean; the examination of issues relating to the attraction of foreign direct investment to the Caribbean from Europe, the United States, Asia and Latin America; and the promotion of closer working relationships between Latin American and Caribbean intergovernmental integration and functional cooperation organizations, on the one hand, and the ECLAC and CDCC secretariats, on the other.

The promotion of increased cooperation will require significant additional inputs, some of which can be mobilized through ECLAC. Several modalities for providing these inputs already exist within the ECLAC framework. These include: horizontal cooperation (i.e., TCDC/ECDC), the sourcing of extrabudgetary funds for relevant programmes and projects, funds from the regular budget, and the forum provided by the biennial ECLAC sessions, which allow country representatives to interact and to articulate their concerns regarding collaboration for consideration by the whole body.

Annex I

Resolution adopted by ECLAC at its Twenty-fourth session
Santiago, Chile, April 1992

**MEASURES TO IMPROVE COOPERATION
BETWEEN LATIN AMERICA AND THE CARIBBEAN**

The Economic Commission for Latin America and the Caribbean,

Taking into account document on Latin American and Caribbean relations submitted to its twenty-fourth session² and mindful that in 1992, the quincentennial of the voyage of Columbus to the Americas, the region is embarking on an unprecedented programme of social, cultural, economic and functional collaboration,

Recognizing that efforts to promote such collaboration are being made in light of the world-wide trend towards the formation of regional trading arrangements, but also encompassing areas involving functional cooperation and institutional integration,

Considering that the region, in line with the need to promote development concomitantly with social equity, is redoubling its efforts to mitigate the effects of the resulting changes in its production patterns and social mores out of particular concern for the well-being of its peoples,

Mindful of the position adopted by CARICOM leaders in 1991 at the first Caribbean Regional Economic Conference in Port of Spain, Trinidad, that "the process of deepening the integration movement must now be complemented by a determined and systematic effort to intensify relations with the wider Caribbean, Central and Latin America",

Recalling ECLAC resolutions 440(XIX) of 15 May 1982, 460(XX) of 6 April 1984 and 506(XXIII) of 10 May 1990 on promoting technical and economic cooperation between the Caribbean countries and the other countries of the region,

Recalling further the mandate issued at the thirteenth session of the Caribbean Development and Cooperation Committee (CDCC), held in 1991, that the secretariat examine the question of Caribbean/Latin American cooperation, in particular the strengthening of institutional linkages, as well as the reaffirmation of the CDCC Monitoring Committee at its fifth meeting, held in January 1992, of the importance it attaches to the issue of intraregional collaboration,

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LC/G.1725(SES.24/17).

Aware of the common interests of some countries of both Latin America and the Caribbean in the export of tropical products, and of the need to secure the most favourable terms possible for the export of such tropical products to developed country markets; and bearing in mind the importance of such tropical products to the economic well-being of the peoples of these countries,

Reiterating, that despite the fundamental similarities between the two subregions, their wide diversity in certain areas requires a careful approach to the institution of collaborative measures,

Emphasizing that, as articulated in document under reference, if a genuine strengthening of relations between the two subregions is to be achieved, any programme of collaboration must respect the sovereignty of each country and should aim at finding ways to promote cooperation in a manner that benefits them while maintaining their separate identities and their status as equal partners,

1. Urges the Latin American and Caribbean countries, members of the Commission and the secretariats of the various intergovernmental groupings of these countries to identify and implement viable programmes for cooperation between the Caribbean countries and the other Latin American countries;

2. Requests the Executive Secretary to formulate a structured Programme of cooperation between Latin America and the Caribbean, with particular attention to the area of trade and to issues concerning the attraction of foreign investment to the Caribbean from Europe, the United States, Asia and Latin America, pursuant to the document submitted to the twenty-fourth session.

3. Urges representatives of those countries of Latin America and the Caribbean with an interest in the export of tropical products, to engage in consultations with a view to solving the problems and securing the interests of those countries, taking into account short-term, medium-term and long-term considerations.

