



UNITED NATIONS



Economic Commission for Latin America and the Caribbean  
Subregional Headquarters for the Caribbean

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Symposium to discuss paper entitled  
“Introducing the convergence model of integrated production”  
9 May 2013  
Port of Spain, Trinidad and Tobago

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**REPORT ON SYMPOSIUM TO DISCUSS PAPER ENTITLED  
“INTRODUCING THE CONVERGENCE MODEL  
OF INTEGRATED PRODUCTION”**

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## **A. ATTENDANCE AND ORGANIZATION OF WORK**

### **1. Place and date**

1. The Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean convened a symposium to discuss the paper by the Honourable Minister of Foreign Affairs of Trinidad and Tobago titled “Introducing the convergence model of integrated production” on 9 May 2013 at the office of ECLAC in Port of Spain, Trinidad.

### **2. Attendance**

2. The meeting was attended by a number of local economists from the Central Bank of Trinidad and Tobago and two commercial banks, as well as from the University of the West Indies.

3. Representatives from intergovernmental organizations, such as the Association of Caribbean States, the Caribbean Association of Industry and Commerce and the Organization of American States attended the meeting. A representative of the International Labour Organization in Trinidad and Tobago was in attendance.

4. The meeting was also attended by ambassadors of several Central and South American countries, including Chile, Colombia, El Salvador, Mexico and Suriname.

5. Representatives of the following institutions also attended the meeting: The Ministry of Foreign Affairs and Communications of Trinidad and Tobago, the Central Statistical Office of Trinidad and Tobago and Kykon Developments.

### **3. Agenda**

6. The meeting adopted the following agenda:

1. Welcome and introduction
2. Presentations
3. Discussion
4. Closure

## **B. OUTLINE OF PROCEEDINGS**

### **1. Opening of the meeting**

7. Welcome and opening remarks were made by the Coordinator of the Sustainable Development Unit of ECLAC. She spoke of the significance of the model for Caribbean development. She also mentioned the importance of social equity and strengthening human capital. Finally, she introduced the panelists and laid out the agenda for the symposium.

### **2. Presentations**

8. The Coordinator of the Economic Development Unit of ECLAC led the presentations with an overview of the convergence model as well as some comments and critiques of the general themes presented in the paper.

9. In his commentary, the Coordinator of the Economic Development Unit stated that the Minister's background would indicate that he is very familiar with the existing literature available on the topic of regional integration. He noted that the model does not propose the creation of a new regional mechanism, but rather a different level of cooperation among existing mechanisms. Moreover, he observed that at the core of the proposed model is the idea that the Caribbean must use this increased cooperation as leverage for engaging the international community.

10. In critiquing the model, the Coordinator of the Economic Development Unit spoke of the need for clarity in several of the ideas put forward by the Minister. He noted, for example, that the model seemed to make no attempt to address some of the issues currently facing the Caribbean, as well as make no reference to the strength of the Organization of Eastern Caribbean States as a regional subgrouping. There is also a need for more precision in the identification of which Caribbean countries would take the lead in the development and/or implementation of the proposed model. The role of the Caribbean Community (CARICOM) Secretariat is also ambiguous according to the model, with no mention of its possible role as a promotional instrument in this process of convergence. Furthermore, he queried whether the existing regional integration mechanisms in CARICOM could advance the proposed convergence process, given the lack of regional dynamism. He noted that, while there are several regional movements within Latin America and Caribbean based on similar methods of integration, their relationships and interactions are not coordinated as is laid out in the Minister's paper. He further questioned whether this perceived coordination would be enough to achieve integration.

11. The Coordinator of the Economic and Development Unit also pointed out that the conceptualization of the model as presented in the paper betrays a lack of understanding of the modalities needed to engage the Caribbean private sector as well as the Caribbean diaspora, with no mention being made of the roles of these important groups in the implementation of the convergence model.

12. The presentations continued with a Professor of the University of the West Indies, Jamaica. He critiqued the Minister's paper and offered some suggestions for development in the region. He began by stating that the observations in the paper are straightforward and correct but that there is a need to take into account the differences among the Caribbean countries.

13. The Professor stated that there are sharp differences among Caribbean countries and that their requirements for economic management are correspondingly different. For example, he noted that the countries were different in their capacity to export and to import, and that any integration movement needs to account for these. Despite these differences, he said that regional cooperation and industrial restructuring are needed to solve the Caribbean's issues. The Professor then listed two main drivers of industrial success: the first one being increased growth of the domestic capital sector and the second being the ability to grow import capacity. He stressed the need to grow capital output, and said that the capital stock in the Caribbean was way too low. He also listed four main priorities for Caribbean economies: education for export, health care for export through health tourism, development of intellectual property rights, and the need to develop a sports policy.

14. The presentation of the Senior Fellow, Institute of International Relations of the University of the West Indies, St. Augustine Campus, was focused on the lack of economic buffers currently existing in the region. He indicated that present buffers are lacking, and did not provide scope for addressing the various vulnerabilities that small Caribbean States face. The existing arrangements with financial institutions are not adequate and states need to build foreign exchange reserves. The Senior Fellow said negotiations with international financing institutions were exhausted and that Caribbean States should seek financing from the emerging economies, such as China and Brazil. He offered the example of the assistance that Venezuela provides throughout the Caribbean.

15. The Senior Fellow critiqued some of the points in the Minister's paper. He disagreed with the Minister's point on the availability of capital from the resource-rich Caribbean States. He countered that this capital would have to be sourced from outside the region. The Senior Fellow spoke about the importance of the private sector, but questioned the value of a regional private sector forum. He also indicated that there is insufficient trade integration, and that the Minister's paper made no mention of the existing trade barriers. With regard to trade agreements, the Senior Fellow disagreed with the Minister's position that they are not needed, and indicated that they are important for production integration. The Senior Fellow highlighted the lack of strategy in the convergence model for engagement with the Latin American region, and indicated that the Caribbean needs to engage the wider region to piggyback on their success.

### **3. Discussion**

16. The issue of the Caribbean economies in more dire conditions and their need to address immediate challenges was highlighted. It was suggested that the countries of the region should go collectively to emerging countries to negotiate new financial agreements. Concerns were raised about the divisions across the Caribbean countries and the impact this would have on integration.

17. The robustness of the convergence model itself was raised. It was noted that the Minister's paper only touched the surface of the issue of integration, but this may have been its intention as a concept note. The need for deeper, in-depth analysis of intra- and extra-CARICOM trade, as well as the need for production integration by the private sector was stressed, in addition to further elaboration on the meaning and specifics of the convergence model.

18. The effectiveness of the CARICOM process was brought into question. It was mentioned that CARICOM was not being used to develop regional production and that Suriname and Belize were not properly integrated. It was indicated that Suriname is better placed for economic integration with Latin America given its geographic location and relations with the European Union. The importance and potential of the Caribbean diaspora was mentioned, and the possibility of a single Caribbean currency was also raised. One participant questioned the possibility of successful Caribbean integration given the difficulties currently being faced by the European Union. The issue was raised of the competitive nature of the private sector, and its potential to derail any integration efforts. It was mentioned that any coordinating role must be funded from outside the private sector.

### **4. Closing remarks**

19. The Coordinator of the Sustainable Development Unit of ECLAC closed the meeting by summarizing the key points raised in the discussion and thanking the participants for their comments.

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