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Studies on the links between the CDCC
and other integration movements in Latin America
as well as the Latin American Economic System



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The first meeting of the CDCC held in Cuba in November 1975 gave prominence to the need to "undertake studies and promote initiatives designed to strengthen co-operation between the Committee and other countries of Latin America particularly those countries within the sphere of action of the ECLA Offices in Mexico City and Bogota". This, in conclusion, "reflects some of the concerns which have arisen in recent years with regard to a possible link between Latin American sub-regional groups" for the purpose of increasing co-operation among the different countries of the region.

The constitutive declaration of the CDCC reaffirmed "the need to strengthen the unity and co-operation among its countries, in order to carry out joint activities which would redound to the benefit of the economic and social development of the sub-region, as well as to increase its negotiating power vis-a-vis third countries or groups of countries. In addition, the objectives set out in the Constitutive Declaration of the CDCC could, among other things, facilitate a greater and more complete identification of the positions and interests of the countries of the Caribbean with the rest of Latin America. This is the case because it seeks to focus such positions and interests within an operational framework based on initiatives which would emphasize the search for, principally, a form of co-operation founded on the elaboration of industrial projects, of agricultural infrastructures, and on the implementation of Producers' and Exporters' Associations of bi-lateral and especially multi-lateral scope. The creation of SELA is a response to this new trend in the efforts toward economic rapprochement among the countries of the region.

In addition, the mandate of the CDCC reiterates that "such co-operation constitutes a mechanism of manifest utility for tapping the potential of the countries of the sub-region for the purpose of rationalising their economies and achieving common policies in such important spheres as trade, obtaining financial resources ..." a mandate which would decidedly furnish the best method of realising a policy of economic co-operation and rationalisation in the countries of the Caribbean. It would be necessary,

too, to assemble from among the efforts at integration those projects of the countries of the CDCC for the achievement of mechanisms leading to greater co-operation and those agreements on basic criteria which facilitate such co-operation, with emphasis being laid on the necessity to consider the definition of "less developed" for the region.

In the same context, the governments decided that the work programme of the Committee should include such studies as are necessary for laying the foundation of closer co-operation between CARICOM and the Member States of the Committee which are not members of CARICOM, and for enabling the latter to take decisions for this purpose. Such studies would formulate proposals in favour of or against the enlargement of the Community or in favour of new forms of co-operation. Another concern of the work programme is the search for possibilities for the creation and organisation of new markets, of which the objectives could be combined in the extension of intra-regional trade, and in the formulation of general lines of policies of import substitution, for which purpose it would be necessary to "carry out analyses of external trade, with special reference to tariffs, customs procedures and other related matters, tending to the harmonisation and simplification of mechanisms facilitating trade among the countries of the region".

In addition, with regard to economic integration and co-operation, governments seek to cover the development of activities in support of the process of economic co-operation and integration in terms of development programmes, co-ordination of policies and programmes, examination of the possibilities of expansion of the activities of the different countries of the Committee, which is a viable proposal given that "the Latin American Economic System (SELA) provides an ample framework for the execution of projects and concrete initiatives and for the co-ordination of common activities and positions in all fields, thus facilitating a greater identification of interests between the countries of the Caribbean and the rest of Latin America".

From a consideration of the activities carried out to date by SELA, and in view of the participation of the various countries of the CDCC within the framework of this organism, the need becomes obvious not only to consolidate these activities but also to formulate action programmes for increasing and diversifying them, since within the philosophy of SELA the efforts of each of the

countries of the region are manifested in different directions: outward, in the solidarity of action of all the developing countries in the search for a new international economic order, and inward, in the co-operative activity among developing countries at the regional and inter-regional level. This effort would consequently permit the creation of real co-operative activities.

In the same way, since these countries are "conscious that economic, political and cultural co-operation among the countries of the Caribbean will contribute to the necessary unity of Latin America" it is proposed to identify activities to be developed, and place them in a framework, in conformity with the policies adopted in the General Assembly of the United Nations, which is called upon to increase support for development of technical and economic co-operation among developing countries, given the importance of placing the CDCC's programme in this context.

Taking the aforementioned into consideration, the proposed work programme is as follows:

- a) Studies of the possibilities and implications of closer co-operation with other movements for integration existing in the Latin American region, using those studies which have been or are being prepared by ECLA on the Central American Common Market and the Andean Group, including a comparative study of the potential mutual benefits. Such a study will attempt to formulate general lines of policies and a long-term plan of action within which the processes of consolidation of the various regional groups can develop pari passu with the establishment of commercial interchange. In other words, what will be sought is a delimitation of areas of action to prevent sub-regional groups from becoming watertight compartments.
- b) Definition of the areas and priorities which tend not only to tighten the bonds between the countries of the CDCC, but also the encouragement and increase of participation of these countries in projects of

multi-lateral scope. In addition, specification of the mechanisms which can ensure a greater and more evenly balanced flow of trade, with special attention to the aspects of finance, tourism, technical assistance, co-ordination in international forums and meetings, and the harmonisation of policies for the protection of the basic products of the region. With regard to this last aspect, it will be necessary to determine the operative mechanisms which will endow the positions of the countries of the region, in the face of current external trade situation, with the maximum consistency and unity.

For the purpose of carrying out this examination, the co-operation of the General Secretariats of the three regional sub-groups will be required for the compilation of the data necessary for the study. Further, the Port of Spain Office will establish and maintain necessary contacts with SELA, UNCTAD, the Executive Secretariats of the regional sub-groups and other ECLA Offices, which will be able to contribute with suggestions and active participation as regards the orientation of the investigation. In addition, participation in the meetings and seminars prepared by the different Secretariats is envisaged.

It is not at present possible to put forward a detailed plan for the investigation. Such a plan must be formulated on the basis of the instructions of the governments of the CDCC; not only in consultations with the governments but in co-ordination with the above-mentioned organisations and in collaboration with the Secretariats. In general terms, the aspects which must be studied as a matter of priority are the following:

First, a comparison of the general economic integration treaties of Central America, CARICOM and the Andean Pact must be made, with emphasis on the nature of the integration process. The second aspect to be treated must emphasize both the

characteristics of the means of transport and matters relating to the problems of invisibles linked to trade. To this end the collaboration of a transport expert will be necessary to supplement the skills available in the Port of Spain Office with respect to this theme within the CDCC countries and UNCTAD would be able to offer technical support in the matter of invisibles. In addition, the Secretariats will be required to provide statistical data on air-freight charges for general merchandise destined for the Caribbean, transport cost for the merchandise, port charges, etc., approximations of the cost of loading and unloading in certain selected ports, ocean freight rates, distances and transport costs for the most important ports and for selected directions of transport. A third part would be concerned with the analysis and clarification of extra-territorial trade obligations and undertakings, as well as obstacles to and configuration of international trade, for which analyses of the various tariff systems and the structure of the common external tariff would be necessary; comparison of these tariff structures with others; the determination of effective protection on the basis of various tariff structures, principal tariff deviations within the different sectors and their averages, as well as the bi-lateral and multi-lateral agreements of the various countries. The fourth part, of more specific nature, would explore the principal products which might be the object of commercial exchange and policies of industrial rationalization, for which will be required an analysis of the structure of external trade, analysis of market forecasts, of achievement of equality and the distribution of benefits in a scheme of integration through the use of industrial allocation and compensation agreements in the various schemes. UNIDO could collaborate closely in this aspect of the work by supplementing

the expertise available to the office in this section. In addition, SELA and the United Nations Centre for Study of Transnational Corporations could collaborate with the programme by formulating proposals on the possibility of creating and implementing multi-nationals in the area.

In the study special attention must be given to the members of CDCC which are not part of any system of integration.

Parallel with this, assistance to the Committee in the development of specific programmes and the establishment of priorities within the areas identified by these programmes will require increased support in the areas of planning, programming and technical co-ordination.

With the aim of putting into practice a complex of actions tending to strengthen in a multi-lateral manner the relations between the CDCC countries, it will be necessary to have not only the support and co-operation of the various governments of the countries comprising the CDCC, as well as the Executive Secretariats of CARICOM, ECCM, CACM and the Andean Pact, but also the co-operation and support of SELA, UNCTAD, UNIDO, UNDP and other ECLA offices.

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