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ECONOMIC COMMISSION FOR LATIN AMERICA
Office for the Caribbean

THE ECONOMIC COMMISSION FOR LATIN AMERICA:
ACTIVITIES IN THE CARIBBEAN

Prepared for the
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in the Caribbean
(Bridgetown, Barbados - 22 November to 3 December 1971)

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The ECLA Office for the Caribbean was established in December 1966 in Port of Spain, Trinidad-Tobago. Its terms of reference were "to extend the work of the Commission in the Caribbean". In order to appreciate the range of functions implicit in this statement, it is necessary to take a brief look at the terms of reference of the Commission as a whole. These are outlined in the Annex I to this note.

These terms were drawn up in 1948 on the establishment of the Commission under Resolution 106 (VI) of the Economic and Social Council, adopted on 25 February 1948, and it has been necessary to redefine them in more precise terms periodically. Such redefinition was required both to outline more definitively what the Commission was doing, and secondly to take into account changing circumstances.

The latest reformulation of these terms of reference was made in late 1969 when a variety of factors necessitated reorientation of the work of ECLA Secretariat. The primary factor was that of scarcity of resources, a perennial problem within the United Nations system. Other considerations included the economic and social evolution of the various countries, changed international circumstances especially in trade groupings, prices of commodities and technology. However, basically the functions remain strictly in accord with the terms of reference.

The functions of the Commission as presently outlined may be summarised as follows:

- i. Original research on the principal problems of the economic and social development of Latin America;
- ii. The utilization of the results of such research in the formulation of elements of policy and strategy for development;

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- iii. The transfer of this knowledge to persons who can have an influence in the formulation of the corresponding policies at the national, regional and international levels; and
- iv. The organization of the necessary mechanisms for their operation.

Initially the ECLA concentrated its attention largely on the research of economic problems, and has developed tools of analysis which are more appropriate for under-developed countries. In this regard, the Commission has been in the vanguard of thinking for some time.

Unfortunately, it could not make a comparable effort in the social field, and conditions in the region after many years of effort in the field of economics have shown that the problems of development must be viewed more and more through criteria of a social character. The Commission therefore now thinks it urgent that a total equilibrium between social and economic research should be achieved.

A further dimension has now attracted its attention. Traditionally, United Nations institutions have avoided political analysis, as this was one of the important considerations in outlining the functions of the Secretariat. Recent developments, however, have encouraged a modification of this traditional policy. It still remains an accepted fact that ECLA as a technical organization does not allow itself to become involved in political problems. However, in order to undertake meaningful research on practical problems, it is necessary that the Commission should study and become acquainted with the political structures, and the relations of power which determine decision-making in the countries within the scope of its coverage. Such knowledge is increasingly acquired as a background for studies and policy recommendations in economic and social matters. To summarise, therefore, all ECLA's functions now take into account economic, social and political factors.

In very general terms, the work of the Commission can be divided into (a) research, and (b) operations. Research involves enquiry into the social and economic conditions including social and economic evolution, and eventually leads to recommendations on development policies. Operations include technical advice to the governments, organization of training courses, seminars, meetings, conferences, etc. and

advisory assistance connected with the actual implementation of policies. In terms of manpower, as far as possible, regular staff are engaged on research, and the efforts of regional advisers are geared primarily to operations. This, however, cannot be a clear-cut distinction. It is necessary for researchers to maintain contact with the real problems in the field, and for regional advisers to co-operate in research by contributing their varied experiences acquired in field work.

OFFICE FOR THE CARIBBEAN

The present functions of the Caribbean Office do fall broadly within these two divisions, since it has both regular staff members and regional advisers. From the inception of the Office, however, regional advisers played a major role; moreover, within three months after the establishment of the Office, area Governments embarked on a series of intensive negotiations with the object of achieving closer economic co-operation. Inevitably, the Office was called upon to play a significant role in these negotiations with the result that the whole Office was regarded as operational in nature. With the build-up of staff, increasing emphasis has been placed on basic research, but such research has been undertaken mainly at the request of governments and in support of the economic co-operation process. These requests were accorded top priority and materially influenced the Office's programme of research work.

Policy and Guidelines

The rest of this note will be devoted to a brief summary of the main policy guidelines under which the Office operates, the evolution of the Office, and its basic activities since establishment. Most of the projects and programmes undertaken are of a regional nature, i.e. they involve two or more of the countries in the Caribbean. The services of regional advisers are made available on request by individual governments or regional institutions, and it may therefore be argued that their projects are country projects; however, even in the case of their activities, advice given to a particular country takes into account developments at the regional level. In addition, there is close collaboration with other regional institutions and UN Agencies, particularly at the operational level.

On the establishment of the Office, provision was made for only two regular senior staff members. This necessitated a restricted coverage of countries in the Caribbean. Attention was first directed to the four independent countries of the Commonwealth Caribbean, and subsequently activities were extended to the West Indies Associated States. Still later, Belize and the Bahamas were brought within the Office's scope of operations.

The two regional advisers, who were then located in the Office, had an even wider coverage; they covered all the territories/countries from the Bahamas to Surinam. It should be noted, however, that the Office's work so far has not encompassed the French speaking territories of Martinique and Guadeloupe, but assistance has been provided to both the Dominican Republic and Haiti.

The chronological aspect of the evolution of the Office's activities is also of interest in this context. In early 1967, the Governments of the Commonwealth Caribbean embarked on a series of intensive inter-governmental negotiations in an effort to promote economic co-operation. These negotiations concerned the creation of the Free Trade Area, and the establishment of a Regional Development Bank. The Office was requested to assist in these negotiations, and its staff played an active role throughout the various stages. In this regard, its role was more than advisory, and could be likened to that of a delegation which had a particular point of view, with the difference that the perspective was regional rather than national.

It should be borne in mind that these negotiations commenced within three months of the establishment of the Office, and were undertaken without the basic research studies that usually precede inter-governmental negotiations in regional co-operation programmes. Our activities at that time could therefore be said to have immediate objectives i.e seeking broad agreement of Governments on the limited aspects of trade liberalization and development finance.

By the end of 1967, Governments had taken a firm decision to set up the Bank and create a free trade area along with a secretariat. The problems encountered in finalizing the Bank Charter and deciding on the site resulted in some delay in establishing the Bank, but by

the beginning of 1968 serious work was begun in initiating the Free Trade Area, and organizing the Commonwealth Caribbean Regional Secretariat. These developments introduced a second phase in the Office's activities.

The period 1968-1969 witnessed a shift in emphasis of activities. The Office continued to give active assistance in the negotiations on CARIFTA, the implementation of the Agricultural Marketing Protocol, the creation within CARIFTA of the ECCM, and the establishment of the Caribbean Development Bank. But greater attention was given to the organization and operations of the Regional Secretariat. The Secretariat soon assumed control of the more immediate functions in relation to the regulation of the Free Trade Area and the subsequent negotiations leading to the establishment of the Bank. This enabled the Office to give more emphasis to medium-term problems relating to the economic co-operation programme, and also to identify and initiate work on "gaps" in the programme which were not receiving attention either by Governments or the other regional institutions.

By the end of 1969, most of the major problems relating to the establishment of CARIFTA, ECCM, the Bank and the Secretariat were satisfactorily resolved, and since 1970 the Office's activities moved into a new phase. ECLA Caribbean was then able to concentrate more on basic research into longer term problems associated with the integration programme in the Caribbean.

Main Areas of Work

The main thrust of the Office's activities is to promote integration in the Caribbean sub-region, and even where assistance is provided to countries directly, this main objective is borne in mind. In carrying out this primary function, the Office collaborates with, and assists, other regional institutions. Within this framework, the main activities may be categorised as follows:

(i) Trade and Trade Policy

- Assistance in inter-governmental negotiations for trade liberalization.
- Formulation of common external tariff policies and assistance in implementation of the tariffs.

- In-depth study into areas for increasing intra-regional trade.
- Formulation of appropriate policies vis-a-vis GATT, UNCTAD, European Common Market, and other trade groupings.

(ii) Development, fiscal and financial policies

- Advisory assistance in formulation and implementation of development plans and programmes.
- Harmonization of fiscal and other incentives to industries.
- Mobilization of domestic financial resources for development.
- Formulation of appropriate fiscal and monetary policies.

(iii) Agriculture

- Implementation of Agricultural Marketing Protocol.
- Assistance in the rationalization of agriculture in the Caribbean sub-region.
- Assistance in formulation of appropriate policies in plant and animal quarantine.

(iv) Industry

- Studies on feasibility of industries.
- Formulation of appropriate policies in industrial location.

(v) Transport

(a) Maritime Transport

- Promotion of efficient intra Caribbean shipping facilities.
- Formulation of appropriate policies in relation to overseas shipping lines.

(b) Ports and Harbours Development

- Assistance in port and harbour development.
- Port administration.

(vi) Social Aspects of Development

- Formulation of policies for development of human resources.
- Rural and community development.
- Improving and strengthening the machinery of local government.

(vii) Training Programmes: These programmes are organized in collaboration with regional institutions, other UN bodies, and relevant international institutions.

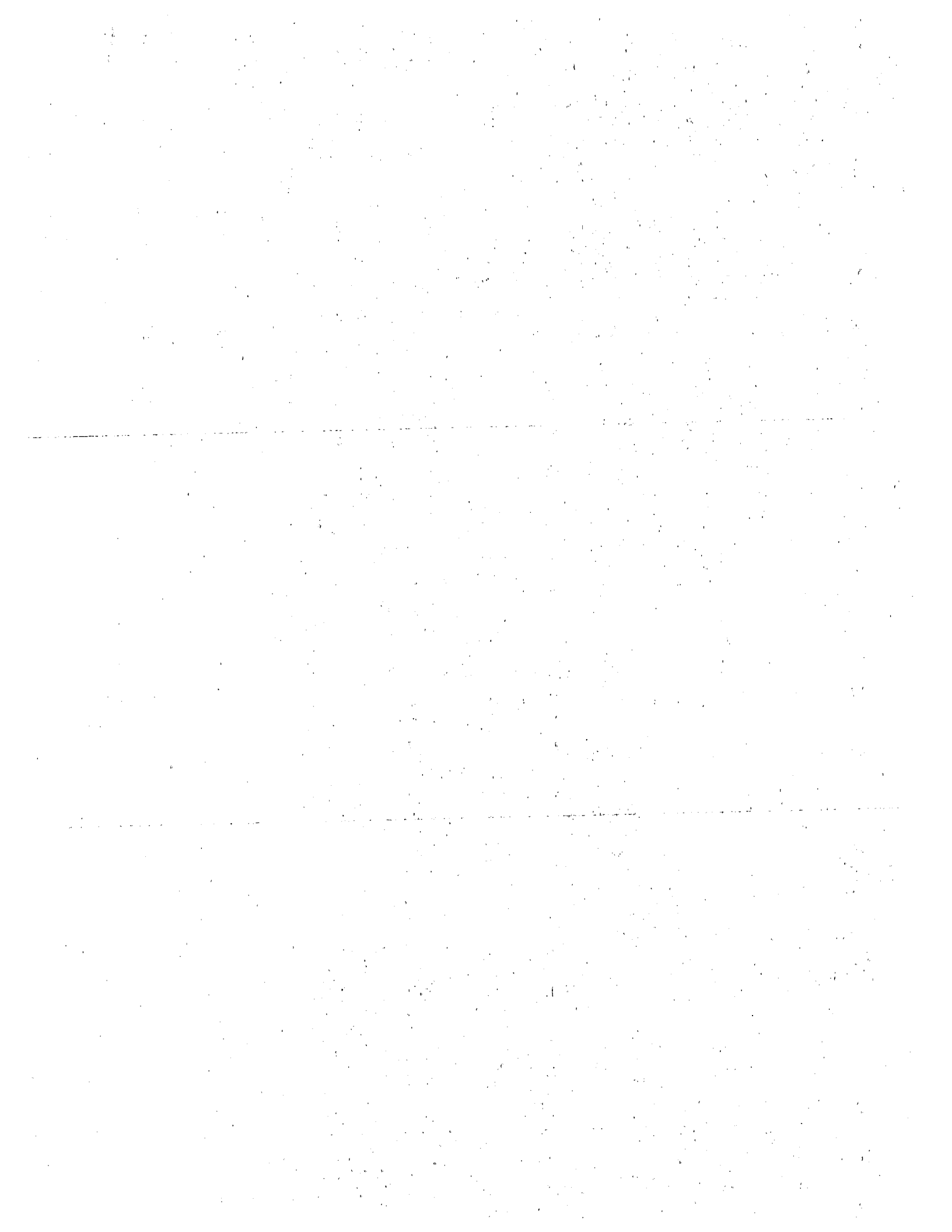
- Workshops and seminars.
- Regional training programmes.
- Country training programmes.

Publications

As a by-product of its activities in the area, the Office has published a variety of reports and studies. Some of these are restricted to Governments and others are internal to the Commission.

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A list of the main publications is given in Annex II.



TERMS OF REFERENCE
OF THE
ECONOMIC COMMISSION FOR LATIN AMERICA

As adopted by the Economic and Social Council
at its sixth session and amended at its ninth,
thirteenth and twenty-eighth sessions

1. The Economic Commission for Latin America, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council, shall, provided that the Commission takes no action in respect to any country without the agreement of the Government of that country:

(a) Initiate and participate in measures for facilitating concerted action for dealing with urgent economic problems arising out of war and for raising the level of economic activity in Latin America and for maintaining and strengthening the economic relations of the Latin American countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems and development within territories of Latin America as the Commission deems appropriate;

(c) Undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate;

(d) Give special attention in its activities to the problems of economic development and assist in the formulation and development of co-ordinated policies as a basis for practical action in promoting economic development in the region;

(e) Assist the Economic and Social Council and its Technical Assistance Committee in discharging their functions with respect to the United Nations technical assistance programme, in particular by assisting in their appraisal of these activities in the Latin American region;

(f) In carrying out the above functions, deal as appropriate with the social aspects of economic development and the inter-relationship of the economic and social factors.

2. The Commission shall direct its activities especially towards the study and seeking of solutions of problems arising in Latin America from world economic maladjustment and towards other problems connected with the world economy, with a view to the co-operation of the Latin American countries in the common effort to achieve world-wide recovery and economic stability.

3. (a) Membership of the Commission shall be open to Members of the United Nations in North, Central and South America, and in the Caribbean area, and to France, the Netherlands and the United Kingdom. Any territory, or part or group thereof, within the geographic scope of the Commission's work, may, on presentation of its application to the Commission by the Member responsible for the international relations of such territory, part or group of territories, be eligible for admission by the Commission as an associate member of the Commission. If it has become responsible for its own international relations, such territory, part or group of territories may be admitted as an associate member of the Commission on itself presenting its application to the Commission.

(b) Representatives of associate members shall be entitled to participate without vote in all meetings of the Commission, whether sitting as a commission or as committee of the whole.

(c) Representatives of associate members shall be eligible to be appointed as members of any committee or other subordinate body which may be set up by the Commission, and shall be eligible to hold office in such body.

4. The geographical scope of the Commission's work is the twenty Latin American States Members of the United Nations, participating territories in Central and South America which have frontiers adjoining any of these States, and participating territories in the Caribbean area.

5. The Commission is empowered to make recommendations on any matters within its competence directly to the Governments of members or associate members concerned, Governments admitted in a consultative capacity, and the specialized agencies concerned. The Commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

6. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that non-member, following the practices of the Economic and Social Council.

7. (a) The Commission shall invite representatives of specialized agencies to attend its meetings and to participate, without vote, in its deliberations with respect to items on its agenda relating to matters within the scope of their activities; and may invite observers from such other inter-governmental organizations as it may consider desirable in accordance with the practices of the Council.

(b) The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Council, in accordance with the principles approved by the Council for this purpose.

8. (a) The Commission shall take measures to ensure that the necessary liaison shall be maintained with other organs of the United Nations and with the specialized agencies, with special attention to the avoidance of the duplication of efforts.

(b) The Commission shall establish appropriate liaison and co-operation with other regional economic commissions, in accordance with the resolutions and directives of the Economic and Social Council and the General Assembly.

9. The Commission shall co-operate with and take the necessary measures to co-ordinate its activities with the appropriate organs of the Inter-American System and as may be necessary with the Caribbean Commission in order to avoid any unnecessary duplication of effort between those organs and itself; to this end the Commission is empowered to, and shall seek to, make working arrangements with the appropriate organs of the Inter-American System regarding the joint or independent study or execution of economic problems within its competence and the fullest exchange of information necessary for the co-ordination of efforts in the economic field. The Commission shall invite the Pan American Union to nominate a representative to attend meetings of the Commission in a consultative capacity.

10. The Commission may, after discussion with any specialized agency concerned, and with the approval of the Council, establish such subsidiary bodies as it deems appropriate, for facilitating the carrying out of its responsibilities.

11. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.

12. The Commission shall submit to the Council once a year a full report on its activities and plans, including those of any subsidiary bodies.

13. The administrative budget of the Commission shall be financed from the funds of the United Nations.

14. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.

15. The headquarters of the Commission shall be at Santiago, Chile. The first session of the Commission shall be held during the first half of the present year in that city. The Commission shall at each session decide upon the place of meeting for its next session, with due consideration for the principle that the countries of Latin America be chosen in rotation.

16. The Council shall, from time to time, make special reviews of the work of the Commission.

LIST OF MAIN DOCUMENTS

Trade and Trade Policy

- i. Trade Policy Questions relating to the Introduction of the ECCM Tariff. ECLA/POS 69/12. Restricted.
- ii. Towards Multilateral Economic Co-operation in the Caribbean. UN ECLA: Office for the Caribbean.
- iii. Developments in the Process of Integration among CARIFTA Countries. ECLA/POS 70/21.

Development, Fiscal and Financial Policies

- i. Report of the UN Expert Team on Harmonization of Fiscal Incentives to Industries in the Caribbean Free Trade Area. E/CN.12/845.
- ii. Proposed scheme for the Establishment of a Uniform Regime of Fiscal Incentives to Industries in the Caribbean: Draft Treaty and Model National Legislation. ECLA/POS 70/3. Restricted.
- iii. Social Security Planning in the Caribbean: Contributory Provident Fund Scheme with Draft Legislation. ECLA/POS 70/10. Restricted.
- iv. Draft Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion in the Commonwealth Caribbean. ECLA/POS 70/13. Restricted.

Transport

- i. Negotiating Machinery for Commonwealth Caribbean Countries. ECLA/POS 69/6. Confidential.
- ii. Feasibility Studies for Inter-Island and Feeder Shipping Services in the CARIFTA Area. ECLA/POS 70/1. Restricted.
- iii. Small Vessel Shipping in the East Caribbean. ECLA/POS 70/7.
- iv. Ports and Harbours Development and Planning in the East Caribbean. ECLA/POS 71/2. Restricted.
- v. Steps for Reorganization of the West Indies Shipping Service (In collaboration with WISCO and Commonwealth Caribbean Regional Secretariat). ECLA/POS 71/14. Restricted.

Social Aspects of Development

- i. Social Development in the Commonwealth Caribbean.
ECLA/POS 70/11.
- ii. Some Areas for Regional Action in the field of Human Resources Development. ECLA/POS 70/7. Restricted.

Training Programmes

- i. Report of Caribbean Regional Training Workshop on Community Development and Local Government.
E/CN.12/847.
- ✓ ii. Report of Commonwealth Caribbean Regional Workshop on Harmonization of Fiscal Incentives to Industries.
E/CN.12/844.
- ✓ iii. Report of Caribbean Regional Workshop on Integrated Rural Development. E/CN.12/846.
- iv. Report of Caribbean Regional Seminar on Central Services to Local Authorities. E/CN.12/881.

