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**THE ROLE OF ECLAC IN COOPERATION BETWEEN THE CARIBBEAN  
AND CENTRAL AMERICA**

Note by the secretariat

The effort to increase the level of cooperation, trade and overall exchange and interaction among its member countries, including both the Caribbean Community and the Central American Isthmus, has been a long-term concern of ECLAC and its secretariat.

ECLAC has been involved in and has actively provided support to the integration process in all of Latin America and in a number of subregions. It is in the latter context that the subregional headquarters in Mexico has a long-standing tradition of activities in support of Central American integration, including a special forum: the Central American Economic Cooperation Committee (CCE). In the same vein, support for economic integration in the Caribbean region is implemented by the ECLAC subregional headquarters in Port of Spain, Trinidad and Tobago. A subregional forum—the Caribbean Development and Cooperation Committee (CDCC)—has been created for this purpose. CDCC has also been mandated with enhancing the process of dialogue between the Caribbean and the rest of Latin America within a multilateral framework.

Although in previous decades many cooperative programmes between the Caribbean community and Latin American countries had proven to be mere formalities, this situation began to change in 1979, with the San José Declaration (1979).<sup>1</sup> This Declaration was a tangible step towards creating and strengthening mechanisms of cooperation among its 23 signatory nations in the specific fields of energy, trade and transport. Other meaningful actions in this direction were taken in 1989 at a meeting in Tobago, where mechanisms to promote wide-ranging goals and workable arrangements to advance cooperation between the subregions were identified.<sup>2</sup> These were subsequently reinforced in 1990 at a meeting in Caracas (12-13 January).<sup>3</sup>

The twenty-fourth session of ECLAC, held in Santiago, Chile, from 8 to 15 April 1992, devoted attention to "Measures to improve cooperation between Latin America and the Caribbean" as reflected and approved in resolution 518(XXIV).<sup>4</sup> It requested the Executive Secretary to formulate a structured programme of cooperation "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". Moreover, the resolution urged representatives of those countries of Latin America and the

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<sup>1</sup> Adopted on 7 July during the First Meeting of Ministers of the Latin American Energy Organization (OLADE).

<sup>2</sup> At the Tobago meeting, as part of the official Communiqué signed by the heads of CARICOM Governments, the stated goals for advancing Latin American-Caribbean cooperation were: i) regional self-sufficiency in food; ii) joint exploration of the mineral resources; iii) development and exploitation of export potential in selected areas and development of joint marketing capabilities; iv) increase levels of intra-regional trade; and v) sharing of technology.

<sup>3</sup> Barbados, Belice, Grenada, Guyana, Jamaica, Saint Vincent and the Grenadines and Trinidad and Tobago, as well as the CARICOM secretariat, Brazil, Colombia and Venezuela, were represented.

<sup>4</sup> ECLAC resolution 518(XXIV), on "Measures to improve cooperation between Latin America and the Caribbean".

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

Multilateral efforts to foster cooperation between the Caribbean and Central America are recent, and are closely related in nature to efforts to widen integration activities in both subregions. At the present time, the 13 States members of the Caribbean Community (CARICOM) are actively engaged in a process of deepening their own association and fostering a stronger relationship with the rest of the Caribbean basin and, in particular, with the Caribbean rim countries, i.e., Colombia, Mexico, Venezuela, the Central American countries and Panama.

Some recent events, such as the issue of the Independent West Indian Commission's report "Time for Action",<sup>5</sup> has also emphasized the drive to deepen and accelerate integration and cooperation within the Caribbean subregion. Furthermore, this report has specifically proposed that CARICOM should advance a proposal for an association of Caribbean States to group all the countries of the Caribbean basin including CARICOM member States, the French West Indies, the Netherlands Antilles, the United States Virgin Islands and the British dependent Territories, Puerto Rico, Suriname, Venezuela, Colombia, Central America, Mexico, Cuba, Haiti and the Dominican Republic.

The proposal has in general received the support of the CARICOM heads of Government and endorsement by the Presidents of Colombia, Mexico and Venezuela, acting as the "Group of Three".<sup>6</sup>

On the other hand, the Central American countries have indicated their intention to restructure the Central American Common Market and to move into a gradual process of trade policy harmonization and full liberalization of the movement of goods, to be extended to services, in a geographical area that will eventually include Belize and Panama. Some recent events tend to signal the beginning of a movement leading both to a deeper and wider integration process in Central America.

Furthermore, two CARICOM/Central American ministerial conferences have taken place, which resulted in agreements to coordinate cooperation in four broad thematic areas: political cooperation and the strengthening of the democratic process, the general scope of cooperation between CARICOM and Central America, trade and investment, and "other areas" of cooperation. Most importantly, the Second CARICOM/Central American Ministerial Conference (Jamaica, 27-28 May 1993) examined proposals to begin a convergence process between the two subregions regarding their relationship with the Enterprise for the Americas Initiative (EAI), the North American Free Trade Agreement (NAFTA) and the Caribbean Basin Initiative (CBI).

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<sup>5</sup> Presented by Mr. Shridath Ramphal, Chairman of the Independent West Indian Commission, during the Special Meeting of the Conference of Heads of Government of the Caribbean Community, Port of Spain, Trinidad and Tobago, 28-31 October 1992. It included a chapter on the need for shaping CARICOM's external relations.

<sup>6</sup> The proposal for an association of Caribbean States was supported by the CARICOM heads of Government at their meeting held in Port of Spain, Trinidad and Tobago, on 12-13 October 1993. Further progress in this direction was achieved at the technical meeting held in Kingston, Jamaica, on 16-18 March 1994.

It has become a matter of common interest to all Latin American countries, including the members of the Caribbean Community, to unite their efforts in attracting export processing zones (EPZs), since United States demand for goods produced under various subcontracting schemes might weaken as a result of increased Mexican-North American trade under NAFTA. Some of the countries of the subregion fear that NAFTA could have the undesired side effect of diverting trade, to the detriment of most Caribbean basin economies.<sup>7</sup>

Thus, relations between the United States and Latin America in general and NAFTA in particular pose the need to redefine the agenda of regional integration; there is a clear dimension which relates to Latin American, Central American and Caribbean cooperation. The subregional headquarters of ECLAC are well placed to play a constructive role in such an endeavour.

In sum, there is a growing interest, in the Caribbean and in Central America, in taking steps towards finding common areas of concern with regard to multilateral and bilateral trade negotiations and in creating more favourable investment and trade conditions, both among the countries themselves and as regards third parties, specifically the members of NAFTA. Moreover, the desire to advance towards a broadening and deepening process of overall interaction between the two subregions was expressed at both CARICOM/Central America Ministerial Conferences, although it is not yet clear how to proceed along those lines.

#### A PROPOSAL FOR A JOINT PROGRAMME/PROJECT OF THE ECLAC SUBREGIONAL HEADQUARTERS IN MEXICO AND PORT OF SPAIN

Recent global developments, in particular the conclusion of the NAFTA negotiating process and the effects of a unified European import regime as part of the single European market, are obliging Latin America and the Caribbean to take stock of their current economic positions and to seek pragmatic approaches in order to either maintain their preferences or avoid a major erosion of their present access to their main trading partners.

The fact that both Central American and Caribbean countries are beneficiaries of the Caribbean Basin Initiative (CBI) and share some basic common features means that a joint initiative of the CBI States with regard to gaining access to NAFTA could be facilitated. Indeed, this could become the major area of Caribbean-Central American cooperation. Whatever possibilities there may be for the two subregions to interact with Latin America as a whole, the United States, Mexico or Canada, a strategy might perhaps be usefully explored involving the ECLAC subregional headquarters in Port of Spain and Mexico, taking advantage of the Caribbean Development and Cooperation Committee (CDCC) as an intergovernmental body of the wider Caribbean, and of the Central American Economic Cooperation Committee (CCE) as a Central American intergovernmental forum.

The Caribbean and Central American countries may ultimately seek to accede to membership in NAFTA. Even in the absence of full participation in a free trade area, the stronger links (in the form of trade and investment flows) that now exist within the North American region are already very significant

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<sup>7</sup> This concern was expressed by both Caribbean and Central American heads of State when they met with the President of the United States of America in September and November 1993, respectively.

in nature and will have an impact on trade and investment flows between Caribbean basin countries and the United States.

In this context, ECLAC may play a useful role both in promoting cooperation and as a "sounding board" to determine each subregion's concerns. Promoting discussion, generating areas of agreement and consensus and consolidating subregional and regional outlooks should be part of these efforts. They could indeed draw on the tradition of contributions made by ECLAC to the debate, and to supportive actions, on the integration of Central American and Caribbean economies. In order to initiate a process that will achieve concrete results on which to build a wider synergic movement, some specific areas are proposed for joint efforts that could be carried out by the above-mentioned subregional headquarters. These might constitute the first step of a programme that satisfies the request made by the Commission's twenty-fourth session, and could include the following activities or programmes:

1. Pooling of trade and foreign investment information. For this purpose, the first step would be to establish database exchanges within the subregional headquarters (via INTERNET, the Electronic Environmental Information Exchange System (AMBIONET), etc.). This might allow for sharing information that could facilitate research in the subregional headquarters as well as in other governmental or non-governmental research centres in the countries covered by the two ECLAC offices.
2. Joint research on economic development and social equity frameworks. Given the integrated approach proposed by ECLAC as the most balanced, viable and sustainable formula for the advancement of the countries of the region, the translation of that approach into national and subregional policy proposals could be undertaken by promoting joint research, linking academic institutions in the two subregions. In such efforts the ECLAC secretariat would act as a catalyst, not necessarily undertaking the research on its own.
3. NAFTA situational overviews, emphasizing the implications for both subregions and identifying possible joint actions and efforts that might enhance the bargaining power of each subgroup. This would include, first, exchange of information and monitoring of the negotiation processes between countries of the subregions and NAFTA partners, the preparation of "white papers" regarding themes of particular concern to Governments, and identification of possible joint negotiating positions on rules of entry for specific commodities.
4. Evaluation of investment laws and legislation on intellectual property rights. These are issues closely linked to the conditions required to gain access to NAFTA. Proposals and their relation to multilateral agreements would need to be explored.
5. Proposals on furthering economic integration in the Caribbean and Central America, including the evaluation of potential joint ventures in industry, agriculture and services, and of issues regarding the harmonization of industrial and health standards. Involvement of the private sector would be imperative.

The above-mentioned activities could be buttressed by participation of technical experts from the two subregions in meetings organized by either —or both— of the ECLAC subregional headquarters, exchange of research and draft reports, joint preparation of specific documents and support to Governments in their contacts and negotiations with third parties served by either headquarters.

The delegates attending the Commission's twenty-fifth session (Cartagena, Colombia, 20-27 April 1994) may wish to examine this proposal and discuss possible ways to strengthen it, bearing in mind the resources available to the ECLAC secretariat.