

Decision Time for the Caribbean

PASSAGE OF THE CENTRAL AMERICAN FREE TRADE Agreement (CAFTA), which also includes the Dominican Republic, by two votes in the U.S. House of Representatives this past July, should not be seen as an outright victory for the neoliberal status quo. Despite months of intense corporate lobbying, the Bush Administration had to go to extraordinary lengths to achieve that squeaky margin of victory: unenforceable last-minute promises on sugar, labor and textiles; invoking the specters of Hugo Chávez and Fidel Castro in framing the vote as a “national security” issue; and the eleventh hour procedural manipulations. Since the U.S. strategy in striking trade deals seems bent on individually picking off weaker countries or groups of countries, the remaining nations of the Caribbean are up against the wall.

Debates around trade have arguably come a long way since the virtues of the NAFTA model were considered virtually unchallengeable, suggesting that the central tenets of “free trade” have been dealt a serious blow. A growing global consensus against unfair trade rules—in Central America as well as the halls of the U.S. Congress—should embolden Caribbean leaders at international bodies such as the World Trade Organization (WTO). In some ways, this path has already been charted: at the 2003 WTO ministerial in Cancún, the Caribbean community made an essential part of the bloc of nations opposing the trade agenda of rich countries. The upcoming ministerial in Hong Kong at the end of the year will surely test those alliances.

The economic situation facing the Caribbean community is dire. The loss of decades-old preferential trade treatment on certain products by the European Union designed to support its former colonies will devastate Caribbean economies. The EU’s plan, detailed this June, to cut the preferential price it pays for Caribbean sugar by up to 39% could take effect as early as next year. News quickly followed this August that the WTO had struck down the EU’s proposed preferential tariff on imported bananas as well. At the recent CARICOM summit, Jamaican Prime Minister P.J. Patterson said these rulings reflect the “lack of empathy” toward small, vulnerable but not totally destitute economies. “Current geopolitics are such that the region is no longer a priority for any major power,” added Patterson.

In contrast, a host of economic proposals by Latin American left-of-center governments could signal a real

alternative. Already working towards a trade agreement with Mercosur, Caribbean foreign ministers have also welcomed a series of trade initiatives from Brazil, including support of the Barbados-based Caribbean Development Bank, technical assistance programs and cooperation in agriculture. Brazil has also offered provision of generic HIV/AIDS antiretroviral drugs—a critical move given that the Caribbean has an HIV/AIDS rate second only to sub-Saharan Africa. The PetroCaribe agreement that 13 Caribbean island nations signed with Venezuela this June represents “a welcome lifeline,” according to Patterson. Along with key regional integration initiatives like the Caribbean Single Market and Economy and plans toward a second CARICOM-Cuba Summit this December, the Caribbean is well positioned to define its own character in a post-Washington Consensus environment.

Washington clearly indicated its unease with these developments in a letter to Caribbean leaders at the signing of PetroCaribe, warning them of Venezuela “actively using its oil wealth to destabilize its democratic neighbors in the Americas, by means of the financing of extremist and anti-democratic groups in Bolivia, Ecuador, and other places.” So far, such rhetoric has been rightfully ignored.

Caught between vulnerability and irrelevance, on the one hand, and a new southern deal based on regional strength on the other, can the Caribbean survive following the old path of accommodation to neoliberalism? Or will it strongly assert a more independent, regional deal with the Latin American left? With a strengthened Latin American-Caribbean bloc stretching from Cuba to Argentina, the countries closest to the Empire could help rein it in. ■

—Steve Cupid Theodore

With this issue, NACLA happily welcomes two new staff members: co-editor Steve Cupid Theodore and director Christy Thornton. Steve comes to us from our neighbors, the progressive publisher The New Press. Christy most recently worked for the Social Science Research Council’s International Forum for Development. Both are long-time naclistas. ■

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