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FEATURED Q&A

Is the Caribbean Community in Danger of Collapsing?

Q In a recently released report, British consulting firm Landell Mills said the Caribbean Community regional block, or Caricom, "could expire slowly over the next few years." The Caribbean integration movement could come to an end in four to five years because of poor financing, dissatisfaction among members and the world economic crisis, the report added. Is Caricom in danger of collapsing? What effect would such a collapse have on the economies of Caribbean countries in the short and long term? What are Caricom's greatest achievements thus far? Could closer integration benefit the region and, if so, what steps would have to be taken to achieve it?

Aivelaw Lloyd Griffith, professor of political science, provost and senior vice president of York College of The City University of New York: "Close observers of the Caribbean know that, for the past few years, Caricom's political and bureaucratic leaders have been practicing the science of muddling through. Thus, it was not entirely surprising that reports on the integration movement examined when Caricom heads met in Paramaribo earlier this month portend not just danger but possible collapse. The reports are prompting a rethinking about regional integration policy and practice, and leaders will ponder a five-year strategic plan when they meet in St. Lucia this July. These pursuits call to mind a prescient remark by British statesman Anthony Eden made during the 1930s: 'there is nothing more dangerous than a foreign policy based on unreality.' Put simply: do a reality check before you make or recalibrate policy, in this case integration policy. Leaders should be mindful of at least two realities in doing their reality check. First, as much as some of them would prefer to believe otherwise, the core challenge is not secretariat management, but rather political leadership. The diffidence by most leaders regarding the

Continued on page 3

Venezuelan Police Kill Chilean Consul's Daughter at Checkpoint

Officers in Maracaibo fatally shot Karen Berendique, 19, the daughter of Chile's honorary consul in the city, early Saturday after the car she was riding in failed to stop at a checkpoint. See story on page 2.

File Photo: Reuters.

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NEWS BRIEFS

Cuba Detains Activists During Protest March

Cuban authorities arrested Bertha Soler, a prominent dissident, and three dozen supporters of the Ladies in White hours before they staged a weekly protest march through Havana on Sunday, the Associated Press reported. Around 30 other members did make it to the march but were also arrested after trying to extend the protest. Many were released but Soler appears to remain in custody. The arrests came a week before Pope Benedict XVI is scheduled to visit the island.

Chávez Returns to Venezuela After Cancer Surgery in Cuba

President Hugo Chávez returned to Venezuela on Friday, almost three weeks after undergoing surgery in Cuba to remove a cancerous growth, the Associated Press reported. Surgeons removed the growth from the same location in his pelvic region that a larger tumor was removed last June. "I lift up a prayer ... in this battle for life," Chávez said after stepping off the plane. On Saturday, Chávez rallied supporters from the balcony of the presidential palace, vowing to win re-election.

Panama Reaches Agreement With Indians on Dam Building

The Panamanian government reached an agreement with indigenous groups on Friday that would limit dam building on their territory, the Associated Press reported. Though some wanted a total ban, the deal reached now requires approval from tribal councils for dam construction within the territories of three indigenous groups. Earlier this year, protestors blocked the Pan-American Highway in opposition to the potential opening of indigenous lands for such projects.

Political News

Officers Detained in Venezuela After Killing of Diplomat's Daughter

Authorities in Venezuela have detained 12 police officers after Saturday's fatal shooting of a Chilean diplomat's teenage daughter. Karen Berendique, 19, was killed in Maracaibo when the car she was riding in failed to stop at a police checkpoint. Fernando Berendique, Chile's honorary consul in the western city, said his daughter and the others in the vehicle—Karen Berendique's older brother and another man—feared that the police officers might be robbers, the Associated Press reported. Berendique, who said the officers did not display any identification, said his daughter was on her way to visit with friends when she was killed. "They told them to stop. The kids got nervous because it was night. The least that could have been expected is that the police would have turned on the lights [of their patrol cars]. They didn't do it and they fired," he said. "The first impact was in the windshield, while my son was desperately backing up." Venezuelan President Hugo Chávez expressed condolences to Karen Berendique's family and to Chile's government, vowing that those responsible for the shooting will face justice. In addition, Judicial Police Chief José Humberto Ramírez said the shooting was inexplicable. "We reject and repudiate this type of bad police practice," said Ramírez, the AP reported. Police were in the area to probe vehicle thefts and did not set up cones in the road as is typical police practice at checkpoints. Venezuela has among the highest murder rates in Latin America. In 2009, Venezuelan Justice Minister Tareck El Aissami said authorities believed police officers were involved in some 15 to 20 percent of crimes, especially murders and kidnappings.

> "The first impact was in the windshield, while my son was desperately backing up."
>
> *— Fernando Berendique*

Economic News

Latin American Nations Less Able to Face Economic Crisis: IDB

Most nations in Latin America would have a harder time implementing stimulus measures than they did in 2007 in the event of another global economic crisis, the Inter-American Development Bank said in a report released Sunday, Bloomberg News reported. Lower budget surpluses in countries across the region would make it more difficult for countries to face another crisis, said the report, which was released at the lender's annual meetings in Montevideo. "The main reason for the deterioration is the widespread reduction in structural primary balances," the report said, adding that Mexico, Chile, Colombia and the Dominican Republic are among the countries that would be less prepared now to face a crisis than they were five years ago. Brazil and Argentina are in a similar position as they were in 2007, while Jamaica and Uruguay would be better prepared to face a crisis today, the report said. Some countries in the region are more resilient today because balance sheets and financial supervision have improved, the report added. Economies in Latin America are projected to grow 3.6 percent on average this year after growing 5.4 percent on average over the last two years, according to the IDB. Among the hazards to long-term economic growth are "protectionist" trade measures, a World Bank official told Bloomberg News. Argentina's economy minister, Hernán Lorenzino, said Saturday that he is working with Chilean and Uruguayan officials to resolve tensions over trade policies after President Cristina Fernández de Kirchner implemented import restrictions last month.

Lorenzino

File Photo: Argentine Government.

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Company News

Chevron, Transocean Face Criminal Charges After New Oil Leak

Prosecutors in Brazil said Saturday that they plan to file criminal charges against executives of **Chevron** and **Transocean** after the discovery of a new oil leak near an offshore well, the Associated Press reported. The new leak, which Chevron described last week as a "small new oil seepage," is near the location of Chevron's spill last November of at least 110,000 gallons. The 17 executives facing criminal charges related to the new leak include George Buck, chief operating officer for the Brazilian division of Chevron, said federal prosecutor's spokesman Marcelo del Negri. Prosecutors would file charges this week for "environmental crimes," he said. A federal judge signed an order Saturday barring the executives from Chevron and drilling contractor Transocean from leaving Brazil. In a statement Saturday night, San Ramon, Calif.-based Chevron said it had not been "formally notified of any action by the judiciary," adding that "any legal decision will be abided by the company and its employees." Brazil's National Petroleum Agency has said the size of the new leak is unclear. A spokeswoman at the agency, known as ANP, said the leak was "not coming from the well; it's been sealed. It seems to be coming from fissures on the ocean floor near the well." The agency has approved Chevron's request to temporarily suspend its operations as it investigates the causes of the new leak, the company said. Brazil's environmental protection agency has given Chevron until Tuesday to describe its actions to mitigate the new leak's environmental effects.

Prosecutors will file charges this week for "environmental crimes," said the federal prosecutor's spokesman, Marcelo del Negri.

Featured Q&A

Continued from page 1

Caribbean Court of Justice—including by Trinidad and Tobago where the court is based—is one manifestation of this. Second, some Caribbean states cannot survive without integration; globalization's turbulence is too powerful, and survival assistance from erstwhile colonial masters or the United States is not guaranteed, as they have their own challenges. Thus, Caribbean leaders need to jettison their national sovereignty sensibilities and salvage the integration survival ship. Buoyancy is not just desirable, it's necessary."

A Norman Girvan, professor emeritus of the University of the West Indies: "The danger is real. The report points out that the secretariat and other regional institutions are struggling to make ends meet, with governments unwilling or unable to come up with more money or to pay their contributions on time. This is blamed on falling revenues and rising debts due to the fallout from the global economic crisis, and hopes of a recovery are vanishing. But lagging contributions are also a sign of the malaise in the integration movement. After more than 20 years of trying, Caricom has been unable to complete its 'Single Market and Economy.' Caricom's intraregional trade is less than 15 percent of its foreign trade, and one country—oil-rich Trinidad and Tobago—dominates the regional market. The other 14 member countries hardly depend on the regional market, so a collapse of Caricom would not make much of a difference to their economies. The free-trade arrangement would probably continue anyway. The simple fact is that the neoliberal approach to economic integration has not worked. Caricom's greatest success has been in functional cooperation, in areas like health, education, security and disaster management. These projects are donor-funded and largely donor-driven. Economically, Caricom could benefit its members by collaborating in organizing the supply of regional public goods in food security, renewable energy, transport and climate change adaptation. But political leaders are unwilling to transfer any national sovereignty to the regional center; unlike the European Union. Meanwhile larger configurations like UNASUR, ALBA and CELAC are forging ahead; and Caricom members are being drawn into their orbit."

A Richard L. Bernal, executive director for the Caribbean in the Inter-American Development Bank: "Caricom is not in danger of collapse because of member states' commitment to the integration process. The regional integration process is experiencing a difficult period given a combination of perennial issues of sustainable financing and the need to review the institutional arrangements for governance and the constraining consequences of the global economic crisis. The major achievements of the 40-year-old continuous integration process are in regional cooperation and, to a lesser extent, in regional economic integration. The region can benefit from a re-dimensioning and deepening of integration towards a seamless regional economic space. This will require a redesign of the model and modalities of regional economic integration accompanied by an appropriate governance structure."

A G. Philip Hughes, senior director at the White House Writers Group and former ambassador to Barbados and the Eastern Caribbean: "The Landell Mills report warning of the potential for the collapse of the Caribbean integration movement is a bit puzzling. Assuming the report was done for Caricom itself—since consulting firms don't opine on such things without a client—it could well represent a bit of Caricom budget gamesmanship with its member governments, an appeal for more funds and senior-level attention for Caricom under the threat of the public failure of regional integration efforts in which governments are politi-

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Featured Q&A

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cally invested. Experience shows that there will always be Caribbean integration efforts as long as a modern Caribbean of independent states exists. These efforts date back to the West Indies Federation—and even the colonial powers struggled with the most effective ways to organize and administer their Caribbean possessions. Each Caribbean nation is too small—especially now in a world of China- and India-sized economies—and their problems are too similar to forgo integration efforts, whether under Caricom or some other rubric. The real question is: Which integration efforts, and of what type, bring the Caribbean the greatest dividends? In recent years, Caribbean leaders have been attracted to 'big' integration projects, like the Single Market and Economy and to creating new and broader structures like the Association of Caribbean States. They've also been drawn to new Latin American regional groupings like the Community of Latin American and Caribbean States, conspicuous in their exclusion of the United States and Canada, two of the nations most economically important to the Caribbean. Often, humbler and less headline-grabbing areas of technical cooperation—in health, telecommunications, standards setting and regulatory harmonization and the like—afford the biggest near-term gains for Caribbean citizens and, sometimes, for Caribbean economies."

A Paget deFreitas, editor of overseas publications for the *Jamaica Gleaner*: "Caricom is ailing, but rumors of the community's imminent death are greatly exaggerated. It may, however, remain weak and febrile for quite a while yet. First, the community's major ailment that has long weakened public confidence in it is Caricom's failure at an economic breakthrough—the proof in people's lives that there is logic to integration; that the economic product of the community is greater than the sum of its individual parts. The current global crisis aggravates Caricom's condition. Aside from the penury of most of its members, the major cause of Caricom's problems is well-known, what its critics call its implementation deficit. It fails to follow through on its decisions, such as the free movement of labor to complement that of capital. This is an inherent weakness of the structure of the organization, with its absence of a strong center to which the partners cede some executive authority and share sovereignty. Ultimately, fixing Caricom rests with Jamaica, its economic leader, and Trinidad and Tobago, the strongest member economically. Both countries, ironically, would have the most to lose from the demise of the community, though they have the greatest fear of shared sovereignty. Caricom's collapse and a retreat from the proposed single market or common market could, for instance, put at risk more than $1 billion of Trinidadian exports to Jamaica annually and one platform on which Jamaica stands in punching diplomatically above its weight. Cries of 'federation through the backdoor' make potent politics. Trinidad and Tobago, with its relative wealth, harbors Jamaica's fear of 50 years ago of being descended on by the hordes, which, to a degree, is complicated by the politics of ethnicity."

> "Caricom is ailing, but rumors of the community's imminent death are greatly exaggerated."
>
> — *Paget deFreitas*

The Advisor *welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.*

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