

The Caribbean and its relations with Latin America and the European Union  
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Round Table 2 – The Caribbean facing changes in the international scene

"The Caribbean dilemma: where to position itself in the world chessboard?"

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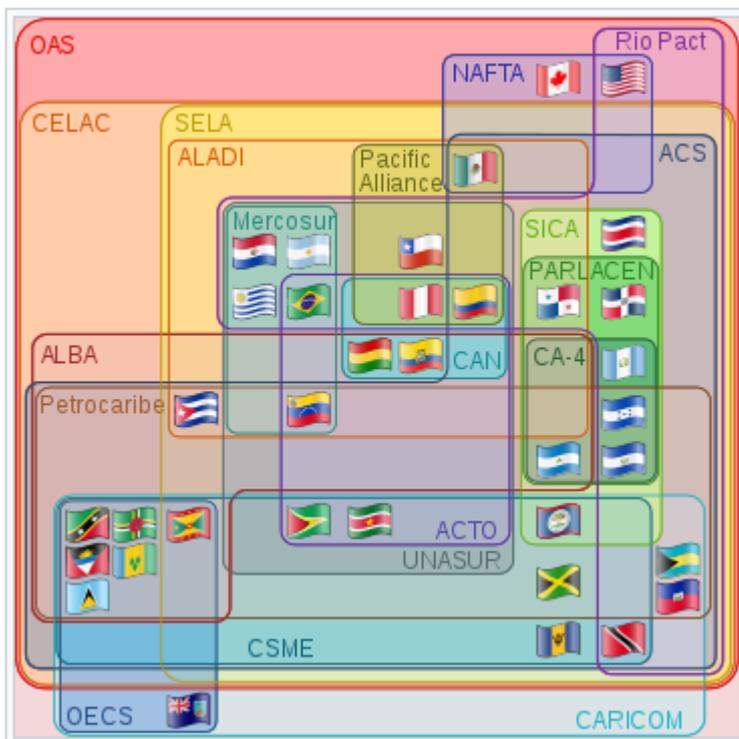
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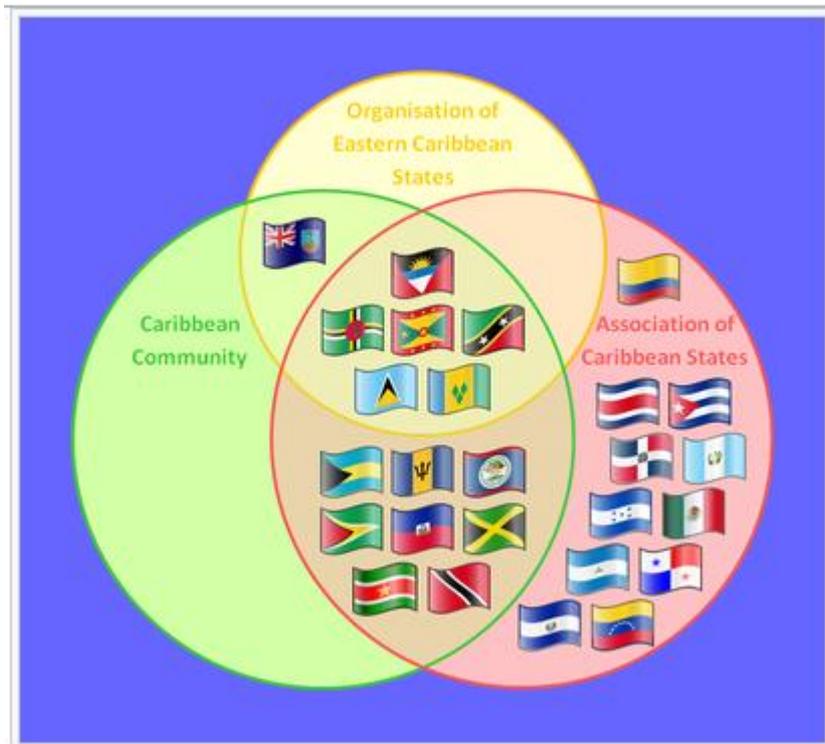
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1. The definition of the object

The term Caribbean can cover different geographical areas depending on the angle adopted. It can refer to the "Caribbean Basin" area, which had a crucial strategic importance during the cold war and which covers a vast area including the States of Texas and Florida, Mexico and Central America (including El Salvador, which does not have a Caribbean coastline), Colombia, Venezuela, the Guianas (Guyana, Surinam and Guyane) and the whole arch of islands, from Trinidad and Tobago to Cuba and the Bahamas. There is then the denomination of Antilles, with the Greater Antilles (Cuba, Jamaica, Puerto Rico, Hispaniola -Haiti and Dominican Republic- and the Cayman Islands) and the Lesser Antilles (Leeward and Windward Islands) with Bahamas and Turks and Caicos...Within this broad Caribbean, we have the presence also of the US, France, the UK and the Netherlands. In addition, numerous international and regional organisations are represented in the area.

(Two images to present the complexity of the situation, courtesy of Wikipedia)





So, for the purpose of my presentation, I shall limit myself to the area which is actually covered by the Division for which I am responsible in the EEAS. **This area includes the Caribbean Community's (or CARICOM's) 14 member States plus the Dominican Republic and Cuba**, i.e. the countries which compose the Caribbean Forum or **CARIFORUM**. The CARIFORUM includes the States in the Caribbean region which are signatories of the 1975 Georgetown Agreement which created the African, Caribbean and Pacific Group of States (ACP).

## 2. The challenges

Having clarified the geographic scope of my presentation, I will briefly set out a number of the key challenges with which these countries are confronted.

**The new US Administration:** uncertainty about the impact of erratic decision-making by President Trump. The CARIFORUM countries are directly threatened by the President's approach to the question of climate change and global warming, as most of them are small islands developing states or countries with low-lying coastal areas. As small states, highly dependent on international commerce, they are also particularly affected by attacks on multilateralism and free trade

**The UK's decision to leave the EU (Brexit)** is a major factor of concern, in particular for the CARICOM States, which have a privileged relation with the UK (to which 21% of their external trade is directed). We should not forget that it is thanks to the UK that the Caribbean states joined the Georgetown Agreement, becoming the "C" of the ACP. The process of withdrawal and its consequences is generating high levels of anxiety and uncertainty for the future in many of the countries of the region.

**The expiry of the Cotonou Agreement in 2020** and reflexion on the format of a future pact is another factor high in the agenda of the CARIFORUM, and contributes to the apprehension about BREXIT.

**The rapprochement between the EU and Cuba** is another factor. The signature of the Political Dialogue and Cooperation Agreement between the EU and Cuba last 12 December (2016) paved the

way to the provisional application of the new framework of the relations with the Cuban Government. On the other hand, it is not clear at this stage whether President Trump will continue President Obama Administration's opening towards the island. This uncertainty about the US approach to Cuba also has an impact on the rest of the region.

**The situation in Venezuela** is becoming a test for the entire region. Many countries were part of the Petrocaribe programme under which Venezuela sold oil with preferential payment conditions. Many of the States in the region are also part of the *Alianza Bolivariana para los Pueblos de Nuestra América* (Antigua and Barbuda, Cuba, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Suriname). This privileged relation with Venezuela led to a degree of loyalty towards the country which has already created divisions within the Organisation of American States and may also affect the internal dynamics in CARICOM/CARIFORUM.

**The "graduation"** of some of the States of the region which are becoming middle- or high-income countries thanks to their economic progress, means that they are no longer eligible to receive Overseas Development Aid (ODA). Nevertheless, in reality the macroeconomic data do not always reflect the underlying national situation. Profound inequalities in the distribution of wealth and serious deficiencies in fiscal policies can lead to the existence of areas of high poverty which do not have access to basic services.

The contradiction between economic development choices based on services and fiscal attractiveness with **preferential taxation** regimes and "**Citizen by Investment**" programmes on one hand and the international **fight against tax evasion and tax avoidance, money laundering and the financing of terrorism** on the other, is another difficulty that the region faces. This tension and the suspicion of lack of due diligence in turn has a negative impact on the **correspondent banking** system, with serious consequences for the functioning of economies (in particular in countries highly dependent on tourism). The EU has set up a mechanism to determine which jurisdictions are non-cooperative in the field of tax transparency; several countries in the region continue to complain about the reputational damage they suffer through this procedure.

Although not exclusive to the Caribbean, **corruption** is a very serious threat to the small and vulnerable local economies.

Last but not least, the region is exposed to high levels of **international criminality** and in one case at least (Trinidad and Tobago) to **radicalised Islam** (with Jihad fighters going to the Middle East and returning home).

Many countries in the world are confronted with the challenges mentioned above, but these are particularly difficult for small States to tackle. As the Vice-President and Minister for Foreign Affairs of Guyana, Hon. Carl B. Greenidge, recalled: "Changing international alliances, new long-term trends in global power underpinned by uneven economic development are all contributing to what at times appears to be a fraying of the global system. That process is inevitably throwing up special challenges and difficulties for small developing states, such as Guyana. Small states of necessity seek to navigate these transformations without jeopardising either their territorial integrity or their sovereignty. More specifically, they need to ensure their survival and achieve progress"<sup>1</sup>.

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<sup>1</sup> Remarks at the opening of the Heads of Missions Conference, Guyana, April 3, 2017

### 3. The response of the Caribbean

Confronted by this "fraying of the global system", the Caribbean is seeking responses **internally and externally**.

**Internally**, the strategy is **deepening the regional integration process**. At the 20<sup>th</sup> Meeting of the Council for Foreign and Community Relations (COFCOR, Bridgetown, Barbados, 18-19 May 2017), the Secretary-General of CARICOM-CARIFORM, Ambassador Irwin LaRocque stated that changing circumstances also bring opportunities: "key to seizing those opportunities the concerted and coordinated actions that the Community undertakes, on a regular basis, across a broad spectrum of political and technical areas". The Chair of the COFCOR, the Hon Maxine McClean, Minister for Foreign Affairs and Foreign Trade of the Barbados, confirmed that "the present and future global environment demand that the Caribbean Community engage in a process of evaluation, revision and consolidation. To advance and realise the vision of CARICOM, it is imperative that we deepen and strengthen our voices as one to derive maximum benefit for the region".

The process of **deeper integration can be extrapolated at CARIFORUM level**. Concerning **Cuba**, relations are longstanding and important. The 5<sup>th</sup> CARICOM-Cuba Summit held in Cuba in March this year (2017) and the forthcoming 6<sup>th</sup> one, to be held in Antigua and Barbuda in December confirm good technical cooperation, solid political and trade relations and mutual support in multilateral fora. Regarding the **Dominican Republic**, however, the ongoing irritant of the treatment of people of Haitian descent without nationality papers<sup>2</sup> needs to be solved peacefully to improve relations. Some Caribbean States have taken a strong critical stance towards the Dominican Republic on this issue.

It remains the fact that internal cohesion and deeper integration in the region are challenged, as mentioned before, by the situation in Venezuela which could provoke internal dissent within CARICOM, mirroring what is happening within the OAS.

The other response of the Caribbean, in the words of the Hon. Sir Louis Straker, Deputy Prime Minister and Minister for Foreign Affairs, Trade and Commerce of St Vincent and the Grenadines (speaking at the opening of the 20<sup>th</sup> COFCOR) is "**revisiting and strengthening our relations with traditional partners and reaching out to new allies**".

Concerning "**traditional partners**", the relations of the **CARIFORUM with the EU** are developed in the framework of the Joint Caribbean-EU Partnership Strategy. At last year's Political Dialogue at Senior Officials level, held in Guyana, the Working Group at Ambassadors' level based in Brussels was activated and it is a forum where the progress in the implementation of the Strategy is discussed in a frank and open manner. Moreover, the preparation of "Post-Cotonou" is an opportunity for high level exchanges between CARIFORUM and the EU. A meeting is foreseen in June between the European Commissioner for Development, Mr Mimiça and the CARIFORUM Ministers for Foreign Affairs (in Cancun, back to back with the OAS General Assembly).

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<sup>2</sup> In 2013 the Dominican Republic's constitutional court issued a ruling that stripped citizenship from some 200,000 people of Haitian descent.

Regarding the Community of Latin American and Caribbean States (CELAC), the Caribbean States aim at developing coordinating mechanisms to ensure being "appropriately represented at CELAC meeting". At the last COFCOR, the CARICOM Ministers reiterated their priorities within CELAC, particularly with respect to "issues vital to Small Island and low-lying coastal Developing States (SIDS), such as the Caribbean Sea, sustainable development, climate change, renewable energy and citizen security".

I will not discuss the relations with the US and China as they are the subject of presentations by other panelists.

Just two words on the non-traditional partners (partly based on the report of COFCOR). The Central American Integration System (SICA), of which Belize and Dominican Republic are members, is interested in holding meetings at the highest level with the Caribbean States. The CARICOM Foreign Ministers are having discussions with the Gulf Cooperation Council (GCC) about reinforcing relations by way of a Memorandum of Understanding (MoU) that would incorporate political and cooperation interests. The Caribbean is also discussing the formalising of relations proposed by the Eurasian Economic Union (EAEU). The fact that Guyana, is member of the Organisation of Islamic Cooperation and that Surinam is in the circuit of Islamic banking (with its Suriname Islamic Development Bank), offer avenues for openings towards the Middle East.

Before concluding, it is important to mention that although the Caribbean is known for being a region of peace and stability (despite high levels of corruption and criminality), there are latent conflicts that might affect the present equilibrium: the Guatemala-Belize territorial dispute should hopefully be solved by the submission of the *differendum* to the International Court of Justice. Referenda should be held in both countries to pave the way to the submission to the ICJ.

The territorial dispute on the Essequibo region between Venezuela and Guyana would also be submitted to the ICJ if no agreement is brokered by the UNSG Personal Representative on the Border Controversy, Norwegian Diplomat Ambassador Dag Halvor Nylander by the end of the year.

#### 4. Conclusion

From the above it appears that to determine the position of the Caribbean in the world is the equivalent of aiming at a moving target. The region is still in the process of identifying the best strategies to respond to the multiple challenges it faces at local, regional and global level.

If you allow me to conclude by "preaching for my parish", the formulation of a modernised trade, political and cooperation partnership with the EU, in the framework of the "Post-Cotonou" process, should be one of the most valuable avenues for the Caribbean's positioning in the global arena. My colleague from the European Commission will further expand on this subject later today.