

ADDRESS BY  
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AT  
CARIBBEAN CONNECT

A HIGH LEVEL SYMPOSIUM ON THE  
SINGLE MARKET AND ECONOMY

SHERBOURNE CONFERENCE CENTRE

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In considering the purposes to be served by this Symposium, we may wish to reflect on an observation by George Lamming:

*“The architecture of our future is not only unfinished; the scaffolding has hardly gone up”.*

It must be a matter for some gratification that over the past 18 months there has been more evidence than in the past of a determination to carry forward the work to bring A Single Caricom Market and Economy into existence.

The Caribbean Court of Justice (CCJ) has been created to give greater certainty and predictability to the application of the policies and programmes which will constitute the core of the regional economic integration process.

Six countries representing the MDC component of the proposed new regional economy have made themselves compliant with the requirements to constitute themselves to be part of the Single Market.

Last week in Barbados a historic decision was made by the regional private sector to form itself into a more representative body as the Caricom Business Council. Should it work, as intended, a new powerful instrument of governance would have been called into existence to help us plan, and to oversee the implementation of the proposed Single Economy.

A week ago we agreed also, in principle, on the contribution formula for the proposed Regional Development Fund. This provided a glimmer of hope that the programme of special and differential treatment, within a CSME, for our

lesser developed members can be brought into existence, and these countries can proceed to walk within the CSME, guided by sight rather than by faith.

Despite the evidence of progress, we must maintain a realistic sense of proportion as to what has thus far been achieved, and what now remains to be accomplished.

The new Caribbean Court of Justice can hardly be described as being excessively busy. Realistically, the justice the Court is capable of dispensing is immediately being accessed by only two of its members.

The launch of the Caribbean Single Market, important as it is, carries with it all of the strengths, but also all of the limitations of the Market as the means by which development can be induced.

In our case, the programme for the liberalization of the trade in goods preceded the CSME and much of the programme for the liberalization of the provision and trade in services has generally been ingrained in most Caribbean economies as part of new macro-economic directions that have been pursued since the late 1980's. They are not new. Similarly, the liberalization of capital flows and transactions by Caricom States not only preceded the CSME but owed as much to precepts promoted by the Washington Consensus as to any very indigenous ideology of Caribbean development.

The major decisive difference that the coming into existence of the Single Market in and of itself will make will arise from its provisions for labour

mobility – something that was not contemplated in preceding forms of integration in the region, nor in any other set of economic policies used in modern times to influence the course of Caribbean development.

Regrettably, the enormous potential of labour mobility to drive Caribbean development, by enabling us to access a regional pool of labour and skills to build more competitive enterprises, sectors and national economies, is being undermined by a fierce xenophobia across the region.

The creation of a Single Caricom Market is thus a necessary but not a sufficient condition to conduce regional economic development.

We are very near to church, but still far from God. But we must persevere. The substantial benefits from economic integration will in fact derive from the construction of a Single Regional Economy.

Those benefits will ensue from the integration of our production systems, and the rationalization of the use of all of our resources associated therewith. They will come from the full integration and harmonized development of our financial capital market; the coordinated development of our region's transport and communications networks; the creation of a new enterprise culture in Caricom by the harmonization of our policies relating to investments, incentives and macro economic policies in general.

It was in recognition of the fact that the creation of the CSM represents only a start that a mandate was sought and received from Caricom Heads that we

should accelerate the development of the framework for the Single Economy and have it agreed and ready to be implemented, beginning in 2008.

This confers a high strategic significance as well as an imposing sense of urgency on the proceedings of this Symposium.

On its outcome hangs the effective transition from the Single Market to a full fledged Single Regional Economy, and with it the realization of the true transformation dynamics that economic integration can bring to bear in regional development.

The realization of such beneficial effects from integration will however require more than the successful outcome of this Symposium.

I will not make light of the quite considerable challenges that respective Caribbean States experience in meeting their Treaty obligations to be part of the CSME.

But those obligations were not imposed on us by any colonial master nor any supranational extra-regional institution. They were negotiated in good faith and agreed by the respective countries in their capacity as sovereign States.

In that sense they reflect and embody the exercise of our sovereignty in pursuit of higher levels of domestic and regional achievement.

It becomes impossible to establish any kind of relationship of lasting value if countries, on their own volition, enter treaties and then find reasons not to comply with them.

I can this morning safely say that those of us who have responsibilities to facilitate the creation of the CSME – and mine have been onerous - have been sparing no effort to ensure our CSME does not emerge as a permanent coalition of unequals.

There is also a Caribbean genius on which we must continue to draw, to accommodate the special circumstances of individual cases, and to accept nuance and flexibility in the way in which the best conceived designs are applied in the real world.

This, however, does not create a licence for individual states to seek to impose on the implementation of a regional programme, which was negotiated and agreed by all in good faith, unilateral conditions which go beyond the spirit and scope of the Treaty which binds us.

Realistically, therefore, there are issues surrounding the participation of the OECS countries in the CSME which constitute a challenge which must be sensitively and sensibly met on all sides.

The Caribbean Community was also created to promote sustained and equitable regional development through three forms of integration - economic integration, functional cooperation and the coordination of our external economic relations and foreign policy,

The move to build the CSME has galvanized our regional economic integration process.

There has however been, no corresponding great leap forward in the conception, design and implementation of the regional functional cooperation programme.

In its absence issues regarding the distribution of benefits from economic integration per se are likely to become highly and sharply divisive.

The time is therefore appropriate to look again, in a more holistic way at the relationship between the processes of Caribbean integration to bring the economic social and governance dimensions not only into balance but to create a creative and harmonious fusion in their workings in pursuit of equitable development.

These are new times.

Cometh the hour, cometh the ideas. Even at this early stage, it is clear that the form and extent of economic integration we are seeking to establish in our region cannot draw blindly from the experience of others and requires intellectual ferment and creative reflection.

I merely illustrate by drawing on one example.

Europe created a Regional Development Fund to which access was restricted to its lesser developed countries using per capital income levels as the

dividing line. In the Caribbean, the country with the highest per capita income is regarded as an LDC within Caricom.. The two with the lowest per capital income are classified as MDC's.

How do you structure the formation and operation of a Regional Development Fund intended to transfer resources from the better off to those in greatest need in such a context?

In the late 1960's and early 1970's the initial attempts at economic integration inspired an outpouring of advice and reflection from some of the best minds in the region.

The character of the integration process that is contemplated to be implemented in the first decades of the 21<sup>st</sup> century goes radically beyond anything that was conceived then and must be made the subject of the most creative enquiry.

This Conference is intended to provide an environment for such enquiry and engagement to enable us to set the stage to carry our regional economy to a higher stage of accomplishment.

The Government of Barbados is greatly pleased to be able to offer the place and environment within which this Symposium can take place, especially on the eve of a Heads of Government Conference.

I wish to be your effective advocate on that occasion.

I therefore look forward to the results of this Symposium and to be able to report on them to my colleague Heads of Government as having achieved the purpose intended.

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