

GLOBALISATION, FRAGMENTATION AND INTEGRATION: A CARIBBEAN PERSPECTIVE

Paper prepared for International Meeting on Globalization and Development Problems
Havana, Cuba, January 18-22, 199

- Norman Girvan -

University of the West Indies, Jamaica
<ngirvan@uwimona.edu.jm>

The main thesis of this paper is as follows. First, globalisation *requires*, as a necessary survival and development strategy, greater co-operation and integration within the Caribbean region. Second globalisation *generates*, as a result of its dynamics and content, tendencies towards renewed differentiation and fragmentation within the Caribbean. Resolving this contradiction is an historic challenge for the region.

We proceed by reviewing the meaning, content and forms of contemporary globalisation. Then we give an overview of the impact of globalisation on the Caribbean. Finally we discuss the main forms of regional co-operation and the immediate prospects for the future.

I. The globalisation project

In the broadest sense globalisation--the construction of an international capitalist order embracing all the regions of the world -- has been under way for the past 500 years. However in current usage we understand the term to refer to a project of the post Cold War era and the decade of the 1990s, whose aim is to transform the world into a single economic space along the principles of neo-liberalism. These principles mean that national barriers to the movement of goods, services, investment capital and money must be done away with; and government intervention in economic life must be kept to a minimum. Here we will highlight ten major features:

- (I) A world economic order centred on the Triad of US-EU-Japan, under the political and military leadership of the US;
- (II) The WTO, dominated by the Triad, as the chief global institution for negotiating, codifying and enforcing neo-liberal practices in interstate economic relations;
- (III) The construction of regional blocs or free trade zones by each member of the Triad in order to strengthen its position vis-à-vis the other two; the strongest being the EU;
- (IV) In regional North-South trade agreements (NAFTA, FTAA, Lome), replacement of the principle of non-reciprocal preferences to assist the development of weaker partners with that of reciprocal trade liberalisation to promote trade expansion and market-led growth, in line with WTO provisions;
- (V) Promotion of a package of neo-liberal policy measures with assumed universal applicability. These include privatisation, financial deregulation, trade and exchange rate liberalisation, fiscal and monetary orthodoxy, labour market reform, and social welfare reform;
- (VI) The alleged loss of national economic sovereignty flowing from the imperative for all governments to adopt standard neo-liberal measures in order to maintain competitiveness and attract investment capital;
- (VII) The attainment of “global competitiveness” as the benchmark by which all countries and producers, regardless of their resources or level of development, are to be evaluated through participation in the global market place (the “level playing field”);

- (VIII) The growth of global telecommunications—computer networks, satellite TV and the Internet--as the technological infrastructure in the globalization of finance, production, marketing, and patterns of consumption;
- (IX) The consolidation of huge concentrations of private capital—transnational corporations and institutional investors--as the dominant players in world production, trade and finance; and finally
- (X) A triumphalist ideology, marked by the assumption that there is no other way to organise the world, as summed up in the phrase “the end of history”. This is receding as a result of the present global financial crisis.

We hold that the globalisation project actually emerged out of the turbulent developments of the 1970s, particularly the collapse of the Breton Woods System, the growth of the Eurodollar market, the oil price shocks, and the associated expansion of international finance and international lending. Its concrete basis was established as result of the neo-liberal counter-revolution of the 1980s following the breakdown of the Keynesian consensus and the elections of Thatcher and Reagan. The Third World debt crisis, precipitated by the interest-rate shocks imposed by the US, provided a convenient lever by which neo-liberal policy conditionalities could be imposed on the South by the World Bank and the IMF. Structural adjustment programmes focused on devaluation and later, exchange rate liberalisation, privatisation, public expenditure cuts and prioritisation of indirect taxation, trade and investment liberalisation, and financial sector deregulation. It was assumed that market oriented policy reforms would increase allocative efficiency and hence lead to greater competitiveness, expanded exports, higher rates of saving and of local and foreign investment, and ultimately to accelerated economic growth with a sustainable balance of payments.

As we now know, structural adjustment programmes had severe social costs and decidedly mixed economic results (e.g. Mosly et al. 1991; Chossudovsky 1997). But they

succeeded in their primary goal of inducing massive policy shifts and associated political changes in Latin America and Africa and in most of Asia. The bargaining position of the South in trade negotiations also deteriorated. UNCTAD, which had fought for decades to reform the international trading system to promote development, was sidelined by the GATT negotiations aimed at achieving multilateral trade liberalisation to promote market-led growth. In the Uruguay Round of GATT, the US secured the inclusion of services, investment (TRIMS) and intellectual property (TRIPS) within the scope of the WTO Treaty. UN negotiations on a Code of Conduct on Transnational Corporations and on the Transfer of Technology were never concluded. Major concessions were secured from a South already weakened by the debt crisis, using the lever of market access to the North and especially the promise of a phase-out of the Multi-Fibre Agreement.

The collapse of Eastern European socialism and the USSR towards the end of the 1980s heralded the arrival of a “New World Order” under US leadership. It provided a catalyst for the conversion of neo-liberal policy reforms into a truly global project (Chomsky 1998; Dasgupta 1998). The one large remaining non-capitalist economy, China, was busily adopting market-oriented reforms and opening up to direct foreign investment, though not to full globalisation. Hence the project now had a firm political, institutional, theoretical and ideological basis on global scale. It has developed a coherent set of prescribed practices that could be promoted as universal conventional wisdom, replacing the need for creative problem-solving at the local level. Finally, it had acquired a convenient and easily recognised label. In the 1990s, “globalisation” became “sexy”.

Globalisation and the Caribbean

It will be recalled that the Caribbean islands were among the first areas to be impacted by early globalisation, in the form of European maritime expansion. The initial result was the extermination of the majority of the indigenous population. There followed mercantilism, slavery and the plantation system, and centuries of rivalry and wars among the major colonial powers. This left a legacy of political and linguistic fragmentation that constitutes the main obstacle to regional integration.

By “the Caribbean”, therefore, we are referring to this zone. Today it comprises 28 independent states and dependent territories in the Caribbean Sea and affiliated countries on the adjacent mainland (this definition does not include Central America and the larger mainland countries, which have a somewhat different history). The common factors in this grouping are small size; the legacy of plantations, slavery and indentured labour; and economic and political dependency.

It is notable that the 28 entities have a combined population of only 36 million, of which 22 have populations of under 1 million. Moreover 12 Caribbean entities remain dependent territories and 14 of the 16 sovereign states only obtained their independence in the last 40 years, most of the latter retaining strong ties with the former colonial powers. Fragmentation, diversity and vulnerability are outstanding features of a region that is blessed by nature but cursed by history.

The impact of globalisation on the Caribbean is, therefore, mediated by the wide variety in economic structures and external association. Current trends suggest a paradox: steps towards the creation of a hemispheric-global economic system may actually be heightening economic differentiation within the region, carrying with it the threat of increased social marginalisation, inter-state competition and hence regional *dis*-integration. For this reason regional integration as a counter-globalisation survival strategy faces formidable obstacles.

Below we explore these issues by discussing the EU-ACP relationship, the implications of NAFTA and the FTAA, the position of Cuba, and the implications of the growth of tourism and off shore banking. We also discuss the problem of bananas and the impact of financial liberalisation in Jamaica as examples of the difficulties posed by globalisation.

Cariforum and the Lome Convention

Cariforum groups together the independent English and Dutch speaking states, which form Caricom, with the Dominican Republic and Haiti as signatories to the Lome Convention on trade preferences and development assistance from the European Union.

The EU is proposing to make radical changes in these arrangements on the expiry of the current Lome Convention in the year 2000. The proposed changes are in line with neo-liberal thinking and the requirements of the WTO. They call for replacement of the one-way non-reciprocal trade preferences between the EU and the ACP group as a whole, with a series of six Free Trade Areas (called Regional Economic Partnership Arrangements—REPAs) between the EU and sub-groupings of the ACP. The REPA package includes commitment to neo-liberal, market-oriented economic policies, and practice of democratic governance and respect for human rights as defined by the EU.

Studies commissioned by the EU show that the proposed Free Trade Areas will at best lead to marginal increases in ACP exports to the EU, with more substantial increases in EU exports to ACP countries (Eurostep 1998). ACP countries stand to lose significantly in terms of customs revenue. These studies were commissioned after, rather than before, the EU's proposals were formulated. The EU strategy can be interpreted as an attempt to get a headstart in ACP markets in advance of multilateral trade liberalisation under the WTO. It can also be a lever by which sub-groupings of ACP countries are coerced into implementing free trade area agreements among themselves, which is a by-product of the REPAs. The heightening of political conditionality is an instance of the growing use of North-South trade agreements as a political lever over countries of the South—the next step could be extension of this principle to the WTO. EU statements indicate this will be an issue in any application from Cuba to join the Lome Convention. Finally, the effect of the EU proposals has been to weaken the cohesiveness of the ACP as a group, and may well lead to its ultimate demise.

The Caribbean Basin: from CBI to FTAA

The Caribbean Basin Initiative, launched by the Reagan Administration in the early 1980s, belongs to the era of the Cold War. The CBI offered one-way duty-free access to the exports of Caribbean Basin countries excepting Cuba, Nicaragua and Grenada. Textiles, clothing and leather goods were excluded; but these product groups already enjoyed favourable treatment under the 806/807 U.S. customs code which limits duty to the foreign value added on imports assembled out of U.S. products.

The CBI was the last significant non-reciprocal trade preferential agreement offered by the United States. With the opening of the Uruguay Round and the decline of the Cold War, US hemispheric policy shifted to the promotion of reciprocal trade and investment liberalisation. The Enterprise of the Americas (EAI) initiative was launched by the Bush Administration in 1989. It used the promise of debt relief as the lever to further access of US exporters and investors to the domestic markets of Latin America and the Caribbean. NAFTA, the North American Free Trade Agreement with Canada and Mexico, would be the first step towards the creation of a hemispheric free trade zone “from Alaska to Tierra Del Fuego”. NAFTA covered services and investment liberalisation: its effects would be to give US firms wide-ranging rights to operate freely across all three countries (Gill 1993:5). Other countries would be encouraged to negotiate bilateral agreements with the US covering investment protection and intellectual property to establish their “NAFTA readiness”. They would also be pressed to engage in broad neo-liberal policy reforms, where necessary with financial and technical assistance from the Inter-American Development Bank (IDB). The IDB would be the agency certifying countries as qualified for relief on US bilateral debt.

NAFTA came into effect in 1994. Its impact was to undermine the preferences which Caribbean basin exporters has enjoyed under the CBI and the 806/807 Customs provisions, by giving Mexican and Canadian producers duty-free access to the U.S. market (Gonzales 1995: 5-10). Garment exports from Jamaica, the Dominican Republic and other countries have been particularly hard-hit, as producers have shifted operations to Mexico. Jamaica alone has lost INSERT garment sector jobs since 1994, much of this is attributed to the impact of NAFTA.

By the time NAFTA came into effect US policy had shifted in response to growing protectionist sentiment. Congress denied the Administration the authority to expand NAFTA by means of a series of bilateral negotiations (“fast-track”). US Administration policy now centred on the promotion of the Free Trade Agreement of the Americas (FTAA) by means of simultaneous hemisphere-wide negotiations. The new approach was

approved at the Miami Conference of the Americas 1994. Official negotiations on the FTAA were launched in 1998, with 2005 as the target date for the conclusion.

The small countries of the Caribbean basin (and here we include Central America) have been disadvantaged by these developments. Three kinds of responses have emerged, none of them particularly successful so far. First, there is an on-going lobby with the US Administration and Congress to grant “NAFTA Parity” trade privileges to CBI countries. This would put them on an equal footing with Mexican producers and check the loss of investment and jobs to Mexico. In spite of repeated attempts over the years, this proposal has not found favour with the US Congress.

A second line of approach was to seek accession to an expanded NAFTA. Some Caricom countries, notably Jamaica and Trinidad-Tobago, signed bilateral treaties with the US in the early 1990s in an attempt to establish NAFTA readiness. Caricom also buckled under to strong pressure to reduce the Common External Tariff (CET) as part of this strategy. However, as the expansion of NAFTA faded as an option for the US Administration, this approach has been abandoned. Caricom had made concessions to the US in anticipation of benefits that never materialised.

Third, Caribbean Basin countries formed themselves into a Working Group on Smaller Economies in the run-up to the FTAA negotiations (Report 1997). The original objective was to press for special treatment for smaller economies as a principle to be enshrined in the FTAA Treaty. Special treatment could mean the granting of one-way non-reciprocal trade liberalisation to benefit the small economies of Central America and the Caribbean. Failing this, there could be a longer period of adjustment to full liberalisation. The rationale would be their competitive weaknesses due to absence of economies of scale.

But this principle was not accepted by other FTAA participating countries in the preparatory meetings. This was due to opposition from the US and absence of significant support from the rest of Latin America and Canada. In the end, the group had to settle for a Consultative Committee on Smaller Economies with no negotiating power (FTAA

1998). Hence Caribbean Basin countries face the prospect of marginalisation in the FTAA negotiations process. In the worst case scenario, they could be required within 10 years to open up their markets to, and to compete on equal footing with, producers from the US, Brazil, Mexico, Argentina, Canada and other Latin American countries.

Cariforum countries are also bound by the obligations of the current Lome arrangements. Should they participate in a final FTAA Treaty, they will be bound to give free trade privileges to the EU as well. But to secure expanded market access for their non-traditional exports, they need to be in the FTAA. The dilemma is due to a form of “double dependency” on the US and the EU for different kinds of exports.

Bananas and the Caribbean

The banana question is another example of the issues posed by globalisation. Several factors are at play here: the EU-Caribbean relationship, the EU-US relationship within the framework of the WTO, the new significance of the WTO as a supranational authority, US-TNC relationships, and US-Latin American relationships.

Essential to an appreciation of the banana question is the role played by this industry in the economic and social life of the Windward Islands in the Eastern Caribbean island chain. In these four mini-states with a combined population which is less than 500,000, bananas are cultivated largely by peasant farmers. The industry directly sustains an estimated one-half of the labour force in three of the four countries (Lewis 1999: 2), generating income and employment that percolate through the rural areas at the very base of these societies. Since 1997, the US Administration has launched a largely successful attempt to have the EU banana regime declared illegal under the terms of the WTO Treaty. It has been shown that the US action is in response to pressure from a large US TNC with extensive plantation holdings in Central and South America. The firm in question—Chiquita—is major contributor to campaign funds of both the Democratic and Republican Parties (McWhirter and Gallagher 1998). To further pressure on the EU to comply with the WTO ruling, the US in early 1999 is proposing to impose punitive duties across a wide range of imports by the EU (Phillips 1998: USIS 1999).

As the US is not itself a banana exporter, it is widely recognised that its action is taken on behalf of corporate interests. It is also not in question that loss of preferential access to the EU market would be a catastrophe for Windward Island producers (Oxfam 1998). Productivity per acre in the Windward Islands is less than one-quarter the level in Central and South America, where the US companies reap the benefits of extensive economies of scale on large plantations¹. One study suggests that loss of the EU market could cause (INSERT)

Jamaica: adjustment failure and liberalisation disaster

Jamaica undertook a series of stabilisation and structural adjustment programmes between 1977 and 1990, with funding from the IMF, World Bank, USAID and IDB. Import controls were dismantled, the currency was devalued several times, and privatisation was extensive. But the economy did not improve: in 1990 per capita income was still 15 percent below its level of 1975. In 1990-91, under pressure from the IDB, USAID and the local private sector, Jamaica lifted all remaining exchange controls and floated its currency. The consequences were disastrous. The Jamaican dollar lost 70 percent of its value over 12-month period, and inflation in 1991 topped 80 percent.

In order to stabilise the exchange rate and stem the inflationary spiral, the Jamaican authorities have resorted to monetary policy. Huge amounts of government paper have been issued, at high real interest rates, to suck liquidity out of the economy. In recent years these policies have succeeded in stabilising the exchange rate and cutting inflation to single digit levels. The economic and social cost, however, has been high. Economic growth has been minimal during the 1990s. The ratio of internal debt to GDP grew from 35 percent in 1990 to 46 percent in 1997; and debt servicing now absorbs 80 percent of government revenue and 70 percent of government expenditure, four-fifths of this being for internal debt. A financial sector crisis beginning in 1997 has so far cost the Government the equivalent of 45 percent of the GDP in financial support. The Jamaican

Government lacks the resources to adequately fund education, health, security, transport and other infrastructure. Violent crime has grown alarmingly, threatening the only remaining growth industry—tourism—and the inner cities are in a state of virtually chronic revolt. By following the precepts of neo-liberalism and globalisation, Jamaica's economy is in deep crisis and the social fabric is at risk of disintegration.

Cuba.

Cuba is an outstanding case of historical dependency, economic vulnerability, and contemporary marginalisation associated with globalisation. Cuba's major export industry was supported by the US sugar quota before the 1959 Revolution and by the USSR and other CMEA countries in the three decades that followed. With the collapse of the Soviet Union Cuba lost its principal economic partner for preferential trade and aid relationships, while remaining cut off from the United States by the tightening of the embargo. Cuba suffered a 75 percent contraction in foreign trade and a 35 percent fall in GDP between 1989 and 1994. A series of economic reforms introduced since that year has been accompanied by a gradual economic recovery, led by tourism and mining. That Cuba has managed to survive without social and political implosion is due to the social capital built up through three decades of social progress, plus an adjustment process that is relatively egalitarian in its burden (Ferriol 1998; Girvan 1998).

In responding to the competitive challenges of globalisation Cuba will count on several assets. These include a well-educated and disciplined labour force, a comprehensive system of social security, a relatively efficient and honest bureaucracy, and excellent tourism and agricultural potential. It has diversified its external relations considerably. But it is cut off from membership in all the regional associations enjoyed by its Caribbean and Central American neighbours: CARICOM, Cariforum, SICA, and the FTAA negotiations. Overcoming this marginalisation requires an early lifting of the US embargo.

¹ 5.6 tons/acre in the Windward Islands compared to 26.3 tons/acre in the main Latin American competitors. 82 percent of Windward Island producers far on holdings below 5 acres (about 2 hectares) in

Tourism and offshore banking

Globalisation has not been entirely negative for the Caribbean. Tourism has expanded with the growth of international travel, though this was under way from well before the 1990s. Tourism has become the principal foreign exchange earning industry in the majority of Caribbean countries and has been the fastest growing export industry for the region as a whole over the past two decades. With the growth of global tourism the region has been able to tap into new tourism markets, such as Europe and Japan, although other destinations are also able to compete in the Caribbean's traditional U.S. market. Tourism is also affected by adverse social and environmental fall-out; some of it associated with the Americanisation of consumption patterns arising out of globalisation. The problems include environmental degradation, visitor harassment, crime, prostitution, and STD's. Moreover even on the most optimistic projections, tourism will never be able to employ more than a small fraction of the labour force in the larger islands and in the mainland countries.

Another development has been the growth of offshore banking centres in the Caribbean as a spin-off of the globalisation of finance. Islands such as the Bahamas, Barbados, Antigua, Aruba and the Netherlands Antilles, and the Cayman Islands have done well out of the so-called export of financial services. However, these are all small states or territories and contain only a small fraction of the region's population. The downside is that these islands have been exposed to money-laundering activities that are spin-offs of the international drug trafficking industry and to the influence of international large criminal organisations. These groups often control financial resources that are vastly superior to those of the small island states of the Caribbean.

Differentiation and regional integration

Looking at the region as a whole, we see four larger island states (Cuba, the Dominican Republic, Haiti, and Jamaica) and two mainland countries (Suriname and Guyana) with per capita incomes in the \$300-\$1800 range and economies that have contracted or stagnated in the 1990s. These countries contain 80 percent of the region's population.

size (Lewis 1999: 5)

The remainder are the dependent territories and island states that stretch from Puerto Rico eastwards and southwards to Trinidad-Tobago, together with the Bahamas archipelago and Belize on the Central American mainland. Their per capita incomes in range from \$2,700 (Belize) to as high as \$28,000 (Cayman Islands) and they have enjoyed reasonable growth rates in the last two decades, helped by the growth of tourism, offshore banking, manufacturing, and petroleum based industries. But aside from Puerto Rico they have relatively small populations, or 20 percent of the Caribbean total.

Hence globalisation has been accompanied by a widening of income differentials within the region. Together with the diversity in production structures, this poses problems for projects of regional economic integration and co-operation in external relations. This can be seen from the experience of regionalist projects including Caricom, Cariforum, and the Association of Caribbean States (ACS).

Caricom

Caricom (the Caribbean Community), established in 1973, groups together the English-speaking states in the island chain and adjacent mainland and more recently Suriname. Caricom has a reasonable record of success in functional co-operation in foreign policy and external economic negotiations, and in social services notably education. One-way Free Trade agreements exist with Venezuela and Colombia and a joint Commission with Cuba is in operation. But Caricom has had little success in its original mission to forge a cohesive economic grouping. Intra-regional trade has never reached 15 percent of Caricom's total trade because the economies are geared mainly towards extra-regional exports. It took 20 years to establish a Common External Tariff (in 1993). A project to establish a Caricom Single Market and Economy was adopted in 1989 but is still to be fully implemented.

As Caricom's domestic market of 6 million people is small, governments remain preoccupied with the need to preserve and maximise the benefits from external trading arrangements. Caricom has established a Regional Negotiating Machinery to co-ordinate external negotiations with the EU and the FTAA. But even in this area there are divergent

interests among different members of the community. The manufacturing exporters--Jamaica, Trinidad-Tobago and Barbados--are oriented towards the US market and have a strong interest in Nafta parity and the FTAA, though they also need to preserve the benefits of the sugar, rum and banana protocols with the EU. The Windward Islands banana exporters are mostly interested in the EU. The tourist economies of the Leeward Islands have no vital interest in market access to the US or the EU, but they stand to lose if free trade arrangements erode their customs revenue. These divergent interests have made for frictions in the Community and explain the slow pace of regional integration (together with an unwillingness to cede any "sovereign rights" to a supranational Caricom authority).

Cariforum

Since 1994, Cariforum has grouped Caricom with the Dominican Republic and Haiti in relations with the EU under the Lome Convention. Cariforum has functioned principally as a mechanism for the co-ordination of EU development aid to the group under Lome IV. In 1998 the new Fernandez administration in the Dominican Republic launched a bid to become a bridge between the Caribbean and Central America in the forging of strategic alliance between the two groupings. A Dominican Republic—Central America Free Trade Agreement was signed in April 1998; with the intention of following this with a Dominican Republic—Caricom FTA and then a Central America—Caricom FTA. The strategic alliance would also co-operate in external negotiations for the FTAA, and on the WTO and the EU.

However the Dominican Republic-Caricom FTA negotiations have faltered largely as a result of Caricom's apparent lack of enthusiasm, and its preoccupation with the banana issue and with EU negotiations. No great interest has been expressed in the proposed Caricom—Central America FTA from either side. The scope for expanding trade between the two sub-regions appears to be minimal. Significantly, Trinidad-Tobago and Costa Rica have spoken about a bilateral trade agreement, as each is a leading manufacturing exporter in its respective sub-region.

The ACS

The ACS, formed in 1996, groups together all the “Basin” countries—Mexico, Colombia and Venezuela (the “G3”), the Isthmus states, Caricom states, and Cuba, the Dominican Republic and Haiti (the dependent territories are eligible to join, but most have not). The ACS objectives are to foster co-operation in trade, transport and tourism. In actual practice trade liberalisation and the idea of creating an ACS Free Trade Area have receded into the background. This has been superseded by the primary integration area arrangements of its members and the logic of the FTAA process. Mexico belongs to NAFTA, Colombia and Venezuela are members of the Andean System, and the Central American states and Caricom are still struggling to consolidate their own integration processes. As already mentioned, Caricom is also preoccupied with the EU and has been lukewarm to free trade area negotiations within the wider region. For the same reasons, joint ACS negotiations on the FTAA are out of the question. The ACS programme now emphasises trade facilitation and co-operation in establishing a zone of sustainable tourism in the Caribbean Basin.

Conclusion: towards a united Caribbean?

Confronting globalisation evidently requires a “walking on two legs” strategy. The one involves *strengthening the bargaining position and negotiating capacity* of the region’s states in their external economic relations. The objective is to maximise the possibilities of outcomes that take account of the interests of small states with the specific production structures of the Caribbean. The other *involves strengthening the productive and competitive capacities of regional producers* to participate successfully in markets that will be increasingly hemispheric and global in scope. There is much room for regional co-operation in both legs of the strategy.

A vision for the region for the 21st century might envisage an economic union, or even a political confederation, of Caribbean states stretching from Cuba and the Bahamas in the North to Suriname in the South. Facilitating the elimination of poverty and human and social development for the people of the region would be among the chief objectives for regional co-operation. The grouping would seek to unify its external economic and

security policy vis-à-vis the US and other major hemispheric powers and be proactive as a bargaining player in the globalisation process. It would co-operate internally in the areas of tourism, the environment, education, science and technology, language training, and the strengthening of regional enterprise.

The alternative scenario is one of growing differentiation, marginalisation and fragmentation within the region and within many of its constituent societies. The principal growth “industries” will be tourism, the export of labour with a return flow of remittances, and drug trafficking. There will be islands (in the figurative as well as the literal sense) of relative prosperity surrounded by increased “ghettoisation” within the wider society. Some islands could become “security states”, *de facto* or *de jure* wards of the US.

This scenario is already well advanced. To counter it, alternative visions, strategies and proposals are urgently needed.

University of the West Indies,
Mona,
January 13, 1999

References

Chomsky, Noam 1998
Neoliberalism and Global Order: Doctrine and Reality
http://aidc.org.za/archives/chomsky_01.html

Chossudovsky, Michel (1997).
The Globalization of Poverty: Impacts of IMF and World Bank Reforms, Zed Books and Third World Network

Dasgupta, Biplap (1998)
Structural Adjustment, Global Trade, and the New Political Economy of Development.
London: Zed Books

Eurostep 1998

“Commission Free Trade Area Arrangement Studies Are Not Positive on FTAs with the ACP” Friday 20th November

Ferriol, Angela 1998

“La Reforma Economica en Cuba en los 90”/“Economic Reform in Cuba in the 1990s”
Pensamiento Propio, No. 7; 5-24

FTAA (1998)

Summit Of The Americas: Fourth Trade Ministerial, San Jose, Costa Rica. March 19th, 1998: Joint Declaration. http://www.ftaa-alca.org/EnglishVersion/costa_e.htm.

Gill, Henry S. 1991

The NAFTA Problematique and the Challenges for the Caribbean Community. Miami, North-South Center

Girvan, Norman 1998

“Cuba: Structural Adjustment with a Human Face?”, **Pensamiento Propio**, No. 7; 25-30

Gonzales, Anthony 1995

The Impact of NAFTA on Caribbean Industry: Trade and Investment Effects. Unpub. Study prepared for UNIDO, October 21

Lewis, Patsy 1999

Beyond Bananas: Globalization, Size and Viability in the Windwards Islands. Paper presented at Department of Government Seminar on Globalisation and Small States, UWI, January 13.

McWhirter, Cameron and Mike Gallagher 1998

“Contributions buy influence”, *The Cincinnati Enquirer*, Sunday May 3.
http://enquirer.com/contributions_buy.html

Mosly, Paul, Jane Harrigan and John Toye (1991)

Aid and Power: The World Bank and Policy-Based Lending. London: Routledge.

Oxfam 1998

A future for Caribbean bananas? An Oxfam briefing paper. London, February

Phillips, Michael M. 1998

“US Plans Punitive Tariffs in Dispute with EU”, *The Wall Street Journal*, Tuesday, December 22; p. A2

Report (1997)

Overcoming Obstacles and Maximizing Opportunities: A Report by The Independent Group of Experts on Smaller Economies and Western Hemispheric Integration. August. (Unpub.)

USIS 1999

“Bananas: US To Seek WTO Approval for Trade Sactions Jan. 25”, Washington File, 12
January