

**ADDRESS BY PORTIA SIMPSON MILLER, PM AND CHAIRMAN - CARICOM PRIME
MINISTERIAL SUBCOMMITTEE ON EXTERNAL NEGOTIATIONS TO THE CONFERENCE ON
THE CARIBBEAN**

I am honoured to address you today, at this historic gathering. This Conference on the Caribbean has far reaching implications and possibilities.

We meet today, not simply out of courtesy. This conference is more than a tribute to the long, fruitful and mutually beneficial relationship that has existed between the United States and the Caribbean.

I believe that we have been summoned by history, to this particular place, and at this moment in time, to fashion bold new pathways, to significantly advance the agenda for human development and peace.

This is an impressive gathering of political decision-makers, high-level representatives of the business sector, multilateral institutions, the academic community, NGOs, experts on Caribbean development, and leaders of the Caribbean Diaspora here in the United States.

For this conference to be meaningful, we must place at the centre of our deliberations, the sustainable development of all the people of our Community.

Let me at the outset, extend my profound appreciation to the President, Government and people of the United States for their hospitality and graciousness.

The United States remains our main trading partner and is home to large numbers of our Caribbean people. We note that the CARICOM-United States Trade and Investment Council has been reactivated after a seven-year lapse.

It is my hope that through this Council we will be able to conduct an effective dialogue on development through greater trade and investment flows.

The Caribbean and the United States are not only geographic neighbours. We share a common democratic tradition, with values such as respect for the rule of law, individual liberty and human rights.

Over many years we have maintained an intense desire to cooperate and collaborate, recognising that our futures are inextricably linked. The countries, governments and people of the Caribbean Community remain committed to pursuing with America, common interests, sharing as we both do, a common geographic and cultural space.

The Caribbean is small, vulnerable and faces certain threats. It is important, therefore, that we seek to eliminate, or at the very least minimise, the threats which the region faces.

These threats include:

- Poverty and its wide-ranging social and economic implications
- Food insecurity
- HIV/AIDS
- The effects of international terrorism
- The illicit trade in drugs, guns and ammunition; and
- The new wave of deportation

We also suffer from:

- The negative aspects of globalisation, such as uneven and unfair trade
- Vulnerability to fluctuations in trade and financial crises
- Instability in global financial flows
- Rising oil prices and its attendant energy challenges
- Natural disasters such as hurricanes; and
- Global warming and other negative environmental manifestations

The region's high debt-servicing burden; reduced official development assistance; declining terms of trade due to the phase-out of preferential trading arrangements; and reduced demand for tropical commodities and raw materials, have added to the development challenges and vulnerability of the region.

Nine of our countries rank among the twenty-five most vulnerable countries in the world and thirteen are among the fifty most vulnerable.

The issue of migration, which this country is grappling with, is related to some of the development challenges facing the Caribbean.

This Conference on the Caribbean is a timely opportunity for us to strengthen our bonds in one common quest for development and peace.

Problems such as these will never be fully solved until a comprehensive and holistic approach is taken to the regional development agenda.

Ladies and gentlemen, the global environment in which we operate, challenges us to forge new approaches to secure development for our people.

While we remain committed to fiscal responsibility, I remain convinced that even as we balance the books, we must also balance people's lives.

The people of the Caribbean demand social and economic justice and they want it now.

In an address to the 96th International Labour Conference of the ILO in Geneva last week, I drew attention to the words of my country's first national hero, Marcus Mosiah Garvey, who reminds us of the hellish state that poverty is, when he said:

"Poverty is a hellish state to be in,
It is no virtue
It is a crime
To be poor is to be hungry without possible hope of food,
To be sick without hope of medicine,
To be tired and sleepy without a place to lay one's head,
To be naked without the hope of clothing,
To be despised and comfortless,
To be poor is to be a fit subject for crime and hell."

In many of our Caribbean societies, poverty is fuelling persistent crime and violence. The CARICOM region does not manufacture guns. Yet we are flooded with guns and ammunition, which worsens our situation of crime and violence.

While the Caribbean appreciates the cooperation we have received in this area in the past, a case must be made that this is an area which demands further action.

The situation is made worse by criminal deportation. In a global environment, crime requires an international response. This must involve programmes for rehabilitation and re-integration of deportees into the societies to which they are sent, as well as mechanisms for effective monitoring.

In light of current realities, we as Caribbean leaders are compelled to articulate and address the burning issues of the people. None is more pressing than the desire for economic opportunities.

In his 1944 State of the Union Address President Roosevelt reinforced this point when he stated that, "We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence."

Economic independence and the freedom from economic want are critically important. Without that freedom, civil liberties mean very little and are always under threat. Without that freedom the war on terror can never be effectively fought. Poverty, injustice, inequality and uneven development are threats to security, both national and international.

There is a crucial link between international trade, economic openness and democratic freedoms and peace.

The Caribbean today, is calling for greater trade openness in the markets of developed countries, and for fewer barriers to the exports of our goods, so that we can, indeed, pull ourselves up by our own efforts.

The total trade in goods and services of CARICOM states accounts for less than 0.1% of total global trade. This is a miniscule figure, which indicates that any concessions granted to us would not cause any disruption to world trade.

Let us for a moment consider the case of Dominica's banana industry:

In 1995 the contribution of the banana industry to Dominica's Gross Domestic Product was 22.8%. The industry then employed over 6,000 persons.

Following the modification of the banana regime and the resulting loss of preferential treatment, the contribution of the banana industry in Dominica fell to 12% of GDP in 2005, and employment fell to 3,000.

The banana industry was the largest employer of labour in Dominica. Needless to say, a 50 per cent reduction in employment has put tremendous pressure on the ability of the Government to provide a social safety net for the poor.

The future demands transformation of our economies and a significant injection of resources needed to create the environment for decent jobs.

In the area of global trade, it is imperative that we make progress in the Doha Development talks. The Doha Development Round is crucial.

The Caribbean is insisting that the promises of the Doha development agenda are delivered. All of us here - developed and emerging economies - have too much to lose from further delay in concluding this Round.

I agree with former US Trade Representative Carla Hills, who wrote in the December 2005 issue of Foreign Affairs journal that, and I quote:

"It is no exaggeration to say that the Doha Round could do more to stimulate the global economy and to alleviate world poverty, over the next quarter of a century than any other policy initiative of the WTO."

Furthermore, studies by the well-known economist, William Cline of the Center for Global Development, show that removing global barriers to trade would lift some 500 million people out of poverty.

This however, will not happen unless WTO member states address the development component of the DOHA round.

In the WTO we must also address the other specific issues related to the group of small vulnerable economies.

While we advocate changes to the international trading and financial system, CARICOM has been proactive. Our approach is to do all that is necessary within our individual countries, and as a region, even while we press for changes at the global level.

In the first place, CARICOM member States recognise the need to restructure and diversify our national economies to enhance resilience, create employment and increase productivity and competitiveness.

Our countries have sought to improve the national and regional policy environment by maintaining an open market for goods, services, investments and ideas.

We remain committed to the CARICOM Single Market and Economy as one way of increasing our regional growth potential. With the single market now in place, work is progressing towards a single economy.

This will greatly facilitate our competitiveness as business, capital and labour move freely throughout the region.

Our regional policy and institutional environment has also been strengthened by the reduction in the fiscal deficits of many CARICOM states.

Our Governments have been pursuing policies to create the appropriate macroeconomic environment to attract investments to stimulate growth and employment.

We have made substantial investments in physical infrastructure, including our road network, and ports. Investments in telecommunications infrastructure have transformed communications among us and with the rest of the world.

We are investing heavily in our people through education and training to increase employability. By implementing a range of social protection initiatives and investments in human capital, we are pursuing a comprehensive development path that balances the books while balancing people's lives.

Through improved business facilitation services national governments have sought to reduce bureaucratic red tape. At the same time, critical legal review and updating has been done to make the Caribbean more investor and business-friendly.

Added to this, the establishment of regional institutions such as the Caribbean Court of Justice and the Caribbean Regional Organization for Standards and Quality, serve to increase the confidence of Caribbean and foreign investors. Increasing levels of foreign direct investments is an indication of the improvements which have been made in our investment climate.

Investments in tourism, for example, have been vibrant. Another US\$25 billion is expected to be pumped into the sector over the next five years. There have also been significant investments in the oil and gas sector, in information technology, as well as in financial services.

Another pillar on which we are building our economic structure is that of strategic partnerships. We have negotiated and are involved in discussions relating to:

- Free trade agreements with Costa Rica and Colombia
- CARICOM has free trade agreements with the Dominican Republic and is jointly negotiating an economic partnership agreement (EPA) with the European Union.

This North-South trading agreement, when concluded, will be unique.

It will be the first trade agreements which will be infused with a development component.

Ladies and gentlemen, we in CARICOM know that if we are to maximize our development potential, there has to be a combination of internal and external action.

As I mentioned earlier, CARICOM countries have employed great effort to adjust to the dynamics of the changing global environment. The multilateral organizations represented here can attest to that.

However, without the accompanying measures at the external level, our efforts would be doomed or at best stymied.

It is therefore, critical that a Conference like this, places certain clear objectives on the agenda for action.

In this context, I suggest that we should seek to:

1. Arrive at a commitment to promote the priority attached by both sides to the USA-CARICOM economic and trade relationship.
2. We must bring to an end the growing uncertainty about the future of Caribbean Basin Initiative/Caribbean Basin Economic Recovery Act (CBI/CBERA) preferences.

We need to maintain CARICOM's current access to the United States for ethanol.

Duty free access for ethanol from the Caribbean into the US market is perhaps the only US policy on Energy that benefits the Region.

In Jamaica, the facility has led to a major expansion of the ethanol production capacity with two new plants coming on stream over the next few months to boost our supplies to the US.

The arrangement with the US under the CBI provision has enabled in Jamaica, a deliberate national policy to promote ethanol as a cleaner, more sustainable replacement for octane enhancers in the gasoline mix.

3. There must be a commitment to work in the WTO to ensure that in any package to resolve the current impediments, and advance the Doha Development Round negotiations, contains specific measures to address the concerns of small vulnerable economies, such as those in Caricom.

This would include options for meaningful special and differential measures in bilateral trade agreements with developed countries.

It should also include provisions for special products and special safeguard mechanisms in agriculture.

In addition, a suitable Doha package must have flexibility in the reduction commitments in non-agricultural market access and special provisions in relation to the temporary movement of workers in services;

4. There should also be a commitment to increasing investments in technology and research which is critical to the long term and sustainable development of the CARICOM region.

This is important to increase the use of renewable energy; enhance energy efficiency; and adjust to the impacts of potential disasters arising from climate related events.

In this regard, we welcome the recent leadership by the World Bank in the creation of the Caribbean Catastrophe Risk Insurance Facility to provide resources to Caribbean countries affected by hurricanes. We urge that it be expanded to cover other categories of risks.

Ladies, and gentlemen, in all that we do, we should never lose sight of the fact that people must be the focus and object of development. Development must aim to eradicate poverty, and improve peoples' standards of living.

Mr. Chairman, I have tried to place in context, the challenges with which we are faced as a group of nations. Many of these are due to globalization; the removal of preferences; the actions of other countries and criminal activity, which has the potential to destabilise our societies.

Despite these challenges we have taken significant steps to bolster our economies, to open them to the free flow of capital, goods and ideas, and to build our physical and human capital.

We are beginning to see early signs of progress. The progress is however, fragile and requires a strategic partnership between CARIOM and the United States to secure gains to our mutual benefit.

Mr. Chairman, I am hastened to action by the poverty that still abounds in our countries.

I urge us to act without delay, because I share the sentiments expressed by the Caribbean Nobel Prize-winning poet, Saint Lucian Derek Walcott who wrote that:

"I cannot bear to watch the nations cry
Who cares how many millions starve?
Like lice, like lice, the hungry of this earth swarm to the tree of life
But fires drench them like vermin
Quotas prevent them, and they remain
Compassionate fodder for the travel book."

Walcott continues the analogy noting that:

"Now I have come to where the phantoms live
I have no fear of the phantoms, but of the real"

Ladies and gentlemen, poverty is real. There are real dangers and threats to our societies if we continue to skirt around the issues of want, hunger, misery, joblessness, ignorance, and people's frustration.

We must now move with purposeful haste to address those issues.

Unless we take an integrated approach to development and put the development of people, poverty alleviation, and the reduction of inequality at the centre of the development agenda, we would have lost an opportunity for which future generations will judge us harshly.

As we meet in Washington to fashion a partnership for development, security and prosperity, let the words of the great Pan-Africanist Marcus Mosiah Garvey, echo through these halls, when he reminds us about our duty and greater purpose: He said:

"We are the bearers of the world's bright torch
To light our civilization as we go
No one should lodge at darkness' porch
Right well we teach the people all to know

There's much for us to do in this toil of love
In helping others as we climb the heights
It is for us to reach and lift above
Those who are struggling up through gloomy nights."

Ladies and gentlemen, I thank you for your attention.

God bless you.