

Review of the External Relations Policy of St. Lucia

**Presented by
The External Relations Review Committee**

**Undertaken on Behalf of the Ministry of External
Affairs International Trade and Civil Aviation,
(Government of St. Lucia)**

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LIST OF ACRONYMS

1. ACP - African Caribbean and Pacific (countries)
2. ACS - Association of Caribbean States
3. ALBA - Bolivarian Alliance for the Americas
4. AOSIS –Association of Small Island States
5. BRICS - Is a title association of leading emerging economies; Brazil, Russia, India, China and South Africa
6. CAFTA - Central American Free Trade Agreement
7. CARICOM-Caribbean Community
8. CARIFORUM –Caribbean Forum
9. CARIFTA - Caribbean Free Trade Association
10. CBI/CAFTA – Caribbean Basin Initiative/ Central American Free Trade Agreement
11. CELAC – Community of Latin American and Caribbean States
12. CSME – Caribbean Single Market and Economy
13. DFAT - Department of Foreign Affairs
14. DR - Dominican Republic
15. EPA - Economic Partnership Agreement
16. EU - European Union
17. FTAs- Free Trade Agreements
18. GOSL – Government of Saint Lucia
19. IIRSA – Integration of Regional Infrastructure in South America
20. IMPACS – Implementation Agency for Crime and Security
21. LAC – Latin American Countries
22. LDCs – Lesser Developed Countries

- 23. MEA- Multilateral Environmental Agreements
- 24. METC- Ministry of External Affairs, International Trade and Civil Aviation
- 25. MDCs – More Developed Countries
- 26. NAFTA – North Atlantic Free Trade Agreement
- 27. OAS – Organisation of American States
- 28. OECS – Organisation of Eastern Caribbean States
- 29. PDVSA – Petroleos de Venezuela, South America (Petroleum of Venezuela, South America)
- 30. SICA – Central American Integration System
- 31. SIDS – Small Island Developing States
- 32. UK – United Kingdom
- 33. UN – United Nations
- 34. UNASUR – Union of South American Nations
- 35. UNCTAD – United Nations Conference on Trade and Development
- 36. WTO – World Trade Organisation

INTRODUCTION

REVIEW OF THE FOREIGN RELATIONS OF SAINT LUCIA

THE MANDATE AND PROCEDURE

The Committee was asked to review the foreign or external relations of Saint Lucia from the perspective of (i) what are the appropriate policy directions that government should pursue, (ii) what courses of action should be undertaken by the Government of Saint Lucia and (iii) what institutional arrangements are entailed in such a process.

In that context we have chosen to proceed by way of a (i) extensive preliminary discussion among ourselves to clarify the conceptual bases on which we would be conducting our discussions and undertaking necessary research; (ii) a review of previous analyses of policy directions and institutional proposals undertaken for the Government of Saint Lucia, and undertaken in respect of foreign policy directions within the Caribbean community and, in particular other small states in the developing world; (iii) interviews with members of staff and former practitioners in the Ministry of External Affairs and International Trade and Civil Aviation and in other Ministries whose functions take them into, or bear on, a diversity of external engagements; and (iv) interviews and discussions with individuals here and others interested in Saint Lucia, and a variety of interest groups and social partners in the country, which have necessarily had to engage in various kinds of international intercourse and who have felt a need to interact with government agencies in that regard.

Our thinking, discussions and procedure have been based on the assumption that there is a felt need for government and other Saint Lucian actors engaged in various kinds of international engagements to:

- (i) take stock of the changes in the international arena since Saint Lucia attained its independence;
- (ii) to decide on the relevance of existing thinking about options available to the country, including relations and linkages with other states and international institutions; and to decide on either the extent of permanence of such relations in the foreseeable future, or the need to change them and/or extend relationships and linkages with other international actors.

From these perspectives, we have felt it necessary to first examine the configurations of state and global relations since independence, their significance for the viability of Saint Lucia as a nation-state, and for the courses of action that the country feels it can choose in the present environment and in respect of the future environment.

CHAPTER 1

THE WORLD AT THE TURN OF THE CENTURY:

A PERSPECTIVE FROM SAINT LUCIA'S LOCATION

The most striking characteristic of global relations has been a rebalancing of relations between the major nations, with shifts in influence and power from West to East, such that it can no longer be said, in spite of the extensive power capabilities that still reside in the United States (US), that that country can now attempt an autonomous effort of resolution of major problems that might arise.

The dissolution of the Soviet Union had, at first, suggested that most nations would now be perceiving the world as a “unipolar” one, the United States being at the apex of such a formation. That, indeed, could have been an early conclusion drawn by a large number of states in the global system, when the United States unilaterally invaded Iraq in the aftermath of the 9/11 episode. And in global economic relations it appeared, similarly, that the main beneficiary of the process of global economic liberalisation was the United States. For in response to the decision of China to open its economy to the influence of global market relations, it appeared that, with the inflow into that country of American industry and its methods, the American presence would be a significant fulcrum of that country's economic modernisation.

The evolution of global political and economic relations a decade into the new century has, however, produced alternative scenarios that suggest the decline of unipolarity and an increase in the evolution of multipolar relations and a certain degree of mutual dependence and mutuality of influence in the resolution of what are perceived as global problems, from which ever point in the globe they may evolve.

The development economist, Jeffrey Sachs has, from his location in the United States, described the present arrangements of global political and economic relations as being characterised by,

“...two fundamental trends....Geo-politics is moving decisively away from a world dominated by Europe and the United States to one with many regional powers but no

global leaders. And a new era of economic instability is at hand, owing as much to physical limits to growth as to financial turmoil.

...the shift of global power is more complicated than the decline of the north Atlantic (European Union (EU) and US) and the rise of the emerging economies, especially the BRICS (Brazil, Russia India, China, and South Africa). We are also shifting from a unipolar world led mainly by the US, to a truly multipolar world, in which the United States, EU, the BRICS and smaller powers (such as Nigeria and Turkey) carry regional weight but are reticent to assume global leadership, especially its financial burdens. The issue is not just that there are five or six major powers now; it is also that all of them want a free ride at the others' expense.

...the shift to such a multipolar world has the advantage that no single country or small bloc can dominate...the multipolar world also carries great risks, notably that major global challenges will go unmet, because no single country or region is able or willing to co-ordinate a global response, or even to participate in one....¹

For small states such as Saint Lucia which, until virtually the beginning of the 1990's, existed under the protective umbrella of the Commonwealth Preference system, and then under the Lome Convention system that gave similar guarantees of protection for agricultural commodities, the notions implicit in the above quotations of instability and unpredictability of the tenure of trade and other economic agreements in particular, are now no longer surprising.

Confidence in the old international law precept that *pacta sunt servanda* - agreements made are intended to be kept- has given way to a sense that those with power over specific circumstances in international relations, are likely to wield it with the possibility of overturning such circumstances when this is deemed advantageous, blaming *force majeure*, or a change of circumstances, for their actions.

¹ Jeffery Sachs, "The Challenges of a Multipolar World", [www.social-europe.eu/2012/04.the](http://www.social-europe.eu/2012/04/the-challenges-of-a-multipolar-world) challenges -Of=-a-multipolar-world

Confidence that in the newly liberalised world, the terms of trade would be flexible enough to permit innovative investments and activities in areas not strictly bound by international covenants, as Antigua and Barbuda attempted in the post-1990's period, have led to a conclusion that small states are unlikely to have the weight to insist on enforceability of international judgements, that the resort to law and its enforcement is itself prohibitively expensive and therefore favourable to larger powers, and that satisfactory conclusions cannot be arrived at.

In addition, agreements and guarantees subscribed to, by large and small, have been found to be mutable, consequent upon changing international circumstances deemed negative by larger powers. In those circumstances, as in the case of the transition from Lome Convention to Cotonou Convention and then to the ACP-EU Economic Partnership Agreement, small states have found the bases of agreements suddenly changing.

This has also meant that the assumption that small states have held - that institutional alliances between themselves and larger developing states, as in the ACP (African Caribbean and Pacific) grouping, within the framework of wider international economic agreements, would have long terms stability in terms of their dominating preoccupation with international trade, has proven to be false in the face of such instability.

An institutional consequence for small states such as Saint Lucia, is that the additional presumption that the concept of developing state, when institutionalised as in the case of the UNCTAD (United Nations Conference on Development and Trade) for example, was sufficient to provide a basis for arranging balanced alliances as counterweights to the predominance of larger powers in international economic negotiations, has not held. The intensity of the struggle for predominance in the new liberalised international economic arrangements, has found the larger developing states, particularly in an era of substantial commodity demand, unwilling to support earlier agreements that protected the positions of smaller entities.

This situation of coping with a newly evolving structure of international economic relations, has been aggravated in the contemporary period by the fact that the assumed benefits of progressive liberalisation asserted by the larger developed states has not been as beneficial as

expected, as almost unanticipated economic recessions have affected some of the traditionally dominant states. This has forced them to undertake what are referred to as major structural adjustments that, in some cases, such as the Air Passenger Duty imposed differentially on small and large countries, go against the grain of their commitments to support alternative production systems to those like agriculture, which have been faced with adjustment to the world trading arrangements.

We can sum up the above discussion so far by saying that, for small states like Saint Lucia,

- (i) there has been, in the new period of international economic liberalisation, a substantial amendment or loosening of aspects of the traditional international economic framework designed to permit some measure of economic viability for them;
- (ii) that increasing competition between traditional great economic powers, secondly, between states and regional groupings like the EU and NAFTA (North Atlantic Free Trade Agreement) and thirdly and more recently, between emerging states-economies taking advantage of substantial commodity demand and the traditional economic powers, has reduced the already minimal space for commodity and manufacturing trade which smaller entities had not previously enjoyed;
- (iii) that the international institutions such as UNCTAD, designed to harmonise trade and production rules and practices, and in the context of which small states could seek advantageous alliances to enhance their possibilities for growth, have tended towards stagnation as the larger and emerging powers struggle for advantage;
- (iv) that in the specific context that the attempted harmonising of the entry of a major emerging power like China into the given frameworks of international trade and production agreement is more competitive than that, for example, of the case of the emergence of a Japan under the political umbrella of the United States and dominant western powers, the preoccupations of small states (for example on climate change) are being subordinated;

- (v) that the international negotiating arrangements which, in the post-World War II period, small states have traditionally depended on to advance their causes, are in some measure paralysed, as is demonstrated in the case of the Doha Round negotiations and that
- (vi) as a general conclusion, therefore, the processes of technological innovation, economic liberalisation and globalisation which have occurred over the last thirty years since Saint Lucia attained sovereign independence have substantially changed the relatively stable inherited international economic framework and the accompanying international institutional framework, in which it assumed it would have to operate. Domestic institutional arrangements must, in turn, be reorganised to adjust to the new inheritance, even as it is characterised by a degree of instability in its unfinished state.

THE POLITICAL INHERITANCE

From today's perspective, if not from the period when the post-World War II global environment began to evolve, the common link between developments in the present international economic sphere, and those in the global political sphere, can be said to be the evolution of the People's Republic of China's (PRC) and its participation in global affairs. A critical point in this evolution was the recognition of the PRC's changing significance by the United States, indicated in the visit of President Richard Nixon to the PRC in February 1972, and the establishment of formal diplomatic relations between the two countries in January 1979. Prior to this, in 1971, the PRC had assumed its seat on the UN Security Council.

Thus began an ending of the "two political systems world" that had characterised international relations certainly since the end of the Second World War, concluded by the dissolution of the Soviet Union and its international network of states.

Preliminary to the ending of the "two-economic system world" which is evident today, the Chinese government undertook an evaluation of the nature of its economic model in the

context of what was increasingly being recognised as the effects of the revolution in the technology of communications that allowed penetration of national systems irrespective of political boundaries. The result of this evaluation has been the progressive integration of the Chinese economy with the rest of the world economy, and in particular with the North Atlantic economies, within a framework of international economic liberalisation. This was exemplified by China's adherence to the World Trade Organisation (WTO), at the virtual insistence of the United States, as the basis for "fair trade" within the now single global economic system or "one-world economy".

For countries of the Caribbean, and therefore Saint Lucia, this deliberate systematisation of relations between the PRC and the North Atlantic states, including the mutual penetration of their economies, has had a singular effect. It has placed the question of recognition of the reality of China as now a critical element of the operation and management of the global political and economic system directly on their diplomatic agendas.

As with other countries of the ex-colonial and developing world, reactions to this challenge of recognition have been mixed. A majority of developing countries have established formal diplomatic relations with China, these have included the small but proximate Republic of Singapore which, following some hesitation, proceeded to formally recognise the PRC's formula that "there is but one China"; while, however continuing economic and in some measure security relations with Taiwan.

In the case of the Caribbean Community (CARICOM), there was early recognition of the PRC by the larger states - Jamaica, Guyana and Trinidad & Tobago (in all of whose populations there have been ethnic Chinese descendants), with Barbados following some years after independence, after a change of government in that country. Among the Organisation of Eastern Caribbean States (OECS), there has been a split between China and Taiwan. Moreover, in the wider Caribbean, both the Dominican Republic and Haiti have retained recognition of Taiwan. Though the former state however, recognising economic realities, has developed

increasingly close relations with China by way of encouraging investments by that country as part of the Dominican Republic's strategy of industrial development².

This paradox of recognition of the PRC has most deeply affected Saint Lucia with its swings, between 1985 and the present, between the two entities. The paradox is typified by the attitude and practice of Sir John Compton in his various spells as head of the Government of Saint Lucia, when he sought to recognize both China and Taiwan on separate occasions.

CARICOM states are well aware, however, that the evolution of China has gone hand in hand with the progressive emergence of certain developing states, exemplified in the acronym BRICS, as a middle or intermediating core of diplomatic actors in respect of the evolution of global economic and political relations. These states insist that the institutionalisation of such relations should no longer be privileged as between the major Cold War contestants and their traditional allies.

Whether in the evolution of the regulation of international trade, in the regulatory priorities to be given to elaborating policies relating to investment in, and exploitation of, commodities from developing states, in defining the terms of sustainable development and management of climate change, these countries now insist that there must be formal diplomatic spaces reserved for their effective intervention in negotiations.

This view accorded with the early (1970's) adherence by the major CARICOM states to the Non-Aligned Movement, more concerned with global political, rather than economic, relations, and to their view that the UNCTAD should be a substantial institution in the reformulation of international economic relations. And it is more decisively reflected in the contemporary period in the stalemated Doha Development Round of negotiations, where the concerting of relationships among this middle group of states has enhanced their influence vis-à-vis the traditional major economic powers.

² To that end the Dominican Republic has opened a "commercial development office" in Beijing. See "China, Dominican Republic strengthen tie", www.investinthedr.com/news54.asp

The questions to be asked as they pertain to Saint Lucia and CARICOM countries in terms of this emerging diplomatic landscape are:

- (i) What is the space for their diplomacy as it relates to their claimed special characteristics and concerns of small states, including small island states? ; and
- (ii) What ought the nature of that diplomacy to be, including the possibilities for coalition diplomacy that can ensure that their specific requirements are recognised by the new group of intermediating states, large in scale and seeking for themselves effective terms of competitiveness with the North Atlantic and other powers?

These questions have already been posed in practical terms in the context of the operation of the WTO: first, for the CARICOM states, in terms of the conduct of the banana trade; and secondly, when Brazil and some African states successfully sought confirmation of a re-regulation of the trade in sugar, to the detriment of sugar-producing states in the CARICOM region.

Some conclusions that we can draw are that:

- (i) The preoccupation of the post-World War II major powers with the formation of ideologically-defined security blocs which largely determined an ideological definition of economic blocs, has come to an end;
- (ii) The contemporary “one-world” economy that in this period juxtaposes traditionally dominant economies with large economies of the developing world supplying commodities critical to technological innovation and industrialisation in these dominant economies, does not permit economic protectionism of previously chosen allies, such as the Caribbean;
- (iii) The processes of economic liberalisation and globalisation which have occurred over the years since Saint Lucia attained formal sovereignty have substantially changed the inherited economic framework in which the country had assumed it would be possible to operate and create an advanced economy;

- (iv) In formal terms the economically liberalised system creates a level playing field that does not discriminate between large and small economies;
- (v) Alternative arenas in which small countries have negotiated economic frameworks, like the EU-Cariforum Economic Partnership Agreement or the proposed US-CARICOM Free Trade Area are, in effect, sub-systems of the new wider globalised arrangements and are required to conform to those arrangements;
- (vi) In relation to the emerging powers, including Brazil in our Hemispheric space, while there exist new arrangements (Petro Caribe, ALBA) designed to assist development processes of the smaller countries of the area, no attempt has as yet been made to articulate institutional arrangements that might position the smaller states as vulnerable entities requiring special and differential treatment, one of the main objectives of their post-protectionist diplomacy;
- (vii) The end of the Cold War and the turn of all major powers from ideologically defined geopolitical and security systems into which the small countries of the CARICOM were largely incorporated, has changed the parameters of global and hemispheric systems within which small states sought to ensure their domestic and external security. The diplomatic concept of a 'bloc' is no longer deemed relevant;
- (viii) The new priorities are not geopolitical or ideological, but relate substantially to major power concerns with the narcotics trade in which the CARICOM arena is a south-north bridge, more complex than the small state's domestic security arrangements can cope with;
- (ix) In this sphere, given the priority which the dominant country in the Hemisphere attributes to this contemporary security issue, and the discrepancy between that power and the CARICOM states in terms of appropriate capabilities, the arrangements between the large and the small is essentially an asymmetrical one.

- (x) These characteristics of global economic and political reorganisation combine to create a self-perception of small states as somewhat isolated entities – “small states alone”.

CARICOM AND SAINT LUCIA

The end of the Cold War, and the end of the US fear of undesired ideologically-motivated intrusions into the Hemisphere, when coupled with the rise of liberalised China and with the development of a vent for non-United States demand for commodities and manufactures of Hemispheric states, has introduced possibilities for a substantial flexibility into the regional relations of this arena.

The differentiation, at this time, between Latin American and Caribbean countries in this new context is well described as follows:

“This mixed global environment has distinct implications for countries of the Latin American and Caribbean (LAC) region. The current global setting is stimulative for those LAC economies with greater real linkages to the more dynamic emerging economies, and for those likely to be most attractive to foreign investors. Most commodity-exporting countries of South America are facing highly favourable conditions. On the other and, the environment is least variable for those with strong real linkages to the weaker-performing advanced economies. This is the situation for many countries in Central America, with close ties to the U.S. economy in terms of income from exports and workers’ remittances, and much more so for the tourism-dependent economies of the Caribbean”.³

As is later described in other sections of this Report, in the new processual and institutional economic atmosphere, a greater degree of diplomatic intercourse has emerged in the area,

³IMF, World Economic and Financial Surveys-Regional Economic Outlook: Western Hemisphere-Heating up in the South, Cooler in the North, October 10

leading to the creation of new organisations for the conduct of Inter-American economic and political diplomacy.

CARICOM is faced with new possibilities for interaction with the wider Hemisphere; this, representing a certain movement away from the notion that the only alternative state, for the sub-region, as *interlocuteur valable* or negotiating intermediary, in the arena was the North American state of Canada.

The issue posed for CARICOM in that context has been how new bilateral and multilateral terms of engagement need to be defined. In theory, the CARICOM states as small entities would tend to see multilateral fora as perhaps more appropriate for their engagement, especially as this might permit a sub-regional or coalition diplomacy toward larger member-states.

More urgent priorities, however, specifically the need for economic aid in the face of oil price rises as well as recessionary conditions, have for many years turned the states towards bilateralism – in the southern Caribbean particularly to Venezuela for example, in the pre-revolution era, and then later irrespective of the nature of the regime. In the aftermath of the removal of Commonwealth protection and the advent of WTO liberalisation too, the state of Guyana has also been more inclined to accept assistance, in some senses it has tended to perceive as an informal diplomatic guarantor vis-à-vis the Venezuelan claim to its territory.

This non-ideological posture towards Latin American states has been a characteristic of CARICOM diplomacy, exemplified by their earlier initiative to collectively recognise Cuba in the early 1970's.

Further, it will be recalled that what was deemed to be an important collective diplomatic initiative was undertaken by CARICOM in the mid-1990's, with a decision to find a multilateral framework for engagement with Latin America through the formation of an Association of Caribbean States (ACS), designed to include all states which bordered the Caribbean Sea. This was intended to extend CARICOM multilateralist diplomacy beyond their traditional experiences with linkages deriving from their Commonwealth connections and that sphere was later widened.

Experience has however indicated that the ACS initiative was a somewhat constricted one, omitting, in terms of the definition of involvement, a country which has grown in significance - Brazil, and whose importance to the Caribbean has increased as CARICOM itself extended its borders beyond Guyana to Suriname, both of whom share boundaries with Brazil.

That these CARICOM initiatives were necessary to provide a collective base for small countries with limited financial resources, and limited diplomatic capabilities for engagement among major countries in the Hemisphere, has been clear. But the enhancement of the status of larger countries of the Hemisphere, as they themselves have engaged in multiple frameworks of varying cohesion, has meant that there is a need to establish priorities as to the means of engagement for states of limited capabilities, and the precise objectives sought in seeking such engagement. Adoption of such a posture becomes more important as the larger Latin American states seek to define the nature of their international relationships in this new era of economic liberalisation and enhancement of geopolitical flexibility.

The recent establishment of the Community of Latin American and Caribbean States (CELAC) has posed this issue once again, meriting a closer consideration, particularly on the part of the smaller CARICOM states, of objectives sought, and the availability of resources for achieving them. In the case of the OECS states, what is not, in that regard clear, is the mode of their participation – that is, whether the necessity for individual membership and participation can be allied to a sub-regionalist policy orientation, and therefore to sub-regionalist preparatory diplomacy, particularly in terms of economic development objectives. For the OECS states do not have the kind of direct geopolitical linkage, and prospects for physical and economic integration with the different parts of the Latin American arena, that say, Guyana and Suriname, and even Trinidad & Tobago, would have.

It is our view therefore that Saint Lucia's location within these emerging, and sometimes apparently competitive, multilateral frameworks in the Hemisphere, must therefore be directed at participating in activities that speak to the priority of the terms on which its two main objectives, and the search for new economic linkages can be assured.

These two main objectives would be, first, seeking support for modes of physical and economic integration, in Saint Lucia's immediate OECS and CARICOM sub-regions, that would enhance scale of economic and related operations; and secondly, seeking support that would, given their physical location, provide appropriate resources, and non-dominating modes of co-operation, that can ensure the security of the state, in an era when the dominant threat to state sovereignty and autonomy is the pervasive presence of the trade in narcotics that itself derives from its hemispheric neighbours.

A collaborationist strategy with relevant states, within the framework of its multilateral engagement with the wider Latin American sphere would also help to balance the necessary intervention of the largest hemispheric participant, the United States. And some OECS states have already pointed their diplomacy in such a direction.

Such a diplomatic orientation necessitates closer co-operation and collectivist diplomacy, within the OECS sub-region in what is a new, wider geopolitical and geo-economics arena that is necessarily pressing itself on the sub-region.

SAINT LUCIA IN THE CARIBBEAN REGION

Saint Lucia, since the establishment of the Caribbean Community and Common Market, as outlined in the Treaty and Revised Treaty of Chaguaramas, has taken that institutional arrangement as the basic framework of its economic and social development. Within that arena, the country has also functioned within an additional; it might be referred to as, sub-framework, the OECS. This institution, in terms of orientation of economic goals (free trade) and external objectives, basically followed the principles of the Caribbean Community and Common Market, insisting that due recognition be given to arrangement of policies and programmes that recognised the disadvantageous nature of the constituent states, due to their relatively smaller size than the so-called More Developed Countries (MDCs) in the CARICOM arrangement.

It would be fair to say that in the period of existence of the OECS (commencing 1982), Saint Lucia along with Antigua and Barbuda, the largest economies in the OECS system, played leading roles in the Organisation, shaping policies that harmonised with the basic objectives of CARICOM, but which also insisted on consistent recognition of the OECS countries' special circumstances.

That these two countries, in particular, were able to function in this way reflected the existence of favourable international economic trends that allowed for the development of relatively viable agricultural trade in Saint Lucia's case – specifically the banana trade under the Lome Convention arrangements; and in the cases of both Saint Lucia and Antigua & Barbuda economic trends in the North Atlantic economies that favoured the advancement of their tourism industries. In addition, the free trade arrangements of CARICOM induced industrial investments in both of these countries from the larger CARICOM economies, as well as from the wider international environment, permitting some measure of participation in regional trade; and receipt of investments in financial services as the MDCs, in particular Trinidad & Tobago and Barbados, took advantage of the terms of the Revised Treaty of Chaguramas.

In the latter part of the 1990's, however, these favourable circumstances faltered, as the CARICOM environment was influenced by two factors: the recessionary conditions that impacted some MDCs, and the negative effects of the existence of the WTO that removed the protectionist arrangements applicable to the banana trade. From Saint Lucia's perspective, the future (and not so far-off) implication of that factor would be that the more favourable productive conditions of the Dominican Republic (a country of much larger size and production capabilities) and in the context of the opening of the post-WTO British market, could henceforth now be the dominant player – from a CARICOM perspective – in the British market.

The consequence, certainly in the period going into the decade of the 2000s, in terms of economic possibilities for Saint Lucia, barring the advancement of the tourism industry as long as the vibrancy of the North Atlantic economies was regained, and remained, was a certain sense, and reality, of constricted or constrained economic development possibilities, both within the CARICOM sphere and in the wider world economy.

This situation will certainly have induced, as we have hinted earlier, a decision in which Saint Lucia strongly participated, more towards an OECS economic union, so as to produce possibilities for greater economic scale for participation in both regional and international markets. The country was also receptive to an initiative emanating from Trinidad & Tobago for a rearrangement *within*, but not intended to be deleterious to, the Caribbean Single Market and Economy (CSME), for a further harmonisation of economic policies, between that country and the OECS. Studies undertaken in this regard have demonstrated that such an approach could enhance scale, hinging their economies, in terms of seeking complementary objectives, to the endowments/capabilities of a larger economy, thus permitting the achievement of chosen economic objectives⁴.

This initiative was however perceived in some quarters as a challenge to the integrity of the CSME itself and essentially remained still-born.

The lingering of recessionary conditions in CARICOM did, however, have the effect of a more strategic concentration on the issue of the place of the OECS in CARICOM, the wider Caribbean and in the world at large, leading to the OECS Economic Union initiative and the signing of the Revised Treaty of Basseterre.

Nonetheless, it does appear to us that the present environment, in which a certain change of Saint Lucia's circumstance as a productive economic unit is increasingly recognised leaving the country, along with others in the sub-region, in circumstances of being "small states-economies alone." These circumstances need to be challenged and changed.

We therefore urge that government seek to continue to explore the possibility of more cohesive arrangements with Trinidad & Tobago, in terms, in particular of infrastructural integration, and within limits that do not offend the CARICOM Treaty, but which can upgrade

⁴See the study, conducted under the direction of Dr Vaughan Lewis, Trinidad and Tobago-Eastern Caribbean States Integration: Task Force Report, Trinidad & Tobago, Office of the Prime Minister, 2009. This approach would entail the creation through spatial co-operation of a variety of what are referred to as "regional public goods" mutually beneficial to the participating entities and economic sectors within them. For a wider consideration of this pertaining to CARICOM as a whole see (1)CARICOM Secretariat A Strategic Plan for Regional Economic Development Within CARICOM: A Regional Public Goods Approach (Dec 2011); (2)CARICOM Secretariat, The Single Development Vision and the Role of the Single Economy (2007)

its, and other OECS countries, capabilities for domestic and external action in specific spheres where scale is critical to identified economic priorities.

For the sense of isolation has been exacerbated in more recent times in the context of two factors. The first is a potential threat to the island's tourism resulting from taxation measures (the Air Passenger Duty) introduced in the United Kingdom, and deemed from a CARICOM perspective to be damaging to the industry's potential in a highly competitive environment. And the second is what we can call a possibly emerging perception, from the perspective of the world outside of the CARICOM, of the integrity of CARICOM itself (and therefore Saint Lucia within CARICOM) as an entity not open to, and not capable of, productive external engagement within the contemporary era. (The implications can be seen more fully, where Saint Lucia and the EU are considered in this document).

An indication of this is what would appear to be a continuing suspicion, really in the air since the establishment of the Cariforum (Caribbean Forum) in 1992, designed to include other Caribbean states, including the Dominican Republic (DR), and then the later Cotonou Convention (2000), of a certain resistance to redefinition of the Caribbean Community to go beyond the colonial inheritance at British Caribbean independence in, and after 1962.

As we have hinted above, Saint Lucia and the other Windward Islands were initially part of that resistance, as access of the Dominican Republic to the European banana market was perceived as threatening. But it would appear more and more to be the case, that this initial resistance has developed a wider resonance, as there would seem to be continuing concern about the slow pace of practical implementation of the Cariforum (especially after the acceptance of Haiti into the Caribbean Community) to permit the DR to play a more effective role in EU- Cariforum relations.

Whatever the present state of relations however, Saint Lucia, which through private sector banana export relations has established relationships with the DR, will be aware that, in terms of the extended access of Cariforum countries to the wider American Hemisphere, that country's adherence to the US-DR Central American Free Trade Area (CAFTA) has taken place well in advance of the conclusion of negotiations for a similar FTA (Free Trade Agreement) with

the CARICOM countries. The DR's present status now reflects the beginnings of a modernisation of the economic relationships between the United States and the wider Caribbean, the United States has long favoured. And it will have had the objective of giving the DR a certain parity with CARICOM in that regard, even now going beyond the Caribbean Basin Trade and Production Act (CBTPA 2000) – this latter being, from a United States perspective, unfinished business.

We conclude in this regard, that Saint Lucia, while recognising the complexity of negotiations towards an FTA, needs to urge CARICOM to conclude these as quickly as is convenient, so that Saint Lucia can have a reasonably settled sense of the new context in which it will inevitably have to function.

OPERATING IN THE WIDER MODERNISED ENVIRONMENT

The issue, in the contemporary environment, then becomes, for Saint Lucia, as for other CARICOM countries, how the adjustment to a continually changing hemispheric and international environment is to be made. In a certain sense, of course, it is obviously not a challenge to be faced by Saint Lucia autonomously, but as part of the wider CARICOM region.

In terms of geo-economics and geo-political realities in the present period of economic liberalisation, and the consequent loosening of previous privileged relationships, CARICOM itself, and therefore Saint Lucia, has to envisage decision-making parameters now influencing its range of choices and decisions that go beyond the institutional conditions (the Commonwealth connection, the CBI-CBTPA) that gave the CARICOM construct the sense of a privileged position.

Prime among such parameters is, of course, the end of the Cold War, in the sense that the integration of both China and the former Soviet Union economic spaces into the now global free enterprise economic space reduces the significance of the necessity to ensure a certain dominance of the security parameter that shaped US-Western strategic thinking.

The nature of security as a significant element determining the character of economic relations has changed for the Caribbean. As is now well understood, the substantial reality as it relates to this Hemisphere, and in spite of the Cold War postures related to countries like Cuba and Venezuela, is not ideological (in the Cold War sense).

Rather, first, it involves the issue, given the country's location, of what in the post 9/11 era is characterised in the United States as ensuring "homeland security"; and secondly, though perhaps increasingly ranking first in terms of the Caribbean, security in the face of the narcotics trade. In that respect, what is worthy of contemporary observance, is the swift evolution in recent times, of relations between Colombia and Venezuela for example, focusing on the resolution of security issues domestically created, rather than on extra-Caribbean-Latin American impulses and definitions of security concerns.

THE NEW PARAMETERS OF SAINT LUCIA'S VIALIBITY

In determining the directions of the country's foreign relations and policies, then, we start from the proposition that *the essential objectives of the Saint Lucian state in this period are:*

- (i) To pursue paths to economic and social development, appropriate to the aspirations of the population, in the context of a liberalised global economic environment not favourable to past protectionist economic policies and protected international trade;
- (ii) To establish principles, directions and strategies that will ensure the security of the state in both its domestic and external dimensions, in the context of the main contemporary threats perceived to exist – namely threats, in this period and beyond, dominated by the conduct of the narcotics trade; and
- (iii) To pursue strategies related to the innate vulnerability of the material endowments of the state determined by its structure as a small island in the path of varying climatic processes, and to actively participate in forums (as for example their initial participation in AOSIS- (Association of Small Island States) directed at achieving their objective of reducing vulnerability; and

- (iv) To undertake these objectives in the context of the country's commitment to the CARICOM regional integration process, in order to ensure a degree of symmetry within the regional area, and to be able utilise diplomatic channels and strategies not available to a relatively small state, acting alone.

With regard to item iii, which relates to what we call, "the vulnerability of the material endowments of the state..." we note the following:

"In many instances, States recognised an environmental problem, negotiated an MEA (Multilateral Environmental Agreements) to address the problem, and then signed and ratified the MEA, without conducting a serious assessment of whether the particular States actually have the financial, personnel and technical resources to implement the MEA. Now many States are faced with the challenge of implementing numerous MEAs with limited resources. In addition to scarce resources, politicians often need to be convinced of an MEA's importance considering the other pressing priorities facing a developing country." (UNEP 2006)

These observations are very pertinent to many developing states, particularly Small Island Developing States (SIDS) like Saint Lucia whose recent participation in the Rio +20 Conference on Sustainable Development and the 36th meeting of the UNESCO's World Heritage Convention in Russia, highlighted the international importance of MEAs and the role of diplomatic relations in these forums. Saint Lucia is a party to about 19 MEAs that include the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the International Forest Policy dialogue that has been underway in the United Nations Forum on Forests (UNFF), the Convention on Biological Diversity (CBD), the UN Convention on Climate Change (UNFCCC), all of which have reinforced political commitment for conservation and sustainable management of natural resources.

Saint Lucia is also party to one regional MEA (i.e. Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (Cartagena Convention), and the sub-regional Treaty of Basseterre with its affiliated St. George's Declaration of Principles for Environmental Sustainability in the OECS (SGD). The reality is that

there are constraints related to the capacity in our public institutions and also the level of support received from many of these Conventions to effect local implementation.

We believe that there is space for the Ministry of External Affairs International Trade and Civil Aviation (METC) in conjunction with the relevant functional agencies of government to actively participate in these forums in order to generate support from the Convention, co-ordinating national and regional positions in advance of Conferences of Parties.

Saint Lucia will be well aware that there is a general CARICOM consensus on the priority to be given to hemispheric co-operation, including specifically with the United States as the main consumer of narcotics in the area, in order to cope with the security and domestic stability implications of that trade. A continuing active co-operation within the framework of CARICOM is necessary in this regard, ensuring, through collective action, a certain balance in regard to policies and measures to be agreed. In that context, the country's co-operation within Caribbean IMPACS (Implementation Agency for Crime and Security) is already agreed.

As already indicated in statements made by the Government however, latterly at the Sixth Summit of the Americas meeting (April 2012)⁵, Saint Lucia is also committed to pursuing alternative, or complementary, non-military paths and arrangements, towards minimising and eliminating the scourge of narcotics trade and consumption, a position which has resonance particularly in harshly affected countries like Mexico, and those of Central America.

Saint Lucia must, within the CARICOM framework, continue to pursue these initiatives.

⁵ See Statement by Dr Hon Kenny D Anthony to the Sixth Summit of the Americas, Cartagena, Colombia, April 2012

CHAPTER 2

HISTORICAL REVIEW OF SAINT LUCIA'S FOREIGN RELATIONS

Whilst the review of the foreign relations of any country is intended primarily to reposition the country for its future development, such a forward-oriented exercise cannot begin without a proper examination of the historical circumstances that impinge upon current practice. In this regard, therefore this section of the Review provides a brief historical overview of the specific occasions when successive administrations in Saint Lucia, have deliberately articulated a “foreign relations policy”.

This emphasis on past moments where deliberately articulated foreign policy pronouncements can be identified, presents a useful anchor from which the shifting emphases and concerns of the country's foreign policy can be traced. As a result, the section focuses, not only on the content of these official pronouncements in themselves, but provides some analytical comment of the existing international framework which underpinned the policy statements, as articulated. Such an approach therefore allows for a basis for examining the past, in order to move forward. It provides a useful analytical platform from which the current and future projections of Saint Lucia's foreign policy direction can be presented.

FROM ASSOCIATED STATEHOOD TO INDEPENDENCE

The period from Associated Statehood leading up to the first formal steps towards the attainment of formal independence (1967 to February 1979) can be identified as a useful starting point from which to trace the formal articulation of foreign policy viewpoints by persons with formal responsibility for the governance of Saint Lucia. This is indeed not surprising, since given the constitutional limits of “Associated Statehood”, foreign policy remained one of two areas of responsibility kept out of the hands of the local administration and remained firmly wedded in the hands of the United Kingdom (UK) Government. This reality

meant two things insofar as the development of the foreign relations policy of Saint Lucia was concerned.

- (i) Due to the identification of foreign policy as an area of competence denied the local administration, from very early the right to make decisions in the area of foreign affairs came to be identified as the principal step towards independence.
- (ii) Conversely, the very fact of the withholding of foreign policy from the local administration meant that very little capacity had been developed in the area, and this resulted in a tendency towards “timidity”, uncertainty and lack of clarity in the role that Foreign Policy would play in national development

Much of the pre- and early post-independence foreign relations of Saint Lucia can be understood against these two conflicting tendencies.

The earliest formal articulation of a proposed foreign policy for Saint Lucia can be identified during the debate in Parliament on Saint Lucia’s independence. The then Premier, and later Prime Minister, John Compton articulated the putative policy. At the time, the intent of the statement was to delineate clearly the manner in which the new state intended to use its soon to be attained sovereignty, and in particular, emphasis was placed on identifying the manner in which the new responsibilities of foreign relations and defence would be approached and handled.

In the statement, the country’s first Prime Minister proposed that his foreign policy would be shaped by the fact that “our total history has been bound up with the West” and by “what could provide the island with the best thrust for its economic development”. Given the reality of the bipolarity of the Cold War as the dominant framework shaping Saint Lucia’s perceptions of the options available at the moment of independence, the foreign policy identified the country’s goal as to:

“...so conduct our affairs as not to introduce into this region of peace and tranquility the conflict of the “cold war” ideology with all its grievous consequences. While recognising that we are part of the developing world whose problems may be similar to our own, and whose experiences can assist us in providing appropriate solutions, our human resources are too slender and our material needs too great to permit us to expend these in the barren waste-land of posturing and polemics”.⁶

In short, therefore, a “non-ideological” stance was being adopted, with a specific emphasis placed on identifying with the traditional North Atlantic and hemispheric geopolitical and historical associations, with a view to maximising development opportunities. In this context, it was felt that identification with the Communist bloc and its Third World aspirants, would have militated against, rather than facilitated national development.

Due to these considerations, much of the early foreign policy pronouncements were meant to emphasise and demonstrate this commitment to the West. Significantly therefore, whilst Foreign Affairs and Defence were identified as the last two remaining areas of domestic autonomy not yet devolved upon Saint Lucia prior to independence, the Foreign Policy Statement made it clear that Saint Lucia was not willing to move beyond the pre-independence understanding of the application of these concepts to national development. Thus, in its articulation of its policy on “defence” the government saw no dilemma in an accommodation to US military domination in the wake of British political withdrawal. Arguing that the question of defence “is quite absolutely academic... in this nuclear age”, the statement welcomed the growing US military presence in the region:

the United States, which has always considered the Caribbean as its ‘sphere of interest’ and has referred to it as a ‘closed sea’ in respect of military/naval activities, is expected to be more intimately involved in the defence of the area, and as a consequence, the deterrence factor at present resides, not in the UK, but in the US, hence membership in the OAS is the clear answer (GOSL Independence “Green Paper” 1978, 8).

⁶ John Compton, Address to the 13th Annual Conference of Delegates of the United Workers’ Party, May 1st 1979

Despite this overt announcement of an intention to operate within the inherited framework of limited conception of the possibilities of independence, it was also recognised that the options available for development were far wider with the instruments of sovereign statehood than without it. Thus, a central thrust guiding Saint Lucia's independence was the awareness that there were several sources of international support to which Saint Lucia was being denied access on account of its status as a colony of Britain. Significantly, too, there were several issues critical to national development, such as the negotiation of air route rights (critical to tourism development) which Saint Lucia could not undertake as a colony. In this sense therefore, the first overt declarations of foreign policy for Saint Lucia, indicated an understanding of foreign relations as important to national development, yet at the same time, it suggested a framework in which reliance on traditional ties, would be the defining feature of the country's foreign relations.

THE IMMEDIATE POST- INDEPENDENCE PERIOD

A critical factor shaping the development of Saint Lucia's post-independence foreign policy was the consideration of cost. Again, this was an inheritance from the Associated Statehood period in which a central factor in the determination of "readiness" for self-governance was the question of the capacity of the government to shoulder the burden of foreign representation. For this reason, and allied with the declared policy of a commitment to the traditional relations, the establishment of the "foreign relations infrastructure" in the post-independence period, was determined, not by considerations of maximising development potential, but by a pre-set consideration for limiting the financial burden on the state. Thus, upon independence, the foreign relations infrastructure consisted of a "Foreign Affairs Desk" in the Office of the Prime Minister (OPM) and Minister of Foreign Affairs, facilitating the limited overseas representation that would be established in the key capitals. In part, this represented a view that the most significant aspect of external relations at that time, related to the search for finance for development. Hence, the exploration of such possibilities emanated from the Ministry of Finance. In that regard, the government explored relations with the Commonwealth and partnered with Canada for further development assistance.

A change of Government in July 1979, a mere five months after the granting of formal independence, however, provided a basis for a dramatic shift in foreign relations policy. This period represented the second opportunity for a formal declaration of an announced foreign relations policy for Saint Lucia, and it came in the form of a statement to the parliament in September 1979 by the new Government's Foreign Minister, George Odium. In that statement, a more "active and aggressive" foreign policy was enunciated, and was premised on a diametrically more optimistic reading of the space for maneuverability afforded to small states like Saint Lucia, by the existing global order.

Thus, while the new policy expressed a continued commitment to the existing traditional relations, there was a strong indication that irrespective of the financial and other constraints, Saint Lucia would extend its foreign policy to include relations with a wider range of countries. In the context of the Cold War, it was felt that Saint Lucia would be provided with the space for extracting benefits from either of the two antagonistic blocs through the pursuit of a policy of non-alignment.

One central assumption of this new foreign policy direction was the emergence of new, small states in the Caribbean and the wider former post-colonial world, with similar developmental concerns as Saint Lucia and which were similarly identifying non-alignment and the defence of self-determination as key features of their newly emerging foreign policies. The experiences of, and the assumed support from countries such as Cuba, Grenada and Libya loomed large in these considerations. The period therefore saw greater contact with countries like Cuba, and a more overt attempt to tap into education and other developmental offerings presented by such countries.

THE POST COMMUNIST PERIOD

However, the period in which Saint Lucia advocated its less traditional foreign policy coincided with a period of heightened opposition to the spread of communism in the Western Hemisphere, largely around the more deliberate policy of containment spearheaded by US

President Ronald Reagan and British Prime Minister Margret Thatcher. Given this reality, and given the framework and assumption upon which the succeeding government's foreign policy had been articulated, in reality the "post-communist" period in Saint Lucia coincided with the collapse of the Grenada revolution in 1983.

Indeed, by the time of the collapse of the Grenada Revolution, the domestic politics of Saint Lucia had already witnessed the defeat of the domestic pro-socialist parties, and by extension, had resulted in the return to the parameters of the traditional North Atlantic oriented foreign policy outlined in the immediate pre-and post-independence period. As will be seen later, it was, ironically, not until the collapse of Russian and Eastern European communism, with the shifting of US interest away from the Caribbean region, that the impetus to develop a wider foreign policy aimed at tapping into new sources of support, was placed on the agenda.

Having now moved away from the non-aligned assertions of foreign relations, and having settled into a framework less overtly hostile to identification with the global interests of the traditional partners, a key feature of the foreign policy thrust of Saint Lucia was the attempt at deepening and widening the framework of Saint Lucian sovereignty through its participation in the OECS.

Thus, from the mid-1980s, a major foreign relations push on the part of Saint Lucia revolved around the efforts at forming a political union first with the OECS, and later among the four Windward Islands. Subsequently, in the late 1980s, with the dissolution of the Communist bloc, and the shifting geopolitical priorities of the West, Saint Lucia's main foreign relations concern became that a condition of "structural marginalisation" was giving way to one of "structural irrelevance". These notions became particularly acute when by the early 1990s a new world of liberalisation and globalisation was taking shape and was being felt mostly directly in its impact on the mainstay of the Saint Lucian economy, the export of bananas to the United Kingdom.

THE ERA OF GLOBALISATION AND TRADE LIBERALISATION

The foreign relations of Saint Lucia in the last decade of the 20th Century, was pre-occupied with responding to a world which was seen as presenting direct threats, not only to the mainstay of the Saint Lucian economy, but to the very social and political order upon which the entire post-independence framework had been constructed. Specifically, Saint Lucia was confronted with the reality of the formation of the Single European Economy, Britain's replacement of trade protection regimes with trade liberalisation regimes, and the establishment of the WTO all of which forced upon Saint Lucia the necessity for adjustment of its mode of integration into the global economy, and by extension, the search for an alternative foreign policy response.

Whilst in this period no formal policy "statement" can be identified, the period was marked by a "busy" and fluid foreign relations environment in which Saint Lucia was called upon to respond to a number of new trade arrangements as the countries of the North Atlantic sought to reposition their relations for dominance in a rapidly changing world. These arrangements are discussed in greater detail in the following section.

In addition, it should be noted that, as indicated above, these adjustments on the part of the North, have been accompanied by the emergence of new centres of economic development such as China and India in Asia and Brazil in South America. Relatedly, the major North Atlantic economies have witnessed the onset of economic crises that have reinforced the importance of the new emerging economies to the economic advancement of other developing countries.

Since during this period, no formal foreign policy had been enunciated, the prevailing sense has been that Saint Lucia has found itself buffeted by external imperatives from several fronts and with different motivations, but with little deliberate governmental response. The current effort at reviewing the external relations of Saint Lucia therefore intends to replace reactive imperatives with conscious policy as a guide to future action.

CHAPTER 3

REGIONALISM IN SAINT LUCIA'S FOREIGN POLICY

In a direct sense, Saint Lucia's foreign policy considerations insofar as its relations with the OECS and CARICOM are concerned, have always proceeded from the basis of the role of these entities as institutional supports for the enhancement of development. This is because, at the time of Saint Lucia's independence, given the country's small geographical, population and economic size and other constraints, the deepening of relations with the Caribbean territories was seen as a key mechanism for overcoming these structural limitations. In identifying the foreign policy concerns which should shape Saint Lucia's relations with the OECS and CARICOM therefore, the notion of regional integration for the overcoming of structural limitations should be identified as a *sine qua non* of Saint Lucia's foreign policy.

It is indeed instructive that CARICOM was a pre-existing and inherited entity at the time of Saint Lucia's independence. During the independence negotiations, it was a continual source of frustration of the political leadership that critical issues germane to Saint Lucia's interest were being undertaken at the level of CARICOM, and Saint Lucia felt itself "out of the loop" due to its existing colonial status. In addition too, the initial and specific arrangements for enhancing trade and other aspects of development, in the form of the Caribbean Free Trade Association (CARIFTA) and CARICOM had been crafted in the image of the MDCs which were first off the blocks insofar as independence was concerned, and by extension, first to confront the economic and other challenges of self-government. To Saint Lucia and the Lesser Developed Countries (LDCs) therefore, CARICOM was seen as an existing arrangement, desirable but not self-created. This sentiment came to the fore in the context of LDCs assertions that a free trade instrument was insufficient to ensure the economic development of their countries, hence, the creation of the Caribbean Development Bank (CDB).

It is not surprising then that the OECS in contrast, came into being in 1981 in the period

following Saint Lucia's independence and was deliberately and consciously crafted to enhance the inherited limited sovereignty of independence. While CARICOM has emerged largely as a trade and economic arrangement, with limited political focus and which has largely avoided the issue of "sharing of sovereignty" the OECS from its very inception was placed on a different trajectory. This trajectory has thus culminated in the establishment of a framework for an OECS single economy, free movement of people, which already underpinned by the inherited reality of a single currency governed by a single Central Bank. It is suggested that political union remains a future aspiration.

The review of Saint Lucia's relations in the OECS and CARICOM takes as its starting point the issues pertaining to the existing reality of the OECS Single Economy and the CSME.

SAINT LUCIA'S OECS POLICY THRUST

The main thrust of the foreign policy of Saint Lucia insofar as the OECS is felt to be the providing of leadership to the Organisation. In other words, whereas in CARICOM Saint Lucia may find itself constrained in its ability to exert leadership, the OECS provides a theatre where Saint Lucia can deliberately aspire to leading the Organisation, by way of its policy thrust and future directions. It is our view therefore, Saint Lucia cannot be seen as a passive partner in the OECS, merely responding to initiatives brought from outside, but must have a vision for the OECS and must so conduct its relations in the OECS in a manner that allows its vision to emerge over time. It is proposed that the elements of that vision should include the following:

- (i) The overcoming of problems involved in the actualisation of the free movement of people, and the actualisation of the OECS Single Economy. In other words, Saint Lucia has committed itself to OECS free movement of people and single economy. The policy thrust of the Government of Saint Lucia (GOSL) must revolve around "making it happen". That is, the government must play an important role in identifying and resolve the current challenges in the actualising of the Single Economy.

- (ii) The harmonisation of foreign policy. The problem as identified by the manufacturers' lobby is that, once the OECS Single Economy was established, Saint Lucia, which has had no policy of economic citizenship, will find its private sector competing with the "economic citizens" whose entry into the OECS was facilitated by other members of the Union.

The problem therefore arises out of the absence of harmonisation of foreign policy, in a context of economic union, resulting in a negative impact upon business in another country that does not subscribe to a policy of economic citizenship. This problem presents a compelling case for Saint Lucia to spearhead the move towards the harmonisation of foreign policy within the OECS, as an important aspect of its new foreign policy direction. ***It is recommended that the OECS Secretariat develops and adopts a Foreign Policy Mandate, alongside its existing mandates in Economics and Social Policy. We feel that it would be useful for the OECS to develop a caucus to provide specific focus to the policy making in the current turbulent environment.***

- (iii) The advancement of the proposal of joint referenda to facilitate OECS collective entry into the Caribbean Court of Justice (CCJ). This above consideration also creates the framework for the pursuit of joint OECS constitutional reform, as proposed by Prime Minister Anthony in the context of the "No Vote" in the Saint Vincent and the Grenadines referendum, which resulted in the rejection of that country's accession to the CCJ.
- (iv) Placing of the pursuit of an innovative political unification approach on the agenda (as a necessary continuation of the single economy thrust, the historical efforts at the enterprise, and as the enhancement of the OECS position within CARICOM).
- (v) The re-opening of the Trinidad-OECS efforts at the economic and political integration as discussed earlier.

These represent a broad programmatic focus for Saint Lucia in the OECS. As a broad programme, they are presented independently of the expected institutional and other responses, which will no doubt occupy the attention of the METC. However, it would be a mistake if Saint Lucia were to allow its policies in the OECS to be reduced to a mere reaction to developments within the union or the mere implementation of administrative and Secretariat deadlines.

In addition, however, the review of the Foreign Policy of Saint Lucia cannot ignore some critical issues relevant to the functioning of the Secretariat, which emerged in the course of the conduct of the review of Saint Lucia's Foreign Policy. This is explored in the chapter of the Review that examines some Institutional Review for efficient policymaking and implementation.

CARICOM POLICY THRUST

Insofar as Saint Lucia's foreign policy considerations where CARICOM is concerned, the issues vary slightly from that of the OECS. Whereas in the OECS, Saint Lucia's strategic position can best be defined as one of leadership, in CARICOM Saint Lucia finds itself responding either to policy options defined by more dominant players within the grouping, as well as to extraneously defined issues impacting upon the grouping as a collective, as in the case of the Economic Partnership Agreement (EPA) with the EU. It is at those two levels that Saint Lucia's role within CARICOM must be assessed insofar as it relates to the formulation of its policy options in the wider regional setting.

However, the determination of Saint Lucia's foreign policy in CARICOM must be guided by the specific features of Saint Lucia's location in the region, which can add value to Saint Lucia's participation in CARICOM, and which can offer concrete advantages to the regional grouping, thus enhancing the significance of Saint Lucia. In other words, Saint Lucia's external relations policy in CARICOM must begin by asking, what special advantages do the historical, economic, and cultural realities of Saint Lucia facilitate in its participation in CARICOM and how can Saint Lucia both benefit from, and contribute to the CARICOM project?

Once posed in this manner, the foreign policy options that Saint Lucia may contribute to CARICOM's evolution immediately widen. In this regard, there are a number of distinctive features of Saint Lucia, which allow the country specific advantages in its relationship with CARICOM and the wider Caribbean. These include:

- (i) St. Lucia's Francophone connection – This allows Saint Lucia to serve as a gateway for the link between CARICOM and the French Caribbean, and mainland France itself. To that end, careful consideration must be given to the myriad ways in which the inclusion of the French territories into specific CARICOM arrangements may help to provide economies of scale and other advantages. An example of such an instance may be the existing proposal by Trinidad and Tobago for a trans-Caribbean natural gas pipeline, to which earlier reference has been made. Given the small size of Saint Lucia and the OECS, a strong argument can be made for the inclusion of the French Caribbean into the arrangement. Saint Lucia can therefore play a critical role in any such or future inclusion of the Francophone Caribbean in CARICOM initiatives.
- (ii) Saint Lucia's use of the French Creole language – in addition to the above, this allows for a specific role of the country in spearheading CARICOM's relationship with Haiti.
- (iii) Saint Lucia's relationship to French Guiana as a link to the South American Continent. Cayenne is home to a large section of Saint Lucian Diaspora and opens a non-traditional gateway to the South American continent, to complement the advantages of entry currently presented by existing links to Guyana and Suriname. A formalisation of relations with French Guiana also presents an opportunity for deepening the links with mainland France beyond the traditional Martinique/Guadeloupe line of contact. ***It is recommended that a framework be explored, involving the government of France, to deepen relations with French Guiana and to identify specific advantages to Saint Lucia and CARICOM.***

- (iv) The presence of oil storage facility and capacity, allowing Saint Lucia to serve as a critical hub in the development of the Petro Caribe arrangement between Venezuela and CARICOM. This is particularly urgent in light of recent concerns about the continued operations of the HESS Saint Lucia facility.
- (v) Saint Lucia, as a critical player in recent times on the UN Decolonisation Committee, has provided the possibility for the country to play a role as CARICOM's link with the non-independent Caribbean countries.
- (vi) Given Saint Lucia's existence as a SIDS, and the increasing weight of environmental issues on the global agenda, and the reality of climate change itself and its implications for development and human survival, Saint Lucia must place these issues at the centre of its relations with CARICOM, and with its interface with the rest of the world. Whilst most of CARICOM states share similar geographical, environmental and climatological realities, the centrality of these issues on the global agenda means that Saint Lucia must move with purposefulness to place itself at the centre of Caribbean discussion on these issues. ***It is recommended that Saint Lucia pursues the deliberate strengthening of the human resource and technical capacity of the METC to permit it to work in conjunction with the Ministry of Sustainable Development, to increase Saint Lucia's capacity for effective participation in, and to maximise benefits from, the global environmental frameworks and initiatives, such as the Rio Conferences, the SIDS discussions and the ongoing work of the AOSIS.***

In addition to these Saint Lucia-specific modes of insertion into CARICOM, consideration must be given to other ongoing CARICOM initiatives. Most important among these are the issues related to the establishment of the Single Market and Economy, and the revised Treaty of Chaguaramas. Whilst it is expected that Saint Lucia will pursue its interests insofar as the free movement of people, goods and services and the creation of a single economy are concerned, its foreign policy will remain under-developed unless it includes the necessity for pursuing all of

the relevant domestic institutional and legislative measures which would make real Saint Lucia's involvement in the CARICOM single economy. ***For example, as first step, Saint Lucia must with urgency, formally join the CCI.***

CARICOM AND THE EXTERNAL WORLD

Whilst the above represent the ways in which Saint Lucia can fashion a foreign policy to enhance its participation in CARICOM, another factor to which strong consideration must be given is the fact that CARICOM provides a basis for mediating the impact of extra-regional issues upon Saint Lucia's domestic space. In other words, despite Saint Lucia's sense of "disadvantage" in relation to the larger CARICOM territories, where the country's interface with the wider world is concerned, Saint Lucia however benefits from the fact of its participation in CARICOM, through the "economies of scale" which are derived from the pulling of resources through such participation.

In addition, there has been a gradual movement to external trade and development agencies treating CARICOM as a single space, and channelling their participation in the region via CARICOM. CARICOM therefore is increasingly beginning to emerge as a single clearing house for external trade and development agencies, and this, by necessity, has meant that some of Saint Lucia's external trade arrangements now have to be understood and pursued within a CARICOM framework.

Despite these developments, during the consultations which were undertaken as part of the foreign policy review, many of our informants expressed frustration, that despite this shift to an increasingly CARICOM-driven interface with the external world, particularly where matters of trade were concerned, Saint Lucia's Foreign Service had not sufficiently adjusted its modus operandi to address these new realities. This was visible particularly in relation to issues of trade, where both private sector and government officials felt that there was a need to alter the modus operandi of the METC to allow for a quicker filtering down of trade decisions taken at CARICOM level to the day-to-day operations of the business sector. A fuller discussion of

these questions will be undertaken in a later section devoted to examining the kinds of institutional arrangements which may facilitate a more coherent and holistic pursuit of a modern and relevant foreign policy for Saint Lucia.

CHAPTER 4

RELEVANCE OF DIFFERENT GEOGRAPHIC AREAS AND PRINCIPLES OF OPERATION

SAINT LUCIA AND THE UNITED STATES OF AMERICA

The US, being the dominant global power at this time, and located in the hemisphere of which Saint Lucia is a part, will inevitably remain an extremely influential, and generally dominant, player in the international relations of the country. We are substantially engaged with the United States in economic, political and security relations. Though, as a small state, the interest of that country in our affairs and in terms of positively responding to our objectives, revolves largely around ensuring the stability of Saint Lucia in the context of the effects of our actions on the objectives and policies of the US.

In the 1980's into the 1990's, the United States' most substantial concerns with the policies of Saint Lucia, from the perspective of Saint Lucia, lay in ensuring the adherence of our international economic relations to the rules of the WTO. And this was evidenced in the US's insistence that our trading relations fell (particularly with respect to the international banana trade) within the scope of that institution.

The United States preoccupations with the pre-1990's issues of the Cold War no longer having salience, that this country's focus, as we have observed, relates to controlling the hemispheric/international trade in narcotics, and in concluding a formal framework with respect to our economic relations.

From an American perspective, the NAFTA agreement (1994) encompassing its immediate neighbours Canada and Mexico, was intended to establish the priority pattern of her relations with the Hemisphere, including the Caribbean. A certain resistance on the part of some Latin American countries, in particular Brazil, reinforced at the rhetorical level by a significant trading partner, Venezuela, initially inhibited the full pursuit of this path. And the diversification of

international economic relations, marked by the emergence of the BRICS in particular, has reinforced this.

But as can be seen by the persistent pursuit of Colombia towards an FTA, now successfully concluded, it would certainly appear to be the case that from a Caribbean perspective, the networking of FTAs pursued by the US is likely to form the basic economic environment of CARICOM countries' production and trading relations.

This, however, should not inhibit continued pursuit of the diversification of international economic relations that has been taking place, and which, in the context of the variety of new means of communication, makes, from the point of view of a small state like Saint Lucia, distance a less foreboding impediment to the widening of the country's economic intercourse.

This is particularly valid in the context of Saint Lucia's involvement in the tourism industry, and the need for a diversification of sources of tourists. ***We can conclude that the objective of diversifying our efforts in that, and related regards, should, from a medium term point of view, continue to be urgently pursued within the wider framework of the regional tourism organisations. This should be reinforced by a national approach towards representation in countries beyond the North Atlantic, which we indicate later in this Report.***

Nonetheless, we can assert that the substantive aspects of relations between Saint Lucia and the United States are unlikely to be predominantly on a country-to-country basis. Rather, they are likely to be pursued in the context of CARICOM-United States relations, with an emphasis on, firstly, the issues of the nature of CARICOM access to United States markets; secondly, on and the manner in which Saint Lucia can take advantage of burgeoning financial services activities, without infringing complex United States legislation (as Antigua and Barbuda has experienced); and thirdly, in respect of coming to terms with the narcotics trade.

In respect of this latter, Saint Lucia, as with other countries in Latin America, has begun to express some reservations as to the mode of treatment of this issue.

To that end, it is advisable for Saint Lucia to closely interact with major Latin American states that have been developing similar reservations, and whose diplomacy now seems to be

turning towards influencing the US to take a more multi-pronged approach to the diversity of problems involved.

SAINT LUCIA AND CANADA

Saint Lucia has had positive encounters with Canada prior to, and after the independence of the country. Both economic and technical assistance in regard to physical infrastructure and education have been prominent in that regard.

Canada has, over the last three or more decades, widened its interest in the Caribbean beyond the CARICOM countries, taking a special interest in investment and other economic relations with Cuba; while seeking to encourage that country towards an evolution of the State's economic system and its relations with the United States; and to develop alternative approaches to what Canada perceives as human rights.

In her general attitude to Cuba, Canada largely parallels CARICOM's long-standing position of inclusiveness of Cuba within the hemispheric family. Saint Lucia, like other countries, has paralleled this posture with a continued acceptance of Cuban assistance in the fields of education and health.

The most fruitful posture, in our view, of Saint Lucia-Canada relations is to take continuing advantage of Canada's oversight and representation of CARICOM countries in the international financial institutions. This should be done not only in terms of advancing the case for assistance in relation to present recessionary conditions, but in insisting that CARICOM countries, even as so-called "middle income" countries, continue to require developmental assistance in the face of needed adjustments to the changing international economic environment that focuses on liberalised production and trade in an era of antagonism to protected arrangements for small and disadvantaged states-economies.

SAINT LUCIA AND THE EUROPEAN UNION (EU)

Saint Lucia, as other CARICOM states, has moved, over the period of its independence, from the status of preferred partner of the European Community/Union as established in the modernised preferential system of the Lome Convention of 1975, to a gradual commitment, within the framework of the WTO, to an increasingly liberalised production and trading set of arrangements, indicated in the EU-Cariforum EPA (Economic Partnership Agreement) of 2007.

Indications are that the CARICOM must be prepared to face further operational implications of liberalisations emanating from one or another major economic power, as intimated in actions taken by the United Kingdom.

Yet, Saint Lucia remains highly interconnected with the United Kingdom, as part of the EU, including not only its export trade in bananas and tourism and a substantial Diaspora, but also in terms of an array of diplomatic connections capable of being mediated through the Commonwealth. In that connection, the intervention in Grenada in 1983 did have the beneficial effect of turning the policy direction of the Commonwealth in favour of the issues of vulnerability and viability of small states.

It is in the interest of countries like Saint Lucia to ensure the maintenance of that intellectual and policy focus at the top of the development agenda, including that elaborated within the framework of the EPA. In that regard, the country must maintain its operational focus within the AOSIS, as the medium towards influencing the development institutions.

In respect of the European Union however, it is also important that Saint Lucia and the OECS countries take full advantage of the commitment of that grouping of European states to the mechanism and process of regional economic integration as an optimal approach for states in close proximity to advance their processes of development, with attendant capabilities for participation in the changing terms of international production and trade.

The commitment to regional economic integration has been constantly reiterated by the EU and CARICOM in their periodic “Regional Strategy Paper and Regional Indicative Programme” publications, as for example in the following:

“The overall aim of the Regional Support Strategy is the beneficial integration of the Caribbean region into the world economy through the global repositioning aimed at achieving sustainable economic growth, regional cohesion and stability and continued improvements in living conditions. Support to regional integration aims [at] the establishment of a harmonised economic space that will contribute to achieving greater competitiveness. An integrated and mutually reinforcing process of support to the Intensification of Regional Integration has been selected as the Focal Sector:

An expansion in the regional economic base is expected to increase market opportunities, improve the attractiveness of investment and achieve greater economies of scale. The completion and full implementation of the Caribbean Single market and Economy by 2005, should enable the lack of international competitiveness in a number of export sectors to be tackled by easing the constraints facing small economies and markets”.⁷

From this perspective, Saint Lucia and the OECS countries cannot afford to “pause” in their regional economic integration process, as seems to be intimated in recent conclusions at the level of CARICOM.

It is imperative that the strategy of Economic Union as proposed by the OECS, be placed within a framework that is able to utilise economic and technical resources made available under the Regional Indicative Programmes.

In that regard, two recommendations follow:

- (i) Saint Lucia, located as it is in immediate proximity to the French department of Martinique (as is Dominica, placed between Martinique and Guadeloupe), should, within the framework of the OECS, make a decisive effort to seek to utilise resources**

⁷ Caribbean Forum of ACP States (Cariforum) – European Community – Regional Strategy Paper and Regional Indicative Programme (RIP) For the Period 2003-2007. Similar statements are made in the Strategy paper and RIP for 2008-2013: “On that basis, the RIP is anchored in one (1) single focal sector ‘Regional Integration and Cooperation’, which is indicatively allocated 85-90% of the available 10th Regional Resources”.

so committed to regional economic integration to facilitate the construction of the proposed Economic Union; and

- (ii) Saint Lucia should seek to persuade the Government of France, and therefore the European Union, to perceive our effort of regional economic integration precisely as intended to facilitate, over time, the maximum achievement of economies of scale that is required for this sub-region to participate in the wider Caribbean region and in the evolving global economy, and so to permit the inclusion of the Departments of Martinique and Guadeloupe within it, to the maximum degree constitutionally and practically possible.***

This proposal is therefore not conceived as a short-term effort. It is intended to allow the OECS countries and the Departments in proximity, to go beyond mere Association Agreements to an economic integration strategy that can produce maximum benefits from medium-term integration of energy requirements and production, transportation arrangements, modernised food production systems for export, and multi-company/multi-country economic undertakings.

Finally, efforts of this nature should facilitate a greater practical diplomatic access, for our small countries, to a European Union increasingly preoccupied with its own rationalisation of the enlargement process in a period of economic constraint.

SAINT LUCIA AND THE FAR EAST/ASIA

The Far East and Asia are composed of countries that are relatively unfamiliar to the states of the Eastern Caribbean. Though Saint Lucia has been one of other historical locations of the group referred to as “East Indians”, this population has not been in the substantial proportions that characterise Trinidad & Tobago and Guyana. The culture of the people of the country (India) has not become, as in those latter countries, a significant cultural and political influence in Saint Lucia.

The same would apply to the other major countries of the Far East, China and Japan. In Trinidad & Tobago, Jamaica, Suriname and Guyana, migrants from China, though in a minority, have had

significant cultural and economic influence. In the OECS generally, and in Saint Lucia specifically, that has not been the case.

The two-world, communist-capitalist divide exerted an inhibiting influence on Saint Lucian citizens seeking to familiarise themselves particularly with Chinese cultures and areas of expertise. On the other hand, it is true to say that, the post World War II dominance of Japan in the automotive industry reflected itself in Saint Lucia. And, partly in consequence, the Japanese government began to take a positive interest in Saint Lucia and other parts of the Caribbean, extending economic assistance, particularly in fisheries development and in education. These programmes were extended partly as a kind of compensation for Saint Lucia and other OECS states' support for Japan in respect of the whaling issue.

China's decision to re-establish diplomatic relations with the United States in 1971, created a situation of normalcy for other states, including many developing states, as far as diplomatic recognition was concerned. Then, the end of the Cold War and the dramatic turn by China, in the 1980s, to capitalist modes of production and trade, and a rapid expansion of relations with other major developed and developing states, created a situation of normalcy in terms of recognition for smaller entities like those of the Caribbean.

As is well known, that situation led to an active effort by Taiwan to retain diplomatic relations with countries with whom they had been formally engaged before the end of the Cold War; and in some degree, the OECS states became targets of that effort.

Saint Lucia's experience with recognition has been reflected in the twists and turns of both China/Taiwan diplomacy, as has been that of the Eastern Caribbean in general. After an initial inclination, in 1984, to recognise the PRC, the then government of the country reversed that initial stance and recognised Taiwan. With a change of government in 1997, the PRC was recognised, a decision which was subsequently reversed with a return to Taiwan in 2007. This latter development caused controversy in the light of the inclination of the then Prime Minister to maintain relations with the PRC. With the change of government after the general elections

of 2011, the issue of recognition has again become one for consideration by the government of Saint Lucia.⁸

In the context of this history, it is interesting for Saint Lucians to pose the question to ourselves, as to why the late Sir John Compton, the Prime Minister who originally initiated diplomatic relations with Taiwan in the period before the end of the Cold War, should have sought to maintain the diplomatic relationship with China initiated by the government that assumed office in 1997; and what this suggested in terms of a perspective of Saint Lucia's location in a changing international arena?

In considering this issue, it is our view that it is important to understand that in present circumstances, the government of the PRC will not exert any forceful, or urgent, diplomatic pressure on Saint Lucia towards recognition of that State. Recognition of the PRC, as against Taiwan (Republic of China) is diplomatic norm, and it is most likely the case that, as it has done over many years, the government of the PRC will be prepared to wait for a decision indicating recognition whenever it comes.

It is our view, also, that the government of the PRC fully understands the motivations of states which have extended recognition to Taiwan, and is therefore less and less likely to treat the issue as a competitive one, as might have been the case in an earlier period. From the PRC perspective, and in regard to the world community as a whole, recognition of the reality and significance of the People's Republic is an inevitability. The slogan agreed with the United States at the beginning of the 1970s that "there is but one China"⁹ is not treated as susceptible to dispute. And in consequence recognition is not perceived any longer by China as a major international issue, though an important one of principle.

The result is that, with the development of essentially market relations as the motivating force of the PRC's development, in terms of the pre-eminence of China in the global free market

⁸ It is our understanding that the issue of relations with China has been under study by the OECS Secretariat.

⁹ See, "The One-China principle is the political basis for the establishment of relations between China and Latin America and the Caribbean countries and Regional Organisations" China's Policy Paper on Latin America and the Caribbean (full text) <http://english.gov.cn/official/2008-11/05/content1140347.htm>; Also PRC White Paper – The One-China Principle and the Taiwan Issue, (PRC: Taiwan Affairs and the Information Office of the State Council (21 February 2000)

economy well beyond the Taiwanese presence, and in terms of the difference in size between the Chinese and the Taiwanese economies, one conclusion is now fairly obvious. This PRC envisages an economic integration between the two entities of such intensity, that this will eventually nullify the significance of diplomatic recognition of Taiwan by third states.

In that context it is, in our view, an anomaly to perceive or present diplomatic recognition of Taiwan as an alternative to recognition of the PRC, a now global economic and political player. Any decision to maintain recognition of Taiwan will be perceived in the arenas of international diplomacy, and pre-eminently at the United Nations, as inevitably temporary, the result of specific contingent circumstances and objectives of the Saint Lucian state, and therefore subject to change and lacking final certainty. It is our view that Saint Lucia will be perceived as similar, others are presently perceived as mere “players”.

It is our view, also, that Saint Lucia needs to recognise the structure of relations being elaborated between the PRC and CARICOM, as indicated in the now formalised, periodic China-CARICOM economic consultations designed to have mutually beneficial results over time.¹⁰ Saint Lucia should consider how it should relate to this development outside of recognition of the PRC. The Government will have to consider, how non-recognition of China can possibly minimise Saint Lucia's participation in this development enterprise.

Finally, by way of example, it is worth noting that it is now almost thirty years since, following a similar dalliance in relation to the China-Taiwan issue, that Barbados decided to recognise the PRC. There is no evidence that this decision has been in any way disadvantageous to that country. In a real sense, the government of the day recognised an anomaly that was continuing in changing circumstances (especially the decision of the United States to recognize the PRC), and decisively dealt with it.

¹⁰ See, 3rd China-Caribbean Economic and Trade Cooperation Forum, Sept.12-13, 2011 (Port of Spain, Trinidad & Tobago).

SAINT LUCIA AND THE AFRICAN CONTINENT

West Africa is the original source of the African descendants in the Caribbean. From Saint Lucia's perspective, the Saint Lucian economist then, Dr. Arthur Lewis, reached out to the first independent West African state of Ghana as the first location on the continent for his advice on economic development. Other Saint Lucians located in that country also reached that mainland, and participated in the country's emergence as an independent country.

In diplomatic terms, Saint Lucia's subsequent relationship with the African continent has largely been through the Commonwealth, though larger countries of the Caribbean Community pursued their diplomatic course of the non-aligned movement in the 1970's and after, a posture which brought them into close relations with Egypt in particular. Our next substantial institutionalised relationship with Africa, pursuant to the Commonwealth connection, has been through participation in the negotiation and evolution of the Lome Convention in 1975, and the establishment of the ACP grouping.

This has been further elaborated in the post-preferential trade era appropriate to the establishment of the WTO regime. But at the same time, the new configuration of separate Economic Partnership Agreements between the European Union and various regions of the ex-British colonial world, will probably, in the future, and in spite of the existence of an ACP Secretariat, force a concentration by these regions on their own limited affairs, rather than permit a tightening of the ACP relationship.

But even as the United Kingdom-ex-colonial ACP regime has persevered, the global economic and political changes taking place have begun to indicate a widening of the sphere of the economic relationships of the countries of the African continent well beyond the EU-ACP arena, into relationships with other states interested in investment, and in participation in the economic construction, of those countries. This process is most evident today in the increasing presence of China on the continent, with its substantial demand for food and mineral resources present there; and in the context also of finding new markets among emerging states for its manufactures.

This process is providing the countries of the African continent with new “windows on the world” in which their diplomacy can have expression for both economic and political/diplomatic enhancement. What, in this new environment, can be of interest to Saint Lucia, operating, more often than not, in an OECS or CARICOM framework, is that a new arena of multilateral engagements can be created through a regionally-based co-operative framework that can provide us with new avenues for the expression of, and support for our interests, beyond the original Commonwealth/ACP framework. Important in this regard will be the extension of the scope, which we now have for seeking support for our specialised diplomacy of the advancement of the case for small, highly vulnerable states.

In these circumstances then, Saint Lucia’s diplomacy will, within the multilateral institutional frameworks in which it participates with the African states, now have to focus more particularly on identifying and relating to those particular countries that themselves have significant or specialised relationships with other countries in world affairs that can be useful to us, but which we cannot easily reach out to, in advancing our diplomatic and economic objectives in the new global economic dispensation. In the changing global relations, numbers of allies, in different spheres, count.

From this perspective, government will have to develop and provide a specific set of mandates to our diplomatic representatives in the various political and economic multilateral institutions. These should focus on the priorities among our economic objectives, from the point of view of exposing other states in those institutions– which are less familiar to us, but which have both economic and diplomatic leverage – with a capacity for elaborating our views and requirements in areas, well beyond our own diplomatic reach. For we cannot easily, if at all, reach the deliberations of institutions like the G20, and other regional multilateral groupings, with our own resources. We have to persistently consolidate relationships with other sympathetic states in the developing, and emerging, worlds, to advance our causes.

It is likely too, particularly in the case of states in both West and East Africa that, as commodity producers, have been developing closer relationships with countries of the Middle East, the

maintenance of these relationships with such specific African states, can enhance further comprehension and interest in the economic and diplomatic objectives that Saint Lucia and other CARICOM states wish now to pursue in the changed global environment.

Our case then, is for a new, medium-term projected diplomacy within various multilateral frameworks in which specific African and Middle Eastern states have leverage, to advance our, in particular, economic objectives.

Finally, the specific cultural heritage of Saint Lucia, indicates the necessity for advancing cultural relationships with selected countries of the African continent, with two objectives: the first, giving our populations a stronger and more confident sense of the traditions from which stem; and secondly, providing arenas for the expression and demonstration of the products of our cultural industries in countries where they can be made to have an historical resonance.

RELATIONS WITH INDIA AND OTHER ASIAN STATES/ECONOMIES

As we have indicated, direct relations between Saint Lucia and India are relatively minimal. The Indian economy does not play a role of the magnitude in the Saint Lucian economy, similar to that of China. In addition, the large-scale investments and economic co-operation of the United States, magnifies, through exports to Saint Lucia, the major presence of China.

But Saint Lucia and CARICOM have had a long experience of diplomatic contact with India, particularly through that country's membership of the Commonwealth, and we believe that the country can become an important source of technical expertise in our development process. The fact is India is today one of the major emerging economies and markets, and as one of the BRICS is recognised as having a major role in contemporary global, economic and political environment.

It is fortuitous that the Commonwealth connection already provides an opportunity for Saint Lucia, as a small state, to have, in India, a medium or connection to other states in the Asian arena, through a country that understands the political traditions within which we operate, and

the kinds of decision-making in which we are continually involved through the Commonwealth connection.

We do not believe that at this point, diplomatic representation in India would be optimal. But we would recommend a deliberate attempt on the part of our Missions in the United Kingdom, United States and at the United Nations, to seek to sustain a continuing diplomatic contact with that country, in the pursuit of economic development possibilities.

The reason for this is not simply the situation of pre-eminence of India in Asia and in global affairs generally which can, in times of need and urgency elaborate our positions in spheres which our (or OECS) diplomacy cannot reach. It is also because we need to recognise India as another country in the Far East increasingly integrated into the global economy on the basis of high-level capabilities in technological innovation. The country can therefore become another significant resource for advancing Saint Lucia's own technological capabilities through, inter-alia, intensive training of our students, and assistance to our own educational institutions.

The same considerations would apply to maintaining, through the Commonwealth connection, more intensive relationships with countries like Malaysia, and the comparable, in physical size, Singapore. ***And we believe also, that Singapore, if not for Saint Lucia alone, but for the OECS states, can become an important staging post in the search for investment from that part of the world. We discuss this further in our section on the nature of our diplomatic representation.***

AUSTRALIA, THE CARIBBEAN AND SAINT LUCIA

Australia has the designation of being the planet's largest island and by extension the largest of the Commonwealth. Australia's relationship with the Anglophone Caribbean has been traditionally friendly and is largely based on shared historical, sporting, social and political ties and membership of the Commonwealth. Common language and colonial backgrounds also provide a base for familiarity, but apart from interaction within multilateral institutions such as

the Commonwealth and United Nations, formalised ties have been largely under-explored until recent times.

This changed with the hosting of the Commonwealth Heads of Government Meeting (CHOGM) in Trinidad and Tobago in 2009 and Australia's hosting in 2011, and a simultaneous expansion of how Australia saw its role in the globe, which coincided with CARICOM's own efforts to reach out to new external partners. The CHOGM meetings paved the way for a strengthening of ties between Australia and CARICOM states and Australia was invited to the 13th Council of Foreign and Community Relations Meeting of CARICOM.

At that forum, Australia presented the view that global challenges can only be effectively addressed through regional and multilateral co-operation. This recognition was reflected in the Memorandum of Understanding (MOU) which covered specific areas of interest, namely disaster risk reduction and emergency management; food security and agricultural co-operation; education, science and technology; climate change; renewable energy; trade facilitation; micro finance; border security; and sport and culture.

From these areas of interest, some development issues are identified since a "centrepiece" of the new understanding is a \$60 million development partnership that will be implemented over a four-year period. An important component is climate change to which \$17.3 million is allocated with a focus on minimising the negative effects of climate change and reducing the effects of natural disasters. This component should be pursued by Saint Lucia as it seeks to rehabilitate its physical infrastructure which was damaged in Hurricane Tomas. Further, another component is the improvement of "people to people linkages through volunteer programs, scholarships and fellowships" to which \$16.5 million has been contributed and this should be targeted by Saint Lucia as part of its human resource development plans.

Additionally, \$16 million has been tagged for direct assistance for countries in the region which will be distributed based on need and in direct consultation with CARICOM. It is

recommended that Saint Lucia should prepare a short-term project with immediate impact and in this way, set the stage for sustained engagements with Australia.

To date, existing trade relations between Australia and CARICOM have been relatively low. The Australian Department of Foreign Affairs and Trade (DFAT) notes that for 2009-2010, two-way, merchandise trade stood at \$126 million and its main trading partner in the region is Trinidad and Tobago. DFAT notes ***possible niche areas that can be considered, including joint ventures in maritime transport as an alternative to expensive inter-island air transport. This can also have a favourable effect on trade, allowing for the cheaper transport of bulk goods, as well as the movement of people. Additionally, increased interest in the Caribbean by Australians allows for the development of multi -destination tourism arrangements which can be attractive to Saint Lucia.***

In the recent past, Australia's attention to Saint Lucia has mostly taken the form of relief programs in light of recent natural disasters to hit the island. However, two non-disaster related initiatives have been funded by Australia under the Direct Aid Programme. One is the Ciceron Development Committee that provides an after school educational and outreach programme targeting youth from poor backgrounds; and the other is a program devoted to food security, the Marigot Development Committee, which focuses on the establishment of community gardens to assist single-parent households. Aside from these programs, there are no areas indicating any specific bilateral relationship between Australia and Saint Lucia. ***It is recommended that Saint Lucia prepares and presents a formal project directed at human and social development in small communities for possible funding by Australia.***

Given the projected arrangements in this regard between Trinidad and Tobago and Barbados in the Eastern Caribbean, Saint Lucia and other OECS countries should contemplate assistance from Australian as a means of extending this arrangement to other OECS states.

Formal relations between Australia and Saint Lucia were established in 1979. ***There must be a proactive strategy of engagement by Saint Lucia for the partnership to grow especially since***

given Australia's membership of the Commonwealth, there is the recognition by DFAT that the smaller 'single commodity' economies in the Caribbean have been drastically affected by the demise of preferential trade agreements for agricultural products. It is Saint Lucia's responsibility that there must be an on-going practical commitment by Australia to assist small states like Saint Lucia in their development efforts.

SAINT LUCIA AND THE LATIN AMERICAN ARENA

Extensive consideration of this area of growing diplomatic and economic importance is provided later in this Report.

SAINT LUCIA AND LATIN AMERICA: CHALLENGES AND PROSPECTS

OVERVIEW

The discourse with respect to the relations between the small Caribbean states, including Saint Lucia, and countries of Latin America has traditionally centred around the sense of 'separateness' and the economic and cultural 'distance' which have constrained the emergence of strong and sustained linkages between the two sets of states. Several arguments have been advanced, including the view that the impact of colonial bilateralism, which was all-

encompassing and included political, social and economic relations, along with linguistic and cultural differences, served to limit the development of close collaboration between the CARICOM states and their Spanish and Portuguese –speaking neighbours.

TABLE A

Argentina – 1979
Brazil -1979
Chile -1991
Colombia-1979
Costa Rica – 1991
Cuba- 1979
Dominican Republic -1988
Ecuador – 1980
El Salvador – 1995
Guatemala – 1992
Honduras -1992
Mexico- 1979
Nicaragua- 1992
Panama-1995
Paraguay- 1993
Peru- 1985
Uruguay – 1989
Venezuela - 1980

Like other CARICOM states, Saint Lucia, after its independence in 1979, established formal diplomatic relations with several Latin American states, (See Table A), but an organised diplomacy of sustained engagement was not developed. Currently four (4) Latin American states- Brazil, Cuba, Venezuela and Mexico – have resident diplomatic representations in Saint Lucia. On the other hand,

apart from its representation in Cuba, Saint Lucia does not have a resident diplomatic presence in any Latin American state.

In recent times, however, the end of the Cold War, the advent of 'new regionalism' (which now goes beyond economic integration concerns to include issues such as security, environment and wider development issues), have served to influence a growing convergence of interests between CARICOM states and Latin America and present the prospect for a sustained relationship. Challenges remain, including CARICOM's continued consciousness about the small size of its member states and the potential fragility of the CARICOM identity in the wider regional environment of larger states and emerging powers.

Indeed, these complex sets of factors have contributed to the development of strongly rooted negative perceptions on all sides, which have influenced not only popular attitudes but also the formal relations among governments and states of the English-speaking Caribbean and of Latin America in the past.

It has also been observed that in the English-speaking Caribbean, the long periods of political and economic relationship with Europe, the extreme dependence of the countries on these relationships for their viability, and the cultural and educational impact of the relationship have not disposed the people of the Caribbean to think of themselves as being part of the wider Latin American environment and this has also served to constrain the development of an enduring relationship.

With the geopolitical shifts that are taking place, it is becoming apparent to Caribbean governments that they must consider the need to engage in this new space that is emerging and to seek to transform geographical proximity into mutually beneficial relationships with Latin America.

As global and hemispheric changes occurred in the early 1990s, and as the rigid ideological and geo-strategic structures of the Cold War era were removed, new developments have influenced the convergence of interests between CARICOM states and Latin America. Vital issues of mutual concern such as the impact of globalisation on developing countries, the crippling impact of

increasing poverty and inequality on the region's citizenry, a renewed awareness of the vital role of economic co-operation, as well as common challenges such as the HIV/AIDS pandemic, climate change, environmental concerns and security issues now dominated by the trade in narcotics, among others, have served as catalysts for active collaboration to re-emerge in Caribbean – Latin American relations.

Of equal significance has been the report of the West Indian Commission, "Time for Action", presented to CARICOM Heads of Government in 1992, in the context of the recognition of the changing global environment and its potential impact on CARICOM states.

While recognising that CARICOM was concerned with its regional identity, as well as a prior need to deepen the integration process in the CARICOM region, the Report also clearly declared, "that CARICOM must both deepen the process of integration to which it has set its hand and reach out to a wider Caribbean at appropriate levels of co-operation". This initiative was perceived, by both sets of states, to be a new opportunity to transform geographical proximity into a new level of networking and collaboration in both the economic and political areas. This, as we have noted, catalysed the establishment of the Association of Caribbean States (ACS) in 1994.

The emergence of the 'new regionalism' in Latin America, introduced important dimensions to inter-regional co-operation with CARICOM, including the consolidation of democracy, regional security and political dialogue and co-operation.

This period also coincided with the revitalisation and reconfiguration of previous integration initiatives in the Region including the Central American Common Market (CACM), the Rio Group, the Amazonian Cooperation Treaty Organization, The Andean Community, as well as the establishment of MERCOSUR, which generated significant interest among CARICOM states, due to the recognition of growing interdependence in the changing regional environment.

It can be said therefore that this historical conjuncture produced a convergence of interests as CARICOM was simultaneously debating its future and the relative merits of 'deepening' (strengthening) versus 'widening' (extending the membership) of the community. At the same time, Latin American states were seeking to extend co-operation across the region, and to develop trade and functional co-operation with the CARICOM states, especially in the context of global changes that were taking place.

The first decade of the twenty-first century undoubtedly brought with it an increase in the momentum in collaborative activity in the region, which could lead to sustained linkages between CARICOM and Latin America. The inaugural Summit of Latin American and Caribbean heads of state and government took place in Brazil in 1999, with a second summit held in Mexico 2010, and also for the first time, a CARICOM-Brazil summit in 2010 also took place. The summitry initiatives were hailed for facilitating a climate of enthusiasm, shared interests, and produced the opportunity for a flexible format for negotiation and collaboration to develop. These events also saw the emergence of new geo-economic and geo-political space and created a strong need for small states, like Saint Lucia to assess how to enter that space and attempt to manipulate it to their advantage.

It was in the context of a strategic preference for deepening and extending integration, that the region witnessed the emergence of new collaborative arrangements. The establishment of the Union of South American Nations (UNASUR), spearheaded by Brazil has aggressively developed an economic, political and developmental agenda in the region. Its membership has targeted energy, physical, social, financial and institutional integration as its major focus. There have already been initiatives aimed at improving physical infrastructure to foster productivity and competitiveness in the areas of transportation, energy and telecommunications.

The Initiative for the Integration of Regional Infrastructure in South America (IIRSA) has already moved to implement projects that will enhance the surface communication linkage among Brazil, Venezuela, Guyana and Suriname and can lead to easier communication between

CARICOM and Latin America. ***One can note here that the focus on infrastructural development must be considered of importance to Saint Lucia since it can bring economic benefits to the country through collaboration such as increased air and maritime transport initiatives as well as support for Saint Lucia's domestic infrastructural rehabilitation and development.***

In addition, the Constitutive Treaty of UNASUR states that regional unity is necessary in order to promote sustainable development while providing solutions to regional problems such as persistent poverty, inequality and social exclusion. Its attractiveness for states like Saint Lucia rests in the fact that the Treaty contemplates membership beyond the South American geographical space as Articles 19 and 20 indicate.

The beneficial opportunities of membership in UNASUR include its aggregate market size,

Article 19 - Associate States

Article 19 - Associate States
Other Latin American and Caribbean States that request participation as Associate States of UNASUR may be admitted with the approval of the Council of Heads of State and Government. The rights and obligations of the Associate States will be regulated by the Council of Ministers of Foreign Affairs

foreign investment and trade potential, and the possibility for greater expansion of relations with Brazil given its role as a regional broker of international prominence. Further UNASUR's infrastructural objectives to interconnect the region and access to the BancoSur (Bank of the South), which was established in 2009 also add to the attractiveness for Saint Lucia to develop ties with the organisation.

Article 20 - Accession of New

After the fifth year of the entry into force of the present Treaty and taking into account the aim of strengthening Latin American and Caribbean unity, the Council of Heads of State and Government may consider requests for accession as Members States by Associate States, that have held such a status for four years, by means of a consensual recommendation by the Council of Ministers of Foreign Affairs. The respective Protocols of Accession will enter into force 30 days after the completion of the ratification process by all Members States and the acceding State.

RELATIONS WITH BRAZIL

Apart from direct linkages with UNASUR, relations with Brazil hold further advantages for Saint Lucia. Brazil is regarded as the leading Latin American state and emerging world player and is now the world's sixth largest economy as well as Latin America's largest source country for Foreign Direct Investments (FDIs).

The country has now designated the Caribbean as a zone of strategic interest and has established in Saint Lucia resident diplomatic representation. With respect to its consideration of the Caribbean as a 'strategic interest zone', in an address to the CARICOM Heads Summit in Suriname, in 2005, President Lula da Silva observed that the shift was intended to build "a new

economic and commercial geography" and to operate in 'a spirit of generosity and flexibility that should govern bilateral and international relations'.

This approach was further articulated by the new Brazilian Ambassador to CARICOM, who, in 2011 indicated that CARICOM remained 'a foreign policy priority' for Brazil under President Dilma Rouseff. Brazil's approach to development assistance is one that seeks to respond to the priority areas set by the developing state and to operationalise its commitment to the reduction of regional and international asymmetries in their political, financial and commercial dimensions. Indeed, the government has further specified that the major objective of aid is to offset the asymmetries in Brazil's geographical vicinity.

This is said to be a strategic objective in the country's national security strategy, since Brazil's policymakers are of the view that Brazil will be unsafe in an area where its neighbours, especially the smaller states, are constantly operating in adverse economic and social

conditions. Brazil has also articulated the position that international aid should facilitate the promotion of structural changes through the transfer of technology and knowledge that can contribute to socio-economic development in developing countries like Saint Lucia. Brazilian co-operation has also been placing strong emphasis on undertaking projects that foster national capacities and those which ensure sustainability and social impact in the recipient states.

The view has been advanced, on the other hand, that there is linkage between the strengthening of co-operation with Caribbean states and Brazil's quest for greater support for its candidacy for a permanent seat in the United Nations Security Council. While this may be part of its strategic reach into the region, ***we believe that Saint Lucia should use this opportunity to leverage stronger economic and political engagement in the context of a changing regional environment. Of significance to Saint Lucia is the fact that Brazil is currently investing in the manufacturing and agriculture sectors, and the development of further linkages with Brazil could attract investment from that state. Further, its market of approximately 200 million people offers a new opportunity for the expansion of Saint Lucian exports.***

Currently there is no active Saint Lucian diplomatic presence in any major Latin American capital. Given Brazil's increasing influence in the hemisphere and its interest in the Caribbean it is recommended that Saint Lucia engage Brazil as a matter of urgency and craft a strategic agenda to promote relations with Brazil and the UNASUR states. This can be achieved using the gradualist approach by:

- (i) Immediately utilising Saint Lucia diplomatic presence in Washington D.C. at the Organisation of American States (OAS) and in New York at the United Nations (UN) to develop stronger bilateral linkages.***
- (ii) Saint Lucia should appoint in the first instance a non-resident Ambassador to Brazil with accreditation to the other UNASUR states and establish a Latin American Unit at the Ministry of External Affairs to coordinate linkage arrangements.***

(iii) As resources become available, the government of Saint Lucia should establish on its own, or in collaboration with the OECS, or with selected OECS states, resident diplomatic representation in Brasilia (with similar UNASUR accreditation) to actively pursue the engagement with other South American states.

RELATIONS WITH VENEZUELA

Another major initiative that holds specific interest for the development of Saint Lucia, over the years, has come from another Latin American state of Venezuela. It will be recalled that Venezuela has had a long history of relations with the Caribbean and has traditionally viewed the region as a zone of co-operation and influence. Even before Saint Lucia's independence, we have noted that Venezuela had initiated and maintained contact with the island through the establishment of consular and cultural units, as well as providing regular air services to Venezuela.

During the administrations of Rafael Caldera (1969-1974) the use of petro-diplomacy to extend Venezuela's regional reach in the Caribbean was a major plank in Venezuela's foreign policy platform. By 1980, when Saint Lucia established formal diplomatic relations with Venezuela, that country's profile grew in the Caribbean as it influenced the establishment of the Energy Co-operation Agreement for Central America and the Caribbean, the San Jose Accord, and along with Mexico, provided petroleum products to Caribbean states under special concessionary arrangements. Additionally, during the administration of Carlos Andres Perez, a move to establish stronger collaborative South- South linkages, influenced by President Perez's membership of the South Commission, saw a stronger push by Venezuela into the Eastern Caribbean, and by the early 1990s, institutes of culture and co-operation were set up in several Eastern Caribbean states, including Saint Lucia.

In essence, therefore, the increasing Venezuelan interest in the Caribbean cannot be seen merely as another element in the process of contemporary political and economic

reconfigurations. As is evident from the above, the relationship has evolved overtime and irrespective of the nature of regimes or political administrations in Venezuela.

One recent co-operation arrangement, The Bolivarian Alliance for The Peoples of Our Americas (ALBA), established in December 2004, can be seen as a further indication of continued Venezuelan interest in the Caribbean, as well as another manifestation of the process of reconfiguration in the global political economy characterised by the emergence in the hemisphere of new geo-political and geo-economic poles of influence.

ALBA aims to foster social, economic and political co-operation between Latin American and Caribbean nations. Following a more co-operative approach, rather than a neo-liberal stance, ALBA's ideology is focused on co-operation, complementarity and human solidarity. It offers a unique approach to closer regional co-operation that is not centred on trade or economic collaboration exclusively, but rather the eradication of poverty and the promotion of socio-economic equality.

The major focus for ALBA to date, has been the provision of concessionary financing for energy-related expenditure, financial support for physical and social infrastructure, support for health and education projects and the initiatives related to poverty alleviation and social development. Of importance also is the ALBA-Caribe Fund which provides resources for social projects and which has already carried out projects in several Caribbean states in areas such as road infrastructure, housing and citizen security. Thus, for a smaller nation, like Saint Lucia, the attractiveness of ALBA's efforts to assist resides in the absence of heavy and burdensome prerequisites or conditions for its assistance.

ALBA seeks to develop a different form of trade integration, ensuring productive complementarities from natural-resource advantages without disregard for ecological sustainability, and promoting solidarity and mutual assistance among people, which is a shift from classical views of economic integration and international co-operation.

It should be noted that the normal features of an integration scheme are not present in the ALBA arrangements and there are no specific formal statutes or obligations to which participating states are legally bound. In addition, there is the absence of any formal commitment to trade liberalisation or the adoption of and adherence to common economic policies within the ALBA framework and one notes that the states already operating within the ALBA framework are members of multiple existing regional integration schemes.

The current participating countries, including three CARICOM member states, Dominica, St. Vincent and the Grenadines and Antigua and Barbuda, are guided by 'statements of accession' which can be described as declarations of support for the principles to which participating governments adhere and are general in nature.

While there are those who express concerns about the potential fallout from ALBA participation, especially the risk of its impact on small states' relations with hemispheric powers like the United States, the potential for economic co-operation, the satisfaction of Saint Lucia's strategic interests and access to new markets, cannot be underestimated. These must be pursued as Saint Lucia seeks to explore the new opportunities available to the country in the changing hemispheric arena. It will be Saint Lucia's responsibility to match, as in any development agreement, its commitments with respect of its agreements to ALBA with other debt obligations.

It is often asserted that a concern for CARICOM must be the sustainability of the ALBA project. ***We suggest it may be appropriate at this time for Saint Lucia to participate with other OECS states in designing a clear OECS policy framework for engagement with ALBA, as the grouping seeks to take advantage of the increasing presence of new hemispheric actors in the region, to advance both national economic development and enhanced sub-regional physical and economic integration.***

Of particular interest is the current Petro Caribe arrangement. The Venezuelan state enterprise PDVSA manages this initiative and sells petroleum products on credit to participating states through various payment options, including an arrangement for repayment in non-cash transactions. Petro Caribe, as part of Venezuela's continuing engagement with the Caribbean, can be seen as a major plank in Venezuela's foreign policy platform, and it seeks to provide another venue for co-operation, given the unrelenting increases in the prices of petroleum-related products and the pressure placed on small Caribbean states to fund these purchases in the short term. ***It is therefore recommended that Saint Lucia consider the feasibility of utilising this facility, in the context of its possible use in a joint venture arrangement with Venezuela for a storage and distribution facility on the island.***

There is growing awareness in the Caribbean that, even with the presence of ideological and political differences and economic and trade imbalances, sustained engagement with Latin American states, like Venezuela, must be pursued in an environment of responsible pragmatism, and Saint Lucia must seek to negotiate in this new geo-economic space to its advantage .

RELATIONS WITH MEXICO

There are also other emerging states in Latin America, with which Saint Lucia has entered into formal relations since the early post-independence period but have not been the subject of a sustained diplomatic engagement. Saint Lucia established formal diplomatic links with Mexico in 1979 and by 1980, the Caribbean witnessed a growth in the relations as Mexico, along with Venezuela, implemented the San Jose Accord in response to the energy crisis which faced the small Caribbean states at that time. With the establishment of the ACS as another forum for interaction between the two states, and Mexico's appointment of an Ambassador to CARICOM and its participation in the Caribbean Development Bank (CDB) as a non-borrowing member, new windows of opportunity were opened for collaboration, but there has been limited engagement.

There are new areas of co-operation which can be pursued including disaster management, tourism and security sector development, identified by the CARICOM- Mexico Joint Commission since 2006, which bring new opportunities. In addition, Mexico has taken a prominent role in the emergence of CELAC, and with a shared interest in issues related to small states' development. **Saint Lucia should, as part of a new foreign policy thrust, seek to develop within the framework of the Mexico- CARICOM agreement, a strategic alliance with Mexico.**

CENTRAL AMERICA

With respect to Central America, The Central American Integration System (SICA) was established on December 13, 1991 as a means for regional integration, building on lessons learned from Central America's history of conflict and political crisis. SICA's aim is to promote economic integration. CARICOM and SICA have identified areas of collaboration including human resource development, the establishment of a program of co-operation in housing construction, increased trade and investment, air transport and tourism and security issues.

Some member states of SICA have demonstrated interest in trade and commercial activity in Caribbean states and an example of this interest lies in the fact that Courts Limited was acquired by a business enterprise from El Salvador. We should recall that the Central American states, along with the Dominican Republic, have entered into FTAs with the United States. Thus, advancing their economic relationship with that country beyond what currently obtains.

The region's newest regional integration initiative, CELAC, was established in 2011 and is aimed at creating a separate regional space encompassing all Latin American and Caribbean states, excluding the United States of America and Canada. The establishment of CELAC has come from a commitment by Caribbean small states and Cuba to deepen integration between Latin America and the Caribbean as outlined in a Declaration from the Third Ministerial Meeting of Foreign Affairs Ministers of CARICOM and Cuba in Havana in 2010. CELAC seeks to urgently address the impact of the global financial crisis, poverty, unemployment and food security in member states.

While these recent initiatives indicate a willingness on both sides to develop closer collaborative linkages, there are still concerns in small Caribbean states like Saint Lucia with respect to the sustainability of the initiatives, given. The argument has been advanced that there has not yet been the emergence of a common strategy between Latin America and CARICOM for a mutually beneficial arrangement to develop. There are also concerns that inadequate contact and communications continue to constrain the pursuit of stronger linkages and the small Caribbean states and the larger Latin American territories share very little more than the same geographical region of the world, and their relationship is not mutually supportive.

While these concerns linger, there is a pressing need for a sustained level of engagement by Saint Lucia, since larger Latin American states, like Brazil, are now emerging as a counterbalance to the United States with respect to the interests of small hemispheric states. To overcome these concerns, ***it is recommended that Saint Lucia pursue an OECS-wide strategy to sensitise Latin American states of the need to support its position that small, open and vulnerable economies must be treated as a distinct category and appropriate policies fashioned from that perspective. In addition, states must be fully sensitised that our export trade does not present any challenges to the larger economies of Latin America or the world trading system.***

There are also other significant security related, economic and political challenges which face both small Caribbean states like Saint Lucia and Latin American states, which demand the construction of firm and strategic alliances. In the security sector, states like Saint Lucia, which fall in between the large supply and demand centres, continue to suffer from the increasing levels of drug-trafficking, trafficking in persons, the illicit trade in firearms and other transnational crimes, with inter-regional criminal networks developing rapidly.

Further, both human and financial resource constraints, along with limited defence and security capabilities within the Caribbean states like Saint Lucia, have left the region vulnerable to transnational threats. Latin American states, on the other hand, have since the 1990s become involved in developing defence and security networks, including the development of the Amazonian Surveillance System (SIVAM) by Brazil. Additionally, the Latin American military, led by Brazil, has been involved in international peacekeeping missions in Haiti (MINUSTAH), a CARICOM state. ***We therefore propose that a mutual defence and security agreement between Latin America and CARICOM states such as Saint Lucia could be established, and can serve to facilitate increased intelligence gathering and sharing, in search and rescue operations, training and intervention in times of natural disasters.*** This level of collaboration can be of significant benefit to Saint Lucia, since it can utilise resources, currently dedicated to security and public safety, to other productive sectors of the island's economy.

With respect to commercial, trade and economic relations, it has been observed that historically, the level of inter-regional trade between CARICOM and Latin America has been low. There have been several reasons advanced traditionally, including the lack of political will on both sides to promote the development of commercial and trade linkages, and little efforts in key policy areas such as competitiveness, technological innovation and export diversification, which have served to constrain the development of economic and trade integration arrangements with Latin America. Further, information constraints as well as unfamiliarity with market demands, transport costs, language barriers and limited export promotion, among others, have also limited economic and trade activities between the two sets of states.

We recommend the development of linkages between Saint Lucia and Latin America and the creation of programmes and policies aimed at providing the environment for the strengthening of economic relations, especially in the areas of tourism, culture and music, language training and services. It will therefore require involvement at both the state and private sector levels to actively promote the establishment of stronger economic and trade linkages through the development of networks in order to enhance the potential for mutually

beneficial trade opportunities. Saint Lucia is adequately positioned to develop niche arrangements and ***it is recommended that in collaboration with the Private Sector, Saint Lucia should embark on a programme to provide training in English as a second language to Latin American countries, and to the Francophone Caribbean and France, as this can serve to develop a new area of activity in the service sector and to promote Saint Lucia as a destination for educational tourism.***

At the political level and of equal significance is the fact that in Latin America, there has been a recent reconfiguration in the political directorates with neo-liberalist governments acting and operating in the same regional space with the anti-globalisation, radical populist leadership and the market-friendly left while at the same time they all appear to be in common pursuit of a comprehensive regional integration agenda. ***Saint Lucia will have to seek to expand relations with political directorates which now seem to have as priorities, issues such as poverty eradication, and the reduction in social and economic inequality, which are also major issues for the country.***

It has been observed that a new phase in CARICOM – Latin American relations has begun and that new areas of co-operation are being sought. Both sets of states will therefore have to demonstrate greater political will to accelerate the process and pace of collaboration and to create further political and economic space for countries like Saint Lucia to freely operate in this environment. Saint Lucia will be in a position to effectively use its geographical proximity for sustained engagement with Latin America for mutual economic and social benefit, and Latin America can move from being seen as a ‘distant cousin’ to a reliable partner in a new and sustainable partnership. Challenges still remain, including the region’s continued consciousness about its small size and the potential fragility of the CARICOM identity in the wider regional environment of larger states and emerging powers ***but in the changing regional environment, the need for strategic alliances with Latin America must remain a priority issue for Saint Lucia.***

CHAPTER 6

PRIVATE SECTOR PERSPECTIVES

A SUMMARY OF PRIVATE SECTOR PERSPECTIVES ON THE PLACE OF FOREIGN DEVELOPMENT

It seems to us appropriate that the perspective of the sector to which it is recognised as one the primary “Engines of Growth” be taken on board in our undertaking of a review of the External Relations Policy of Saint Lucia. The new global trade, economic and financial environment, including the impact of EPAs) with the EU et al, are all anticipated to change the way we conduct our business affairs.

To that end, this section of the Review reflects the individual and collective views of Private Sector bodies and leaders based upon their experience, on the pros and cons that Saint Lucia needs to take into account as to the way forward in the development of its foreign policy.

Below is a summary of Private Sector recommendations. (Fuller elaboration of these in Appendix A)

SUMMARY of PRIVATE SECTOR RECOMMENDATIONS on FOREIGN POLICY REVIEW

(A) HOSPITALITY SECTOR

- (i) The METC should elaborate its Mission Statement, which should reflect an ethos that reflects Saint Lucia as a safe place to visit, invest in and partner with for economic co-operation and development.
- (ii) The METC should facilitate the following:
 - (1) Urgent identification of investors from all economic sub sectors and facilitating arrangements for Saint Lucian Diaspora to feed into the sector.

- (2) Identification of potential sources of infrastructural development opportunities.
- (iii) Participation of that interface with foreign countries in the work of the external affairs machinery
 - (iv) The creation of effective linkages between such agencies, to maximise inward investment
 - (v) The collaboration between the METC in the identification of new partner countries
 - (vi) To facilitate streamlining of immigration procedures, to ensure ease of visitor access.
 - (vii) Marketing Saint Lucia in major economic partner countries, and with direct/linked airlift
 - (viii) Development of external twinning programmes to facilitate social development and training
 - (ix) The strategic appointment of Honorary Consuls in major economic centres not currently represented by Saint Lucia

(B) COMMERCE SECTOR

- (i) Facilitating infrastructural development in the form of capital projects to generate revenue (e.g. road networks)
- (ii) Facilitating the introduction of a “One Stop Shop”
- (iii) Encourage the facelift and redevelopment of Castries City, including the creation of a convention centre and hotel, which would attract overnight cruise ship stay-overs
- (iv) Encourage the diversification of our investment opportunities to widen our range of countries, and in particular to the newly emerging economic power

houses to break the heavy dependency on North America and Europe for economic lubrication

- (v) Begin to explore Central America and South America, Africa and India in our trading/diplomatic arrangements
- (vi) Encourage the elimination of bureaucratic structure structures that impinge upon the METC and other agencies

(C) MANUFACTURING SECTOR PERSPECTIVE

- (i) Facilitate greater interface and information sharing between the METC, Ministry of Commerce and local manufacturers
- (ii) Encourage a greater degree of correlation between consultation and implementation
- (iii) Facilitate the formation of a Trade Secretariat to bring together a single window database, arising from a common registration number, for each new or existing investor/ business
- (iv) Encourage the flexibility of the METC hours to allow for all day access to services

(D) EMPLOYERS' PERSPECTIVE

- (i) The METC to procure a national database of skills on Saint Lucia, to be made available for perusal by foreign and local investors
- (ii) To encourage a relationship with countries that identify with Saint Lucia's size, cultural norms and resources

(E) SMALL AND MEDIUM ENTERPRISES (SME) PERSPECTIVES

- (i) Encourage the appointment of Honorary Consuls to help attract investors in all sectors and to devise the appropriate mechanism for recognition and reward
- (ii) Need for a decision on the China-Taiwan Issue
- (iii) Facilitate the reorganisation of High Commissions and Embassies to include a trade representative with Private Sector experience and sensitivity
- (iv) Mandate foreign Missions to aggressively promote Saint Lucia as a preferred destination for foreign direct investment

(F) MICRO ENTERPRISE /INFORMAL SECTOR PERSPECTIVES

- (i) Encourage the development of suitable infrastructure such as the Small Industries Cubicles in key locations for the purveying of their goods (i.e. Haiti Model)
- (ii) Vendors emphasise that as participants in the Tourism Sector as retailers, they need access to inventory at more competitive costs.
- (iii) Encourage the METC to pursue aggressively the identification of grant funding

(G) PRIVATE HEALTH SECTOR PERSPECTIVES

- (i) Identification of friendly countries to facilitate access to scholarships for advanced medical education
- (ii) Facilitate for greater information sharing on health sector consultations by the GOSL and external agencies

- (iii) The METC to develop the foreign relations infrastructure to facilitate grouping of Medical NGOs as part of Health Sector Tourism to other islands and countries

(H) GENERAL RECOMMENDATIONS

- (i) Encourage the introduction of accountability mechanisms at the public sector and Ministerial levels
- (ii) Encourage institutionalisation of ethics in education and human resource development
- (iii) Encourage the building of our national branding as Saint Lucians in the international marketplace as a people of integrity and productiveness and by extension, promote Saint Lucia as an attractive investment destination
- (iv) Need for investor screening to ensure that only bona fide investors emerge as our trading partners
- (v) Encourage the mounting of foreign strategic visits to countries with sound economic bases and that have not been impacted by the global recession
- (vi) Revisit provisions for the free movement of skills and labour across OECS and CARICOM for the purpose of removing undue difficulties experienced presently
- (vii) Utilise existing alliances with International Service Organisations and other NGO's (with local bases) for marketing and promotion of Saint Lucia as a favourable investment and tourism destination

(viii) Review the economic citizenship formula currently being utilised elsewhere in the OECS and CARICOM (*See Chapter 8 Arrangements for Commercial Diplomacy*)

(ix) Create a Foreign Relations Investment Commission to bring focus on greater innovation in foreign relations and investment initiatives

While Government is being asked to set up a “One Stop Shop’ Trade Secretariat for interface with the business community, the various divisions of the Private Sector will of themselves, need to create a similar response in the form of an umbrella organisation (akin to the local Private Sector Council Model of Saint Lucia (1998) based on the ‘PSOJ’ (Private Sector of Jamaica) model) as stronger governance, will need an equally strong Private Sector interface.

It is recommended therefore that GOSL facilitate the identification of a foreign partner country such as Jamaica, with the requisite expertise and capacity, to help implement such a development, across both the Public and Private Sectors in Saint Lucia.

CHAPTER 7

TRADE UNIONS PERSPECTIVES

In keeping with the initiative to consider the perspectives on foreign policy as held by key components of the Private and Public Sectors, at the invitation of the Foreign Policy Review Committee, the following ‘umbrella’ trade unions attended our deliberations namely;-

- The Trade Union Federation of Saint Lucia (TUF)
- The National Workers Union of Saint Lucia (NWU)

Among the critical issues as raised by the trade union fraternity were as follows:

- (i) That overseas Missions of Saint Lucia should reflect a policy focus slanted toward economic and trade development, as opposed to “social” as is perceived to apply at present;
- (ii) Foreign missions to seek out from the abundance of overseas funding agencies, those willing to provide scholarships and support toward the development of local NGOs;
- (iii) Foreign missions should also serve as intelligence gathering agencies, with respect to media and other external reporting, which could impact either positively or negatively on Saint Lucia’s well being;
- (iv) It should become mandatory, that International Protocols, Conventions and Agreements, be subject to Parliamentary debate, in order to ensure ample public

education and awareness, prior to the signing of such agreements, on behalf of Saint Lucia.

As in all economies, the Trade Union Movement can play a vital role in the long-term maintenance of industrial relations stability, and to facilitate a climate that encourages foreign direct investment. It was noted, that Saint Lucia currently enjoyed a positive climate in this regard.

CHAPTER 8

INSTITUTIONAL REQUIREMENTS FOR NEW FOREIGN POLICY THRUST¹¹

FOREIGN RELATIONS COUNCIL AND OTHER INSTITUTIONAL ARRANGEMENTS

Our review so far has provided a clear indication that a central requirement of any reformulation of the foreign policy of Saint Lucia would also require an adjustment of the institutional arrangements through which such a foreign policy is to be pursued. Among the key problems highlighted by the review, in addition to those previously alluded to, would include:

- (i) A disconnect between the work of the METC and the knowledge and practical requirements of the stakeholders which the METC serves. There appeared to be no clear lines of communication between the Ministry and its stakeholders;
- (ii) Overlap and the absence of lines of communication and action between the METC and other line Ministries. Examples of such disconnect include:
 - (1) Overlapping roles with the Ministry of Commerce, Customs Department where international trade matters are concerned;
 - (2) Overlapping roles with the Ministry of Fisheries where whaling, fisheries and other related matters are concerned;
 - (3) Overlapping roles with the Ministry of the Environment where environmental matters are concerned;

¹¹ In discussing this issue we are conscious of a study “Towards An External Relations Policy and Strategy For Saint Lucia”, undertaken by Impact Consultancy Services Incorporated November 2002

- (iii) The ad hoc nature of the participation of relevant stakeholders in regional and other meetings that require their participation;
- (iv) The absence of any clear lines of engagement between local stakeholders and the Foreign Service Officers employed to work on their behalf;
- (v) The absence of any clear lines of engagement between foreign missions and the local line Ministries that they serve;
- (vi) Specifically, there appeared to be a lack of clarity in the institutional role and place as well as the specific mandate and function of the Office of CARICOM /OECS Ambassador.

Arising out of the above observations, some general recommendations aimed specifically at strengthening the institutional arrangements can be offered. Most specifically, given the need to provide central oversight and co-ordination of the complex web of ministerial, local and international interactions involved in foreign policy execution, it is proposed that:

- (i) ***A standing Council of Foreign Relations to be established under the Chairmanship of the Minister of the METC. It is proposed that this Council be constituted as follows:***

1. ***Composition: The Council shall comprise the Ministers responsible for Foreign Affairs, International Trade, Commerce, Finance, Planning, Tourism, Aviation and Agriculture or subcommittees thereof. From time to time, based on its agenda, the Council's deliberations may be open to other Ministers of Government whose work falls within a relevant area being considered, (e.g. Home affairs for security matters, etc)***

2. **Purpose:** *The Council should be primarily a policy formulation body, and a communication conduit to relevant sectors.*

The Council should monitor global developments, track new trade agreements, identify critical economic and political issues impacting on Saint Lucia, and propose appropriate policy responses.

The Council should also communicate, through dialogue and outreach new policy developments to relevant sections of civil society and the governmental apparatus in order to ensure effective execution of agreed policies.

3. **Agenda:** The Council should meet quarterly, with a key aspect of its agenda being the discussion of major trade and economic arrangements that impact the operations of the country, private sector bodies and civil society as a whole.

The agenda should be determined by the immediate, emergent and anticipated issues from the global arena, which are likely to impact economic development, trade and security of Saint Lucia.

4. **Communication and Outreach:** At the end of every year (following the fourth of the quarterly meetings), the Council will hold a national engagement forum. In this forum, all major sectors of civil society shall meet with the Government, to review ongoing issues and to discuss relevant matters.

5. **Secretariat:** It is proposed that the CARICOM/OECS Ambassador should stand as the Secretary to the Council.

In addition, the following issues should be addressed as part of the institutional adjustments to ensure effective foreign policy coordination and execution. These are:

- (i) Procedural arrangements that establish clear lines of communication for proper advice and communication to the Private Sector, trade unions and civil society bodies in respect of specific meetings at which their participation is required. Preparations for those meetings should involve prior discussion with private sector and civil society representatives;***
- (ii) It is recommended that the METC should establish a mechanism that facilitates the participation of relevant private sector and civil society representatives, as well as key technocrats from other line Ministries at relevant preparatory meetings prior to the departure of a Saint Lucia delegation;***
- (iii) The establishment of an operation framework to facilitate communications between the Overseas Missions and the local line ministries;***
- (iv) The reformulation of the Office of CARICOM/OECS Ambassador into a more clearly defined set of functions and with clear lines of communication between the CARICOM Ambassador, the Minister and the METC, as a whole.***

TOWARDS A 21 FIRST CENTURY MINISTRY OF EXTERNAL AFFAIRS

In order to face the new challenges and increasing demands of the 21-century international relations environment, it is imperative that the METC establish the institutional framework to carry out these new responsibilities.

Indeed, having become engaged in this new globalised diplomacy, the structure of the diplomatic machinery must also change to ensure efficient and effective operation in this new environment. The use of the new information and communication technology, the acquisition of foreign language skills by staff members; and their flexibility to handle multiple tasks and assignments, in an inevitably in addition to the development of networks with both state and

non-state actors both local and international, clearly indicate the need for new strategies to be embraced in order for 21 century ministry to emerge.

In this context, it is recommended that:

- (i) The Ministry create a Mission Statement that clearly articulates its strategic intent and direction to guide both Headquarters and overseas Mission personnel;***
- (ii) The Ministry prepare an annual strategic action programme and establish clear and unambiguous targets along with performance indicators to ensure a coherent policy direction;***
- (iii) The Ministry create a website to increase its visibility both nationally and internationally;***
- (iv) With respect to the use of technology, the establishment of an intranet arrangement which would integrate the Ministry of External Affairs and the overseas missions in a secure and seamless communications network;***
- (v) With respect to training, the Ministry should in collaboration with the Institute of International Relations at the University of the West Indies (UWI) should seek to provide an induction course for newly recruited Foreign Service Officers well as focused short courses on critical global issues in order to provide cutting edge perspectives to its staff members.***

ORGANISATIONAL STRUCTURE AND REPORTING ARRANGEMENTS

In light of the various proposals and recommendations made within the body of this Report for modifications to the day- to -day modus operandi of the METC, the opportunity was also taken to commence a brief examination of the organisational structure and reporting arrangements, which may impinge on the flow of information within the internal ranks of the Ministry itself.

To that end, the Committee thus began a preliminary examination of a “1999 Edition” of the Ministry’s Organisational Chart, for aspects that would invariably impact on the future running of the Ministry, should the Committees Report and recommendations be adopted.

Among the areas under consideration were the following, viz:

- (i) The Internal Information Flow (both vertically and laterally) within the METC
- (ii) Consideration of the “Span of Control which, through conventional wisdom and research, speaks to the optimal number of subordinates reporting to a single management position, before another layer of management becomes necessary to be created, in order to ensure the maximum overall efficiency of the organisation;
- (iii) The grouping of Ministry operatives by function, in order to facilitate greater “unity of command” and indeed “unity of purpose”;
- (iv) To provide for greater operational support by capital, to its existing Missions abroad and to make provision for the proposed introduction of strategically placed Honorary Consuls, in the more affluent diplomatic theatres of the world.

In this regard, the following organisational considerations are also being proposed (as per Appendix B) viz:

- (i) That existing positions in the OPM, normally referred to as CARICOM/OECS Ambassador be defined to ensure a functional relationship with the METC, such that there is a continuous flow of information between the two offices, taking into account the responsibility of the officer to the Prime Minister;***

(ii) That a new position of Director of Missions (or equivalent nomenclature) be introduced into the METC, to provide for policy and operational coherence and to provide “hands on” support to the Ministry and overseas Missions. The position will necessarily one of seniority, the holder optimally being at Ambassadorial level;

(iii) That a facility for the grooming of future diplomatic staff be devised within the system, to provide not only adequate succession planning, bearing in mind the parameters of the existing political system, but also for ensuring appropriate provisions and opportunities for mobility(domestic and external)within the Foreign Service.

In respect of this there will be the need for an independent analysis of anticipated overall job requirements of the Ministry, and the attendant job descriptions and reporting arrangements necessary to inform the design of its future Organisational Structure.

In conclusion, it should be borne in mind that the foregoing suggestions have been made without utilising detailed Human Resource Management (HRM) procedures, and will require further review and recommendations.

ON THE NEXUS BETWEEN INTERNATIONAL TRADE AND FOREIGN AFFAIRS

Over the last two decades, in particular there has been a marked paradigm shift in the economic and foreign policy orientation of most countries in which inward-looking trade and development strategies have been replaced by outward-oriented ones. A key catalyst of this shift has been the fact that International Trade has risen in prominence as the principal driver of economic growth in the global economy. This has created the phenomenon of *trade-led growth* and more importantly *export-led growth*, as a widely advocated prescription for growth and development. As a result, countries have sought to mainstream trade and global integration as major components of their national development strategies.

This unprecedented expansion in world trade (which was accompanied by a proliferation of trade agreements) resulted in its heightened geopolitical importance with implications for foreign relations/affairs among countries. In line with these developments, trade policy has become an increasingly important component of the foreign policy relations of many countries. In this new and emerging geo-political context and environment, international diplomacy has become increasingly characterised by economic diplomacy.

Against this backdrop and trend, countries have sought and continued to take a number of steps to position themselves to take greater advantage of the growing importance of international trade and global integration to their economic development and survival. One example of this is the growing tendency of countries to locate the portfolios of International (foreign) Trade and External (foreign) Affairs in the same Ministry, given the strategic value and inherent nexus and complementarities that exist between them.¹² It should be noted that this choice of portfolio allocation in which trade and foreign/external affairs are housed in the same Ministry, is used by a number of CARICOM countries, including Jamaica, Belize, Barbados and Saint Vincent and the Grenadines.¹³ In Saint Lucia's case, it is instructive to note that portfolio areas of Trade and External Affairs have been placed in the same Ministry since the early 1990s. Therefore, this deployment of portfolios is not only widely practiced, but also has the benefit of much precedence.

Indeed such an allocation allows for a greater level of policy coherence and consistency between foreign and trade policies. This arrangement is also critical to facilitating increased co-ordination between the objectives of the Government, in relation to trade and foreign policy at our foreign missions. This is especially important as we seek to reorient the foreign missions towards a more dynamic and economic type of diplomacy based on increasing foreign trade and investment inflows to Saint Lucia through existing foreign relation networks and access.

¹² Foreign investment mobilization, commercial diplomacy and building of strategic alliances are some examples of the synergistic benefits which may accrue as a result of the location of the portfolio of international trade and external affairs in the same Ministry

¹³ A number of countries outside our Region such as Canada and South Korea have such a portfolio allocation with a Ministry of Foreign Affairs and International Trade. Canada's most important relationship is with the US and it is based on trade

Given this allocation of portfolio responsibilities, the Ministry of External Affairs and International Trade have to work in a complementary manner with other Ministries in particular with the Ministry of Commerce, Industry, Investment and Consumer Affairs.

According to this framework, the focus of the work of the Ministry with responsibility for International Trade is largely at the macro or strategic level to formulate trade policy and a Saint Lucia trade regime. This is done primarily through the negotiation of bilateral or multilateral trade arrangements (mainly in conjunction with other OECS states through CARICOM). The Ministry is also responsible for pursuing and representing Saint Lucia's trade positions and interests at regional and international organisations or partners such as the WTO, CARICOM Secretariat, ACP, the EU, Canada and US among others.

In contrast, the Ministry of Commerce, given its domestic orientation, operates mainly at the micro level (firm/industry) by serving as an interface for the Private Sector in particular through the various *business support organisations* (such as the Chamber of Commerce, Saint Lucia Manufacturers Association (SMA), The Saint Lucia Coalition of Service Industries (SLCSI), Saint Lucia Industrial and Small Business Association (SLISBA) among others. Importantly they should discharge the function of helping the Private Sector to interpret or navigate and take advantage of opportunities in terms of market access and other benefits that have been negotiated and secured on their behalf in existing trade arrangements to which Saint Lucia is a party. In this way, they would help bring the trade arrangements to life and translate them to dynamic benefits for Saint Lucia.

It is important therefore, that the two Ministries make continuous efforts at co-ordination in the implementation of agreed decisions.

We have taken it as a responsibility of the Ministry of International Trade to ensure also a continuing linkage for implementation purposes, between trade policy at CARICOM level, for example and domestic fiscal or revenue policies. This is to ensure that the commitments made under the Revised Treaty of Chaguaramas, are not inadvertently undermined by revenue measures imposed.

We take this opportunity to also advise ***that the Saint Lucian government take the lead, at home and at the sub-regional level, to ensure the implementation of the Free Circulation Regime agreed under the Revised Treaty of Basseterre.***

THE PERMANENT MISSION TO THE UNITED NATIONS

The Permanent Mission of Saint Lucia to the United Nations (U.N. Mission) is a critical component in the nation's engagement with the international community, and is especially important in this era of shifting global trends. The U.N. Mission is on the front line of multilateral diplomacy in the most inclusive of international institutions. The role of the U.N. Mission is unique in character, and performs both a highly complex multilateral function whilst also serving as an important venue for bilateral contacts on business, diplomacy and technical co-operation.

Given that the United Nations presents the widest forum for the practice of multilateral diplomacy, it is important for small states like Saint Lucia to maintain an effective capability there, for relating to other states at both bilateral and multilateral levels, particularly in pursuit of development and security options. It is critical that the U.N. Mission collaborates with Saint Lucia's representation in other multilateral institutions in particular the Commonwealth and the OAS.

To that end, the U.N. Mission must collaborate closely with both Saint Lucia's Washington and London diplomatic offices on policy issues addressed at both bilateral and multilateral levels. The U.N. Mission must also work closely with the OECS Mission to the European Union to ensure complementarity on trade, multilateral and bilateral issues.

Because of the successful leadership role of Saint Lucia during the presidency of the U.N. General Assembly in 2003-2004 and the subsequent chairmanship of the AOSIS, Saint Lucia had earned substantial good will, enjoyed significant visibility and created strong bilateral relations with many influential U.N. member states translating into important national benefits. The maintenance of an effective performance in this regard can only be sustained by ensuring that a

high level of professional effectiveness is maintained given in particular the multiple tasks which the Mission is required to undertake.

An effective Saint Lucia Mission to the U.N. serves to promote national interests through close collaboration with the permanent missions of other CARICOM member states, and through consistent multilateral diplomatic contacts with the broader Latin American and Caribbean Group, ALBA and emerging groups such as CELAC. These political bodies convene regular meetings and consultations at U.N. headquarters on issues that can be of a highly sensitive nature. Saint Lucia must be fully involved in these consultations.

The U.N. Mission must also service the six main committees of the U.N. General Assembly, and follow relevant issues in the Security Council, such as climate change and its relationship to security, that are directly related to Saint Lucia. The U.N. Mission must also serve as a key player in the AOSIS, and work collaboratively with the member states of this body from the Atlantic, Pacific and Indian Oceans, and the Caribbean Sea.

The U.N. Mission must also act as a New York liaison between the Government of Saint Lucia and the myriad of U.N. specialised agencies, technical organs, funds and programmes and other entities which maintain offices at U.N. Headquarters in New York, and which can play an increasing role in assisting the development process of Saint Lucia.

In accomplishing these duties, the U.N. Mission must remain in close communication with the METC, to ensure that positions taken at the U.N. level are consistent with national policy. To this end, the U.N. Mission must transmit regular briefs to the Ministry on relevant issues requiring analysis, and offer recommendations from the perspective of engagement in the multilateral debate.

The uniqueness of the duties and responsibilities of the U.N. Mission require specially talented personnel. This is of critical importance given the multiplicity of tasks and the relatively small number staff in the U.N. Mission in comparison to other U.N. Mission member states. The senior staffing of the U.N. Mission is therefore of critical importance, and requires an experienced diplomat with institutional knowledge of the role and functioning of the U.N.

system. This diplomat should be at Minister Counselor/Deputy Permanent Representative (MC/DPR) level, should possess extensive knowledge of U.N. operations, and have the capacity to provide the most seasoned advice to the Ambassador/Permanent Representative. At the same time, the MC/DPR must be able to provide periodic diplomatic training to the Foreign Service Officers from Capitol on the role and functioning of the U.N. system from the perspective of Saint Lucia.

The MC/DPR, therefore, must have a high level of awareness of a wide range of global issues, and develop strong diplomatic contacts with member states from all regions of the world, in order to advise and make appropriate recommendations to the Ministry on decisions, which must be taken in the context of presenting the Saint Lucian position.

The MC/DPR must also rapidly develop a competence for effective functioning within the U.N. committee structure in order to maximise Saint Lucia's visibility and concomitant benefits from the U.N. development process.

The MC/DPR must also have demonstrable skills in the drafting of resolutions on key issues specific to Saint Lucia, and to CARICOM as a whole, as well as a similar capacity to draft and coordinate national and regional statements for presentation to the respective U.N. bodies. Diplomatic negotiating skills in order to effectively represent the national and regional interest in the U.N. decision-making process are also critical.

The U.N. Mission is an important tool in raising the level of national visibility in the multilateral arena so critical to sustainability in a globalised world. Saint Lucia has periodically demonstrated a capability for sustaining a high level of visible leadership in the UN System. It is particularly critical to restore this level of multilateral engagement which is in the best interests of Saint Lucia.

THE OECS SECRETARIAT

During the consultations for the Review, one of the critical issues raised by the stakeholders, was the disconnect between the work of the Secretariat and the needs of the stakeholders.

Many of our informants felt that the OECS Secretariat had become a detached unit with a life of its own, as distinct from a service umbrella organisation, responding to the needs of local stakeholders.

This concern was expressed particularly strongly with regard to attendance by stakeholders at trade meetings, the transfer of information to local stakeholders, and a general sense of alienation from the work of the OECS.

A central demand of the stakeholders was for the OECS to serve as an institution that provided information and advice particularly with respect to new trade arrangements and agreements impacting on the conduct of business. A common call by stakeholders was the need for a “Secretariat Clearing House”, which would collate all relevant trade issues, inform the local private sector of new developments in a timely manner, facilitate their participation at relevant meetings, and assist in their responses to changing conditions. It was felt that no such role was played by the OECS Secretariat, with many stakeholders unclear of its mandate.

Whilst these concerns were also raised in relation to the METC itself, the fact that the OECS exists as a regional organisation, appeared to deepen the chasm between itself and the local stakeholders. The GOSL may consider options for making the OECS more relevant to civil society, as part of its new foreign policy thrust.

It is clear that there is an expectation gap arising from the perception of civil society of the official role of the OECS. It is a fact that the OECS is an inter-governmental organisation, but Saint Lucian (and by extension OECS) civil society wants an entry into the work of the organisation. ***The GOSL in its foreign policy thrust must fashion mechanisms for transforming the OECS from a perceived detached organisation into a service organisation.***

THE DIASPORA AND STATE INITIATIVES TOWARDS THE DIASPORA

Since the advent of the widespread use of communications technology and the improvements in and affordability of travel, it is becoming increasingly realised that our traditional ways of viewing citizenship and national communities have become obsolete. This reality is particularly impactful upon Caribbean populations and communities, which have long practiced migration as a means of economic prosperity and survival. Indeed, one of the features characterising Caribbean migration is the manner in which migrants have thought about family, community, country, region and citizenship.

These new considerations demand the inclusion of the Diaspora in the development thrust of Saint Lucia. The following measures are proposed for consideration for inclusion as part of the future foreign policy direction of Saint Lucia.

- (i) The creation and strengthening of new institutional arrangements to facilitate the work of the Office of Diaspora Affairs, inclusive of the identification of key focal points in the various overseas missions with responsibility for linking Diaspora issues with the work of the METC and the work of the Government as a whole;
- (ii) The setting up of an engagement framework with the Diaspora which could include measures such as: the establishment of a registry/data base of the skills sets of the members of the Diaspora; the development of special outreach measures to tap the skills of the Diaspora for inclusion where competitive bids for consultancies, and other government projects are being pursued; and to inform of the Diaspora of vacancies the government service; the use of government websites as a means of informing the Diaspora of major issues affecting Saint Lucia;
- (iii) The identification by Missions and Government of the Diaspora as part of a lobbying thrust in major capitals on critical matters affecting Saint Lucia;

- (iv) TOKTEN (Transfer of Knowledge Through Expatriate Nationals) - a UN initiative – should be examined with a view to identifying specific mechanisms through which the resources and skills of the expatriate community could be tapped and channelled towards national development.

RATIONALE FOR THE APPOINTMENT OF HONORARY CONSULS TO SAINT LUCIA

With just under 200 countries in existence across the globe, Saint Lucia has established diplomatic relations with circa 50% of that number, since attaining its Independence in 1979. However, in order to benefit from such Diplomatic alliances, Saint Lucia would need to have a presence in selected country locations, without having to establish the more costly overseas Missions (e.g. Embassies, High Commissions et al).

The concept of the appointment of Honorary Consuls therefore, needs to be revisited with a view to implementation.

Based upon recommendations as compiled during consultation with the leadership of various sub sectors of the national Private Sector, there was apparent unanimous support for the continuance of the Honorary Consul “mechanism”.

It is therefore recommended that Government pursue a system of appointment of a “network” of key personalities as Honorary Consuls representing Saint Lucia in specific geographical theatres. Their function would be the attraction of FDIs, tourism development and related services. They would be expected to ensure the support of these Consulates.

A proposal for an appropriate approach follows in the next subheading.

Of key significance to such policies and expectations would be for (Honorary Consul) appointees to provide consistent awareness to Saint Lucia of opportunities for inward Investment and the feedback of economic intelligence.

ARRANGEMENTS FOR COMMERCIAL DIPLOMACY

ECONOMIC REACH

The Government can adopt a policy of projecting the Saint Lucian economy abroad by making its embassies and High Commissions more active in this role, as a primary function. The Foreign Policy Review Committee should become a Standing Committee to monitor the progress and opportunities of Commercial Diplomacy, the enactment of such policies, its review and updating and ensuring the output from foreign missions and government departments is linked and complimentary. It should be a Committee under the Office of the Prime Minister, reporting to the Prime Minister directly.

The Standing Committee could make recommendations to the Prime Minister on the appointment of a new network of key figures to head up self-funding consulates and Consulates General under Honorary Consuls and Honorary Consuls General. In nations where existing diplomatic missions already exist, a Trade Mission should be established in the role discussed above, and in all cases key individuals would have a prime function in Commercial Diplomacy, providing both awareness of opportunities and feeding back economic intelligence. The Scandinavian Model of Consular Representation should be examined. Candidates should be economically active and or well-connected persons, capable of opening doors and having the ear of economic targets. The objective will be to both promote available opportunities in Saint Lucia and introduce Saint Lucia to hitherto untapped sources.

A head of Trade and Consular Services should be appointed, in the rank of Ambassador-at-Large, giving the commensurate status to deal with Honorary Consuls as a point of contact on a day-to-day basis. Such an appointment will also allow representation at suitable levels at vital meetings of organisations such as the WTO (where most Sovereign Wealth Funds are represented), in the event that a Minister, High Commissioner or Ambassador cannot attend. Such a candidate should have their own dynamism and ability to operate at head of

government level as well as an ability to think strategically and understand policy implementation and development.

Saint Lucia's Commercial Policy objective must be to be ever present at all arenas where there is any potential economic advantage. The policy should lead to Saint Lucia becoming the most prominently represented local economy on the economic stage. Particular emphasis must be given to entering markets where there is current economic activity and prosperity, but where there has never been a Saint Lucian presence, in particular, Russia, the "tiger" economies of the Far East, of the Gulf States and Australia.

Each of these has massive liquidity and active Sovereign Wealth Funds (SWF) who make strategic and economic decisions on placement of capital. These SWFs are characterised by the fact they are currently long on cash.

The measures the Government of Saint Lucia may take to stimulate economic growth are diminished where they are not known outside Saint Lucia. The projection and dissemination of economic opportunity will be complemented by ensuring changes and enhancements reach the right ears. This must also be a prime function of the honorary consular corps.

If, for example, there were to be changes in property transfer tax, the benefit will be most immediately enhanced if this news is spread abroad. The Government should look at retaining professional placement companies for the creation of media coverage in the business, financial and tourist sector media. This cost effective measure is simple to monitor and effective, producing, as it does, third party endorsement.

ECONOMIC CITIZENSHIP

Government should look at a policy of encouraging participation from wealthy individuals who are mobile and can choose to place their wealth in any number of economies. Just because a number of Caribbean states have introduced Economic Citizen's Programmes that have also

had significant long term disadvantages, neither means, *per se*, that such programmes are bad or that the models adopted hitherto are the only options available to the State.

The Government of Saint Lucia should invite the Foreign Policy Review Committee to produce a report on the options available for introducing an Economic Citizen's package, with three guiding principles; the net effect should be to increase the net income to the state fund, provide an attractive environment for investment and ensure a minimal level of investment in each case. This should be underlined by the requirement that no programme should have any effect on the demographics of Saint Lucia, the financial call on its public resources and that the benefit and level of investment should remain in place and consistent for the duration of any benefits offered by the state to the investor.

Saint Lucia should therefore not consider any of the schemes that have been adopted in other Caribbean states that are based on a short-term gain and a long-term legacy and benefit for the investor, in the manner in which they have been introduced elsewhere, without significant modification.

A Saint Lucian "Citizen-Partner Scheme" would therefore require an investor to make a tangible investment in order to obtain limited 5-year economic citizenship, with residency rights, in the manner as shown:

QUALIFICATION:

OPTION ONE

Property purchase of not less than US\$500k in value and;

Purchase of 5-year government bond of not less than US\$ 250k in value.

(i) Passport Valid for 5 years

(ii) Residency permit for spouse on foreign passport

(iii) Temporary import duty exemption (5 years on car and furniture). In the event that citizenship were not renewed, duty would become payable on any exempt goods at their value at that time and at their original value if sold in Saint Lucia within three years of the start of Economic Citizenship. Goods re-exported would not be liable for duty.

(iv) No access to public funds shall provide health insurance and education costs, etc.

RENEWAL

Passport and temporary import automatically expire after 5 years (becoming self-regulating), with privileges. After 4 years and six months the beneficiary must apply to renew for a further 5-year period, within the remaining six months of his permit, providing that he/ she still fulfils the criteria 1 – 3 above.

After the expiry of three renewals, the applicant and spouse may apply for and shall be entitled to citizenship (after 20 years).

In the event that the applicant does not renew any subsequent period, the government bond shall be redeemable 12 months from the date of expiry of the last valid period. Interest/ dividend on the bond, at the agreed rate will be paid to the investor annually, in arrears.

OPTION TWO

All of the above conditions, except:

Property purchase of not less than SU\$1,000,000K in value and;

Purchase of 5- year government bond of not less that US \$650K in value.

1. Passport valid for 5 years
2. Passport for spouse and children (up to 4 children living as part of the family unit)

CHAPTER 9

SUMMARY OF RECOMMENDATIONS

CHAPTER 1

THE WORLD AT THE TURN OF THE CENTURY: A PERSPECTIVE FROM SAINT LUCIA'S LOCATION

1. It is our view therefore that Saint Lucia's location within these emerging, and sometimes apparently competitive, multilateral frameworks in the Hemisphere, must therefore be directed at participating in activities that speak to the priority of the terms on which its two main objectives, and the search for new economic linkages can be assured.

These two main objectives would be, first, seeking support for modes of physical and economic integration, in Saint Lucia's immediate OECS and CARICOM sub-regions, that would enhance scale of economic and related operations; and secondly, seeking support that would, given their physical location, provide appropriate resources, and non-dominating modes of co-operation, that can ensure the security of the state, in an era when the dominant threat to state sovereignty and autonomy is the pervasive presence of the trade in narcotics that itself derives from its hemispheric neighbours.

A collaborationist strategy with relevant states, within the framework of its multilateral engagement with the wider Latin American sphere would also help to balance the necessary intervention of the largest hemispheric participant, the United States. And some OECS states have already pointed their diplomacy in such a direction.

Such a diplomatic orientation necessitates closer co-operation and collectivist diplomacy, within the OECS sub-region in what is a new, wider geo-political and geo-economic arena that is necessarily pressing itself

2. We therefore urge that government seek to continue to explore the possibility of more cohesive arrangements with Trinidad & Tobago, in terms, in particular of infrastructural

integration, and within limits that do not offend the CARICOM Treaty, but which can upgrade its, and other OECS countries, capabilities for domestic and external action in specific spheres where scale is critical to identified economic priorities on the sub-region.

3. Saint Lucia, while recognising the complexity of negotiations towards an FTA needs to urge CARICOM to conclude these as quickly as is convenient, so that Saint Lucia can have a reasonably settled sense of the new context in which it will inevitably have to function.

CHAPTER 3

REGIONALISM IN SAINT LUCIA'S FOREIGN POLICY

1. It is recommended that the OECS Secretariat develops and adopts a Foreign Policy Mandate, alongside its existing mandates in Economics and Social Policy. We feel that it would be useful for the OECS to develop a caucus to provide specific focus to the policy making in the current turbulent environment.

2. It is recommended that a framework involving the government of France to deepen relations with French Guiana and to identify specific advantages to Saint Lucia and CARICOM.

3. It is recommended that Saint Lucia pursues the deliberate strengthening of the human resource and technical capacity of the METC to permit it to work in conjunction with the Ministry of Sustainable Development, to increase St. Lucia's capacity for effective participation in, and to maximize benefits from, the global environmental frameworks and initiatives, such as the Rio Conferences, the SIDS discussions and the ongoing work of the AOSIS

4. As a first step, St. Lucia must with urgency, formally join the CCJ.

CHAPTER 4

RELEVANCE OF DIFFERENT GEOGRAPHIC AREAS AND PRINCIPLES OF OPERATION

1. And we can conclude that the objective of diversifying our efforts in that, and related regards, should, from a medium term point of view, continue to be urgently pursued within the wider framework of the regional tourism organisations. This should be reinforced by a national approach towards representation in countries beyond the North Atlantic, which we indicate later in this Report.

Nonetheless, we can assert that the substantive aspects of relations between Saint Lucia and the United States are unlikely to be predominantly on a country-to-country basis. Rather they are likely to be pursued in the context of CARICOM-United States relations, with an emphasis on, firstly, the issues of the nature of CARICOM access to United States markets; secondly, on and the manner in which Saint Lucia can take advantage of burgeoning financial services activities, without infringing complex United States legislation (as Antigua and Barbuda has experienced); and thirdly, in respect of coming to terms with the narcotics trade.

2. It is advisable for Saint Lucia to closely interact with major Latin American states that have been developing similar reservations, and whose diplomacy now seems to be turning towards influencing the US to take a more multi-pronged approach to the diversity of problems involved.

3. The most fruitful posture, in our view, of Saint Lucia-Canada relations is to take continuing advantage of Canada's oversight and representation of CARICOM countries in the international financial institutions. This should be done not only in terms of advancing the case for assistance in relation to present recessionary conditions, but in insisting that CARICOM countries, even as so-called "middle income" countries, continue to require developmental assistance in the face of needed adjustments to the changing international economic environment that focuses on

liberalised production and trade in an era of antagonism to protected arrangements for small and disadvantaged states-economies.

4. It is in the interest of countries like Saint Lucia to ensure the maintenance of that intellectual and policy focus at the top of the development agenda, including that elaborated within the framework of the EPA. In that regard, the country must maintain its operational focus within the Alliance of Small Island States (AOSIS), as the medium towards influencing the development institutions.

5. Saint Lucia, located as it is in immediate proximity to the French department of Martinique (as is Dominica, placed between Martinique and Guadeloupe), should, within the framework of the OECS, make a decisive effort to seek to utilise resources so committed to regional economic integration to facilitate the construction of the proposed Economic Union.

6. Saint Lucia should seek to persuade the Government of France, and therefore the European Union, to perceive our effort of regional economic integration precisely as intended to facilitate, over time, the maximum achievement of economies of scale that is required for this sub-region to participate in the wider Caribbean region and in the evolving global economy, and so to permit the inclusion of the Departments of Martinique and Guadeloupe within it, to the maximum degree constitutionally and practically possible.

7. It is, in our view, an anomaly to perceive or present diplomatic recognition of Taiwan as an alternative to recognition of the PRC, a now global economic and political player. Any decision to maintain recognition of Taiwan will be perceived in the arenas of international diplomacy, and pre-eminently at the United Nations, as inevitably temporary, the result of specific contingent circumstances and objectives of the Saint Lucian state, and therefore subject to

change and lacking final certainty. It is our view that Saint Lucia will be perceived, as similar others are presently perceived as mere “players”.

8. We do not believe that at this point, diplomatic representation in India would be optimal. But we would recommend a deliberate attempt on the part of our Missions in the United Kingdom, United States and at the United Nations, to seek to sustain a continuing diplomatic contact with that country, in the pursuit of economic development possibilities.

9. We believe also, that Singapore, if not for Saint Lucia alone, but for the OECS states, can become an important staging post in the search for investment from that part of the world.

10. Some development issues are identified since a “centrepiece” of the new understanding is a \$60 million development partnership that will be implemented over a four-year period. An important component is climate change to which \$17.3 million is allocated with a focus on minimising the negative effects of climate change and reducing the effects of natural disasters. This component should be pursued by Saint Lucia as it seeks to rehabilitate its physical infrastructure which was damaged in Hurricane Tomas. Further, another component is the improvement of “people to people linkages through volunteer programs, scholarships and fellowships” to which \$16.5 million has been contributed and this should be targeted by Saint Lucia as part of its human resource development plans.

Additionally, \$16 million has been tagged for direct assistance for countries in the region which will be distributed based on need and in direct consultation with CARICOM. It is recommended that Saint Lucia should prepare a short-term project with immediate impact and in this way, set the stage for sustained engagements with Australia.

11. Possible niche areas that can be considered, including joint ventures in maritime transport as an alternative to expensive inter-island air transport. This can also have a favourable effect

on trade, allowing for the cheaper transport of bulk goods, as well as the movement of people. Additionally, increased interest in the Caribbean by Australians allows for the development of multi -destination tourism arrangements which can be attractive to St. Lucia.

12. It is recommended that Saint Lucia prepares and presents a formal project directed at human and social development in small communities for possible funding by Australia.

CHAPTER5

SAINT LUCIA AND LATIN AMERICA:CHALLENGES AND PROSPECTS

1. One can note here that the focus on infrastructural development must be considered of importance to Saint Lucia since it can bring economic benefits to the country through collaboration such as increased air and maritime transport initiatives as well as support for Saint Lucia's domestic infrastructural rehabilitation and development.

2. We believe that Saint Lucia should use this opportunity to leverage stronger economic and political engagement in the context of a changing regional environment. Of significance to Saint Lucia is the fact that Brazil is currently investing in the manufacturing and agriculture sectors, and the development of further linkages with Brazil could attract investment from that state. Further, its market of approximately 200 million people offers a new opportunity for the expansion of Saint Lucian exports.

3. Currently there is no active Saint Lucian diplomatic presence in any major Latin American capital. Given Brazil's increasing influence in the hemisphere and its interest in the Caribbean it is recommended that Saint Lucia engage Brazil as a matter of urgency and craft a strategic agenda to promote relations with Brazil and the UNASUR states. This can be achieved using the gradualist approach by:

- (i) Immediately utilising Saint Lucia diplomatic presence in Washington D.C. at the Organization of American States (OAS) and in New York at the United Nations (UN) to develop stronger bilateral linkages.
- (ii) Saint Lucia should appoint in the first instance a non-resident Ambassador to Brazil with accreditation to the other UNASUR states and establish a Latin American Unit at the Ministry of External Affairs to co-ordinate linkage arrangements.

As resources become available, the government of Saint Lucia should establish on its own, or in collaboration with the OECS, or with selected OECS states, resident diplomatic representation in Brasilia (with similar UNASUR accreditation) to actively pursue the engagement with other South American states.

4. We suggest it may be appropriate at this time for Saint Lucia to participate with other OECS states in designing a clear OECS policy framework for engagement with ALBA, as the grouping seeks to take advantage of the increasing presence of new hemispheric actors in the region, to advance both national economic development and enhanced sub-regional physical and economic integration.

5. It is therefore recommended that Saint Lucia consider the feasibility of utilising this facility, in the context of its possible use in a joint venture arrangement with Venezuela for a storage and distribution facility on the island.

6. Saint Lucia should, as part of a new foreign policy thrust, seek to develop within the framework of the Mexico- CARICOM agreement, a strategic alliance with Mexico.

7. It is recommended that Saint Lucia pursue an OECS-wide strategy to sensitise Latin American states of the need to support its position that small, open and vulnerable economies must be treated as a distinct category and appropriate policies fashioned from that perspective. In

addition, states must be fully sensitised that export trade does not present any challenges to the larger economies of Latin America or the world trading system.

8. We therefore propose that a mutual defense and security agreement between Latin America and CARICOM states such as Saint Lucia could be established, and can serve to facilitate increased intelligence gathering and sharing, as search and rescue operations, training and intervention in times of natural disasters.

9. We recommend the development of linkages between Saint Lucia and Latin America and the creation of programmes and policies aimed at providing the environment for the strengthening of economic relations, especially in the areas of tourism, culture and music, language training and services. It will therefore require involvement at both the state and private sector levels to actively promote the establishment of stronger economic and trade linkages through the development of networks in order to enhance the potential for mutually beneficial trade opportunities.

10. It is recommended that in collaboration with the Private Sector, Saint Lucia should embark on a programme to provide training in English as a second language to Latin American countries, and to the Francophone Caribbean and France, as this can serve to develop a new area of activity in the service sector and to promote Saint Lucia as a destination for educational tourism.

11. Saint Lucia will have to seek to expand relations with political directorates that now seem to have as priorities, issues such as poverty eradication, and the reduction in social and economic inequality, which are also major issues for the country.

12. But in the changing regional environment, the need for strategic alliances with Latin America must remain a priority issue for Saint Lucia.

CHAPTER 8

FOREIGN RELATIONS COUNCIL AND OTHER INSTITUTIONAL ARRANGEMENTS

1. It is proposed that a standing Council of Foreign Relations to be established under the Chairmanship of the Minister of the METC, and comprised of the Ministers responsible for Foreign Affairs, International Trade, Commerce, Finance, Planning, Tourism, Aviation and Agriculture or subcommittees thereof. The Council's deliberations may be open to other Ministers of Government whose work falls within a relevant area being considered, (e.g. Home affairs for security matters, etc).

2. It is recommended that the Council should be primarily a policy formulation body, and a communication conduit to relevant sectors. The Council should monitor global developments, track new trade agreements identify critical economic and political issues impacting on Saint Lucia, and propose appropriate policy responses. Furthermore, the Council should also communicate, through dialogue and outreach new policy developments to relevant sections of civil society and the governmental apparatus in order to ensure effective execution of agreed policies.

3. It is recommended that procedural arrangements that establish clear lines of communication for proper advice and communication to the Private Sector, trade unions and civil society bodies in respect of specific meetings at which their participation is required. Preparations for those meetings should involve prior discussion with private sector and civil society representatives.

4. It is recommended that the METC should establish a mechanism that facilitates the participation of relevant Private Sector and civil society representatives, as well as key technocrats from other line Ministries at relevant preparatory meetings prior to the departure of a Saint Lucia delegation.

5. It is proposed that the establishment of an operation framework to facilitate communications between the Overseas Missions and the local line ministries.

6. It is recommended that the reformulation of the Office of CARICOM/OECS Ambassador into a more clearly defined set of functions and with clear lines of communication between the CARICOM Ambassador, the Minister and the METC, as a whole.

TOWARDS A 21 FIRST CENTURY MINISTRY OF EXTERNAL AFFAIRS

1. It is recommended that the Ministry create a Mission Statement that clearly articulates its strategic intent and direction to guide both Headquarters and overseas Mission personnel.

2. The Ministry should also prepare an annual strategic action programme and establish clear and unambiguous targets along with performance indicators to ensure a coherent policy direction.

3. It is recommended that the Ministry create a website to increase its visibility both nationally and internationally.

4. With respect to the use of technology, the establishment of an intranet arrangement which would integrate the Ministry of External Affairs and the overseas missions in a secure and seamless communications network is recommended.

5. With respect to training, it is recommended that the Ministry, in collaboration with the Institute of International Relations at the University of the West Indies (UWI) should seek to provide an induction course for newly recruited Foreign Service Officers well as focused short courses on critical global issues in order to provide cutting edge perspectives to its staff members.

ORGANISATIONAL STRUCTURE AND REPORTING ARRANGEMENTS

1. In our view the existing positions in the Office of the Prime Minister (OPM), normally referred to as CARICOM/OECS Ambassador be defined to ensure a functional relationship with the METC, such that there is a continuous flow of information between the two offices, taking into account the responsibility of the officer to the Prime Minister.
2. It recommended that a new position of Director of Missions (or equivalent nomenclature) be introduced into the METC, to provide for policy and operational coherence and to provide “hands on” support to the Ministry and overseas Missions. The position will necessarily one of seniority, the holder optimally being at Ambassadorial level.
3. It is recommended that a facility for the grooming of future diplomatic staff be devised within the system, to provide not only adequate succession planning, bearing in mind the parameters of the existing political system, but also for ensuring appropriate provisions and opportunities for mobility (domestic and external) within the Foreign Service.

ON THE NEXUS BETWEEN INTERNATIONAL TRADE AND FOREIGN AFFAIRS

1. The Saint Lucian government should take the lead, at home and at the sub-regional level, to ensure the implementation of the Free Circulation Regime agreed under the Revised Treaty of Basseterre.

OECS SECRETARIAT

1. The GOSL in its foreign policy thrust must fashion mechanisms for transforming the OECS from a perceived detached organisation into a service organisation.

RATIONALE FOR THE APPOINTMENT OF HONORARY CONSULS TO SAINT LUCIA

1. It is therefore recommended that Government pursue the issue of the appointment of a “network” of key personalities as Honorary Consuls representing Saint Lucia in specific diplomatic theatres. Their function would be the attraction of Foreign Direct Investment (FDI, tourism development and related services. They would be expected to ensure the funding of these Consulates.

APPENDIX A

Saint Lucia, owing to its population size and economic strength, cannot realistically expect to be represented in all circa 200 countries of the world. The fact that there remains significant scope for further extending and diversifying our relations with a number of regions of the world with which we can profitably engage, suggests that we have not yet arrived at our fullest potential in terms of economic and inwards investment opportunity, which the larger more affluent global economic environments, are able to provide.

1. Rationale For Transformation

The position of the local Private Sector is reflected in a number of questions raised by Private Sector bodies on the question of the country's foreign relations.

Question: Just what does Saint Lucia's Foreign Relations Policy mean from a national Private Sector perspective?

Question: What exactly does Saint Lucia aspire to achieve?

The Private Sector accepts the Government's view that job creation is its principal objective. To create these jobs, we need to identify opportunities for job creation in the dominant markets of the international arena.

Question: Are our existing diplomatic relations with some circa 100 plus countries around the world, bringing about the objectives which we seek and if not, why not? What modifications to our modus operandi should we be initiating?

Question: Do we even know what it is we want to see emanate from those alliances and whether there are not other countries and regions in each of the dominant global markets, with whom we should be seeking to enter diplomatic relations?

At present, our multiple diplomatic theatres seem to spread across the following geographical zones including:

- United Kingdom & Europe
- USA/ Canada (North America)
- Africa –(select African States)
- OECS and CARICOM- (our Caribbean neighbours)
- Asia/ Pacific Region – India, China, Australia, Japan, South Korea, New Zealand, Singapore, etc)
- EU Dependencies- (Including- Curacao, St. Martin, et al)
- Latin American States (South & Central American Countries)

In addition, there are United Nations global and Hemispheric systems, which present both opportunities and challenges for us and last but not least, a Global Private Sector Diaspora, which might be tapped to help facilitate our economic growth.

Bearing in mind the changing diplomatic geography as exists today; ***we would recommend that an analysis be conducted of the economic potential of a select number of our diplomatic allies, in meeting the needs, goals and aspirations of Saint Lucia.***

The identification of an effective investor conduit to Saint Lucia needs to be undertaken, to meet those aims and objectives.

2. The Domestic Environment & Potential For Private Sector Growth

In this chapter, we seek to examine opportunities for Private and Public Sector collaboration in promoting Private Sector development, in order to determine the institutional and ethical arrangements necessary from a Foreign Relations perspective.

Question: What is it we ought to be doing?

3. Sectoral Focus & Aspirations

Independent discussions with former and current business sectoral Leaders from a policy position indicate their perspectives on what Government may need to consider in future as follows:-

HOSPITALITY SECTOR

The Hospitality Sector (as officially represented by the SLHTA) is of the view that whilst external relations do not centre exclusively around the tourism image of a country, the focal point for the strategic aims of a destination, must incorporate the goals of all stakeholders involved in the creation of value added for tourism, as well as the long term interests of the environment.

The development and implementation of strategic objectives at destinations, depend upon relationships between stakeholders and thus, the implementation of key generic strategies including:-

- (i) Enhancement of the long term prosperity of the local population.
- (ii) Maximisation of visitor satisfaction
- (iii) Maximising profitability of local enterprises and related multiplier effects.
- (iv) Optimise tourism impact by a sustainable balance between economic benefits and socio-cultural and environmental costs.

Managing a tourism destination, under contemporary conditions, is based on a strategic approach, providing innovative and well co-ordinated tourism products, which will enable destinations to attract a specific demand.

The key aim of a destination such as Saint Lucia is generating satisfaction for its tourists and their interface with the host country.

Understanding of the image of a tourism destination, is key to its strategic management, as tourists perceive a destination as a brand, composed of numerous products and services, perhaps formed on the basis of public relations information.

Balancing the strategic aims of stakeholders and increasing total economic benefits, are the most important objectives of the strategic marketing of our destination.

Factors that may potentially emerge as challenges to sustainable tourism development, may be identified, viz:

- (i) Priorities of national economic policy
- (ii) Structure of public administration
- (iii) Emergence of environmental issues
- (iv) Over commercialisation (e.g. billboards etc)

Sustainable tourism development therefore, necessitates hard political and economic choices and decisions based upon complex socio-economic and environmental trade-offs, which may not be possible, unless international organisations encourage and collaborate with Government, to implement these principles.

From an external relations perspective therefore, the aim is to create a safe, prosperous and sustainable platform, from which to operate our tourism business.

To that end, our strategic approach will need to include:-

- (i) A review of the Mission Statement of our Foreign Office, in that Saint Lucia is a safe place to visit invest in and a safe partner for economic co-operation.
- (ii) Provide opportunities for Saint Lucians abroad to feed into the Sector
- (iii) Finding investors for ALL economic sectors

- (iv) Identification of opportunities to develop the country's infrastructure and product offerings
- (v) Easy visitor accessibility (ocean/airlift) into Saint Lucia and their immersion (encouragement) once on island)
- (vi) Identification of all non-governmental agencies and institutions that interact with (foreign) countries on an official basis
- (vii) Working hand in hand; the METC and the Ministry of Tourism and Tourist Board, to identify potential new partner countries
- (viii) Create effective linkages between all such agencies and institutions to ensure that potential investment is facilitated to the fullest extent possible

St. Lucia's policy on external relations should therefore strategically embrace:-

- (i) Countries that can supply us significant numbers of (affluent) visitors and whose current economic position will facilitate this
- (ii) Immigration techniques for making visitors welcome by elimination or streamlining of visa requirements
- (iii) Positive marketing of Saint Lucia as a destination with major economic partners and direct/linked airlift
- (iv) Development of "twinning" or exchange arrangements for social development and training
- (v) The strategic of honorary consuls abroad, by choosing influential, affluent persons (of unquestionable character) in their home countries

In this regard, Saint Lucia needs to review its current listing of Honorary Consuls abroad and to determine what potential benefits/opportunities may exist.

- (vi) Finally, is there the possibility of creating international partner cities” which could be beneficial from a tourism perspective?

COMMERCE SECTOR

Apart from official indications from the Chamber Secretariat (see below) preliminary discussions with experienced Private Sector leaders from whom we quote suggest :-

“Given recent developments, they are of the view that the first place to start is by defining our relations with Taiwan and China as while we seem to spend time bickering on that subject, relations between the countries themselves have vastly improved”.

That said, we must be clear as to what it is we want from both countries and identify our own country’s priorities and articulate them to all friends with whom we have diplomatic relations.

Recently The Chamber of Commerce decided that its mantra for 2012 was ‘Ease of Doing Business’ in St. Lucia.

We need to urgently address this matter and would encourage all stake holders to have our Government adopt the Singapore Model to which we should send a delegation for at least three months to study , as there is no need to reinvent the wheel.

At present our problems range from unemployment to a breakdown in law and order, both of which need to be urgently addressed. We also need better efficiency in the Public Service, so that we can move this little island of ours, to higher levels of governance.

The foregoing having been said, hereunder are some further matters we consider need government’s attention viz:-

- (i) Under infrastructural development, we need capital projects that generate revenue e.g. Improvement in road net-works, (possibly with the introduction of toll booths?).
- (ii) Marry agriculture to tourism and by so doing, reduce unemployment and foreign exchange outflow through importation of foods that can be grown in St. Lucia. Agricultural diversification must be considered, since dependence on bananas is something of the past. Thus, St. Lucia should begin to pursue or expand the production of cocoa, pineapples, flowers, watermelons, peanuts, coffee all year round, while seeking assistance from countries with a strong agricultural base.
- (iii) Introduce a “One Stop Shop” to obtain licenses or for registering companies. (It currently takes some eleven months to obtain an Aliens land Holding License). The due diligence to be conducted must be the same level for all Investors. In neighbouring islands, it takes one month and in some cases less.
- (iv) We need better zoning and distribution of lands for development Incentives to foreign investors must include giving something back for the benefit of our people.
- (v) Modernise our Education, Health and legal systems.
- (vi) Create young entrepreneurs by offering incentives to small and medium size businesses.
- (vii) Immediately embark on a low to medium size affordable housing schemes throughout the country.
- (viii) Build a convention centre and hotel in the city of Castries, so that the city centre does not shut down at 5:00p.m as currently applies and cruise ships can then remain in port overnight.

- (ix) Beautify Castries which presently seems quite run down and depressing to our visitors and nationals alike.
- (x) In addition to the above, the official perspective of The Chamber posits that a number of other issues need to be addressed, if the country is to weather the economic stagnation currently being faced including:
 - (1) Heavy dependency on North America and Europe for economic lubrication
 - (2) Limited export capacity and market access.
 - (3) High debt to GDP ratio, coupled with a large Public Sector wage bill.
 - (4) Poorly integrated economic sectors
 - (5) Small tax base and disproportionate level of exemptions granted to the largest economic sector,
 - (6) Apparent unproductive and often inefficient government bureaucracy.
 - (7) An apparent disconnect between the educational sector and economic and social sector which it is intended to serve.

Meanwhile, further diversification in our trading and external arrangements must occur as we take note of the rise of new economic power houses in the global arena and to cause local interface with such developments and which are responsive to the aspirations of our people.

In attracting new avenues of developmental aid and technical assistance, there appears to be a need to build “South/South trade” and to prepare the mindset of Saint Lucia, to look beyond the traditional horizons of UK, USA and Canada and to begin to explore Central and South America, Africa and India.

India is said to have much to offer in terms of small scale Industrial/SME development, through low cost technology and as they seek to command a more “respectable” place in the global arena, we may be well advised to align ourselves with them, for mutual benefit.

Ultimately, GOSL in collaboration with the local Private Sector, should seek to mount joint Trade and Investment missions to the countries alluded to above.

MANUFACTURING SECTOR PERSPECTIVE

Exchanges with this Sector spoke primarily to the need for a greater interface between Government and local manufacturers and by extension inter-governmental collaboration and information sharing between The Ministry of Commerce and the METC.

Contents of consultancy reports prepared and submitted to Government on Private Sector issues, often fail to reach the sector concerned, while too much duplication of effort was apparent, whereby manufacturers were contacted for studies on the same subject by several consultancies.

It was recommended that the focus should be placed more on implementation, as opposed to more consultation.

A single window database format should be introduced for the granting of licenses, Incentives etc, arising from a common registration number, provided at the inception of any business.

There was perception of an apparent overlap, between the Ministries of Commerce and the METC and as such, formation of a Trade Secretariat was suggested, to provide for that common ground.

GOSL Ministry office hours should be staggered, to ensure availability of services ALL DAY to the public.

A review of the Fiscal Incentives Act was recommended in light of the downturn in the economy.

The turnaround time for Registration of property, DCA approvals, bank credit facilities and work permits, all need to be revisited for increase in productivity.

EMPLOYER FACILITATION

With the emphasis by the Government being placed on job creation, discussions with the Employers Federation indicate that assurance must be given to foreign investors, to ensure that labour legislation is investor friendly.

Much energy and resources had been expended in screening the implications for Employers and Trade Unions on a national labour code, which is yet to complete its final passage into law.

However, to facilitate employment from a foreign investor perspective, an analysis and database of skills available on the island and the prevailing skills gap needs to be identified in order to ensure the availability of the right skills in the right developmental quadrants of Saint Lucia.

Employers' organisations and training agencies are to be included in the research and implementation exercise in order, to ensure we maintain long term relationships with our investors.

We should also seek out countries that can identify with our small size, cultural norms and limited resources.

Whilst ensuring that we contain the cost of employment, we need to be pro-active and dynamic in devising fiscal formulae (i.e. tax /NIC exemptions) to encourage employment, especially of persons under the age of 25.

Ultimately, we must avoid entering into arrangements with any countries that are likely to jeopardise or compete with employment opportunities created for the benefit of our people.

SMALL & MEDIUM ENTERPRISE(SME) SECTOR PERSPECTIVES.

The 'SME' Sector is of the view, that based on Ministerial announcements made in the areas of Commerce and Investment as well as the Tourism Sector, that Government was conscious of the urgent need for investments in our economy and so would need to fast track initiatives, to achieve the desired results.

In this regard, the SME Sector considers it possible to achieve our most important economic goal (i.e. to attract Entrepreneurs and Investors) who should be individuals of high ethical Business and Professional standing and who would :-

- (i) Come highly recommended for their contribution to society in general.
- (ii) Be of unquestionable integrity with established track records for fair play.
- (iii) Have a desire to promote Saint Lucia as a destination worthy of consideration for trade, investment and co-operation.
- (iv) Undertake (perhaps at their own expense) all necessary activities in keeping with the position of International Trade and Investment representatives.
- (v) Be actively involved in business/ community associations.
- (vi) Able to seek out opportunities to enhance the goodwill of Saint Lucia.

(vii) Representatives (Honorary Consuls) should also be appointed (again at their expense) throughout the free world, where they could directly benefit Saint Lucia.

At the local level, business executives and other professionals who travel extensively on business, and conform to the above qualification criteria, should be invited where practical, to be appointed as (Honorary) International Investment & Tourism Representatives at large.

The direct benefit of such (Honorary Consular) appointments will guarantee that Saint Lucia is promoted (at minimal cost to the Government) in every major city of the world with whom we have established diplomatic ties.

BENEFITS TO SAINT LUCIA

The promotion of Saint Lucia as an Investment destination offering Investors benefits, including tax incentives will cause many enquiries to be directed to the National Development Agencies and improve the possibility of joint ventures between local and foreign Investors.

COMMERCE

Many corporations, not currently doing business in Saint Lucia (including those from non-traditional sources), may be invited to do so and opportunities for regional representation, could be made available to Saint Lucia entrepreneurs thus strengthening our national economic base.

TOURISM

Global opportunities should be sought for an increase in business investment and tourism arrivals and the opening up of the market for Incentive Health and Wellness Tourism.

Representatives of such investments would work directly with business and social groups, including educational institutions and extend invitations to targeted groups to Saint Lucia e.g. University “Spring Break” Groups, International Company Board Meetings and Conferences, etc.

INCENTIVES

- (i) To serve as an incentive to this model of volunteerism. Representatives should be given Citations/Appointment Letters and invited to an orientation programme of at least two days with travel costs met at the appointees' expense.
- (ii) Annual recognition ceremonies may be convened in Saint Lucia to motivate and encourage representatives who achieve results from their efforts.

GENERAL

Last December members of SLISBA deliberating over the “China/Taiwan” issue indicated that while they were grateful to the Chinese for their contributions to establishment of iconic infrastructure, concerns were expressed that their interventions were usually accompanied by scores of their own countrymen coming to Saint Lucia to work on construction sites and eventually establishing businesses such as retail outlets, restaurants, bakeries etc. that place many of our members at a disadvantage

SLISBA therefore called for a reassurance, that the situation will NOT be replicated.

Additionally, it was felt that services currently being offered to the SME Sector, should be upgraded, in response to the new business environment fuelled by the internet and that there was need for a rethinking of the services offered by private sector agencies and associations to meet international expectations. (e.g. the Social and Business Association (SBA))

It was also recommended that we ensure that each High Commission/Embassy has a Trade representative with Private Sector experience, and sensitivity, and that our Foreign Missions aggressively promote Saint Lucia as a preferred destination for Foreign Direct Investment, while at the national level, we group promotional programmes of the Ministry of Tourism, NDC, Tourist Board, SLHTA and related agencies.

This approach would facilitate the establishing of a multi-level marketing machinery to promote Saint Lucia's tourism and investment programmes, while simultaneously, serving as a "Business Ideas Bank" in producing "Business Ready Projects" for potential Investors.

MICRO ENTERPRISE/INFORMAL SECTOR

Leadership of the Vendors Sector emphasised that they were retailers and not Manufacturers of the goods they sold, much akin to the commercial /retail sector and as such, needed greater access to Inventory (from local or international sources) at more competitive cost.

They expressed interest in access to grant funds to set up production plants (e.g. souvenir manufacture) to facilitate the development of local exports through the Tourism Sector.

They needed suitable infrastructure in the form of Small Industries Cubicles (e.g. The Haiti model)

PRIVATE HEALTH SECTOR PERSPECTIVE

Recommendations emanating from the Private Health Sector indicate expressed interest in the following:-

- (i) Availability of scholarships for advanced medical education
- (ii) Greater information sharing and feedback between the Government and the Private Health Sector coming out of the many consultations
- (iii) Such consultancy information should be reduced down to the core points of the consultancies, to ensure they allow for timely reading and digesting of relevant data.

(iv) There was the need for infrastructure which would allow for a grouping of medical NGOs to operate from a single site and for accredited tourism and health services to be available on island, which persons within the OECS, CARICOM and beyond would be able to access.

(v) Rather than Saint Lucia incurring increasing debt (e.g. Martinique), we would conversely, be in a position to provide medical services to the other islands simultaneously with our own population.

ETHICAL CONSIDERATIONS (INTEGRITY IN PUBLIC LIFE)

Sadly, an analysis of media reports from the police public relations machinery seems to suggest an ever-increasing decline in our 'moral and ethical' barometer readings.

The adoption of negative trends (as far as our collective reputation as an emerging nation are concerned), appear to have taken root even at the level of our political directorate, in what has been described in generic terms, as corruption, and which needs to be stamped out at all cost.

Observations by overseas visitors to our shores, (especially the regular visitors) also seem to suggest, their impression that the local population had "little confidence in the police and legal system, despite Initiatives taken by the police to reverse such an image.

To ensure that our image/branding is restored at the highest levels, an upgrade in our foreign policy (from the 'Ethics Perspective') needs to be tackled threefold:-

(i) By the introduction of accountability mechanisms at the Public Service/ Political Directorate level.

(ii) The more long term Ethics in Education and HRD Model (as is being proposed via an Independent Consultancy 'Green Paper').

(iii) Our national branding as Saint Lucians and as a labour market must be paramount, in our attempt to promote ourselves as an attractive Investment destination.

INTERNATIONAL INVESTOR SCREENING

To achieve this objective, a screening system (designed by 'CFE' (Certified Fraud Examiners) professionals), may be put in place to ensure that only bona fide investors emerge as our allies and investment partners.

As alluded to earlier, Saint Lucia needs to be clear on its investment priorities and to seek out countries which would facilitate the achievement of those goals, preferably with minimal ad hoc ministerial or political interference.

Today, research suggests, that there are a number of countries where the current global economic recession has not had its impact, (as opposed to our traditional diplomatic partners), who, while essential to our continued stability, may pose a risk to our long term competitive advantage.

Foreign strategic visits to countries like Vatican City, Australia, the Gulf States et al, have been suggested, as they appear to enjoy sound economic bases that might be explored as potential allies for Saint Lucia in the future.

ATTRACTING FOREIGN INVESTMENT– QUO VADIS

Having conducted our screening and selection exercises, we need to ensure that an appropriate climate for attracting foreign investment is firmly in place.

Too often, bona fide potential investors have been frustrated into departure from our shores, on account of an apparent luke warm (non Investor friendly) stance, meted out by our External Relations/ National Development Corporation.

Having identified the Tourism and Hospitality Industry as one of our major future economic planks, we should perhaps begin to expand our vision beyond our traditional UK, USA and Canada markets and begin to explore possibilities with say, Euro-Zone states.

Our current globalised travel machinery should be in a position to provide ready airline access to hitherto untapped markets.

In reviewing our Foreign Relations Policy therefore, particular attention needs to be paid (as alluded to earlier by our sectoral interests), to the general 'Ease of Doing Business' from a foreign investor perspective namely. The reintroduction of a "ONE STOP SHOP," to systemically walk the investor through from start to finish.

Additionally, the CARICOM provisions for free movement of skills and labour might be revisited to ensure, that legitimate economic activity is not forestalled by undue difficulties in facilitating the availability of the right skills at a given location (Saint Lucia), at any point in time.

It is also recommended that a nexus between potential Investors and locally based International Service Clubs (e.g. Rotary Clubs, Lions Clubs, etc) are included in our remit.

By way of example, there are some 1.3 million Rotary members in 33,000 Clubs, in some 200 countries worldwide. As persons of considerable influence, should we not be ensuring that they are fully conversant with investment opportunities in Saint Lucia?

In collaboration with the OECS Secretariat, the question of economic citizenship needs to be revisited, to produce a more "water tight" design, than currently exists in the region.

Regulations governing qualifying investment minimums (say US\$2M) and linkages to the validity (life span) of a national passport (say 5-10 years max), should be introduced within the

terms and conditions, renewal of which, would take the investor back to the original starting point, of the need to invest further, in order to be considered for the renewal of a Saint Lucian or other OECS island passport.

There appear to be several formula for attracting Investment which have been tried and tested globally (e.g. Sovereign Wealth Funds, Land Banks, etc) which might be adapted to our circumstances and as such, it is considered that a “Foreign Relations Investment Commission” (or related nomenclature) be established, to bring focus to bear on greater innovation, in our foreign Investment initiatives.

In all of the above 'Ease of Investment' must be key.