

Panel Chair
Colleagues
Delegates
Ladies and Gentlemen,

First allow me on behalf of the CPDC which I have the honour to lead to express our appreciation for the invitation to participate in this conference. I believe that it not only gives us a chance to be heard before such a diverse audience but equally the opportunity to ingest ideas and experiences from a range of different backgrounds and circumstances.

Global civil society movements in recent history have distinguished themselves not because we are good at meeting often (others do that well too) but because unlike others we talk with not at each other. We genuinely share our respective experiences, learn from our policy and practice successes/failures and galvanize support on advocacy for change. I suppose that this conference is no different in objective and scope.

My hope though is that the people that matter – the ones we invest with power and authority to manage change – are not just hearing but really listening to the messages which are being sent. Perhaps if they do they will find managing this global society a lot easier than expected.

I make this point in all seriousness today particularly against the backdrop of the recent collapse of the WTO DOHA Round of Trade Negotiations in Geneva. More than seven years ago, perhaps even longer than that, many of us in civil society warned of the implosion of the multilateral trade system. Indeed, at Seattle right here in the United States, we march, sang, shouted and cried to anyone within earshot of our voices that lack of accountability and transparency, unfair and unbalanced trade rules were leading to inequitable outcomes both in the way global trade was shared and who benefited from it.

We warned then, as we continue to do now, that fundamental change had to occur in that system. That ways had to be found to protect the livelihoods of millions in less developed, small and vulnerable and marginalized economies. We produced empirical evidence that demonstrated how trade practices of wealthy nations were seriously undermining the economic viability of developing countries, and by so doing was jeopardizing their prospects for balanced and sustainable development.

Address the imbalances we implored. No new undertakings unless existing rules were changed. But no one listened. All is well they said. Get on with the programme.

But of course nobody listen to us because we are just NGOs. We are not elected to parliaments, though we are in various capacities electors; we are not owners of business that trade, who without our labour and consumption could not survive; and surely we are not trade negotiators, though in fact we have the daily suffer the consequence of bad trade deals. So nobody listened to us.

The end result of course is that we now sit on a ship (WTO) this is leaking from the top. It is in crises. A global trading system that is more guaranteed to destroy a job before it creates one; That is more certain to wipe out a livelihood than to reinforce it; that has created more trade deficits than surpluses; and for sure is more certain to undermine our efforts to achieve sustainable development than it is to help any of us achieve the MDGs.

And I make this point full cognizant of the reality that the region from which I come is an atypical example of why inequitable trade practices produce

unbalanced outcomes that can wipe out development gains now and destroy future prospects.

It would be disingenuous for me to pretend the Caribbean as a region has not done well in the development race. Surely we have: **(Present power point slide)**

Obviously some progress has been made and much of this has been undergirded by relative stable parliamentary democracies, good human rights records and the absence of civil or other armed conflicts.

Equally the Caribbean has been a good international citizen. We have been faithful to our international commitments and have played by the rules prescribed. We have been uniquely disciplined in following the current neo-liberal economic theology of market fundamentalism. The private capital is dominant, the state is retreating and the IMF/World Bank/IADB and the WTO are welcomed members of the family.

But what has it gotten us: Let's take a look – **(present slides here)**

- Several economies remain weak and have swapped one form of sectoral dependence for another (from agriculture to services)
- With exception of Trinidad few have genuine industrial bases and are huge captives to external industrial manufactures
- Many have huge food import bills on occasion of the decline in agricultural output threatening their food security
- All except Trinidad have poor unfavourable balance of payments indicators – spending more foreign exchange than they are earning.
 - Growth in public sector debt major worry as on average is about 96% of GDP
 - Most countries are carrying deficits on their fiscal accounts at an average of 6% of GDP

- FDI flows continue to be weak with an average of only 6% of GDP

These deep macro-economic weaknesses are produced and sustained not primarily by poor economic management (though some of that does exist) but instead by overall structural impediments which most have now come to accept are permanent features of the small economy. Some of these are:

1. Small production capacity, lack of economies of scale, limited domestic markets and high cost of inputs such as transportation, energy, insurance and labour, which impede productivity and competitiveness.
2. Small, open economies reliant on a narrow range of exports of goods and services are highly vulnerable to external shocks.
3. High dependence on import taxes as a source of revenue, any significant reduction of which due to trade liberalisation will negatively impact regional economies;

4. Vulnerability is compounded by the threat and incidence of natural disasters, e.g. hurricanes and volcanoes;

While at a sectoral level it is true to say that manufacturing, agriculture and tourism sectors face difficulties ranging from moving from production for a protected market to a competitive export-focused environment; limited transformation due to a failure to retool and restructure production processes to attain higher levels of efficiency; declining contribution to GDP due largely to a failure to utilize more effective technology/machinery to achieve higher levels of efficiency; to in some territories where the tourism sector has suffered from lack of product diversification and failure to explore new markets and a simultaneous loss of existing market share due to competition.

In light of all this, one would have imagined that those who set the agenda in international trade negotiations and who claim to be genuinely interested in the welfare of small and vulnerable states would be more circumspect about the commitments which they would want these countries to undertake.

Unfortunately, that has not been the case.

In every succeeding trade negotiation that this region has engaged since and including the Uruguay Round, has sought deeper efforts at liberalization over more disciplines. And these have/will come at a very heavy cost.

The most recent examples are as revealing as they are frightening: **(Show slide here):**

In the case of Bananas, since the WTO decision, more than 2,000 farms have gone out of business; between 8,000-10,000 workers have lost jobs, and millions in foreign exchange earnings continue to be lost.

With the sugar reforms the impact could be even greater. Industry estimates conclude that in the least close to 300 million will be lost every year starting next year, while more than 15,000 jobs could be at risk.

But even now we have seen liberalization severely cripple two vibrant industries in the Caribbean almost overnight. In Haiti which was a net exporter of rice, that country's rice sector collapse under the strain of a liberalization programme that allowed cheap subsidized foreign imports into the country. The programme wiped out indigenous farmers in less than two

years, transforming Haiti from a net exporter of Rice to a net importer of the commodity.

Similarly, in Jamaica under a World Bank driven liberalization programme the countries dairy industry has been almost wipe out as lower tariffs allow heavily subsidize cheap powder milk imports to flood the market in competition to the more expensive but obviously healthier fresh milk product.

These are only a few of the several examples in which trade rule indiscriminately applied are causing major economic and social dislocation in the region. And with a hasty advance to negotiate deeper more liberal trade agreement particularly at the hemispheric and bilateral levels portends even worse.

So the question I pose to you, just as I pose it to development policy makers is; how are we going to build balanced development, achieve the millennium development goals and meet our other international development targets if our trade and economic theologies act in contradistinction to these objectives?

WHAT IS TO BE DONE – See Slides 13 to 16