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THE CARIBBEAN COMMUNITY: CROSS-ROADS TO THE FUTURE

This international conference on the nature of the community and its impact on inter-State relations at the end of the twentieth century provides a good opportunity for me to share with you some of my thoughts on the global community and the future of our Caribbean Community and, in that context, on the evolution of relations among its member-States. This comes at a time when the return to democracy, the rule of law, and honesty and transparency of Government in Guyana make it possible for us to speak more openly and to put forward ideas which hopefully will be both innovative and helpful to further our consideration of how best to advance the integration of our regional Community.

In the international community, the twentieth century has been characterised by monumental changes.

Towards the end of World War I, the 1917 Russian Revolution ushered a qualitatively new type of state -- a workers/socialist state. It had a tremendous impact on inter-state relations. The Western capitalist states established a policy of encirclement, blockade and intervention "to strangle", in the picturesque words of Winston Churchill, "the Bolshevik infant in its cradle".

The Depression of the late 1920's and early 1930's, representing the first major capitalist crisis, witnessed an aggravation of the world situation, with progressive and retrogressive developments. US President, F.D. Roosevelt, with his "New Deal" programme, enacted pro-labour legislation like the Wagner Act, and set up the Works Progress Administration (WPA) to provide jobs. For Latin America and the Caribbean, he formulated a "Good-Neighbour" policy.

The capitalist crisis prepared the way for ultra-nationalism and xenophobia. Liberal democratic states were replaced by fascist states in Germany and Italy, leading to the collapse of the League of Nations and collective security. The policy of appeasement led to aggression by fascist Italy against Abyssinia (Ethiopia), intervention by fascist Hitlerite Germany and Mussolini's Italy against the young Spanish Republic in favour of General Franco, and in 1939 to a World War.

World War II brought a new alliance of forces: western liberal-democratic capitalist states and the Soviet socialist state versus the authoritarian/dictatorial capitalist (fascist) states.

At the end of the war, with communist rule established in Eastern Europe, North Korea and North Vietnam, a socialist world system was established alongside the world capitalist system. Two worlds, West and East, capitalist and socialist, coexisted for a short while. United East/West mass world organisations -- the World Federations of Trade Unions (WFTU), the World Federation of Democratic Youth (WFDY), the International Union of Students (IUS) and the Women's International Democratic Federation (WIDF) -- were set up. And, the United Nations system was created to replace the collapsed League of Nations for international co-operation, security and peace. There were established the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT) to stabilise currencies and to ease and expand trade, and the World Bank to provide guarantees and investment for reconstruction and development.

The Cold War ended the short-lived peaceful co-existence, broke-up the anti-Hitler coalition and, with the doctrine of "containment" and "liberation", ushered in a prolonged period of political, ideological and military confrontation, subversion, destabilisation and intervention. Security in the East-West axis was seen largely in military terms. Deterrence to aggression and war was sought through a "balance of fear" and a "balance of terror" with rapidly and ever-expanding arsenals of nuclear weapons. Nuclear fallout and nuclear conflagration became the major pre-occupation of mankind, especially in the developed industrialised countries.

On the economic front, fierce competition ensued between the Organisation of Economic Cooperation and Development (OECD) and the European Community in the West and the Council for Mutual Economic Assistance (COMECON) in the East. And rivalry for the "hearts and minds" of the newly-independent countries through propaganda and development assistance was intensified.

Those states, which were not prepared to join the military blocs -- Rio Pact, North Atlantic Treaty Organisation (NATO), Baghdad Pact later Central Treaty Organisation (CENTO), South-East Asia Treaty Organisation (SEATO) and the Anzus Pact of the capitalist world and the Warsaw Pact of the socialist world -- organised themselves in the Non-Aligned Movement. In the largely bipolar world community, the Third World was born; and the struggles, North/South and East/West, intensified for national and social liberation.

The ending of the Cold War has brought about a marked shift in the world balance of forces. With the collapse of communist governments in the Soviet Union and Eastern Europe, there is now only one economic/military superpower. Instead of a new

world order, mooted after the Gulf War, there is now disorder and disintegration. East/West confrontation, based on ideology, has given way to conflicts rooted in racial/ethnic, religious and cultural/historical differences within states.

Unparalleled technological developments -- the post-industrial Technological Revolution and the Information Revolution (Information Super Highways) -- have brought about rapid changes, globalisation and the "global village". But with the United States, Europe and Japan, not only dominating the global economy but also competing for a greater slice of the world market, the political situation and international relations have become more diffuse and multipolar: the very stable largely bipolar power structure of the Cold War era has given way to multipolarity -- a marked shift in the global diffusion of power.

The new production technologies in services, industry and agriculture and the communication and information technologies are shifting power to the transnational corporations, without any code of conduct and monitoring of their activities. Through their investments which, in the 1980's, grew by about 30 per cent per year -- four times as fast as world trade -- they account, through production and sale to other countries, for nearly 50 per cent of world trade. According to Peter Hansen, former Head of the UN Center on Transnational Corporations, "80% of this foreign investment was flowing within and among the triad countries: Japan, Western Europe and North America. The developing countries in the 1980's dropped to about 16% of total global flows." This has led, he pointed out, to "a relative marginalization of many countries in the world economy."<sup>1</sup>

The Carnegie Commission says: "Periods of economic boom draw developing nations into the world system, only to be followed by busts in which they are bitterly marginalised again."<sup>2</sup>

The developing countries are being marginalised also by unequal and unfair international trade and the persistent and growing foreign debt, which doubled over the past decade. Through protectionism, tariff barriers, falling or stagnant prices, buying dear and selling cheap, they lost US\$500 billion annually, equivalent to nearly ten times the aid received from the North.<sup>3</sup>

The total debt of developing countries was estimated by the World Bank to reach the staggering sum of US\$1.77 trillion in 1993, up 6.5 per cent from the end of 1992. Debt payments have become a crushing burden. In Guyana, they were 105 per cent and 90 per cent of current budget revenue in 1992 and 1993 respectively. The debt/service ratios (debt payments as a proportion of foreign commercial earnings) of the CARICOM countries foreign debt of US\$9 billion was 12, 27, 30 and 46 per cent for Barbados, Jamaica, Trinidad and Tobago and Guyana respectively. Between 1981 and 1990, Latin America spent US\$503 billion on

foreign debt payments (US\$313 billion in interest). At the same time, the region's consolidated debt rose from US\$297 billion in 1981 to US\$428 billion in 1990. This mechanism whereby "the more you pay the more you owe" is perverse and must be stopped, says UNICEF.<sup>4</sup> According to the Carnegie Commission: "The resource drain from developing to industrialised countries now totals some \$60 billion annually, a sum larger than the annual ODA transfer from donors to the developing world and a complete reversal from the 1970's. Although some countries have negotiated debt relief, the burden for many others remains crushing."<sup>5</sup>

The World Bank, the international financial institution concerned with development, is now, according to Peter Hansen, "transferring more money in repayments from the developing countries than providing new loans".<sup>6</sup> And the International Monetary Fund (IMF) is imposing severe economic adjustment programmes, based on devaluation, credit squeeze/high interest rate, and wage freeze/wage restraint.

All of these factors cumulatively have led to a widening gap between the North and the South, the highly-industrialised capitalised states and the underdeveloped dependent-capitalist countries, the rich and the poor.

Increasingly, poverty is taking a new dimension: from the South to the North, from regional to global.

The modernised production process in the industrialised capitalist system with cybernation and automation, with computers and robots, is highly capital-intensive. Since this type of economic development is dependent on finance capital for research and the means of production, a greater share of the value of the product goes to capital, which leads to social inequality, a widening gap between the rich and the poor and, at the same time, to increasing social tensions and unemployment -- 36 million in the OECD countries and 20 million in Europe alone. This unemployment is not simply cyclical as in the past, but also structural -- "jobless growth".

The hungry, uneducated, ill-clothed and poorly housed out-number the affluent and are eking out a bare existence. Nearly a billion people out of a world population of 5.5 billion do not have the basic necessities of life. And with the expectation of a doubling of the population during the next fifty years, there is the grave threat of increasing poverty and environmental destruction.

The consequences of inequality, poverty and unemployment in the North are homelessness, cuts in welfare, crime, juvenile delinquency, disorder and violence among children in schools, suicide and narcotics use.

In the South also, the gap between the rich and the poor is widening. The incidence of poverty has doubled in the last decade ("lost decade") as compared with the 1970's. More than 30 per cent of the population in the developing countries lives in abject poverty. In Latin America and the Caribbean, 45% of the total population will be below the poverty line by the end of the Century. This is leading to hunger and misery, illiteracy, crime, population growth, environmental degradation, disease, emigration and production, use and export of narcotics.

Growing and relative poverty, due to the prolonged world economic and social crisis, stagnation and recession, has created a world in the process of disintegration, a world in conflict: conflicts increasingly within states rather than conflicts between states. It is leading to growing insecurity, increasing violence and grave threats to peace. Jan Pronk, the Dutch Minister for Development Co-operation, in his 1994 Budget presentation for development cooperation, characterised the rapid pace of the "downside of power shift in international politics" as "A world in Dispute" in 1994 with far more conflicts as compared with what he called "A World of Difference" in 1990. Since the end of World War II, 34 million persons were killed in major conflicts, of which 29 million were in 1992 alone. In the developing countries, twenty-four million persons were displaced in their own countries and 18 million outside of their countries.

As a result of these conflagrations, the United Nations "has deployed more peace-keeping missions than in the preceding 45 years".<sup>7</sup> Peace-keeping and peace-making expenditure has increased seven-fold between 1991 and 1993, whilst UN aid through technical assistance from agencies such as UNDP, UNICEF, FAO, etc. has declined by 10% between 1992 and 1993.

Due to growing alienation, frustration and hopelessness in this period of confusion and convulsion, nationalism, ethno-nationalism, xenophobia, revanchism and neo-fascism, as in the 1930's depression period, are in the ascendancy. The ultra-rightist forces, like the National Front parties in France and the United Kingdom and the Republican Party in Germany, are growing. Neo-fascist elements are becoming brazenly abusive and resorting to racial violence. In Canada, the Klu Klux Klan is talking of a racial holy war, Rahowa, and is resorting to cross burning. In Italy, the centrist parties have recently lost ground to the neo-fascists. This has also happened in Russia. The National Front won a County Council seat in Britain. These are disturbing signals, reminiscent of the pre-World War II period.

Where does our Community stand? CARICOM and its antecedents were set up at a time when the world was rather different from what it now is. In those days, both high trade barriers to the markets of the outside world and the dominance of economies of scale, as distinct from technology and science, in

manufacturing industry dictated a strategy of integration for development based on common external protection within a liberalised regional trading area, and promoted by such State instruments as fiscal incentives and regional agricultural and industrial programming. To this basic thrust was added inter-State cooperation in a number of functional areas (such as education, health) and foreign policy coordination.

But now, after more than twenty-five years, our Community-building efforts seem to have come to a halt in a rapidly-changing world situation. We are now at the cross-roads to the future. It would not be a secret to say that we are rather disappointed with the economic progress of the Community. The relative importance of regional trade remains very small (in net value-added terms probably not more than five or six per cent of total trade) and has hardly increased. Our trade to other parts of the world has increased at a significantly faster pace. Meanwhile, the trade gap between the Most Developed Countries (MDC) and the Least Developed Countries (LDC) was taking on "massive" proportions, according to Justin Vincent, executive Director of the East Caribbean Export Development Agency (EXCEDA). He pointed out: "Although our exports would have increased by 12 per cent in 1992, it may have declined with regards to the MDC's because their economic situation makes their products much cheaper than ours, even though our quality may be better."<sup>8</sup> Virtually nothing has been achieved in developing regional industries based on the complementary resources of the member-States. And macro-economic coordination and regional outlook analysis have not developed to an extent that could assist governments and influence policy-making.

There has been a fair amount of activity in the functional areas but little depth has been added to them in terms of collective decision-making. Political and foreign policy coordination remains a dead letter. In the meantime, the Community's bureaucracy expands, spilling over to a widening range of activities without advancing the quality of Community. However, it must also be said that over this period a solid institutional foundation and framework of procedures and intergovernmental consultations have been put in place - an achievement rivalled perhaps only by the European Community. We should be able to build on this substantial achievement. In all this, however, the people of the region have been very little, if at all, involved. There has not been much to capture their interest, imagination and enthusiasm. CARICOM and its integration arrangements have been the affairs of governments, remote from the people who in the final analysis are the Community of the Caribbean. Perhaps, more as a matter of default than design, our business community also has been distant from the endeavour. They have not done much under their own steam to take advantage of the available opportunities. Foreign firms have shown the way where our own should have been able to lead.

What lies beyond the cross-roads? Notwithstanding the West Indian Commission's Report, I sense a certain indecisiveness, an uncertainty, a tendency to drift, a proclivity to run after very new enterprise emanating from the North. We seem to be losing the sense of who we are, of the purpose of our own enterprise, of the essential unity of our history, experience and culture, and the togetherness of our peoples.

The West Indian Commission tried to chart a course for us. Among their recommendations was strengthening the Community's implementation capacity, which resulted in the institution of the Bureau; enhancing the Community's economic integration arrangements (such as the common external tariff, the single market and monetary union) in preference to the pursuit of what they called the 'distant' goal of political unity; and, widening the circle of Caribbean States into an Association of Caribbean States.

The Government of Guyana is a party to these arrangements but they give rise among us to reflections that go beyond what appears on the surface. For example, we do not feel that the problem of effective implementation of CARICOM decisions is simply a matter of the authoritativeness of instructions and follow-up mechanisms. The explanation also lies deeper, in the style of governance of CARICOM itself. Too often it seems decisions are made at the highest levels of the Community, frequently at the urging of the Secretariat's leadership, with inadequate information, debate and substantive contribution by those whose lives are to be directly affected and even by those at the national and local levels who are to be responsible for the execution and successful implementation of decisions.

As we stand at the cross-roads, there is apprehension that relying on the traditional economic integration instruments will not bring the rewards we seek; that spill-over 'busyness', without clear purpose and tangible benefits, will sooner or later result in more vocal public questioning and force Government to down-size their commitment to the Community.

At the cross-roads too are the attractions -- some would say the distractions -- of the Association of Caribbean States, bilateral agreements with Latin America countries, and the North American Free Trade Agreement (NAFTA). There is already a tendency to rush headlong into these new relationships, with promises exaggerated to the point where some individual CARICOM States seem willing to entertain unilateral actions that are at cross purposes with our Community.

These initiatives are being propelled at such a pace that we are in danger of losing sight not only of the socio-cultural moorings of Caribbean Community but of the democratic traditions and openness that we so dearly cherish.

We in Guyana believe that we have to be clear, resolute and reassertive about our purpose. Grandiose postures are less important to us than modest but meaningful achievements. We promoted this enterprise of the Antilles not solely as a business, though we are fully cognizant of our development needs. While not neglecting to seek economic and other advantages in mutual cooperation with our hemispheric neighbours and others, we are neither North Americans nor Latin Americans. We are West Indians with all that is distinctive and meaningful to us in that term. We believe that in asserting the various options now before us our people must be adequately informed so as themselves to be able to make well-considered judgements. We believe too that our Community would be well served by adopting a consensual approach to those options and we should like to see the CARICOM Secretariat more active in aiding those processes of democracy and transparency, and regional consensus-building.

As we stand at the cross-roads, we urge our partners to take the road of mutually beneficial economic cooperation and to move towards the construction of a Union of West Indian States. By mutually beneficial economic cooperation we in Guyana would like to place the emphasis on exploiting those productive, service and infrastructural ventures that are demonstratively beneficial to the participating States, without involving them in the cost of protection. For example, Guyana offers numerous resource-based opportunities, of which the supply of furniture, construction materials and food products to the tourist industries of the Island States is merely one of the more obvious examples. These are potentially superior in terms of cost to international alternatives. More generally, opportunities abound for comparatively cost effective cooperation arrangements in respect of sea and air transportation, telecommunications, weather and disease control, tourism promotion, regional security, high technology and advanced research, scientific training, health care services, financial services like banking insurance and a variety of other services. Mutually beneficial economic cooperation would bring net benefits to all participants in such ventures.

By that means we see a better prospect of overcoming inter-State tensions over the uneven distribution of the benefits of particular projects or of the instruments of the CARICOM integration regime in general. It should also help to allay tensions emanating from projects, as compared with international costs. We would expect the private sector to take the lead in promoting targeted regional enterprises, with strategic promotional, organizational and research and development assistance from the States, and especially from a renovated CARICOM whose role, institutional functioning and capability must now match the requirements and opportunities of the changing times. Guyana is willing to participate in ad hoc joint commissions with any interested CARICOM States to put this idea into effect. We anticipate the active involvement of the private sector.



No less important is the task of nurturing West Indian unity, building up to a Union of West Indian states. The lesson we should draw from the experiences of the Federation is not that political unity is a lost cause; but that we should be more sensitive with respect to the nature and character of that concept. Parliamentary and constitutional union is not the unique conception of, or approach to, a union of States as we are now seeing before our eyes with the European Union, and with other innovative experiments and proposals. After all, the basic ingredients of unity -- affinities of culture and kinship -- are present among us all and are strongly felt. We must nurture this real distinctiveness of West Indian society by creating meaningful, confidence- and esteem-building markets of unity and citizenship. They are more needed now than at any other time, as the world shrinks into racial and cultural fortresses, even as economic liberalism spreads, perhaps, one might say, as a consequence of this development.

As you know, the member-States of the OECS envisage the realization of some form of political union. And, I believe Prime Minister Manning was in tune with the times when he said in Port of Spain in June 1992 at the 13th Meeting of the Conference of Heads of Government of the Caribbean Community: "Integration is not only about action in the political and economic spheres. Let us also take those actions which will not only build on our common heritage and aspirations but strengthen the common identity of our peoples". And he went on to propose that "maybe the time has come to take the incremental approach to political union, proceeding on a gradual basis rather than seeking to make an unrealistic and unwise structural imposition on the situation." As you know, Prime Minister Sandiford of Barbados together with Prime Minister Manning and myself are charged with coming up with proposals that could take these ideas further, and we will be doing so before long.

My dear comrades, it would be time well spent if the academic community, during this conference or subsequently, were able to contribute further to this question: how can the goals of Caribbean unity be meaningfully advanced without destroying them in the process. Not an easy question, but a real one.

We have to come up with answers, and not only for our Community, but also for the global community. We need not just a New World Order, but a New Global Humanitarian Order. We need governance with justice and equity. The UN Secretary General's Agenda for Peace must be linked to an Agenda for Development.

We need a wider horizon for development and a deeper international peace. Development must not be narrowly construed to mean simply economic growth. It is possible to have economic growth with little or no human development. We must aim to have both economic growth and human development: economic growth is

**necessary for human development; equally, human development is necessary for economic growth.**

We are not adequately taking advantage of science and technology for development. We need a strategy not only for a sound scientific development plan, but also for human resource development. Only about 4 per cent of the world expenditure on research and development and about 14 per cent of the world's supply of scientists and engineers are in developing countries, which contain about 80 per cent of the world population.<sup>9</sup>

Our Agenda for Development must embrace the Right to Development. Without such a right, it will not be possible to realise the human rights codified in the two UN Covenants -- the Covenant of Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights. Human development is incomplete without human freedom.

Some states emphasise civil and political rights but fail to note the centrality of economic, social and cultural rights. Both sets of rights are essential; they are inter-related and inter-acting. This symbiotic relationship also exists between the economic base and the political, ideological, institutional and culture superstructure. We will not succeed unless we note carefully the inter-relationship and interaction between the base and the superstructure.

Some have been prone to suggest that the economic and financial collapse under the previous administration in Guyana and elsewhere have been due mainly to an over-extended state sector in the economy. This is a simplistic analysis. What is not evaluated is the nature of the state and whose interests it serves.

Under the PNC administration in Guyana over a period of 28 years, the state had become an instrument for the enrichment of the ruling elite and the parasitic sections of the business/capitalist class -- the compradore bourgeoisie. There was an eclectic ideology and Machiavellian methods at the political sphere. Staying in power by any and all means was the **modus operandi**. The party and the state became indistinguishable under the doctrine of "party paramountcy". The state was bent and manipulated to serve the interests not of the nation and people but the party and the ruling elite.

Maikhail Gorbachev had credited the stagnation of the Soviet economy to bureaucratic/command type of government and bureaucratic/command type of management. This was what existed in Guyana, but was masquerading as cooperative socialism under the PNC regime. Socialism or, for that matter, any progressive social-economic order cannot be built without an integrated balanced development programme and democracy in all its aspects -- political, economic, social, industrial. Nor can sustainable

development take place with extravagance, bribery, corruption, political patronage, discrimination, nepotism and favouritism, especially in our plural, multi-cultural societies.

Change is the political buzzword today. It is vitally needed. But progressive change will not come about unless the interests of the nation and the people are put as the first priority. In this regard, the class and social forces which are in control of the state are important. Big Business generally has shelved its responsibility; it has no patriotism, and generally puts profits before people, what the Pope calls "unethical capitalism". Bribery and corruption, has become endemic; it is the order of the day. Monopoly finance capital in its quest for super-profits is concerned more with global management and control than with good governance. What is needed is a code of conduct for the powerful transnational corporations. Years ago, the Americans saw the need to control what one writer called the "robber barons" with the anti-monopoly and anti-trust practices Sherman Act and other regulatory mechanisms. These are even more essential today.

In Guyana, we have established a national-democratic state: neither a capitalist state under the control of Big Business nor a socialist state under the control of the working class. The major interest of the Guyana State is to protect the interest of the nation and the people, especially the working people, the unemployed, under-employed, dispossessed and marginalised, the poor and the hungry. The PPP/CIVIC alliance, by its class, social and cultural composition, embracing all progressive classes and strata of society and balancing race/ethnicity and ideology, is eminently qualified to bring about human development.

We intend to set an example of good governance. For the PPP/CIVIC government, this means representative and participatory democracy with a people-centred Development Programme and a "basic human needs" strategy for the poorest, which will place emphasis simultaneously on the high capital-output-ratio productive agricultural and industrial sectors and the low capital-output-ratio infrastructure sectors of the economy. This is the only way to achieve growth and at the same time to get out of the debt trap.

As regards the role of the public sector and the private sector in sustainable development, we do not take a dogmatic, inflexible position. However, we believe that we must exercise sovereignty over our land, resources, values and traditions. We do not share the view of those with an ideological bias for their implicit advocacy of privatisation/divestment over the state sector. We have repeatedly stated that in the context of Guyana with a wrecked economy and underdeveloped human resource base, the private sector will be the engine of growth, with the state sector playing a complementary and facilitating role and, at the same

time, ensuring economic growth with social justice and ecological justice. In this regard, we share the sentiments of Ambassador Luis Fernando Jamarillo of Colombia who, speaking on behalf of the G-77 Group of 128 developing countries, told a meeting that the private sector was as fallible as the state sector. "Let us therefore not glorify the private sector", he said.<sup>10</sup>

Our own experience teaches varied results under three different governments in Guyana -- colonial, PPP and PNC. The state-owned Rice Marketing Board and Rice Mills did not serve the rice industry and the rice producers (private farmers and millers) under the colonial and PNC government; it did under the PPP government. The privately-owned Guyana Electricity Company gave unsatisfactory service. The state-owned Guyana Electricity Corporation performed well under the PPP government, and abysmally under the PNC Government. The state-owned Guyana Sugar Corporation (GUYSUCO) sank to the lowest depths in production and productivity under the PNC government. Privatisation, through a Booker/Tate management contract, coupled with improved wages, salaries and bonuses and proper collective bargaining arrangements with the unions, led to unprecedented growth of over 20% per year in 1991-92. Even with the rundown machinery, the new management achieved in 1992 what it had planned to achieve in 1995! Now under the PPP/CIVIC Government, the industry is making great strides.

The State, under pressure from above by international forces and from below with more and more demands for goods and services and ethnic self-determination, must play a greater proactive role. A democratic, lean and clean government and efficient management are essential pre-requisites for economic growth and human development.

In our Agenda for Development, we need a global strategy for the eradication of poverty worldwide. To achieve the attainable goal of halving world hunger by the year 2000, it is necessary to shift the emphasis of security from the "security of states" to the "security of people". Our strategy must be based on new thinking and present-day realities.

For Latin America and the Caribbean, many development models had been handed down to us -- the Puerto Rican "industrialization by invitation", "bootstrap" model; Kennedy's Alliance for Progress; Johnson's regional integration with ideological frontiers replacing geographical frontiers; ECLA's import substitution; and Nixon's Equal Partnership. But they all proved inadequate.

Our CARIFTA/CARICOM regional integration model was patterned after the Latin American Free Trade Area (LAFTA), the Central American Common Market, the European Free Trade Area (EFTA) and the European Community. Now, we are faced, in the context of

the "borderless world" and "global village", with the North American Free Trade Area (NAFTA) for reciprocal free trade, when we have not been able to take advantage of the non-reciprocal free trade benefits which the US Caribbean Basin Initiative (CBI) and the Canadian CARIBCAN afforded us. The NAFTA mega-trade bloc does not offer the safety net as the other mega-trade bloc, the European Economic Community (EEC). The latter provides for free movement not only of capital and goods but also of people. And for the lesser developed countries, like Greece, Spain, Portugal and Ireland, a Special Development Fund has been established to raise per capita income to at least the level of 75 per cent of the Community's average income. **The NAFTA planners need to examine the EEC's model of regional integration and free trade, especially since the disparities in development and income levels are far wider in the Western Hemisphere than in Europe.**

There are also the realities of financial problems, like budget deficits and inadequate funding for social programmes, facing many of the developed countries. These are leading to cuts in foreign aid; "aid fatigue" is setting in. While this is taking place, we in the developing countries need relief from the colossal external debt burden which stultifies economic and humanitarian development and prevents the expansion of world trade.

Where is the money to come from? One obvious source is savings from cuts in arms expenditure. Speaking about the burden of the past and the challenge of change, the Carnegie Commission states:

"Of the greatest import, institutions remain locked into past conflicts and competitions. Military budgets drain huge resources not only from donor countries, but also from developing nations. In 1990, \$880 billion was spent on armaments and training for war throughout the world, a total fifteen times the annual expenditure on official development assistance. Although troop levels in industrialized countries have remained stable over the last three decades, military budgets have doubled. In developing countries, troop totals have doubled and military spending has quintupled. As a result, poor countries spend two or three times as much on the military as they receive in aid from donor nations. In some countries, despite the persistence of disease, high mortality, poverty and illiteracy, military budgets are many times larger than those for social needs."<sup>11</sup>

Humanity demands that world disarmament must be accelerated. Military and non-priority expenditures like the space programme must be rapidly cut. UNDP Human Development Report 1991 states: "If industrial countries were to reduce their military spending by 3% a year, this could provide \$25 billion a year. And if developing countries merely freeze their expenditure at current levels, this would save potential future increases of over \$10 billion a year."<sup>12</sup> Savings, the "peace dividend", can be utilized:

- \* to provide debt relief to the Third World;
- \* to embark on a job-creating programme in the developed countries, like President Roosevelt's WPA programme;
- \* To reduce the days and hours of the working week without loss of pay and fringe-benefits;
- \* to reduce the pensionable age without loss of benefits;
- \* to provide incentives for job-creating investment.

A "time bomb", according to Professor Paul Kennedy, is ticking away. As zero hour approaches, let us stop fiddling with symptoms, whilst ignoring the root causes. In view of past experience and failures, let us in humility stop dictating and imposing a single model for all climes and situations to the exclusion of other possible options. Let us stop eroding the fundamental principles which are designed to protect the weak against the domination of the powerful. Listen to the grassroots and involve them in decision-making and management. Our time calls for creativity: concepts, laws and institutions must change.

Let us see things not in compartments: "West" and "East", "North" and "South". Our approach must be global and humanitarian. Humanitarian concerns must take precedence over political, economic and military considerations. Let us build a genuine partnership on truly democratic foundations, national and international, with democracy within nations and among nations, in our interdependent world for a New Global Humanitarian Order, for genuine security, freedom and peace.