

**THE GUYANA NATIONAL CONSULTATION ON THE CARIFORUM-EC
ECONOMIC PARTNERSHIP AGREEMENT**

A Series of Commentaries by

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I. *Overview*

As a participant and presenter I might have been biased, but I believe that by any reasonable standard the Guyana National Consultation held on September 5 at the National Convention Centre was a success. It would be fair to chide the organisers for not holding the event earlier and for not hosting similar events in more communities around the country before nine (9) months had elapsed after the initialling of the EPA by the CRNM in December 2007. It was not a case however, of “too little too late”. To the contrary, it could forcefully be claimed that “better late than never” would be a fairer description of what took place. In this and the next few columns, I will assess the Consultation and its aftermath as decision-time for the Region and formal signing of the EPA is said to be due by October 31.

Based on the self-description of those participating at the Consultation, a wide cross-section of organisations was represented. These included: trade unions, farmers organisations, cultural bodies, NGOs, private sector, the media, academia, students, and political organisations. The exchanges were vibrant. As usual in such gatherings discussion took place both at the formal sessions and “in the corridors” as it were, during breaks and after the Consultation formally closed.

Based on actual contributions, all shades of opinion on the EPA seemed to have gathered at the event. In particular the European Commission was a main presenter in the first formal session of the gathering. So too was the Caribbean Regional Negotiation

Machinery (CRNM). The Government was represented by the President, who participated actively during the entire proceedings. The Prime Minister and other Cabinet Members were also present. Indeed the Ministers of Foreign Relations and Trade and International Cooperation chaired Sessions of the proceedings.

Where was CARICOM?

To me, the group whose absence during the formal part of the proceedings was most noticeable, was the CARICOM Secretariat. Further, no contribution was made by participants from that body on the floor. As a result, the noise caused by their absence was deafening to perceptive participants. This was particularly unfortunate because the EPA was condemned by the vast majority of persons there, because it conflicted with the regional integration process, and in particular, the promotion of the Caribbean Single Market and Economy (CSME). As I shall argue later, this speaks volumes to the quality of economic governance in the Region that this situation could have unfolded.

Remarks made “in the corridors” and after the gathering blamed knowledgeable persons, in particular academics and the media, for not making the public more aware of the EPA and the considerable number of weaknesses in it, which emerged in the discussions that day. This criticism astounded me, as beginning as early as January 20, 2008 I wrote 18 consecutive articles in the Sunday Stabroek on the EPA. All the weaknesses identified in the EPA at the Consultation were portrayed in those articles. Moreover, other well-known Caribbean scholars like Havelock Brewster, Norman Girvan, Vaughan Lewis, and Alissa Trotz had contributed widely circulated pieces critical of the EPA. They had also written on the EPA for the Diaspora Column in the Stabroek News. It would be fair to say that these criticisms were particularly disheartening as the persons expressing them are the “*more than average vigilant*” (and I supposed informed) citizens, up and around Georgetown.

Information Sources

For the information of readers I repeat that the Norman Girvan website (<http://www.normangirvan.info/>) carries almost everything written on the EPA or

provides links to these. On that website I also have an article entitled *CARICOM Perspectives on the CARIFORUM–EC, EPA*, which develops most of the issues touched on in my Sunday Stabroek News series of columns. This article will appear shortly in the CARICOM publication, CARICOM Perspectives. This was scheduled to be available as far back as July, but I was made to understand it has encountered printing delays. Because of the circumstances outlined here I do not intend to repeat matters raised in my earlier series of columns.

For readers seriously interested in the EPA there are severe practical issues with the EPA as a legal text. For one, it is very long, over 1000 pages. The main text however, is only 142 pages. The balance of the document is made up of annexes, protocols and listings of products and sectors covered by the Agreement. In the 142 page main text there 250 legal Articles organized in six (6) Parts to the Agreement under four (4) Titles. The Parts and Titles are listed in the Schedules below.

Parts to the EPA Agreement

<i>Number</i>	<i>Description</i>
1	Trade Partnership for Sustainable Development
2	Trade and Trade-Related Matters
3	Dispute Avoidance and Settlement
4	General Exceptions
5	Institutional Provisions
6	General and Final Provisions

Source: EPA, Main Text

These Parts are laid out under the following Titles.

Titles in the EPA

<i>Number</i>	<i>Description</i>
1	Trade in goods
2	Investment, trade-in-services and e-commerce
3	Current Participants and Capital movement
4	Trade-related issues

Source EPA, Main Text

The above Schedules show how wide-ranging is the coverage of issues in the EPA. Furthermore, the text covers very technical and complex economic, financial and trade matters. It is not an easy document for lay-persons to follow.

Next week I shall continue the discussion of the Consultation and its aftermath from this point, noting the consensus position taken at the meeting for the Guyana government to sign on to the “goods-only” parts of the EPA.

Sunday, September 28, 2008

II. Guyana: Trade-in-Goods Only

In last week’s column I had indicated that I would for the next couple of weeks be evaluating the Guyana Consultation on the CARIFORUM-EC, EPA held on September 5 and its aftermath. I wish however, to re-state that I do not intend to repeat matters already covered in my earlier columns on the EPA. Interested readers can obtain electronic copies of these columns from the Sunday Stabroek News archives or from the Norman Girvan Website (<http://www.normangirvan.info>).

Consensus

At the Consultation there emerged a solid consensus in favour of the Government of Guyana signing on to those parts of the EPA that dealt with “trade-in-goods” only. This approach was designed to prevent the European Commission (EC) from claiming that there is a breach of the WTO waiver deadline within which the trade-in-goods arrangements under the Cotonou Agreement were to be rectified. Technically, this deadline would have expired on December 31, 2007 if no alternative was in place. However, a WTO Member would have had to activate a complaint of the breach for it to come to the notice of the WTO. Knowledgeable persons do not believe that such a complaint would be likely, because there is abundant evidence that the EPA is the subject of active on-going deliberations between the EU and ACP countries. Countries never bring complaints when active negotiations are taking place.

Despite this, the EC has “let it be known” (some would say threatened) that it would impose the Generalised System of Preferences (GSP) tariffs on any CARIFORUM Member State’s exports to Europe, if that Member State does not sign the EPA initialled

on December 16 last by the CRNM, by October 31, 2008. The question several readers have asked me is what is this GSP to which the President keeps referring?

Basically, the GSP is relevant because under the Cotonou Agreement, which came into effect in 2000 and runs until 2020 as well as other commercial agreements the Region has with Europe (like the Sugar Protocol). Guyana and other CARICOM states have enjoyed specially negotiated access to the European market, which in several instances are duty-free, if not quota-free. This access is more advantageous than the GSP.

What is the GSP?

The GSP was first proposed at the United Nations Conference on Trade and Development (UNCTAD) in 1968 and came into force in 1971. It provides for developing countries a margin of preference in the tariff rates their goods would face, when imported into the markets of developed countries. It was devised to boost the competitiveness of goods exported from the developing countries onto these markets. However, over the years this margin of preference has been substantially eroded.

First, by developments at the WTO and the progress of multilateral trade negotiations that has led to the lowering of tariffs generally. Second, developed countries have also offered to many developing countries better margins of preference than those in the GSP, thereby reducing the value of the latter. Third, economic changes have affected the productivity and production costs of many goods so that the value of the GSP preference has again been reduced. In all instances, however, the GSP rates of tariff are not as attractive to Guyana and CARICOM, as those that presently prevailing under the Cotonou Agreement. If Europe imposes GSP tariffs on our goods, this would definitely be a penalty.

Foolish Arguments

The Heads of Government of CARICOM meeting in Barbados on September 10 did not support Guyana's position. Some of the reasons given are utterly foolish and reflect a disturbing misunderstanding of the EPA and what it represents.

One of the most widely circulated reasons for rejecting Guyana's position is that other CARICOM Heads argue that, having signed on to the WTO Agreement how can the Region reasonably reject the EPA, based as it is on the WTO! Nothing could be further from the truth. In fact the argument is that precisely because the Region has signed on to the WTO Agreement and that agreement has not yet begun negotiations on many of the topics "negotiated" in the EPA that caution is being urged. Without the conclusion of WTO negotiations, there are no benchmarks or yardsticks with which to guide our own bilateral negotiations with the EU.

The real issue that should bind us to the WTO Agreement is the requirement to reach a settlement on trade-in-goods. It is for this reason it is argued that the Region should sign on to the trade-in-goods parts of the EPA and negotiate further on the other parts like services and trade-related matters.

An even more foolish argument circulating in the regional media attributable to the Heads of Government is that many countries state that their economies are services economies so that a trade-in-goods agreement is not relevant to them! It can be argued that it is precisely because their economies are mainly services economies that they should sign on only to the technically required trade-in-goods portions of the Agreement and pursue further deliberations on the portions of the EPA, which deal with services. They can use the extra time fruitfully because the services agreement in the EPA as it stands is weak.

It is instructive to note one detail about the trade-in-goods commitment. Evidence is there that originally the EC had intended to propose to the ACP countries that if they liberalized about two-thirds of their markets to European firms, this would satisfy the WTO waiver requirement that "substantially all trade" is liberalized in the EC and ACP States negotiating EPAs. This was raised to 80-90 percent only when Europe found the going on this requirement in the negotiations easier than they had originally anticipated!

Next week I shall continue from this point.

Sunday, October 5, 2008

III. The EPA: Technicality Subverts Democratic Discourses

I have already pointed out that the text of the CARIFORUM-EC; Partnership Agreement (EPA) is very long. The Main Text, which has to be read in conjunction with several Annexes, Protocols, Schedules and other listings in order to be understood is about 150 pages. The accompanying material, however takes up at least 850 pages. This makes for an overall length of more than 1000 pages.

In addition to its length the overall text is highly technical, embracing as it does complex legal, economic and trade terminology. These two characteristics of technicality and complexity work against efforts to make the EPA the subject of intelligent democratic public dialogue and discourse. The sobering truth is that most lay persons would find it exceedingly difficult, if not impossible, to follow and understand the EPA in a meaningful way so as to assess its implications. Part of my effort, in these columns must therefore be aimed simply at trying to inform and educate the public about the content of the Agreement while simultaneously exposing its deficiencies in light of what transpired at the Guyana Consultation and its aftermath.

A case in point is the several readers who have asked me if the Agreement goes into effect immediately on signing by the Parties to the Agreement. And, if this is so why do we keep referring to the liberalization of trade in goods and services as something yet to come after the signature

Liberalization Schedule: Trade in Goods

The lowering of tariffs and trade barriers on the imports of European Union goods and services into the Region takes about 25 years to fully accomplish after signature by the Parties to the EPA. In the Agreement this is scheduled over 5 year intervals as follows.

First, there is an overall moratorium of three years before CARIFORUM countries are required to take any action on the removal of trade barriers on European Union imports.

Second, five years after coming into force the Region must remove tariff barriers on 51 percent of goods imported from the European Union.

Third, within ten (10) years tariff barriers on the import of goods must be reduced by 61.0%.

Fourth, within fifteen (15) years these tariff barriers on goods imported from the European Union must be reduced by 82.7%.

Fifth, within twenty (20) years tariff barriers on imports from the European Union must be reduced by 84.6%.

Finally, over twenty-five (25) years full tariff liberalization is obtained as 86.7% of tariff barriers to imports from the European Union must be removed.

There are two points to note with this schedule. One is that most of the liberalization of trade in goods occurs within ten (10) to fifteen (15) years. The other is that at full liberalization in 25 years when 86.7% of trade in goods is liberalized we are expected to meet the WTO legal requirement for regional trade agreement between developed and developing economies. That requirement is that “substantially all trade” between the two parties is covered.

The remaining items not covered by this liberalization schedule (about 13 % of the Region’s imports of goods from the European Union) are mainly sensitive products for which the Region is not prepared to give up its tariffs.

In addition to the above all export duties are to be removed from products exported to the European Union within three (3) years. Duties and other charges also levied on exports to the European Union are all to be removed in ten (10) years.

On the part of the European Union its goods markets are immediately opened to the Region’s exports on a tariff free/ quota free basis. This situation however, substantially

existed under the Cotonou Agreement, which the EPA replaces in the area of trade arrangement.

In addition to all the above, readers should note that specific transitional arrangements are included for three agricultural products, namely, bananas, rice and sugar. These do not immediately get duty free quotas free access to the European Union's markets.

Trade in Services

The European Union states that it will immediately free 94 % of its services sectors to CARIFORUM exports based on the W120 list of services sectors, enshrined in the General Agreement on Trade in Services (GATS). There are however several qualifications and restrictions, which accompany this offer. In return and based on the same W120 list the Region has agreed to liberalize 75% of its services sectors for the more developed countries (MDCs) and 65% for the lesser developed countries (LDCs) of CARICOM.

Guyana's Liberalization Schedule: Trade in Goods

Each country in CARICOM has agreed to an individual tariff liberalization schedule with the European Union. The schedule cited above is the average for all CARICOM. In the case of Guyana the agreement is to liberalize 53% of European Union's goods imports immediately, an additional one (1%) in five years, then a further seven (7%) within ten years. The bulk of the liberalization takes place between ten (10) and fifteen (15) years, as the removal of tariffs in that period jumps to 18 percent making for an overall liberalization of seventy-nine (79) percent in fifteen (15) years. In the next two stages 20 and 25 years this increases to eighty one (81) and eighty two (82) percent respectively. This means that eighteen (18) percent of imports of European Union goods are not slated for liberalization in Guyana.

Next week I will continue the discussion on the Guyana Consultation and its aftermath from this point.

Sunday, October 12, 2008

IV. EPA: Moral Hazard and the Betrayal of the Public's Interest

Perspective

Put in a proper analytical frame two crucial considerations have emerged out of my column last Sunday, which continued the analysis of the Guyana Consultation on the CARIFORUM/ EC, EPA and its aftermath. First, I have argued the proposition that the sheer length, technicality and complexity of the Agreement undermine its efficacy as a subject for broad-based democratic discourse and dialogue in a population not trained in its areas of specialization. It is impossible to have informed exchanges when vital details about the subject being discussed are not in the possession of those who are not engaged in the exchanges. It is for this reason I have advanced the claim that when matters are overly technical and complex this subverts the democratic process.

If readers think about it carefully they will come to realize that this is indeed a self-evident proposition. It is being played out right now in the present the US-led worldwide financial crisis and the unprecedented “bail-out” efforts of several governments around the world which this has caused. This will be pursued in later columns as the financial crisis is the subject of my next series of Sunday Stabroek columns. .

The second consideration from last week's column is that the length, technicality and complexity of the Agreement compel a critic like me to continuously walk a fine line between providing information and details of the Agreement in a manner that is accessible to the public while also providing a critique of it. It is for this reason that I spent time last week explaining what is meant when experts draw a distinction between the “full implementation impact of the EPA” and its immediate impact.

Dismantling CARICOM

Thus the details that I provided last week on the schedule for liberalizing tariff rates over the next 25 years were intended to show the progression from the immediate effect of the

EPA on CARICOM's merchandise trade to that when the Agreement is fully implemented.

As readers would recall the information revealed that each CARICOM country had its own separate schedule for liberalizing external tariffs with the European Union. This has created two problematic outcomes one is it reveals that, while on average for all CARICOM countries, agreements are reached, at the same time each individual country has its own commitments to the European Commission. In other words CARICOM as a group is a Party to the Agreement through the individual membership of the Member States of CARICOM.

The second outcome is that the agreed areas in the EPA are bound to undermine both prior and prospective areas of agreement within CARICOM! Let us look at an example. The common external tariff that CARICOM has already negotiated among its members has been effectively undermined and dissolved because each CARICOM Member State now has a new and different schedule for liberalizing trade with the European Union and so indirectly with each other.. In similar vein any prospective agreement, (let us say services) *must* conform to the already decided EPA modalities. This means that we have forfeited the important policy space of using CARICOM as a platform for international engagement in these areas. We have in effect reversed the process. We have made bilateral engagement with the European Commission pre-configure the options we can now take in CARICOM...

Moral Hazard

Because there is a time gap between signing the EPA and its full impact, political leaders can take the soft (some would say disgusting) option of practising "*moral hazard*"

This can occur because decisions they take now will have consequences many years later when they may not be around or certainly not in power. If the costs of today's bad decisions will be borne by future generations," why worry "!" This sort of moral hazard is very common in CARICOM and shows up in all manner of decisions. In particular those related to the environment and national disasters. When a disaster is imminent and its

likely costs to the society and economy are immediately obvious they are prepared to act. But then they hesitate on taking out insurance and to use resources to anticipate what is not immediately apparent. In such situations they think they are saving on expenses now by not taking the correct action. But given the definite cycles of nature the disaster will occur and bring immense costs to the country.

Changing Position and not Explaining Why

Governments are not only practicing moral hazard, some are doing worse. As Robert Buddan reminds us in a column in the online Jamaica Gleaner of July 13 2008, captioned Mendicancy Revisited, the Jamaican Government when it came to power in late 2007 took the opposite position to the one it is now taking on the EPA. In his maiden speech, which Minister Kenneth Baugh gave at the United Nations, he lustily condemned the European Union's approach in the final stages of the EPA negotiations. He expressed support for the principle of Special and Differential Treatment for CARICOM –type economies then being advocated in the DOHA Development round of the WTO. He labeled the European Union's approach to the negotiations as inequitable and in violation of the principle of global partnership.

At about the same time Prime Minister Golding in a speech in Jamaica is reported by Robert Buddan as making statements similar to Baugh's and specifically bemoaning the pace and pre-set deadlines put out by the European Union in the EPA negotiations. Additionally he had highlighted the threat to the Region posed by the European Union's enormous subsidies.

We shall continue this analysis of the Guyana Consultation next week.

Sunday, October 19, 2008

V. MORE ON THE GUYANA CONSULTATION ON THE EPA

While it would be fair to say that the Guyana government held a fairly successful National Consultation on the CARIFORUM-EC, EPA, its aftermath has not been much

more uncertain. The Agreement has turned out to be a very difficult subject for public debate because of its length and technical content. Most of the public exchanges I have come across in the media appear to be taking place “well above the heads” of the average lay person. It seems to me impossible to accept that the average lay person will ever be able to participate in effective public discourse on the EPA. That said this column has tried against the odds to provide a mixture of information on the EPA in an accessible form and critique.

Thus I have tried to make it clear that the Agreement, because it will only be fully implemented over a period of 25 years, provides considerable scope for governments to practise moral hazard. That is, to take poor and reckless decisions now, in the full knowledge that the costs or burdens on the economy and society, which flow from these will be carried by future generations of politicians and CARICOM citizens.

Jamaica Switch

Last week I had highlighted this risk and referenced Robert Buddan’s article in the online Jamaica Gleaner of last July 13, which indicated that despite the harsh tones of criticism coming from the Jamaican government against critics of the EPA, the government had in fact through its Minister of Foreign Affairs (Kenneth Baugh at the United Nations) and Prime Minister Golding uttered very strong criticisms of the EPA and the negotiating positions taken by the Economic Commission late in 2007, when it first came to power

No reasons for the switch in position have been offered, but explanations circulating among political insiders in the Region suggest the basest of motives for this volte face.

As we previously noted the EPA has already undermined the Common External Tariff (CET) in place in the Region. It has also effectively preempted all efforts to autonomously promote regional integration in those areas the EPA covers. This is because CARICOM Member States are Parties to all the Agreement’s provisions with the European Commission and thereby simultaneously with each other.

ACP Fall-Out

In addition to such consequences the EPA also takes a serious toll on several strategic areas in which CARICOM had previously invested a lot of political capital. Let us consider two practical examples. The African Caribbean Pacific group (ACP) with which the Economic Commission has been negotiating to create six (6) separate EPAs amongst 79 countries, was established in 1975 in Georgetown, Guyana. The Georgetown Agreement as it is called is a tri-continental political grouping with one clear overriding objective. That is, to promote solidarity and unified action across the area based on the view that this is necessary because of the many small, poor, and vulnerable states that make up the ACP. As a consequence the ACP has in the past forged common positions on several global development issues. Thus they have pressed the rich countries to meet their obligations, pledges and commitments to the international community. They have also demanded and exerted political pressure on the international financial institutions (IFIs) to fulfill their obligations to poor countries in a humane way, which recognizes the priorities and needs of poor countries in the global system.

The ACP operates with a Secretariat and has important political bodies such as the Council of ACP Ministers. With this already in place the EPA now creates organizations in which will be located most of these activities. Thus at the apex of the institutional provisions in the EPA is the Joint CARIFORUM-EC Council, which has overall responsibility over actualizing the Agreement in all its aspects including supervision, monitoring, trouble-shooting and reviewing the EPA. This Council is at the Ministerial level with representatives from Signatory CARIFORUM States, Members of the Council of the European Commission (EC) and the EC itself.(There is also a Trade and Development Committee comprised of senior officials of both Parties in the EPA.

When examined carefully it will be seen that these bodies have wider powers than those given to CARICOM institutions in areas where CARICOM has created its own governance structure. There is in this situation no provision in event of a conflict as to which legal text will take precedence – the CARIFORUM –EC, EPA or the Treaty of Chaguaramas (1973).

SIDS Fall-Out

The second example is the grouping known as the Small Island Developing States (SIDS). Like the ACP this organization was originally hosted in CARICOM –Barbados 1995. SIDS and the related global Alliance of Small Island States (AOSIS) have been formally recognized in the United Nations system. This grouping has operated within the WTO, pressing along with the groupings for recognition of small poor vulnerable states as being intrinsically disadvantaged in the global trading economy. Such arguments about the intrinsic disadvantageousness will fall by the wayside the moment CARIFORUM agrees to trading provisions, which other similar states reject at the WTO.

Next week I shall wrap up this series of columns on the Guyana Consultation and its aftermath.

Sunday, October 26, 2008

VI. EPA, Sign or Else: Exploding the Myth of a Partnership of Equals

Predictably, the opening act of the increasingly sordid saga of the African Caribbean Pacific group (ACP) - European Commission (EC),-EPAs has come to a tawdry conclusion with two recent developments in relation to the CARIFORUM-EC, EPA. One of these is legal and formal. On October 15, thirteen CARICIM Member States that had last December initialed the EPA signed it at a formal ceremony in Barbados. For different reasons, Guyana and Haiti did not sign at the ceremony but were expected to do so later. Guyana signed on October 20 in Brussels to beat the deadline date of October 31 set by the EC before it levied tariffs on Guyana's exports to Europe under the Generalized System of Preferences (GSP) rates offered generally to all developing countries.

Haiti has been given until 2010 to sign the Agreement. This is partly due to the lingering effects of recent hurricanes. However, Haiti is classed as a least developed country

(LDC) and under the existing EC Everything But Arms Agreement it is allowed to export to the EC duty free.

As we saw earlier, the Guyana government had at its National Consultation on the EPA indicated it was only willing to sign a “goods-only” Agreement so as to meet the legal requirements of the WTO waiver on the Cotonou Agreement, which regulated trade between the EC and the ACP group of countries. The EC however, declared this as unacceptable and in effect threatened that Guyana would have to sign the EPA or else!

The second decisive development is neither legal nor formal but its effect is nevertheless of tremendous significance. This outcome has finally put to rest once and for all, the calculated EC myth being promoted in international development circles that the EPAs are a new trade model- a “partnership of equals”.

Joint Declaration

The fig leaf of the Joint Declaration made by the Parties to the CARIFORUM-EC, EPA which determines a five yearly review of its costs and achievements as well as seeks to clarify some CSME issues cannot conceal the many remaining defects in the Agreement. The coercive tactics of the EC over the years and its studied recalcitrance in the face of numerous entreaties to do better for the poor countries of the ACP were matched by its remarkably successful cooptation (not without some intended and unintended connivance) of the Caribbean Regional Negotiating Machinery (CRNM). The CRNMi has seemed far too comfortable with the widespread accusation that it seems to be acting as a lobbyist for the EC.

The craven irresponsibility and rank opportunism displayed by several CARICOM political leaders has created the perfect back-drop to these occurrences. As pointed out in my previous columns on this topic the practice of moral hazard has become endemic in the Region. How can it be otherwise? Lacking vision and an independent understanding

of the dynamic process at work globally, regionally and nationally several political leaders have become easy prey to the EC and CRNM's offerings of 18th and 19th century economic beliefs masquerading as modernity.

In my view, the EC is not fairly the main target of criticism for what has transpired. The EC has a duty and obligation to protect and promote the commercial interests of its Member States, collectively and separately. It has done this brilliantly with the EPA. My criticism is only directed at its sophistry and pretension in its claims that it is pursuing, in an altruistic manner, the needs and priorities of CARICOM and CARIFORUM.

Do Not Forget

The Region should not forget that the CRNM was created as a regional inter-governmental organization to promote its external trade relations. Since these relations derive from the Member States needs, priorities and capacities collectively, the process of regional integration must in all circumstances take precedence. This is a logical imperative, which the CRNM seems never to have fully accepted and which through neglect the political leadership of CARICOM has allowed to persist. Thus instead of responding to stakeholders' concerns with an open frame of mind in a self-critical way, the CRNM has allowed its political function as lobbyist for the EC to take hold. Every disagreement has been put down as "misperception" or simply cast aside as "coming from persons who are against trade liberalization". While one would have expected the EC to resort to such political ploys and distractions as an outside agency negotiating with the Region one cannot accept this from an agency responsible for pursuing our external trade negotiation to be engaged in such foolishness.

I think I have read most of the published and un-published papers on the EPA and never once have I come across an author who based his/her argument on being against trade liberalization. All critiques have accepted the inexorable global drive in this direction and see in the effort to create an open regionalism through CARICOM a needed platform for global engagement. The EPA is a mercantilist instrument that promotes EC interests. The

collateral damage that all mercantilist agreements generate eventually becomes the source of their undermining.

In conclusion let me say Guyana has been very shabbily treated by CARICOM'S political leadership. Time will show that the EPA, even before it has been formally signed on to has driven a major wedge into the political, economic and social fabric of CARICOM. The long term transformational significance of Guyana to a self-respecting CARICOM region should not be underestimated because its economic and political performances now do not compare with the best in CARICOM. There can however, be no meaningful self sustaining CARICOM Region if Guyana is not at its strategic heart.

Next week I will move on to discuss over the next several weeks the stunning global financial crisis.