

DEVELOPMENT POLICY IN THE CARIBBEAN

HEARINGS

BEFORE THE

SUBCOMMITTEES ON HUMAN RIGHTS AND INTERNATIONAL ORGANIZATIONS, INTERNATIONAL ECONOMIC POLICY AND TRADE, AND ON WESTERN HEMISPHERE AFFAIRS

OF THE

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HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS, SUBCOMMITTEES ON HUMAN RIGHTS AND INTERNATIONAL ORGANIZATIONS, INTERNATIONAL ECONOMIC POLICY AND TRADE, AND ON WESTERN HEMISPHERE AFFAIRS,

Washington, DC.

The subcommittees met, at 10:00 a.m., in room 2255, Rayburn House Office Building, Hon. George W. Crockett, Jr. [Chairman of the Subcommittee] presiding.

Mr. CROCKETT. The Subcommittee on Human Rights and International Organizations and the Subcommittee on Western Hemisphere Affairs will come to order.

Our two subcommittees meet this morning for the first in a series of hearings on development policy in the Caribbean. The focal point for these hearings is H.R. 4943, a bill that I have introduced along with several cosponsors, including the Chairman of the Foreign Affairs Committee. The bill has been referred to our two subcommittees, and also to the Subcommittee on International Economic Policy and Trade, whose Chairman, the Honorable Don Bonker, is an original cosponsor.

That Subcommittee was not able to join us today because it is holding a joint hearing with another subcommittee at this time, but it will join us for subsequent hearings.

BILL IS THE RESULT OF CONSULTATIONS

The bill and the brief description of it in the Congressional Record has been made available to all Members of the Subcommittee. The bill was nearly a year in drafting. It is principally the product of two consultations that the Subcommittee on Western Hemisphere Affairs and the Subcommittee on International Economic Policy and Trade co-sponsored in Barbados in September 1987 and February 1988 with a broad cross section of Caribbean Government and society. Members also have before them a report of the first of those consultations; the second report is still in preparation.

I would like to summarize the results of those two consultations very briefly. First, the people of the Caribbean have been disappointed in the Caribbean Basin Initiative, and they strongly support the improvements in the CBI that would be made by H.R. 3101, sometimes referred to as the "Gibbons bill", or "CBI II." Numerous suggestions for improvements in the Gibbons bill were made during our Barbados meetings, and they have been conveyed

to the Ways and Means Trade Subcommittee, which has jurisdiction over the Gibbons bill.

Second, the people of the Caribbean feel strongly that the Caribbean Basin Initiative must be supplemented with development assistance programs that are specifically targeted to the workers and to the poor who are not in a position to benefit from the CBI.

They feel that a package is needed; development assistance alone is not enough, and the CBI alone is not enough. Both are needed to address the economic problems of the Caribbean region.

With that in mind, our Subcommittees set out to draft a companion bill to the Gibbons bill that would deal with the development assistance aspect, and would fall within the jurisdiction of the Foreign Affairs Committee. We based our draft centrally on the recommendations of our first Barbados meeting, then took the draft back to Barbados for further consultations during our second meeting. The product of that process is the bill that we begin to discuss today, H.R. 4943. I believe it is the result of a unique degree of consultation, maybe the first experiment in consultation between representatives of the Congress and the intended beneficiaries of development assistance legislation. But it is important, to bear in mind that this bill seeks to address only one aspect of the problem, and is intended to complement the Gibbons bill.

ACTION TAKEN IN NEXT CONGRESS

It is not our intention to seek action on this bill in this Congress. We will establish a hearing record, and then we intend to revise the bill to take account of the recommendations that we hope will come out of this series of hearings. We will then re-introduce the bill in the next Congress and seek action on it in the context of the annual foreign aid authorization cycle.

We had hoped that the Chairman of the Subcommittee on Human Rights and International Organizations, Mr. Yatron, would be with us this morning, but he seems to be detained. I would like to submit his prepared statement.

[Mr. Yatron's prepared statement follows:]

PREPARED STATEMENT OF HON. GUY YATRON, CHAIRMAN, SUBCOMMITTEE ON HUMAN RIGHTS AND INTERNATIONAL ORGANIZATIONS

The Subcommittee on Human Rights and International Organizations welcomes the opportunity to participate with the Subcommittee on Western Hemisphere Affairs in these hearings to review U.S. policy toward Caribbean development. I want to commend the co-chair of the hearings, Judge Crockett, for his outstanding leadership on this issue, and for his initiative in sponsoring H.R. 4943.

Clearly, the United States has an important role to play in helping the people of the Caribbean enhance economic growth, improve their life, and realize democratic aspirations. The Caribbean Basin Initiative was enacted to try to meet some of these objectives. There are concerns, however, over exactly how effective the C.B.I. has been in fulfilling its goals. It is also felt that there are other areas, outside the mandate of C.B.I., where U.S. policy could be more responsive to the needs of the people of the Caribbean.

Frankly, I do not believe we have given this vital region the attention it deserves. That is why these hearings are so important. They will help clarify the issues and provide the foundation to facilitate the development of a sound, coherent, and effective policy to advance economic growth in the Caribbean states.

H.R. 4943 holds great potential in meeting our objectives in the Caribbean. It is an important bill which seeks to fill in the gaps of the C.B.I. by promoting greater self-sufficiency in food, integrated rural development, expansion of tourism, greater

support for Caribbean regional institutions, provision of necessary credit to small enterprises, enhancement of managerial and technical skills, increased emphasis on the role of women, protection of worker rights, ensuring environmentally conscious development, and promotion of public health.

I look forward to hearing the testimony from the distinguished panel of witnesses here today, as well as to future hearings on this matter. I am hopeful that we can fashion the most effective legislative possible with wide bipartisan support to forward a constructive U.S. role in the Caribbean.

The ranking minority Member of the Subcommittee on Western Hemisphere Affairs, Mr. Lagomarsino, is unable to be with us. But he has submitted a draft statement. That statement will be included in the record at this point.

Perhaps I should read it. I quote.

I am pleased the Subcommittee is considering legislation to promote development in the Caribbean. All of us on both sides of the aisle are anxious to see meaningful economic and social development in the Caribbean.

It was one of the first objectives of the Reagan Administration when it came into office in 1981, and it led to the Caribbean Basin Initiative. The CBI held out great hope as a means to promote development in the Caribbean, but various elements of the proposal were changed or eliminated so it, therefore, really was the comprehensive approach the administration sought.

Since that time many congressional and executive branch leaders have urged additional effort to foster development in the Caribbean.

Chairman Crockett's bill is one of these worthwhile endeavors.

The Subcommittee's series of hearings considering this legislation should provide a useful opportunity to examine the merits of this measure.

I know some development experts have some concerns about the thrust of this proposal, and I am anxious to receive the testimony of our witnesses to benefit from their expert assessment of the requirements for Caribbean development.

End of Mr. Lagomarsino's statement.

I am very pleased to welcome our witnesses this morning. We will hear from three witnesses.

The Honorable Theodore R. Britton, who is a Member of the Executive Committee of the Global Economic Action Institute and is the former U.S. Ambassador to Barbados and Grenada;

Mr. Peter Hakim, who is the Staff Director of the Inter-American Dialogue and a person with long experience in the development field; and

Ms. Barbara Bramble, Director, International Programs, Resources Conservation Department, National Wildlife Federation.

Mr. Atherton Martin, former Minister of Agriculture in the Government of Dominica and now Program Coordinator for the Caribbean at the Development Group for Alternative Policies. Mr. Martin and his colleagues at the Development GAP have been centrally involved in organizing our consultations with organizations in the Caribbean and in drafting the legislation.

Mr. CROCKETT. Suppose you begin, Mr. Martin.

STATEMENT OF ATHERTON MARTIN, THE DEVELOPMENT GROUP FOR ALTERNATIVE POLICIES

Mr. MARTIN. Thank you, Mr. Chairman.

Mr. CROCKETT. Let me interrupt.

I think each of our witnesses have filed copies of their proposed testimony. Those copies will be inserted in the record in their totality.

We would be very pleased if the witnesses would try to summarize rather than actually read their testimony.

You may continue, Mr. Martin.

Mr. MARTIN. Mr. Chairman, the testimony we have submitted is quite brief.

And with your permission, I believe it might be possible in most parts to just read sections of it.

I am pleased to present testimony before your subcommittee on H.R. 4943, which was introduced by yourself, in the House of Representatives last month.

LANDMARK IN U.S.-CARIBBEAN RELATIONS

It is the unique and, indeed, remarkable product of a process of consultation with the people of the Caribbean and, as such, represents a landmark in the relations between our peoples and governments.

You are to be commended, Mr. Crockett, for this initiative and for your openness and sensitivity, for which you have won the admiration of the leadership and the people of the region.

I am myself Caribbean. I was born and have lived most of my life in Dominica, where I served as Minister of Agriculture and helped found and direct a number of non-governmental organizations.

I have been associated with The Development Group for Alternative Policies (The Development GAP) since 1982, when concerns about the Caribbean Basin Initiative made many of us in the region pay more attention to U.S. economic policy in the region.

For the past 15 months I have worked full-time in Washington and the Caribbean with The Development GAP, during which time we are proud to have played a role in expanding participation in the discourse on the CBI.

I have only just returned from a month in the Caribbean, where I had an opportunity to share your bill, Mr. Crockett, with a wide range of people, including the leaders of a number of public, regional and non-governmental institutions.

All had a similar reaction: that this legislation captures a Caribbean vision that transcends all boundaries in the region, one that is rooted in a common commitment to regional integration and self-determination. There was a deep appreciation for the respect that you and your co-sponsors have shown for the people of the Caribbean and for our ability to forge our own development path.

The CBI has been criticized in the Caribbean for having been devised in Washington with minimal input from the region. Its subsequent failings demonstrated the folly of making policy without a proper understanding of the local realities involved.

Your commitment, upon assuming leadership of the Subcommittee on Western Hemisphere Affairs, to hearing what the people of the region had to say about the CBI and what changes they would recommend marked what we feel can be a new era in U.S.-Caribbean relations.

STUDY MISSIONS IN BARBADOS

The two study missions that you led to Barbados this past year gave thousands of poor farmers, workers, women and others normally left out of the decisionmaking process an opportunity to be

heard through representatives of their organizations for the first time on international policies that affect them.

That they could sit in organized forums with government ministers, heads of regional organizations such as the Caribbean Development Bank and CARICOM, and leaders of private-sector organizations and that a consensus could be reached on most issues is a testimony to the importance of the initiative you took to bring us together.

Your fulfillment of your promise to return for a second consultation to refine the policies incorporated in this bill was much appreciated.

We are very glad that Mr. Fasceil and a number of other Members of the Foreign Affairs Committee were able to attend and sorry that more Members of the committee could not partake in this very enriching experience.

Having been involved in the two study missions and symposia in Barbados, and having been in close contact with the Caribbean participants—as well as many other people in the region—before, during and after those meetings, I will do my best to represent those today.

In so doing, I will comment on both the content of the Caribbean Regional Development Act and its significance for the Caribbean and for the enhancement of our relations with the United States.

What is most striking about the bill's sections on findings and policies is how well they reflect Caribbean realities and how responsive they are to the needs of common people throughout the region. Foreign aid is all too often promoted in this country on the basis of what it will do for the poor overseas, but it is rare that legislation is actually designed to help incorporate them, their perspectives and their initiatives in the development process. In this regard, H.R. 4943 is a very notable exception.

GREATER SELF-RELIANCE

Implicit in the Caribbean Regional Development Act is an understanding that one cannot divorce the objectives that we all articulate for Third World development from the development process itself. If we want to achieve food security and self-sufficiency, environmental integrity, and the enhanced well-being and involvement of the majority of our people in the economic life of the region, we have to stop looking constantly outward for answers.

Yes, we want greater access to U.S. markets, but when we focus too much on these markets, as has been the case under the CBI, we can pay dearly. Today, our balance of trade with the United States is considerably worse than it was before the CBI was enacted, and we are importing a whopping \$1 billion in food a year.

We in the region cannot control protectionism in the United States, but we do have control over the priority we place on producing to feed our own people.

In the context of an interdependent world economy, complete self-sufficiency in food may not be an achievable or desirable goal, even for a country like the United States, but increasing dependency on food imports in countries like ours where farming accounts for between 30 and 80 percent of GDP is serious cause for concern.

As long as thousands of acres of our best farmlands and millions of dollars in aid are used to produce winter vegetables in the Caribbean for foreign markets, our ability to accomplish that most basic task of feeding ourselves will be severely constrained.

One of the real strengths of the Crockett bill is that it would provide us with the type of support we need to achieve this objective.

PROTECTION OF ENVIRONMENT

Yes, we want to protect our environment, but we cannot do so if the aid we receive encourages agricultural and industrial production where environmental safeguards cannot be applied. A clean and wholesome environment is vital to the health of people everywhere. In the Caribbean, the maintenance of this type of an environment is important, not only for personal health, but given the growing importance of tourism and the thrust for agricultural diversification, for the future of our economies, as well.

The Crockett bill responds sensitively and sensibly to these concerns by promoting production methods that sustain and enhance the natural resource base by, among other measures, requiring that chemicals and other substances provided under U.S. assistance for use in agriculture and industry in the region are determined to be safe according to both local and U.S. laws.

Yes, we want and need a strong private sector in the Caribbean, but we will not have one if donor institutions continue to provide only nominal support for the largest and most vibrant part of that sector: The tens of thousands of small producers in our countryside and in our cities.

The Crockett bill would provide this support directly and help broaden the production base of inputs for larger Caribbean companies and for a diversification of exports.

Yes, we want more tourism, but we want a tourism that is linked with the local economy rather than detached from it. If hotels and restaurants serve locally produced foods rather than foodstuffs imported from the United States and if we use other local materials and stimulate our crafts industry, tourism can have profound secondary and tertiary effects on our economies.

Our regional institutions have established plans for linking agricultural programs with the needs of tourism and the many other sectors of the region, and H.R. 4943 constitutes a major initiative in support of these programs.

Overall, the Crockett bill recognizes the importance of tourism in the Caribbean and would provide the support that the industry needs to expand and develop as an integrated part of our economies while remaining respectful of our traditional cultural and social values.

PROMOTE REGIONAL COOPERATION

Yes, we need assistance for the development of our economic infrastructure, but that aid must promote rather than undercut our efforts to foster regional cooperation and integration. Because of its strong bilateral thrust, the CBI has bypassed vital regional institutions, such as the Caribbean Development Bank, Caribbean Food

Corporation and CARICOM, and put Caribbean countries in competition with one another for access to the U.S. market.

Small countries like ours must be helped to rationalize their production on a regional basis, to build a regional transportation infrastructure and regional marketing systems, and to develop through regional trading the product quality, marketing capabilities and the other prerequisites to an effective involvement in the international economy.

The Crockett bill would go a long way toward helping us to achieve these objectives and in so doing would make it possible for us to realize a dream that so many of our people and leaders have had for years.

Yes, we want more employment for our people, but we want secure, dignified jobs that guarantee the same workplace health and safety that your workers are guaranteed and that offer wages and benefits on which one can raise a family.

The current fixation on free-zone production offers no such guarantees, little job security, and takes advantage of the desperate situation in which so many poor women in the Caribbean find themselves. The Crockett bill would help us to create jobs in the development and processing of our own resources, to make linkages throughout our own economies rather than simply to assemble and send back foreign products, and it would enable our governments to ensure the application of internationally recognized worker rights.

Yes, we want to support and expand the roles of women in our societies and, not simply because it is just but also because women underpin our productive and social systems. Yet, women and their children throughout the Caribbean are bearing the brunt of structural adjustment policies and austerity measures—imposed because of macro-economic problems that were not of their doing—that are forcing them into undignified employment and into survival modes.

The Crockett bill makes it clear that women and other vulnerable groups should not be made to suffer the consequences of externally imposed adjustment programs and that our aid should serve to promote their increased control over their own lives and increased participation in the development of the region.

U.S.-CARIBBEAN PARTNERSHIP

And yes, we want and need your assistance but, more importantly, we want a partnership with you of the sort that we are now building as a result of the initiatives that you and your colleagues took, Mr. Crockett, in Barbados.

We are so used to international policymakers and so-called development experts deciding what is best for us in the Caribbean. You saw in Barbados that we are perfectly capable of determining our own future and that our governments have built the regional institutions and our non-governmental sector the democratic and representative organizations that can plan for the use of your aid and channel it to the local level.

The Crockett bill constitutes a recognition of this capacity and a commitment to the principle and process of ongoing consultation by the U.S. Government with all sectors in the Caribbean.

I understand that the Foreign Affairs Committee is presently undertaking a major assessment of foreign aid legislation with a view of making some changes in the new year. My colleagues at the Development GAP agree that changes, indeed, some very fundamental changes, are needed, and the organization has developed a set of proposals that it has begun sharing with Members of the committee.

At the same time, we cannot think of anything that sets a better tone and direction for the committee's work than the bill that we are discussing today.

The strength of this bill is in its genesis. It did not originate from an abstract theory of a development "think tank," nor from any special interest in this field.

Rather, it emerged from two sets of what can best be described as informal hearings in the Caribbean, at which the view of everyone from representatives of small farmers' associations to the president of the Caribbean Development Bank were heard by the congressional delegations.

I do not know of a process that could have yielded a bill that is more relevant to the circumstances and needs of the region.

For this, Mr. Crockett, we in the Caribbean thank you.

Mr. Crockett. Thank you very much, Mr. Martin.