The Importance of Negotiation Preparedness: Reflections on the Caribbean Experience

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Over the past three decades, CARICOM countries have both individually, and as a group, accumulated considerable experience in regional and international negotiations. Within the region, the development of CARICOM, other related institutions and arrangements have taken up a considerable amount of the time of governments. Associated with these developments have been trade and economic agreements with major trading partners — European Union (EU), Canada and, more recently, the United States. Governments have also been involved in almost unending negotiations with the international financial institutions over their stabilisation and adjustment programmes. At different periods substantial attention has also been paid to global negotiations under the auspices of the United Nations and its specialised agencies, such as GATT. Furthermore, some governments have been intensely involved in negotiations with international companies in the fields such as natural resources telecommunications.

It is not possible in a single presentation to distill and synthesise this wide variety of experiences into a set of reflections. What I shall do is to concentrate on the intergovernmental trade and economic negotiations with overseas countries and groups of countries, partly because we are on the threshold of new negotiations for entry into NAFTA, and the lessons of the past may be of some help in structuring the future.

THE PREPARATORY PROCESS

Starting first with the issue of how CARICOM has prepared for international negotiations, the typical pattern has been for the Heads of Government to agree on a broad strategy, leaving it to a Committee of Ministers, drawn from the CARICOM Council, to work out the detailed approach to the negotiations, supported by officials from member Governments and the CARICOM Secretariat.

This structure has so far worked reasonably well, although experience shows that it needs improvement in a number of respects. On some occasions, one area of weakness has been the limited interface between the regional teams and the CARICOM Secretariat on the one hand, and persons involved in the negotiations at the national level on the other. Quite often, important information received in capitals on major issues of substance has not been transmitted to the regional level, or at least not in a timely manner. Apparently, this was
transmitted to the regional level, or at least not in a timely manner. Apparently, this was particularly true of mission reports from Ambassadors accredited to countries with which a particular negotiation was being undertaken. Unintended lapses in sharing information can be a source of misunderstanding among governments.

The lack of transparency in the preparation of individual countries is accentuated by the unevenness of preparation capacity among them. By and large, the OECS countries have traditionally been less prepared than other CARICOM member states, although the situation has changed substantially as a result of the technical leadership being given by the OECS Secretariat. But a continuing problem for the OECS is its very limited representation abroad. For example, the OECS does not have a Permanent Representative in Geneva, and has therefore experienced difficulty in maintaining an effective presence during the negotiations on the Uruguay Round.

One problem that has arisen is the evaluation of information received from particular sources. It is not often sufficiently appreciated how information has to be checked and cross-checked with a variety of sources before coming to workable conclusions. There are examples where opinions expressed by a single source were communicated to the highest levels of government without checking for their reliability. Had caution not prevailed, the negotiations could have been derailed.

In the pre-negotiating phase where soundings are being taken and "kites are being flown," there is occasionally a tendency to involve Heads of Governments and Ministers too early in the process. On occasions they have become involved talking to relatively junior officials about details which should properly be left to officials on their side. As a principle, the political leadership should be left for resolving major sticking points when they could engage persons at comparable levels on the other side.

Experience shows that great care must be taken in the selection of the negotiating team, and in the assignment of responsibilities. Individuals must be chosen who have not only a good substantive grasp of the issues involved, but are also effective communicators with a capacity for good interpersonal relations, and with an ability to work in teams. "Solo players" should generally be avoided since, among other things, they tend to be vulnerable to "ego-massaging" by the other side. The aim should be to develop a team with an ethos and identity of its own, with group loyalty to the aims and strategies that have been worked out by all of the members. Much depends upon the leader of the team whose responsibility it is to create a good environment within which all members of the team can work effectively.

A further issue is the need to involve the private sector and, in some instances, representatives of NGO's. It is an established practice among very many countries to have these groups involved in negotiations. So far, CARICOM has only done this on a very selective basis. Private sector participation has worked very well in negotiations on sugar, rum and bananas, where industry representatives are substantially involved at all stages, but otherwise there still remains a tendency to limit these representatives to a consultative role on an 'on call' basis. There can be no merit in limiting their involvement where they can be effective interlocutors with their counterparts on the other side. A similar point can be made about participation by other sources of expertise, such as members of the academic community, both in the preparatory process and in the negotiations themselves. Some of this is already being done, but much more needs to be done, given the highly technical and complex nature of the negotiations in which the Caribbean will have to engage over the period ahead.

A further weakness is the habit of making only limited use of officials who were involved in previous negotiations, so that continuity can be maintained, and the institutional memory utilised to good advantage. This applies particularly to retired officials who are not much used for this purpose in most CARICOM countries. A pattern has therefore developed where countries have little institutional memory on which on which to draw, and tend to start from scratch every time a negotiation comes up.

Much the same thing applies to the use of the expertise of West Indian nationals working in key parts of the international system. These nationals can often provide vital information about the substantive points of the negotiation, about the principal negotiators, as well as the attitudes and expectations of their governments. Again Caribbean negotiators go into the
process without sufficient knowledge of comparative experiences of other countries negotiating on the same issues, and about the strengths, weakness, and predilections, of the key actors involved in the negotiations.

On a broader front, it is only now being recognised how important it is to build alliances with influential groups and individuals in the countries with which the region is negotiating. Thus, to day in relations with the European Union, more work is now being done at the level of the capitals of member states. In the United States, systematic lobbying and contacts are being developed with Congress and groups such as the Black Caucus, whereas in the past, almost exclusive attention was given to the Administration. In Canada, a neglected group are the provincial governments which can be influential when cooperation agreements are being negotiated on subjects where they have considerable powers.

Another aspect of the preparatory process is the quality of the substantive preparation. The analytical work which goes into negotiating briefs does not often disaggregate issues in terms of the interest groups involved, their particular characteristics, and possible areas of conflict and consensus. The practice has been to treat issues almost exclusively in economic terms with inadequate consideration of their political and social dimensions. This has led to a certain narrowness of perspective and inappropriate timing of negotiation initiatives, because insufficient attention was paid to the political calendar in the prospective partner countries. These deficiencies in preparatory work have often been the result of limited resources available to the CARICOM Secretariat and national Ministries for undertaking such work, and to the short time for preparing briefs.

I am among those who have argued that CARICOM needs to set up machinery for foreign policy planning, where trends can be highlighted, and issues identified within a medium to long term horizon, together with options for dealing with them. Up to now, the region's approaches to negotiation have tended to be reactive rather than proactive, with the other side defining the agenda, which limits the room for manoeuvre open to governments. One consequence of this is that negotiators tend to approach the negotiation with a very short term perspective, giving only secondary consideration to longer term issues.

As an illustration of this, one can notice that over the past thirty years, only secondary attention has been given in negotiations to comprehensive and sustained support for agricultural diversification in order to lessen dependence on the traditional agricultural exports which are highly vulnerable. None of the existing trade agreements contain provisions that are specifically targeted towards the development of non-traditional agricultural exports such as exotic fruits and vegetables, horticulture, aquaculture, and mariculture. As one example, these products have different marketing requirements to the traditional crops. In general, producers of the latter market their products through transnational companies, whereas most exporters of non-traditional crops have often to establish their own marketing channels in the consuming markets. Among other things, this can be facilitated by the establishment of business offices in these countries. One would notice, however, to take one example, that in the LOME Convention, the Caribbean and other ACP countries ignored these requirements by accepting a derogation under Article 234 of the Convention from the right of freedom to establish business offices. No one at the time seem to have spotted the point that with respect to these products, freedom to establish business offices in consuming countries could be a major factor in achieving competitiveness.

The lack of a long term vision is similarly illustrated by the approach that the region took to the recently completed Uruguay Round. Again, most of the detailed attention was given to traditional agricultural products and garments. In my view, insufficient attention has been given so far to non-tourism services that have important potential for the future. Accordingly, the region was not very prominent in the discussion on a special convention to provide for trade in labour services where countries such as India, Pakistan, Bangladesh, and Turkey were pushing for greater access for their contract workers, particularly in the service industries. Although agreement has not yet been reached on the matter, it remains as an active item on the agenda for follow-up work on the Round.
Little awareness seems to exist of the importance of migrant remittances in the foreign exchange earnings of CARICOM. World Bank data show that workers' remittances, (net private transfers), amount to some US$400 million which may only be a fraction of the total since many cash remittances are unrecorded, and an important part of them are in kind. Governments need to put this item on the priority agenda, otherwise even the access presently available could be reduced.

In general, there is need to think through the fundamentals of a negotiating strategy, based upon the economic prospectus and development strategies of countries in the region, which could apply mutatis mutandis to particular negotiations. The CARICOM Secretariat should be asked to undertake this task in collaboration with officials from governments and non-governmental representatives drawn from the private sector, the academic community, the Trade Unions, and NGOs.

NEGOTIATING CONSTRAINTS

Turning to the constraints which CARICOM countries encounter in negotiations, the most important is the very small size of the countries and their limited financial resources. For one thing, external representation is very costly. Even the largest countries can afford only very small missions abroad, which must necessarily be limited in terms of expertise and the ability to liaise with the negotiating partners and relevant interest groups. Given the limited back-up available from capitals in terms of supporting staff work, and the strict limitations on budget for items such as hospitality, it is indeed surprising how well some Caribbean missions have done in maintaining a presence, especially in global negotiations. Furthermore, most governments can also make only very limited use of lobbyists, because they are expensive.

Taking these considerations into account, and considering the commonality of interests which exist among individual CARICOM countries, it is indeed surprising that so little use has been made, up to now, of the possibilities for joint external representation; although it should be observed that in some capitals, Caribbean Ambassadors meet on a fairly regular basis to share information and discuss problems.

Another dimension of smallness, is the limited leverage which CARICOM countries can exert on their partners. This reinforces the points made earlier about building up strategic alliances with other countries and interests. The best example of success in this field was the leadership that CARICOM countries gave in developing a common ACP position in negotiations on LOME I, and in founding the Group itself, as well as in negotiating the Georgetown Declaration on intra ACP cooperation. The key factor in achieving a position of leadership was the expertise that the region was able to offer to the Group as a whole. This example needs to be repeated in future negotiations. For instance, there might be opportunities for following a similar strategy in cooperating with other countries interested in negotiating entry to NAFTA. One thinks of the other CBI beneficiary countries who have a number of common interests with the region. If CARICOM countries aspire to positions of leadership, they have to earn them by the requisite display of preparedness and expertise.

A further constraint, more in relation to the future than to the past, is the limited language capabilities of CARICOM negotiators. Although interpreting services may be available, nuances tend to be lost when one is not fluent in the language of the partner, especially when finalising negotiated texts. The point has been repeated over and over again, that Ministers and officials in CARICOM countries must achieve a working competence at least in Spanish, if the region is to be well prepared for the negotiations that are in prospect with the Non-English speaking Caribbean countries and Latin America.

As a practical matter, it should not be too difficult to organise special immersion courses in Spanish for all Ministers of Foreign Affairs and Trade, and their senior officials. If we are to succeed in this increasingly interdependent world, we have to develop the capacity to deal with
countries in a variety of languages. Looking ahead, we have to go beyond the conventional European languages to master Asian languages such as Japanese, Hindi, and Chinese, if we are going to stand any chance of diversifying our international economic relations with some of the new leaders that are emerging in the world economy.

SUCCESSES

As far as successes are concerned, I would rate LOME I as the most successful negotiation that the region has undertaken so far. Through these negotiations we acquired a front-line position in the ACP Group, which established our presence with our European partners. We were successful in terminating reverse preferences which were a main feature of the earlier Yaounde Convention, and got our partners to accept non-reciprocity in trade. We got them also to recognise regional groups of ACP states, and to permit integration and cooperation agreements among ACP and non-ACP developing countries. This led to the establishment of regional programmes of development assistance under the European Development Fund, which were intended to further the development of the integration process. We fought successfully against any CFA Franc-type linkage with European currencies, although in retrospect that might have been a pyrrhic victory.

SHORTCOMINGS

Our biggest shortcoming has been inadequate implementation. We have not taken sufficient advantage of the access provided for exports of manufactures under LOME, CBI, and CARIBCAN. We have a poor record of disbursing development assistance with all of our donors. We have not used the regional programme as much as we could have done to strengthen the integration process. In some quarters, there has been a tendency to view the regional programme merely as an extension of national programmes. To put it in a nutshell, we have secured important benefits from our economic agreements with the rest of the world, but better planning, better targeting of benefits desired, better preparation and networking with supportive interests, could have yielded us much more.

The game is by no means lost. In the new order which prevails, countries are jostling to reposition themselves in order to diversify their economic relations. Despite our very small size, we can be an effective presence in negotiations if we can work together as a group and mobilise our expertise, thereby enhancing our chances of securing those interests vital to our future development. Despite the shortcomings of the past, I myself remain confident that CARICOM can remain as an effective negotiating agent for its member states. I hope that in the period ahead, full advantage will be taken of that.