



**ORIGINAL RESEARCH ARTICLE**

## **Time to Rethink and Re-energize Canada-CARICOM Relations**

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**Abstract:** *Economic relations between CARICOM and Canada have a long history and the political relationship has always been positive. However, much of Canada's foreign relations with CARICOM is focused on development aid. While Canadian companies do significant business in CARICOM, for decades there has been little real growth or diversification in the region's exports to Canada. There is clear need to find ways of fitting Caribbean firms into new global value chains in which Canada is engaged. The cultural and social ties between the two are quite significant and Caribbean immigrants in Canada contribute in various spheres to that society. But there are significant issues like increasing crime in CARICOM states which Canada could better address. In recent years, the bilateral relationship has become a bit stale. In order to re-invigorate the relationship it is necessary to introduce new ideas and strategic thinking on how to better harness the complementarities between CARICOM and Canada. The current negotiations towards a comprehensive trade and investment agreement provide an opportunity to address long-standing economic issues but should also seek afresh to re-ignite the "special relationship." However, Canada must not try to impose its usual template for free trade agreements on CARICOM; both sides need to be creative and innovative in terms of designing a new framework for bilateral economic, political, social and cultural relations for their mutual benefit.*

**Keywords:** CARICOM-Canada; trade; investment; negotiations; development cooperation.

## **INTRODUCTION**

Much of the recent literature on Canada's re-engagement with the Americas seems to focus on supporting democracy or raising democratic or human rights issues in certain states in Latin America. But this is not new; Canada's perceived interests in the Americas have long been more political than economic, apart from the well-known story of Canadian banks in the region and the forays of Canadian mining companies in several countries. But what about Canada's interests and relations in the Caribbean, which has traditionally not had the turmoil and instability of many of its neighbours on the continent?

For the Commonwealth Caribbean, which is relatively stable, there was not much to be said or to do, given their small populations and size. Foreign relations really meant some programming by the Canadian International Development Agency (CIDA) on basic needs and infrastructure in countries like Jamaica, Guyana and the Eastern Caribbean States, and some regional programs to support education, disaster preparedness, among a few other areas. More recently, funding has been provided for implementation of the CARICOM Single Market. For the Spanish Caribbean, the attention was focused on treading a sensitive but supporting third path by not denouncing Cuba, like the Americans have done for decades. And with regard to Central America, the concerns were conflict and security issues along with human rights and democratic development. Until recently, Canada did not pay much attention to the Dominican Republic. For the French Caribbean, which really means Haiti—which has suffered grievously under the yoke of dictatorship and instability—it was a question of providing basic needs development assistance, good governance, peacekeeping, and working tentatively with a series of weak governments that often perished like mayflies. In the meantime, thousands of citizens from the Caribbean either emigrated to or sought refuge in Canada for a variety of reasons.

This article will not revisit the structures for management of bilateral relations between Canada and the Caribbean Community (CARICOM) group. Several authors have done that over the years—including Sahadeo Basdeo (1993) and Jerry Haar and Anthony Bryan (1999). Instead, it will examine the overall relationship in terms of historical cooperation and bilateral linkages and try to consider what needs to change in order to stimulate a more dynamic trade and investment pattern and foster greater economic

development in the region. It poses the question: if there is really a special relationship and affinity between Canada and the Caribbean, why is the economic and political relationship so anemic on the CARICOM side? It will also examine some social issues such as increasing crime and insecurity and the role that Canada can play in mitigating these challenges. From a policy standpoint, it argues that the current bilateral, trade-related negotiations between Canada and CARICOM should also solve the long-standing market access issues for rum, adjust the restrictive rules of origin for CARICOM products and provide member countries with effective new market access for services in Canada. Lastly, whatever new legal framework for economic interaction emerges must also provide for helping economic agents in the Caribbean take advantage of opportunities in the Canadian marketplace.

### **WHITHER THE BILATERAL RELATIONSHIP?**

The so-called 'special relationship' between Canada and the Caribbean has so often been written and spoken about that it is almost cliché (Basdeo 2006). But it is true that Canada has been widely perceived as a 'player' in the region—oftentimes speaking for the region within international fora like the G-8. For too long, though, the CARICOM group of countries have seen Canada as mainly a donor (a nice and friendly one at that, along with few impositions on the region) to provide development support or technical assistance; but they have not seen it worthwhile to seek greater inroads in the Canadian market or to participate in value chains in Canada in order to enhance their own growth. And similarly, for many years Canada has not done much to energize the cosy but somewhat staid relationship. Indeed, the last major initiative by Canada for CARICOM was in 1990 at the summit in which Prime Minister Brian Mulroney announced increases in aid to the region, improvement of the product coverage under CARIBCAN, enhanced access for rum, and debt forgiveness of \$182 million for 11 countries. (Hossie, 1990). In April 2007, when Prime Minister Harper met with CARICOM leaders in Barbados, it was long overdue for Ottawa to start taking the region more seriously. Among other things, he promised an aid package of C\$600 million over ten years and, more important, trade negotiations were officially launched (and they continue rather timidly and slowly as of mid-2012).

It is worth noting here that in the late 1970s, a noticeable economic decline in the Caribbean and a sharp reduction in Canada-Caribbean trade led to a comprehensive review in 1980 of Canadian policy toward the Commonwealth Caribbean. It resulted in the establishment of a Joint Trade and Economic Committee (JTEC), which became the key mechanism for regular dialogue and monitoring of Canada-CARICOM economic relations. But the JTEC seems to have faded into obscurity in recent years and there is obviously inadequate interaction between policy-makers on both sides. Furthermore, Canada-CARICOM prime ministerial summits alone—every five years or so—cannot serve to cultivate a deep and vibrant bilateral relationship.

In retrospect, the 2007 Canada-CARICOM summit, though highly publicized, was not particularly successful—since precious little has happened since. Interestingly, Prime Minister Jean Chrétien had also met with CARICOM leaders in 2001; and he, too, promised to engender something significant on the bilateral trade front (which never actually materialized). In fact, since that earlier interaction, it was expected that a new trade agreement between Canada and CARICOM would have been negotiated by now. But those negotiations only commenced in December 2009—some eight years later and two years after Prime Minister Harper's summit with CARICOM leaders. And it was generally expected that these negotiations would probably end just before the expiry of the waiver in the World Trade Organization (WTO) for the unilateral CARIBCAN preferences (in December 2011); instead, the negotiations dragged on into 2012 and required another WTO waiver.<sup>1</sup> Moreover, there appears to be very little enthusiasm among CARICOM members for securing a new trade agreement—as will be touched upon later.

Part of the reason for the lack of creativity in terms of bilateral initiatives is due to conventional thinking in CARICOM, or perhaps inadequate attention, to how best to manage the relationship with Canada. Successive generations of Caribbean politicians and senior officials have been content with simply seeking development support from Canada. But little strategic thought has actually gone into how to improve or revitalize the bilateral economic and cultural relationship and build on the fairly significant Caribbean influence in Canadian society. Indeed, shortly after Prime Minister Harper announced the \$600 million aid envelope in April 2007, some senior officials in the Caribbean argued that it should be increased because CARICOM was about to negotiate a trade

agreement with Canada. They felt that Canada should provide additional trade-related resources to ‘compensate’ for CARICOM’s agreement to provide market access to Canadian companies—even though the region already has great difficulty spending the aid funds from donors in a timely manner (and projects are routinely extended beyond their initial completion dates).

Traditionally, Canada’s attention has focused on addressing the problems of the Caribbean, and not on building on its strengths or positive attributes; and no attempt has been made to identify or enhance the complementarities between Canada and CARICOM. For instance, a Canada-driven initiative intended to get perspectives from outside the traditional official circles, referred to as Canada-Caribbean Ideas Forum, was launched in 2007 and repeated in 2008.<sup>2</sup> But there are no similar policy-oriented or scholarly discussions in CARICOM about how to strengthen the relationship with Canada. Clearly, much work needs to be done to deepen and widen the Canada-CARICOM relationship.

### **CANADIAN AID TO THE CARIBBEAN**

A large part of Canada’s historical foreign policy emphasis on the Caribbean consists of development assistance or aid. This has not changed in recent years. In March 2009, Canada rationalized its aid to the developing world but kept the Caribbean in its list of preferred beneficiaries. In fact, Canadian development assistance to the Caribbean is one of its oldest programs. According to CIDA, the Anglophone Caribbean has received approximately \$2 billion since 1963. Recent aid spending in the region has totaled about \$30-\$35 million per year and a new 10-year programming framework for CARICOM was approved in June 2007 (CIDA 2011).<sup>3</sup> This is expected to amount to at least \$600 million or an average of \$60 million per year.

In the early days, CIDA funded major infrastructure projects, earmarked funds to the University of the West Indies, and also provided stand-alone scholarships. As the program evolved, though, the main focus moved to other priority areas. For example, under the Canadian Regional Development Programming Framework of 1993, CIDA invested in human resource development, private sector development, HIV/AIDS, the environment, trade policy development, social infrastructure, educational and leadership development, public sector economic management, gender equality, and institutional strengthening of

the CARICOM and Organization of Eastern Caribbean States Secretariats (CIDA, 2008). More recently, Canada has provided regional support for disaster management, crime prevention, leadership programs, trade competitiveness and information technology training, among others.

Table 1 shows total aid to CARICOM states from all Canadian sources. It reveals an obvious shift in emphasis from funding of national programs to regional initiatives in recent years. Compared to other much larger and poorer countries in Africa and Asia, the CARICOM group seems quite privileged in terms of Canada's aid disbursement.<sup>4</sup> (This is, of course, apart from the generous assistance to Haiti.) In July 2007, Canada increased its commitment to \$555 million over five years (2006-2011) for rebuilding and developing Haiti, based on four key priorities: good governance; establishing open and accountable government; combating corruption; and fortifying the rule of law. Canada is now Haiti's second largest bilateral donor and the aid program for Haiti is CIDA's second largest. Nevertheless, the devastating earthquake of 2009 added to the Herculean development tasks and challenges in Haiti.

**Table 1: Total Canadian Development Assistance to CARICOM\* (C\$ millions)**

	2001	2002	2003	2004	2005	2006	2007	2008
National	60.65	54.09	42.60	73.16	32.13	42.83	26.17	41.77
Regional	12.22	18.46	17.42	44.55	24.85	42.04	36.22	44.51
<b>Total</b>	<b>72.87</b>	<b>72.56</b>	<b>60.02</b>	<b>117.71</b>	<b>56.98</b>	<b>84.86</b>	<b>62.39</b>	<b>86.28</b>

### **CARIBBEAN INFLUENCES IN CANADA**

Official Canadian statistics from the 2006 census revealed that almost 350,000 persons in Canada originated in the Caribbean (and Bermuda). In a population of 33 million, that figure is not statistically significant. Nevertheless, this number compares well with the total of Chinese (466,940) and Indians (443,690) in Canada from countries with populations of more than a billion (Statistics Canada, 2009:1). What is even more interesting is the fact that over the years several politicians, some famous athletes (including Olympians Donovan Bailey and Bruny Surin), authors, poets, playwrights, musicians and a few significant businesspeople in Canada have come from the Caribbean.<sup>5</sup> Even the former

Governor General, Michaëlle Jean, has Haitian roots. The influence of West Indians, in particular, on the cultural scene in Canada is demonstrated by the fact that the single biggest cultural event in any Canadian city is the Caribana festival—which brings thousands of visitors and significant economic benefits to the city of Toronto each summer.

At a more functional level, Canada is well served by professionals of Caribbean heritage in almost every field of endeavour. As Mary Anne Chambers, former Ontario Minister of Children and Youth Services, and senior vice-president of Scotiabank (1998-2002) pointed out in 2008:

I served on the Board of two Ontario hospitals, where the Chiefs of Surgery, Pediatrics and Psychiatry, were all University of the West Indies medical graduates. The immediate past president of the Registered Nurses Association of Ontario is a daughter of the island of St. Lucia. Two weeks ago, I attended the retirement celebration for Dr. Avis Glaze, a daughter of Jamaica, whose most recent contributions to education in Canada include the creation of Ontario's character education curriculum and the leadership of the province's literacy secretariat. She has shared her expertise with educators in Australia and Singapore. A scientist in Toronto, who is leading a team of researchers in developing alternative energy sources, and the project's funders, are graduates of Caribbean schools. Ontario's Deputy Minister of Emergency Management is a son of Barbados, as is a Deputy Chief of Canada's largest municipal police service. The head of the regional council for Canada's largest carpenters' union is a son of Jamaica, and Ontario's first Fairness Commissioner, who is tasked with the oversight of access to professions and trades by internationally trained individuals, is a daughter of Grenada.

Over the years, thousands of Canadian-trained university graduates have settled in Canada and many professionals still migrate to the country on an annual basis. Table 2 reveals that, on average, about 3,300 Caribbean persons became landed immigrants in Canada over the period 1999-2008. While this pales in comparison to the average number of total immigrants per year of 235,000 for the same period, it is significant for the CARICOM region. The loss of skilled, tertiary-trained people as they move to North America to seek better economic opportunities remains a major issue for Caribbean economies. According to the World Bank (WB), the seven countries with the highest emigration rates for college graduates in the world are in the Caribbean. Indeed, Guyana is the world leader with 89% of its college graduates having left the country between 1965 and 2000. Emigration rates are also high in Jamaica (85% of university graduates) and Trinidad and Tobago

(79%) (Docquire and Marfouk 2008). Guyana, according to the International Organization for Migration, still has the highest migration rate for tertiary-trained persons in the entire world.

**Table 2: New Permanent Residents in Canada by CARICOM Country of Origin**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Jamaica	2346	2463	2775	2457	1983	2130	1880	1686	2113	2312
Haiti	1429	1653	2484	2218	1945	1657	1719	1651	1614	2509
Guyana	1323	1274	1665	1432	1394	1321	1176	1263	1248	1089
Trinidad & Tobago	1164	896	917	937	693	724	844	804	990	1018
St Lucia	83	103	116	83	94	113	188	189	269	289
St Vincent & G'dines	204	267	283	240	193	291	340	374	566	428
Grenada	287	370	345	248	219	288	288	357	357	288
Barbados	120	128	157	132	79	89	124	100	140	144
The Bahamas	21	17	22	20	22	24	34	42	31	70
Dominica	53	71	74	66	58	46	49	73	74	54
Belize	34	26	23	33	15	26	36	29	30	53
Antigua & Barbuda	17	13	35	16	27	15	30	37	20	43
St Kitts & Nevis	11	14	11	11	13	10	7	7	11	28
Suriname	13	15	20	19	15	22	12	10	25	10
<b>Total</b>	<b>3330</b>	<b>3194</b>	<b>3668</b>	<b>3237</b>	<b>2822</b>	<b>2969</b>	<b>3128</b>	<b>3285</b>	<b>3761</b>	<b>3514</b>

Source: [www.cic.gc.ca/english/resources/statistics/facts2008/permanent/10.asp](http://www.cic.gc.ca/english/resources/statistics/facts2008/permanent/10.asp)

University and college students from CARICOM also are a small but important component on Canadian campuses. Table 3 shows the amount of students from CARICOM states that have studied in Canada in the past ten years. It is, therefore, not surprising that at a special forum in Bridgetown in January 2008 to celebrate 100 years of the Canadian Trade Commissioner Service in Barbados, the President of Durham College in Ontario was part of the delegation of Canadian businesswomen. Canadian tertiary institutions actively recruit students from the Caribbean and will undoubtedly continue to do so. It is also highly likely that the change in Canadian immigration rules in 2008 that now allow foreign graduates of Canadian universities to work in Canada will lead to more Caribbean students staying permanently in the country.

**Table 3: Caribbean Students in Canada by Source Country**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Jamaica	247	301	375	265	212	236	234	235	303	345
Trinidad & Tobago	218	220	227	220	234	274	267	319	340	283
Barbados	110	123	129	112	133	123	108	96	117	112
Bahamas	130	91	152	184	209	159	198	171	82	91
Guyana	43	48	38	54	54	54	58	62	72	77
St Lucia	64	85	64	54	64	54	55	49	56	44
Antigua & Barbuda	32	46	33	30	34	38	34	31	24	30
St Vincent & Grenadines	34	45	38	34	30	24	19	22	17	20
St Kitts & Nevis	16	10	17	17	19	15	17	19	13	14
Grenada	47	38	31	30	20	18	23	22	12	10
Dominica	26	35	18	14	15	14	9	8	9	8
<b>Total</b>	<b>967</b>	<b>1042</b>	<b>1122</b>	<b>1014</b>	<b>1024</b>	<b>1009</b>	<b>1022</b>	<b>1034</b>	<b>1045</b>	<b>1034</b>

Source: <http://www.cic.gc.ca/english/resources/statistics/facts2008/temporary/09.asp>

### TEMPORARY WORKERS IN CANADA

Of all CARICOM states, only citizens of Antigua and Barbuda, the Bahamas, Barbados, St Kitts and Nevis, St Lucia and St. Vincent and the Grenadines do not need visas to enter Canada. To be sure, the visa requirement for Jamaica and Trinidad and Tobago remains an issue for businessmen and tourists, but it is unlikely to change in the near future given security and other concerns discussed below. Nevertheless, Canada still provides some economic opportunities for temporary workers from CARICOM states. Table 4 shows the number of temporary Caribbean workers in Canada in recent years. Though the numbers are relatively low, if we consider the small size of the population of several of these countries, it is still significant. The average number of temporary workers in Canada for the period was about 8,300 per year out of a total annual average of 129,000 foreign workers.

**Table 4: Caribbean Temporary Workers in Canada by Source Country**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Jamaica	5608	5508	5959	5637	5981	6008	6223	6531	6745	7320
Trinidad & Tobago	1714	1873	1875	1733	1684	1719	1664	1580	1407	1356
Barbados	629	669	702	645	548	582	535	497	473	389
St Vincent & G'dines	220	258	244	215	208	206	246	285	273	299
St Lucia	115	115	135	99	133	135	179	193	268	295
Dominica	96	116	125	102	111	130	176	102	104	109
Grenada	123	118	93	83	70	77	90	79	98	89
Guyana	114	143	145	67	45	64	49	29	60	78
Haiti	89	101	102	105	64	98	103	80	78	49
St Kitts & Nevis	29	24	31	28	20	19	33	27	31	29
Bahamas	10	14	9	6	7	7	5	9	10	22
<b>Total</b>	<b>8747</b>	<b>8939</b>	<b>9420</b>	<b>8720</b>	<b>8871</b>	<b>9045</b>	<b>9303</b>	<b>9412</b>	<b>9547</b>	<b>10035</b>

Source: [www.cic.gc.ca/english/resources/statistics/facts2008/temporary/03.asp](http://www.cic.gc.ca/english/resources/statistics/facts2008/temporary/03.asp)

The vast majority of these temporary workers consist of agricultural labourers, who come under the Seasonal Agricultural Workers Program. For various reasons, there were few CARICOM professionals working temporarily in Canada from 1999-2008. The main impediments are certification and qualification requirements at the provincial level, which also make inter-provincial movement of Canadian professionals very difficult. Nevertheless, the contribution of seasonal agricultural work is quite significant to some communities in Jamaica, Trinidad and Tobago and the Eastern Caribbean. Estimates suggest that these workers earn more than \$58 million a year—a portion of which is sent back in the form of remittances.

#### *Canadian-Caribbean Commercial Linkages*

Historically speaking, Canada-CARICOM trade relations have deep and extensive roots. The most recent trade figures indicate that

two-way merchandise trade had reached some \$1.8 billion in 2007—with imports from the region totaling \$1.13 billion (Government of Canada 2009). Canadian service exports were \$1.5 billion in 2004, while imports from CARICOM amounted to some \$2.3 billion—mostly involving commercial and travel services. In March 2009, *The Economist* pointed out that, ‘Canadian firms make chemicals in Trinidad and drill for natural gas offshore, mine nickel in Cuba and gold in Suriname, seek oil off Guyana and run cable television in the Bahamas and Jamaica’ (*The Economist*, 2008, 50). Canada's banks have historically had a dominant role in the Caribbean commercial banking industry; they own the three largest banks in the English-speaking Caribbean. (It is a well-known story in the region that the Bank of Nova Scotia or Scotiabank opened its first international branch outside the U.S. in 1889, in Kingston, Jamaica (Skull and Gibson 1982). Additionally, several Canadian energy companies have significant investment stakes in Caribbean-based providers of electricity in Barbados, Belize and St. Lucia. Canadian investors are also very active in the tourism industry throughout much of the Caribbean.

Canada is a significant source of foreign direct investment (FDI) for CARICOM—but this is mainly in the financial services sector. Canadian investment in Caribbean economies increased dramatically from US\$28 billion (stock) in 2000 to US\$53 billion in 2006, the bulk of which is portfolio investment (ECLAC 2008). Barbados, which has a double taxation treaty with Canada, accounts for a major portion of Canadian direct investment in the region, attracting investment valued at some US\$38.4 billion in 2006. So, from the Canadian perspective, the Caribbean is obviously a good place for business.

Unfortunately, the reverse does not seem to be the case. In fact, very few Caribbean firms are active in the Canadian marketplace. Various regional conglomerates (including Jamaica's Grace Kennedy Inc. and the Gleaner) have been operating in Canada for many years, albeit in a very small way. Some years ago, Trinidad and Tobago's Angostura Ltd. (a producer of bitters and rum) acquired a distillery in Manitoba but with the collapse of the CL Financial Group which owns Angostura, it seems that the Canadian investment has also foundered. But CARICOM's stock of capital in Canada increased from US\$531 million in 2000 to US\$760 million in 2006. Investment from the Bahamas (US\$136 million) and Barbados (US\$471 million) have been the major inflows to Canada over this period (*Ibid*).

While there have been numerous Canadian trade missions to CARICOM states over the years,<sup>6</sup> very few missions by CARICOM business people to Canada have taken place. Nevertheless, a Canada-Caribbean Business Council (CCBC) was established in 2006 by mainly West Indians in Toronto with the aim of linking the Caribbean and Canadian business communities, and representing and promoting the interest of businesses in Canada within the Caribbean Community. But this has apparently gone into suspended animation at worst or somnolence at best.

Interestingly, in an informal survey in 2010 by this author of government agencies and business associations in several Canadian provinces regarding the level of interest in the ongoing trade negotiations with CARICOM, most expressed an interest in the Caribbean as a market for their products or services. But none could think of any joint-venture interest or collaborative initiatives or strategic partnerships that could be pursued with Caribbean firms or partners. In other words, Canadian small and medium-size firms were not interested in sourcing anything from the CARICOM region—only in selling their goods or services there. This is remarkable because the Caribbean is a very small market overall. On the other hand, firms in CARICOM also see the Canadian market as a distant third compared to the U.S. and Europe in terms of goods for export. In addition, business representatives indicate a perception that as a market Canada is difficult to do business with because of provincial differences, regulations, and shipping costs, among other issues. And on the services front, although Canada is a massive importer of services with an increasing propensity to import even more, the mainly small CARICOM firms do not see opportunities there. Some of this may be purely psychological barriers, but the real experience of a few businesspeople has not been particularly positive.

It was not surprising, then, that at the inaugural Canada-CARICOM Business Forum launched in November 2008, there were only a handful of CARICOM firms in attendance. In fact, the Canadian High Commission in Port of Spain made most of the efforts to organize the Business Forum and it was largely a tepid affair. Nonetheless, all the major Canadian banks and some mining companies were conspicuous by their presence.

## CHALLENGES FACING THE CARIBBEAN

### *Crime and Instability*

Perhaps the biggest challenge facing most CARICOM countries nowadays is increasing crime (mainly related to the illegal drug trade with North America) and the resultant instability that it brings. What has long been an institutionalized problem in Jamaica is fast threatening to become so in tiny states like St Lucia and, more recently, sleepy, idyllic Dominica (Riley2010,1). Trinidad and Tobago, the richest of the CARICOM group in terms of resources, now ranks significantly lower than it should in terms of quality of life because of the insecurity and instability of criminal activity due mainly to narco-trafficking. In fact, the recent destabilization of Kingston in May 2010 as a result of attempts to apprehend and extradite a famous, alleged drug lord—known as Christopher ‘Dudus’ Coke—is part of the push factor for educated, middle class professionals to migrate to places like Canada. Similarly, the rampant kidnappings of businesspeople in Trinidad in recent years precipitated migration of numerous, educated and enterprising persons to Canada and the United States. Indeed, the launching in Trinidad of Crime Stoppers International and the Caribbean’s ‘Most Wanted’ Web site are all indications of the state of affairs—and the impotence of national governments in the Caribbean to restrain the criminals and provide security to their citizens.

A 2007 report published by the World Bank and the United Nations Office on Drugs and Crime (UNODC) concluded that ‘high rates of crime and violence in the Caribbean are undermining growth, threatening human welfare, and impeding social development (World Bank 2007)’. Indeed, per capita murder rates in the Caribbean are higher than in any other region of the world, and assault rates are significantly above the world average. There is little dispute that the illegal drug trade is at the core of these high rates. The narcotics trade also diverts criminal justice resources from other important activities, increases and embeds violence, undermines social cohesion and contributes to the widespread availability of guns and resultant insecurity in several capitals in the region.

Additionally, the narcotics business increasingly impacts negatively on youths, particularly males, who get caught up in violent gangs. Across the Caribbean, many people are concerned

that there is currently a serious decline in role models to detract from the temptation of crime, suggesting that mechanisms and programs need to be developed to divert youth away from drug-related crime. Societies in CARICOM are very vulnerable because the region is a major transit point for narcotics from South America to the United States, Canada and Europe.

In terms of bilateral relations with Canada, the deportation or repatriation of criminals to the Caribbean is a very controversial and difficult issue. In some instances, very seasoned and sophisticated criminals—with no contacts or legitimate prospects in their country of origin—wreak havoc on local communities and simply overwhelm law-enforcement authorities. Canadian officials argue that removing dangerous criminals from the country is integral to protecting Canadians and making communities safer; and the removal of inadmissible individuals is necessary to preserve the integrity of the immigration system for those who go to Canada lawfully. But the impact of deporting hard-core criminals to the Caribbean can be devastating on small communities.

Between 2001 and 2004, Jamaica received 2,700 deportees a year from the U.S., Britain and Canada – an almost overwhelming number, especially given that Jamaica's prison population in 2003 was only 4,744 (Contanta 2007,1). Furthermore, as The Economist Intelligence Unit pointed out:

The rising level of violence in the Caribbean is aggravated by a steady inflow of criminal deportees, many of whom have adopted criminal behaviour in major cities such as London and New York. An estimated 30,000 deportees were sent to Jamaica, Trinidad and Tobago and Guyana between 1990 and 2005. Of the 30,000, around 17,000 had been convicted for drug-trafficking, 600 for murder and 1,800 for illegal gun possession (Brown 2008).

The rich countries like Canada, the U.S. and the U.K., which deport criminals to their country of birth, do not provide their criminal history to local authorities and often they do not notify them in sufficient time. Some Caribbean governments have asked the sending countries for funds to help deportees re-integrate in a land where they have little or no connections. The U.S. and U.K. have provided some funding, but Canada has apparently been less than forthcoming (Stabroek News, 2009).<sup>7</sup> In principle, it is unfair that Canada and the U.S. are happy to receive the brightest and best from the Caribbean, but then send back the criminals (who learnt their 'skills' in the North) to struggling CARICOM governments to deal with.

The UN/World Bank Report that analysed the economic costs of crime in the English-speaking Caribbean found that crime drives away both foreign and domestic investment and consequently slows growth. Because of the need to employ additional security measures to deal with rising crime, it increases the costs of doing business, and thereby diverts much-needed investment away from business expansion and productivity improvement. It also leads to business losses through theft, looting, arson, fraud and extortion. Other intangible losses include the immeasurable cost of employee morale, productivity and safety. The report suggests that if Caribbean countries were able to reduce crime levels to those similar to Costa Rica, their rates of economic growth would increase substantially. In the specific cases of Jamaica and Haiti, the report estimates that GDP growth would be boosted by 5.4 per cent annually.

A related issue is illegal immigrants from the Caribbean who overstay their welcome in Canada—but are not really hardened criminals. Hardship and lack of economic opportunity in CARICOM states is often the reason for their actions. Guyana, Jamaica and Trinidad and Tobago account for the greatest number of offenders in this regard. In March 2009, the Canadian High Commissioner to Guyana, Charles Court, said the waiting list of Guyanese to be deported was about 700 to 800, similar to the number pending deportation to Mexico, Iran and other countries that have much larger populations (Caribbeannetnews 2009). It is, therefore, clearly in the interest of Canada to see economies in the region grow and prosper and thus increase employment opportunities.

## **NEGOTIATIONS TOWARD A NEW TRADE AGREEMENT**

In light of the economic and social issues discussed above, what bilateral mechanisms are needed to improve overall Canadian cooperation with the CARICOM group? For the most part, the only major forum is the current free trade negotiations—but that can only address a limited set of issues (Chaitoo and Weston 2008). There is need for a broader framework to address crime and other socio-economic issues. But one should consider the economic issues at least.

### *The framework for economic relations*

Trade and economic relations between Canada and the Caribbean have a long history, dating back to the early 18<sup>th</sup> century when the

British Northern Atlantic colonies exchanged fish, lumber and other staples for West Indian rum, molasses and spices. Currently, trade and economic relations are covered under a number of instruments—namely, the 1979 CARICOM-Canada Trade and Economic Co-operation Agreement and its Protocols, including the 1998 Protocol on Rum; and CARIBCAN which grants unilateral duty free access to eligible goods from beneficiary countries in the English-speaking Caribbean up to December 2011. There are also foreign investment protection agreements (bilateral investment treaties) with individual member states, namely Barbados and Trinidad and Tobago. In 2002, the Canadian government announced duty-free access for imports from the world's 48 least developed countries. But Haiti is the only country in the hemisphere to qualify for this category. All products imported from Haiti to Canada, then, are both duty-free and quota-free, with the exception of supply-managed agricultural products.

Canada also has memorandums of understanding (MOUs) with Jamaica, Trinidad and Tobago, Barbados and the OECS countries—under which farm workers are allowed to work in Canada on a seasonal basis each year. This special facility is protected by a most favoured nation (MFN) exemption under the General Agreement on Trade in Services (GATS) in the World Trade Organization (WTO). Also, in recent years, hospitality workers from Barbados and a few other CARICOM states have been recruited on a temporary basis to work in the hotel sector in Canada and as household assistants.

#### *Canada-CARICOM Trade Picture*

In 2008, Canada celebrated the 100<sup>th</sup> anniversary of its trade commissioner service in the Caribbean (in Barbados). However, the bilateral merchandise trade relationship is not particularly dynamic at the moment. Two-way merchandise trade between Canada and CARICOM has averaged just US\$717 million over the last ten years (Government of Canada 2011). CARICOM exports to Canada have averaged only US\$ 393 million and merchandise imports from Canada averaged US\$324 million over this same period. Granted, positive growth trends were registered in both import and export flows, and overall trade surpluses were in CARICOM's favour.<sup>8</sup> But given the historical links, Caribbean diaspora in Canada and CARIBCAN, the trade and investment activity between the two regions is not particularly impressive. And there is certainly room for significant growth.

The negotiation of a new comprehensive trade agreement between CARICOM and Canada is expected to result in a new treaty to govern the trade relations between both countries in the long run. And it is hoped that this will result in the conversion of the non-reciprocal CARIBCAN arrangement into a reciprocal trade agreement. The CARIBCAN Agreement, which deals with only trade in goods, will terminate in December 2011 unless Canada obtains another waiver from the WTO. In spite of preferences for many years, CARICOM has not diversified its goods export portfolio to Canada partly due to limited economies of scale and capacity constraints as well as restrictive rules of origin. It is anticipated, however, that CARICOM will benefit from a new trade and development agreement with Canada by improving market access for its goods and services and development support to address capacity constraints, among other things. But this is certainly not automatic. Since the new agreement will also cover investment, it could boost Canadian investment in CARICOM from the current low levels relative to the rest of the world. On the other hand, CARICOM will face a drop in trade revenue from the reduction of tariffs on goods which they currently import. The consequent adjustments are yet to be identified and the overall event will depend on dynamic gains in other areas of the bilateral economic relationship. But this partly explains the lukewarm response to the agreement by officials in various CARICOM countries.

#### *Trade in Goods*

CARICOM exports to Canada accounted for only 4 per cent of total regional exports over the period 2004-2006. These exports comprised a narrow range of primary goods and basic manufactures such as alumina, petroleum, ferrous products, gold, rum, roots and tubers, beer, bakery products, liqueurs, sauces and condiments, nutmeg, and frozen fish. Jamaica, Trinidad and Tobago, Suriname and Guyana dominated the basket of CARICOM merchandise exports to Canada. Collectively, these four countries accounted for 92 per cent of exports over the period 2004-2006 (Caribbean Policy Development Centre 2008, 18). For Trinidad and Tobago, the biggest economy in CARICOM, trade with Canada is quite limited. Nevertheless, over the period 2004-2006, Trinidad and Tobago accounted for 22 per cent of CARICOM exports and 34 per cent of imports from Canada on average; but this was a very tiny percentage of Trinidad and Tobago's total goods trade. The majority of its exports actually consisted of petroleum products,

iron/steel products and methanol; and this is mainly intra-firm trade from satellite Canadian plants in the region to parent or principal firms in Canada.

Over 2004-2006, the top ten Canadian export products to CARICOM were a mix of manufactures, foodstuffs, and processed materials (newsprint, meslin/wheat, medicaments, telephone equipment, salt fish, copper wire, electrical equipment, potatoes). The top five products accounted for 21 per cent of total exports.

#### *Negotiations on rules of origin*

In the bilateral negotiations on trade in goods, the current rules of origin under CARIBCAN—which require that a minimum of 60 per cent of the inputs in manufactured products must originate in CARICOM—will have to be changed. This is to reflect the fact that most CARICOM economies are resource-deficient and that competitive manufacturing requires that inputs be sourced from the most cost-efficient sources. If more flexible rules of origin are not introduced, CARICOM manufacturers will never be able to take advantage of any market access granted by Canada.

#### *Issues Regarding Market Access for Rum*

Although it is the oldest manufactured import from the Caribbean, rum still faces complicated market access requirements in Canada. Apart from the highly controlled and inefficient system of provincial liquor board monopolies on the sale of alcohol, Caribbean rum faces two other obstacles. Under Bill S-38 (2005) rum may only be sold under the name 'Caribbean' if it has been made from sugarcane products of a Commonwealth Caribbean country, or if it has been imported in bulk from such a country and subjected to blending either with other Caribbean rum or with Canadian rum 'in proportions that result in 1 to 1.5% Canadian rum by volume in the final product.' The Caribbean rum industry considers this legislation to be too restrictive and discriminatory since it prevents producers in CARICOM from making use of raw materials acquired from elsewhere (a practice that is becoming more crucial over time as the availability of molasses from the region's sugar industry declines). Furthermore, it does not accord with the treatment given to other spirits such as Bourbon and Cognac in Canada. The blending requirement is also particularly disadvantageous since in addition to it *not being* imposed on other

spirits, it has been expressly prohibited under Canada's 2002 FTA with Costa Rica.

### *Trade in Services*

In 2009, Canada imported C\$88.6 billion and exported C\$69.6 billion in services to the rest of the world.<sup>9</sup> Due to its proximity to the United States and the integration of various markets in North America, Canada does not trade much with developing countries. Nevertheless, there are a few developing countries which in recent years have been significantly increasing their services exports to Canada, apart from tourism/travel services. These include Bermuda, China, Hong Kong, India, Singapore. Canada's bilateral services trade with CARICOM is miniscule (2%) in comparison with the rest of the world. Of this percentage, Barbados accounts for the vast majority of services trade (\$2.4 billion out of \$3.3 billion in 2007) thanks to the bilateral tax treaty with Canada, which facilitates significant financial services activity. Trinidad and Tobago's services trade (imports and exports) with Canada is very small and amounted to only C\$221 million in 2007. Nonetheless, Canada's services import propensity has been increasing substantially in recent years and this could provide new and increased opportunities if a meaningful bilateral trade agreement can be concluded with CARICOM.

Tourism is clearly the Caribbean's strong point and most famous industry. But even in this area, Canadian tourist arrivals in CARICOM states has been lethargic compared to other Caribbean destinations. In 2008, a total of only 565,275 Canadians visited all CARICOM states (except Haiti) compared to 818,246 in Cuba alone, and 635,933 in the Dominican Republic (Barbados Tourism Organization 2008, 5). This was only a 47 per cent increase from 2000 for CARICOM, compared to 167 per cent for Cuba and 160 per cent increase for the Dominican Republic. Furthermore, fewer and fewer Canadians are staying in hotels on land in the CARICOM region. The vast majority prefer to visit on day trips through the many cruise lines that traverse the region. So their local economic impact in the Caribbean is almost negligible.

**Table 5: Canada's Trade in Services with CARICOM States  
(C\$ millions)**

	2000	2001	2002	2003	2004	2005	2006	2007
Total Services Receipts (Exports)	919	937	1540	1832	1477	1140	1433	1551
Travel	81	86	106	86	102	106	118	128
Commercial services	771	762	1344	1671	1259	913	1178	1290
Transportation and government services	68	89	90	75	116	121	137	133
Total Services Payments (Imports)	1530	1670	1892	2188	2260	1641	1641	1718
Travel	197	225	195	230	316	270	258	240
Commercial services	1221	1333	1588	1839	1809	1179	1192	1245
Transportation & government services	112	112	109	119	135	192	191	232
Services Trade Balance	-611	-733	-352	-356	-783	-501	-208	-167
<b>Total bilateral services trade</b>	<b>2449</b>	<b>2607</b>	<b>3432</b>	<b>4020</b>	<b>3737</b>	<b>2781</b>	<b>3074</b>	<b>3269</b>

*Source: Statistics Canada*

### *Market access negotiations on services*

While Canada significantly liberalized its services market in the North American Free Trade Agreement (NAFTA), it has not done much on the services front with developing countries. The Canada-Costa Rica FTA mainly dealt with goods, and negotiations with Central America have not yet been concluded. In the Canada-Peru FTA, Canada did not grant significant market access at the sub-federal level to Peru. In fact, the provincial barriers were largely grandfathered. Canada actually included a most favoured nation (MFN) reservation for all current or future agreements for all sectors (Annex 11), as well as a sweeping reservation for MFN, national treatment, boards of management, local presence and performance requirements that covers 'all existing non-conforming measures of all provinces and territories.' (Annex 1). This may have been tolerable for Peru, which apparently has limited services

interests, but will not be acceptable in a Canada-CARICOM trade agreement—since it will not lead to effective market access for Caribbean services suppliers.

The Canadian federal-provincial structure also involves a complicated situation regarding professional services. In Canada, all professions are regulated at the provincial level, as provinces have jurisdiction over all matters related to labour. In many cases, provinces have delegated the responsibility for regulation to non-governmental professional bodies, often referred to as associations or colleges, by enacting laws that create professional regulatory bodies and confer on them the powers necessary to govern the professions (Government of Canada 2007). This provincial delegation of power has resulted in most professions in Canada enjoying a self-regulated status. Therefore, to practice as a member of a regulated profession or use a professional designation, all applicants, whether Canadian trained or international, must meet the requirements of the relevant provincial regulatory body (which often requires obtaining a license to practice and Canadian experience). This has effectively resulted in multiple systems of registration and varying standards of qualifications across the country for the same profession. In order to gain effective market access in Canada in a bilateral agreement, it will be critical for CARICOM members to understand and navigate these barriers in the negotiations.

It should also be noted that it is extremely difficult for foreign professionals to practice or work temporarily in Canada. For instance, if an engineer is trained in Canada and has experience there, it is a relatively straightforward process to meet the licensing requirements. But if one's credentials are foreign, it is extremely difficult to do so. In fact, a survey of over 1,000 immigrants with engineering backgrounds drawn from 73 countries revealed that 'less than 5 per cent of immigrants with engineering backgrounds actually became licensed and even fewer are able to practice as Professional Engineers in Canada.'<sup>10</sup> This epitomizes the problems posed by qualification requirements at all levels, much more so for traders or service suppliers from the Caribbean. On the other hand, in most CARICOM states it is pretty easy for Canadian and other foreign professionals to meet the requirements for working in the domestic market. In fact, some countries do not even have mandatory registration or licensing for some professions.

Table 6 reveals the limited number of foreign professionals that worked temporarily in Canada in 2005-2008 out of the total numbers of temporary foreign workers. It does not augur well for the prospects of Caribbean professionals being able to supply services in any of the traditional regulated professions such as architecture, engineering or accounting.

**Table 6: Selected Temporary Professional Foreign Workers in Canada**

<b>National Occupational Classification</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
1111 - Financial Auditors and Accountants	824	1008	812	718
1122 - Professional Occupations in Business Services to Management	4422	5097	5501	6201
1212 - Supervisors, Finance and Insurance Clerks	24	24	31	61
1231 - Bookkeepers	7	23	35	46
2131 - Civil Engineers	526	587	547	670
2151 - Architects	177	236	209	248
<b>Total Temporary Foreign Workers (all categories)</b>	<b>122694</b>	<b>139047</b>	<b>164792</b>	<b>192281</b>

*Source: Compiled from HRSDC and Citizenship & Immigration Canada, Facts and Figures 2009.*

Table 7 (below) shows the total amount of temporary workers from CARICOM states that entered Canada over the 1999-2008 period. While the relative numbers seem small, most were workers under the Seasonal Agricultural Workers Program. This program is long-standing and well used by less-skilled workers. But there may be prospects for other areas such as hospitality, nursing and the construction sector. These sorts of labour arrangements will not be bound under trade agreements because they have MFN implications for Canada but there is no reason to assume that they cannot be pursued under bilateral labour programs. This is an issue that CARICOM should explore bilaterally with Canadian authorities. There are many areas of skills that are in short supply at any point in time in Canada. Human Resources and Skills

Development Canada (HRSDC) conducts labour market surveys on a regular basis and publishes their findings. It may be advisable for CARICOM to seek to negotiate bilateral programs in some of the areas of shortages, particularly hospitality and nursing.

In order for CARICOM companies, to take advantage of services opportunities in the Canadian market, they will require more than improved market access in a trade agreement. Local firms will have to form alliances with Canadian counterparts and try to fit into global value chains in which Canada is involved. They will also have to look for complementarities between Caribbean firms and Canadian businesses in terms of outsourcing. But a comprehensive trade agreement can create a stimulus for greater investment and trade since non-reciprocal arrangements such as CARIBCAN are not a long-term incentive.

**Table 7: Caribbean Temporary Workers in Canada by Source**

	Jamaica	Trinidad and Tobago	Barbados	<b>Total CARICOM</b>	<b>Total Workers</b>
<b>1999</b>	5608	1714	629	<b>8747</b>	<b>107139</b>
<b>2000</b>	5508	1873	669	<b>8939</b>	<b>116565</b>
<b>2001</b>	5959	1875	702	<b>9420</b>	<b>119714</b>
<b>2002</b>	5637	1733	645	<b>8720</b>	<b>110915</b>
<b>2003</b>	5981	1684	548	<b>8871</b>	<b>103239</b>
<b>2004</b>	6008	1719	582	<b>9045</b>	<b>112553</b>
<b>2005</b>	6223	1664	535	<b>9303</b>	<b>122723</b>
<b>2006</b>	6531	1580	497	<b>9412</b>	<b>139103</b>
<b>2007</b>	6745	1407	473	<b>9547</b>	<b>164905</b>
<b>2008</b>	7320	1356	389	<b>10035</b>	<b>192519</b>

Source: [www.cic.gc.ca/english/resources/statistics/facts2008/temporary/03.asp](http://www.cic.gc.ca/english/resources/statistics/facts2008/temporary/03.asp)

Considering the size of the Canadian services market, there should be opportunities in commercial services in Canada, particularly information and communication services, animation, energy, entertainment, business services, among others. But given the small size of Caribbean firms, it would be necessary to first

identify opportunities for joint-venturing with Canada firms to supply their domestic market and third country markets as well. There may be immediate possibilities in some Modes of supply (in particular, Mode 1, or cross-border delivery of services), but it will require that an assessment be done of the sectors and modes in which CARICOM firms are competitive. In principle, CARICOM service suppliers are more competitive through the presence of natural persons (Mode 4). Given the significant concessions granted to the Caribbean by the European Union (in 29 sectors for contractual service suppliers and 11 sectors for independent professionals), Canada will have to match the EU or do better. Indeed, CARICOM would like to see market access in Mode 4 not limited to university graduates but include less highly skilled persons. They would also expect that the Seasonal Agricultural Workers Program be extended to all CARICOM states; and it is not unreasonable to expect that the region be given special access in tourism/hospitality and other sectors such as oil and gas drilling and well-servicing.

At the same time, it is critical to identify the sensitive sectors for special treatment or shielding from Canadian competition. CARICOM firms will also require provision of information on export opportunities to Canada as well as information on import possibilities into CARICOM—particularly to address competitiveness issues in some domestic service sectors (especially in infrastructural services that are inputs to other services and manufacturing). In other words, for a new trade agreement to promote growth and employment in CARICOM, it will need to have very significant and substantial trade facilitation and promotion measures.

## **CONCLUSION**

In much of the literature on Canada's foreign policy in the Americas, the focus is usually on government-to-government relations and the role of officials. However, in the case of the Caribbean, it is clear that interactions purely at the political/official level have not done enough to develop and enhance a key and historic relationship.<sup>11</sup> First, what is needed to energize or reinvigorate Canada-Caribbean relations may be less focus on officialdom and more on promotion of greater interaction between ordinary citizens and companies from Canada and CARICOM states. It is evident that policy-makers on both sides should seek to engage

and implement new ideas from the wider public in order to refresh and revitalize the bilateral relationship.

Second, Canada should consider the private sector as key to development of the region and thus should introduce programs for them. Third, Canada's approach to the region should not only focus on the problems in the Caribbean, but it should seek to identify and promote the complementarities. In this regard, it is advisable for CIDA and Foreign Affairs officials to consider broadening their consultations with the public and NGOs and supporting more NGO activities in CARICOM.

Fourth, the drug trade and resultant crime and insecurity in the region are a clear and present danger that must be addressed with greater emphasis and resources. While this is best done through collaboration with the United States, Caribbean governments and others, it is important for Canada to provide more substantial and meaningful input in this area to address these needs in the region. Both Canada and the U.S. should also address the contradiction between wanting to help the Caribbean on the subject of crime and, at the same time, inadvertently contributing to crime through the injection of deportees who have perhaps become a channel for the 'internationalization' of criminal activity.

Finally, although aid and technical cooperation is supposed to be demand-driven, to be effective in the medium term, Canadian cooperation should focus more on youth in the Caribbean. Most governments in CARICOM have failed miserably in this area, and there is a major disconnect with large segments of their populations.

With regard to the current trade negotiations in particular, if Canada really wants to assist CARICOM economies, it must recognize the idiosyncracies of the region and seek to cater to them. It would be worthwhile, for example, to be innovative and not work from the generic template of other trade bilaterals with Chile, Colombia, Costa Rica and Peru. If not, the greater beneficiary of the agreement will be Canada rather than Caribbean—and this will do little to encourage serious CARICOM engagement.

More to the point, the negotiations should include a forward-looking and creative instrument on cultural cooperation that would harness the talents in the Caribbean and Canada to stimulate the development of cultural industries in CARICOM. In addition to granting permanent duty free and quota free market access for CARICOM goods in Canada, and solving the problem of market access for rum and rules of origin, CARICOM should be granted

significant and meaningful market access for services so that Canadian firms can collaborate with firms and suppliers in the Caribbean to provide services to clients in Canada and other countries. Lastly, rules on investment in any new trade agreement will not be enough to attract significant new Canadian investment in CARICOM.

If the Canada-CARICOM trade negotiations are to be successful, it will be important to introduce a double taxation instrument to complement a new comprehensive agreement dealing with trade and investment.<sup>12</sup> In addition, Canadian investors in the CARICOM region should be extended the same tax credit facilities granted to them for investing in Canada. And funding should be provided to create a venture capital fund that can be used to finance investment in CARICOM economies and promote joint-ventures between Canadian and Caribbean firms.

On their part, CARICOM officials and governments in the region have to think afresh about their relations with Canada on all fronts. First they must dispense with the fixation on development assistance (aid) from Canada and focus on how to connect elements of Caribbean economic activity with the much larger, competitive and innovative Canadian economy. They need to find ways of fitting Caribbean firms into new global value chains in which Canada is engaged such as animation or information and communication technology, among others. (Also, new Canadian investment could help the Caribbean shift from basic tourism to medical tourism given the massive projected increase in demand by North Americans for medical services of all kinds). And Caribbean leaders must think seriously with their service suppliers and manufacturers about what they can sell to a rich population of 35 million Canadians, and plan to make that happen. The private sector in CARICOM needs to stop being coy about the Canadian market; if there are real impediments there, these should be removed in a new comprehensive CARICOM-Canada bilateral trade and investment agreement.

Finally, the relatively large pool of talented and highly skilled Caribbean people in Canada should be actively embraced to help promote goods and services from the region in Canada. And they should be encouraged to invest in the region (in the broadest sense of the word) by providing innovative incentives for them rather than frustrating them when they try to pursue initiatives in their home countries.

With the last major Canada-CARICOM initiative stretching back to the early 1990s, it is long past time for the two sides to fashion something significant and appropriate for the 21<sup>st</sup> century. Whether it is a ground-breaking bilateral trade agreement or something more comprehensive, it remains to be seen. But if no innovative initiatives occur in the short to medium term, the timeless cliché about a ‘special relationship’ will be meaningless.

## NOTES

1. By April 2011 there had been only two negotiating sessions; the third session commenced in April but was postponed and by the end of July it still had to be re-convened to be completed.
2. On July 18-19, 2007, a group of Caribbean and Canadian representatives met for the first Canada-Caribbean Ideas Forum in Bridgetown, Barbados. The event’s purpose was to promote discussions on future public policy choices and directions in the region. The meeting brought together about 40 eminent Caribbean individuals from a diverse range of backgrounds, including: police, academia, judicial, finance and business sectors, along with a smaller number of Canadian officials and private sector organizations. The discussions were primarily focused on the three interconnected themes of governance, prosperity and security. These initiatives were conceived, organized and funded by the Canadian government.
3. CIDA disbursements to CARICOM totaled \$38.4 million for 2009-2010. Government of Canada, *Caribbean Region: CIDA Report* (Gatineau: Canadian International Development Agency, 2011).
4. Note, for example, that in 2008-09 Canadian aid to Pakistan was only \$32.14 million and Vietnam received \$37.48 million.
5. Michael Lee Chin, a successful businessman and immigrant from Jamaica, donated C\$30 million to the Royal Ontario Museum in 2006.
6. Note that Nova Scotia Inc. alone led 10 trade missions to the Caribbean in the two years up to November 2010.
7. In a 2009 interview with a Guyanese newspaper, departing Canadian High Commissioner, Charles Court, noted that for the years 1996 to 2007, the U.S. returned some 1,500 criminal deportees (or roughly 150 per year), while Canada returned a similar number (148) in 2008. Staff, ‘Interview with Canada’s High Commissioner to Guyana,’ *Stabroeknews.com*, July 12, 2009.
8. However, this trade surplus was registered by Jamaica and Guyana, primarily through export of alumina and gold respectively.
9. Statistics Canada. Table 376-0035 & 0036 - International transactions in services, by category.
10. Quoted from a report by the Toronto-based Council for Access to the Profession of Engineering, *Engineering in Canada*.
11. Then-Minister of Foreign Affairs for the Americas, Peter Kent, furthered government-to-government relations by visiting two CARICOM countries (St. Lucia and Barbados) in mid-September 2010. Once again, he reemphasized Canada’s major aims in the region by observing: ‘By strengthening relationships and working with countries such as Barbados and Saint Lucia, Canada continues to advance prosperity, security and democratic governance throughout the hemisphere.’ Government of Canada, ‘Minister of State Kent to Engage

Caribbean Partners,' *News Release* (Ottawa: Department of Foreign Affairs and International Trade, September 15, 2010).

12. At the moment Barbados (1980), Guyana (1987), Jamaica (1981) and Trinidad and Tobago (1996) have bilateral tax treaties or double taxation agreements with Canada. Since 2010 some OECS governments signed tax information exchange agreements with Canada but this is really to deal with tax evasion and address OECD concerns about tax havens.

## NOTES ON CONTRIBUTOR

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