



Center for Strategic & International Studies  
Washington, DC

**Statement of Georges A. Fauriol**

Director, Americas Program  
Center for Strategic & International Studies  
Washington, D.C.

**Before the Subcommittee on the Western Hemisphere  
House Committee on International Relations  
May 17, 2000**

**U.S. Policy Outlook on the Caribbean**

**Four Caribbean Policies**

Exactly three years ago I had the privilege to appear before this committee. I framed my remarks by suggesting that there was no distinct U.S. policy on the Caribbean. Instead, there were a number of functional and country-specific interests stitched together. I still believe that to be the case.

The corollary to that observation was that the Caribbean region received sustained attention from U.S. policymakers only in times of emergency. Three years later I amend this view. The integration of the various components of U.S. policy toward the Caribbean is still lacking, but the cumulative effect of Washington's miscellaneous interests toward the region is providing on some issues relatively sustained if not always successful attention. Narcotics policy may be the most notable area in this regard. Trade policy is another area, where despite disappointments until now with legislation for a CBI upgrade and frustrations over bananas, there has arguably been a near constant policy activity by U.S. policymakers.

Make no mistake about it, however, despite its geographical proximity and occasional spectacular engagement of U.S. policy resources-- viz. Cuba and Haiti -- the Caribbean region operates from no clearly defined policy template reflecting the broad range on U.S. interests. It is almost more of a set of policies associated with U.S. government agency imprints: DEA, Coast Guard, DOD, DOJ, etc.... And because of its compartmentalized nature, U.S.-Caribbean relations are also reflecting increasingly active *diaspora* constituencies, not just the Cuban-American community, but increasingly Haitian-American groups, their Dominican counterpart, and in a less visible way, various portions of the English-speaking West Indian community. I therefore commend this subcommittee for entertaining a discussion on Caribbean policy at this time.

The bulk of our U.S. policy-making attention remains focused on *four* distinct and generally compartmentalized issues. The two most visible politically and contentious diplomatically are policies associated with *Cuban affairs*, and the fits and starts regarding *Haiti*. A third domain, *trade policy*, has preoccupied Washington and its counterparts in the region throughout the past decade with limited results until now and the impending favorable outcome of the Africa-CBI trade bill. And a fourth aspect of policy, *narcotics trafficking control*, has continued its preeminence in the formulation of U.S. regional engagement.

---

<sup>1</sup>Georges A. Fauriol, **U.S. Policy on the Caribbean**, in testimony before this committee, May 14, 1997.

A corollary to the occasional unhappy mix of several of the above policy categories has been continued U.S. law enforcement and diplomatic responses to *refugee and immigration flows* to and from the Caribbean. Likewise, the *democratization* theme runs through many country-specific concerns. Yet, *outside* of the Haiti and Cuba high-octane policy rhetoric--and dubious results-- it

is generally low keyed by senior U.S. policymaker articulation of active concerns. Freedom and democracy have become something of sub-set themes to concerns with drugs, for example, rather than the other way around.

### U.S.-Caribbean Contrasts

The U.S.-Caribbean relationship in the early 21st century is therefore one of contrasts. The image of the American public at-large remains generally associated with the region's tourism destinations, and more vaguely, as the source of the nation's illicit drugs. The rub for Washington is that its involvement in the Caribbean is often strangely underestimated. Emergency relief and search and rescue are a highly visible feature of U.S. interaction in the region. In the area of commerce, the aggregate of Caribbean (and Central American) economies surprisingly amounts to a total two-way trade with the United States of about \$40 billion, ranking the region as a significant global player.

Countering the message often heard from Caribbean leadership and intellectuals about inequalities due to size, portions of the region are in fact engaging a globalizing economy. This includes a revitalized Trinidadian outlook, a competitive service industry in Barbados and the Bahamas, tentative diversification in Belize and elsewhere, and impressive growth rates in the Dominican Republic several years in a row. Information technology and communication-based service industry development and business strategies can leapfrog the region's enterprising young leaders into the mainstream of the 21st century.

But the United States also faces a region that remains fragmented geographically as well as politically, which explains in part the compartmentalization of U.S. policy. Caribbean governments remain by and large fixated on the need to "level the playing field" and outflank the vulnerabilities borne of small size. A climate of uncertainty exists regarding a slowly eroding quality of regional governance. Applicable mostly to the English-speaking Caribbean anyway, this fragile reality is found in Guyana and in various parts of the smaller Eastern Caribbean states. In Haiti democratization is stalled and in Cuba it is strangled by the Castro regime. The result regionally has been mounting stress on political systems and the weakening of institutions upon which they rest - symptoms include declining voter turnout, unsteady governments, increasing violent crime and corruption, brain drain and racial tension in multi-ethnic countries.

---

2 This has been the subject of attention of the CSIS Caribbean Leadership Group, a group of 20 young leaders from the region that has met so far in Belize, Dominican Republic, and Jamaica, and is also of interest to a parallel initiative, the CSIS Caribbean Executive Club, a Caribbean-US business leadership group in formation.

All of this contrasts from the traditional rhetoric of a "democratic" Caribbean region.

With these observations as a backdrop, let me provide specific comments.

### The state of U.S.-Caribbean relations

The Caribbean is still confronting, with mixed to poor results, the same problems it has faced throughout the post Cold War era. Countries continue to be buffeted by the demands of the global economy, the drug and money-laundering networks that flourish within it, population pressures, and an increasing lack of confidence among citizens in the abilities of the political class to address these problems.

On average portions of U.S.-Caribbean relations involve mutual frustrations and annoyances. There is resentment among the region's leadership toward the U.S. because of Washington's heightened pressure regarding drugs and money laundering. Likewise, the banana-producing Eastern Caribbean is still angered over Washington's missionary zeal for market access for bananas into the European Union and the ensuing WTO case. And there are the frustrations of the Dominican Republic and Jamaica, among others, which have taken issue with the reverse flows of deported criminals and also gun running *from* the United States.

Ultimately, however, the practical alternatives in U.S.-Caribbean relations are limited even if there is a feeling that the United States is a selective and not always willing ally to the region's small countries. Europe remains a limited option in both economic and diplomatic terms, most recently expressed with the French President's summit in the Eastern Caribbean. But with the Lome-EU preferential trade and investment treatment potentially fading, the proximity and general access to the \$570 billion NAFTA trade market remains the prize. Beyond that are the hopes of the Free Trade Area of the Americas (FTAA).

There continues to be frustration over Washington's handling of Cuba and a parallel regional cozying up to Havana. However, the practical marker here is not Cuba's mischievous intentions but the more fundamental denouement sooner rather than later of the Castro-Washington mortal combat. Perhaps more nefariously, the region has opened up to other unpleasant concerns. These include well-connected unsavory types catering to international organized crime, money laundering, the citizenship-for-sale programs in a number of countries, and the embrace of suspect investors in offshore banking and Internet gambling. This is happening in part because governments in the region are willing partners, not just weak actors.

The United States therefore should have good reasons to be interested and involved.

*Item: Guyana-* The government is behind in complying with the January 1998 accords regarding preparations for January 2001 elections. At the present rate of events, it is probable that the country's leadership will not get it all done on time. In a separate context there is also low-boil and old-time bubbling over Venezuela's claim to the Essequibo (or western Guyana) encouraged but the unsettled Hugo Chavez internal dynamic.

*Item: St. Vincent and the Grenadines-* Labor and political opposition protests which had paralyzed the country for three weeks at great economic cost ended only after the James Mitchell government agreed in a Caricom brokered deal to hold elections by March 2001, two years early.

*Item: Grenada-* Strikes and protests by teachers and media workers have threatened to shut down the country if other unions join in, which has already forced Prime Minister Keith Mitchell to postpone an important fundraising/development trip to Taiwan.

*Item: Antigua and Barbuda-* Nurses and taxi drivers have been on strike and in the streets, supported by the opposition, because the Lester Bird government is perceived by some as having broken most of his campaign promises on economic matters and new taxes.

*Item: Belize-* The government of Guatemala in office since early this year has succeeded in generating a border incident and renewed speculations about territorial claims, an issue which previous governments had worked at diffusing.

*Item: Suriname-* There is a possibility that the next president - following the May 25 vote and probable back-room dealing - will have a record of conviction and prison sentence in The Hague for drug-trafficking and carry an Interpol warrant on his head. Imagine Surinamese strongman Bouterse chairing Caricom when his country's six-month turn comes in the rotation.

*Item: Jamaica-* Without much drama but a slow drain of resources, the country continues to gasp amid debt, loss of competitiveness regionally, and problems with crime. The P.J. Patterson government has an advantage in that few Jamaicans see Edward Seaga as a viable alternative once again, but this lack of viable leadership transition may ultimately damage the quality of governance.

*Item: regional narcotics policy-* Following the balloon model, the cycle continues with pressures in Mexico and Central America leading to stepped up trafficking in the Caribbean. Despite some big DEA-engineered busts, there is little chance of fundamental change in the situation as long as consumer markets remain, and the corrosive effects on transit countries in the Caribbean

continue. Meanwhile, drug money continues to penetrate economies through real estate and other investment vehicles.

The overlap of this issue with Caribbean complaints of U.S. deportation policies of often criminal types muddies the water. Likewise, the failure of the Haitian political experiment has given rise to a huge hole in the geographical center of the Caribbean which provides Colombian drug producers and their Dominican, Puerto Rican and other agents a superb opportunity for business expansion. In what is also perhaps a politically twisted trend, rumblings of low-level contacts as well as public suggestions of increasing narcotics control cooperation with Cuba have been on the rise. Arguably, much of the Caribbean has reconciled its notion of sovereignty with the need for cooperating with the United States on narcotics trafficking. Overall, relatively comprehensive interdiction agreements, intelligence and asset sharing, and technical support mechanisms are in place with most governments of the region.

*Item: Caribbean Basin Initiative-* I am still of the belief that preferential trade arrangements--the CBI for example--are an endangered species. The Caribbean strategy is to carve out as best it can a delaying window within the coming heavy freight of the FTAA process. That may now happen before the delayed Millennium global trade round. That is fine, and in fact the United States can be understanding of the "small country" concerns. Likewise, the current legislative efforts to finalize a modestly expanded CBI (mostly associated with textile and apparel provisions) are a step I endorse. The practical reality within the Caribbean in response to these trade and investment pressures is likely to be a continuing informal break-up of the region into sets of countries engaging "globalization" at differing speeds and defining various niche markets (Trinidad and Tobago, the Dominican Republic, Barbados may be near-term examples of this). Some, not the whole region, will do less well and will therefore take advantage of provisions extracted from multilateral trade negotiations and residual arrangements such as the CBI or some version of Lome before these are phased out.

#### Haiti and Cuba

One is tempted here to refer the Committee to my statement of three years ago as a reflection of the limited evolution of these issues. This actually may now apply more to Haitian affairs than U.S.-Cuban relations. The latter is no more satisfactory than it was three years ago but the dynamic of the issue within U.S. policymaking circles might be ripe after the U.S. national elections for creative thinking.

*Item: Haiti-* Three years ago I argued that the issue was reconciling the Administration's political imperative to claim success with the very uncertain reality that existed on the ground regarding any real chance for democratization and economic renewal. That more or less remains the reality for U.S. policy. The latter is collapsing and there is a need for Congress to re-impose some discipline.

Fast forward to May 2000: local and parliamentary elections scheduled for March 19 were postponed to May 21, even though until recently most Haitian and U.S. officials were insisting that everything was on track. Haitian President, Rene Preval and the Haitian provisional election commission (CEP) have since argued over authority over the electoral process--with the president getting the upper hand, backed up by a wave of political violence targeted singularly at the opposition.

*Haiti* is now a country where elections are not held on time, results are not credible, foreign aid is wasted or simply not spent, the economy is wide open to the drug trade, the president of the country rules by decree, political intimidation is widespread, the new national police kills, and the government has invited Cuban technical advisers.

This sequence of events leads me to two general observations. First, for all practical purposes, senior Haitian executive leadership appears to be barely functioning, and when there is action it is

not in the best interest of the United States. Second, there is little credibility left in U.S. policy efforts.

---

3 This analysis draws from my testimony on Haiti before the House Government Reform Committee, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 12, 2000.

Washington is desperately attempting to keep on track a wobbly Haitian electoral strategy on the record of successively worse efforts since 1995. Specifically, the Administration's tactical imperative is to sanction this spring's Haitian electoral exercise as a stepping-stone to make credible a presidential election at the end of this year.

The subtext to all of the above involves former president Jean-Bertrand Aristide, his influence over current events, his motivation regarding any upcoming elections, and the presumption that all political scenarios ultimately come back to him. Although his role is probably exaggerated, for U.S. policymakers Aristide appears to have become the past, the present, and the future. They are boxed in.

The real story behind the delayed May 21 elections--*delayed since November 1998*--is a Haiti governed by presidential decrees and operating with a government led by a *de facto* prime minister never constitutionally approved. Democracy? President Rene Preval, a weak if cunning Aristide protégé, shut down the national parliament last year in the wake of 18 months of skirmishes over the nomination of a Prime Minister. Petty rivalries? No. The previous Prime Minister, Rosny Smart, had resigned after refusing to legitimize the bogus April 1997 elections.

It has become difficult to support a policy so wasteful in resources and missed political opportunities. Haiti's problems are not insurmountable but they require support of democratic and modernizing forces. Continuing flawed elections strategies in an environment led by discredited national leadership and institutions is not in the U.S. interest. The most recent incident involving the expulsion of the head of the International Foundation for Electoral Systems (IFES) mission in Haiti -- the key U.S. technical institution operating in Haiti -- because the government of Haiti had obtained an internal IFES document suggesting that Preval was once again attempting to postpone the elections is confirmation of the bad faith of Haitian government leadership. This should be the end of the line.

As a result I support the continuation of the various congressional "holds" on electoral assistance to Haiti. In fact I caution against sending a U.S. Congressional observer delegation to the May 21 process, despite the fact that other governments and institutions (Canada, the Francophonie states, the EU, the OAS) may do so. But there are reports that the Quebec parliament has withdrawn plans for a delegation on account of the insecurity against opposition leaders. Others may follow. The temptation of the Administration and the sympathizers of Haiti's governing leadership will be to endorse anything that remotely appears like an election, as was the case in the contested 1997 process. However, the stakes are now much higher: the presidential elections presumably to be held later this year. This is a slippery slope and before taking this first step toward "observation" Congressional leadership should reassess its support of true freedom and democracy in Haiti and it hopes to be nine months down the road.

On the other hand, Haiti is close to ungovernable so I would also be cautious regarding imposing sanctions. Serious problems require serious solutions but I do not get the impressions that the Administration is working from a well integrated strategy-let alone one where the United States is not the only country holding the bag. While the most senior Haitian leadership is acting with what appears to be extraordinary bad faith, I am not certain either that this same leadership controls the ship of state all that effectively. In any event, the paths down the road of U.S. or multilateral sanctions (OAS 1080 for example) are paved with good intentions and catastrophic results for Haiti's recent experience.

*Item: Cuba-* This is still arguably the least satisfying component of U.S. policy in this part of the world. The dangers in the present situation are not the defects of U.S. legislation but the deteriorating logic of the Cuban communist state. Although there are no statues and other physical symbols of the great bearded one throughout Cuba, the Cuban revolution in its graying years has become little more than a personal cult of Fidel. The sad irony is that portions of the international community in its search for a bridge to some viable Cuba policy has reinforced the absurd ritual of genuflecting before the great dictator.

The latter shows little interest in a genuine *mutually beneficial* relationship with Washington--or Canada or Europe for that matter. And here probably lies the foundations of a genuine and proactive freedom and democracy strategy in which the U.S. Congress could play a role along with its Western European and Canadian parliamentary colleagues.

First, this would begin with the concept that U.S. objectives are not so much to "manage" a soft landing toward a transition to some post-Castro Cuba but rather to push forward actively a democratization agenda. Ronald Reagan did not "manage" his ties with the Soviet Union in the hopes of an amicable conclusion, he actively engaged his opponents. Second, this would highlight the notion that Cuban relations are not anchored by the distaste of many in the trading and investment community for certain features of the Libertad Act. The defining debate on U.S.-Cuban relations cannot be simply whether the U.S. Chamber of Commerce, USA Engage, and other single-issue interests views economic sanctions as productive. Instead, the focus should be on Castro's fundamental horror of a political alternative to his own. The U.S. Congress will find a working consensus along those lines with many of its European and Canadian parliamentary counterparts.

The backdrop to all of this requires an Executive Branch that actually believes in its policies toward Cuba. The administration can be commended for holding the line with Castro but at times I have my doubts. This is the administration that acquired Libertad by default and has creatively allowed portions of it to remain unenforced. More recently I was struck by the absence of any clear statement early in the Elian affair by senior policymakers--the President for starters--linking this young child's tragic circumstances to the political and economic conditions under the Castro regime. To allow this to drag on as a child-custody soap opera and enable Havana to mark points and bear no responsibility are indicators of U.S. policymaking without firm terms of reference.

---

4 CSIS tested this hypothesis with a session it sponsored in 1998 between a U.S. House delegation and delegates from the EU Parliament.