

ADDRESS BY THE
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AT THE OFFICIAL LAUNCH OF THE
CARICOM SINGLE MARKET & ECONOMY
(CSME) NATIONAL PUBLIC EDUCATION PROGRAMME

FRIDAY, 17TH DECEMBER, 2004

In 1973 the heads of government of the former British Colonies of the Caribbean agreed to form a trading union to facilitate trade in goods among themselves, giving birth to CARICOM. Sixteen years later, in 1989, the conference of Heads of Government agreed to further strengthen the relationship by sowing the seeds that would create the Single Market and Economy. History has now determined that the process must continue and the reality of global events, particularly at the WTO, force us to inquire as to how can we position ourselves to benefit from these global changes? Can we do it alone, or, must we do so in concert with others? It is therefore imperative at this stage for us to examine our choices and decide on our future. Our questions are answered when we think of the EU, the Asian pact, NAFTA and the impending FTAA.

Much larger nations than us have come together in recent times in order to improve the economic well being of their citizens, particularly in our hemisphere where the on going plans to form a Free trade Area of the Americas which will be a single market arrangement between the AMERICAS. Can the Caribbean survive between these huge land masses with their "large economies" the time for alternative thoughts could not be more appropriate.

Many persons throughout the region are asking and rightly so, what is the Single Market and Economy, better known by its acronym CSME?

The CSME is arguably the most significant event for the region since the Adult Suffrage in 1951 and the Federation of the West Indies in 1958. If we are to protect our interests as a region in the world economy, we need to combine our resources to enable us to compete in the global economy. The CSME Treaty is in essence an amendment of the treaty of Chagaramus with nine new protocols now incorporated as Chapters in the revised treaty.

The CSME, although conceived as a plan by Governments of the Caribbean Community to facilitate development of member states, is not a political union. In essence, the CSME represents a deepening of the integration process through the creation of an integrated market for goods and services and the free flow of capital and individuals across traditional borders. The CSME will seek to harmonize and coordinate foreign

exchange, interest rate policies, tax regimes, laws and eventually a common currency for all member states.

The CSME will be the vehicle through which Member States will collectively achieve the goals of development that we strive for. If implemented, as envisaged, the primary objectives of the CSME are as follows

- . Full employment of all the factors of production
- . Improved standards of living and work
- . Accelerated, coordinated and sustained economic development
- . Increased economic leverage and effectiveness
- . Expansion of trade and economic relations with other Caribbean countries, Central and Latin America and the World in general

These objectives must be grounded in firm policy interventions by Member States based on the realities of globalization and the trends in the world economy. The essential philosophical underpinning in the CSME is the creation of a single economic space which in reality means the removal of all barriers that prevent the combining of the physical, natural and human resources of the existing Caricom States.

It is expected that the combination of existing resources will lead each member state to:

- . Achieve increasing levels of competitiveness
- . Organizational capacity and economies of scale to meet increased demand and production; and
- . Create opportunities for small and medium size firms to consolidate and form strategic alliances.

CSME means that instead of 238 square miles, St. Lucia could be the entire Caribbean basin where workers should benefit from expanded job opportunities as a consequence of the free movement of labour, business and investment.

Young persons should benefit from additional opportunities to travel, study and work in a region where all barriers would have been removed. This means that businesses will have access to new markets, new workers and the available knowledge and technology from across the Caribbean, contributing to increased productivity and success.

Governments of the region will be able to pool resources and information to tackle the health, crime and other social problems that plague all member states.

Coming together in the CSME can also benefit our cultural diversity and create a Caribbean identity and culture that can be packaged to the rest of the world.

While the CSME has the potential to transform the economies of small Caribbean States like St. Lucia, this will not happen overnight nor will it be a seamless and painless experience. The most fundamental aspect of the CSME involves the willingness to make

and accept change. That willingness must be shared on the part of both firms, the business owners, workers and the general public.

Firms will have to engage the use of competent and qualified personnel to conduct the relevant market research, product development activities and strategic planning. Business simply can not continue to be conducted on an ad hoc and uninformed basis. There must be the willingness to share ideas, network and enter into joint venture operations to take advantage of business synergies and economies of scale where these exist.

The financing decisions of firms must involve sources of finance outside the traditional commercial banking sector. The role of equity financing must be considered. This however has implications for the ownership structure of firms and businesses as consideration will have to be given to the listing of companies on the Regional Stock Exchange to attract financing through shares.

Workers must also examine how they relate to the workplace. Initiatives must be taken to acquire appropriate skill and in some cases undertake retraining to become marketable in the new job market created by the establishment of new opportunities.

The CSME can be the vehicle for opportunity but there must be fair play and recognition and obedience to the rules of the Treaty. The Caribbean Court of Justice serving as the final arbiter in trade disputes, is a necessary and sufficient body where these problems will be resolved when they arise.

Rationale for Public Education

In order to sensitize our nationals on the desirability for the Single Market and Economy it is essential that Government embark on a public education programme that will cover not only the aims and objectives of the CSME, but will equip citizens with the tools that will allow them to identify opportunities, threats, strengths and weaknesses in the revised treaty. In so doing, the information will guide their awareness towards the need for competitiveness in business within the state and also the new opportunities that will become available within the region. The CSME Public Education Programme targets the Youth, Public and Private Sectors, Trade Unions, NGOs, academia and civil society. Through public education we hope to develop an informed country on all CSME issues;

Accurate information is required to create a favourable mindset to win support of the public, investors, entrepreneurs, workers, civil servants, consumers, students, the youth and media professionals for this new phase in our thrust towards regionalism. We hope through the process of public education to dispel the myths associated with CSME. The following activities are to be implemented, to assist in getting the message across:

- . Art competitions
- . National Forum for 4th and 5th form students of secondary schools
- . Sensitization seminar for teachers of Social Studies
- . National quizzes on CSME Issues

- . Consultations and workshops
- . Town hall meetings
- . Information Boxes in newspapers and other journals
- . Events booths.
- . Community meetings
- . Meetings/discussions with sector/stakeholder groups

Through this awareness drive, we hope to inspire national debate on the impact of the CSME and through this process strengthen the public support base. Through the involvement of civil society in community dialogue we are certain that the message filters through every strata of our society. The message of the CSME must be integrated in the curricular and extra curricular activities at our schools to further maximize opportunities for practical involvement by the young people of our country.

The Ministry of Commerce will coordinate these activities and collaborate with other ministries and form partnerships with private sector organizations and civil society to ensure that information on the CSME is disseminated across the length and breadth of Saint Lucia. We must alleviate the fears of our citizens and the pessimistic predications of a few. Nothing in the CSME is completely new; it has been done before in one form or the other. Now it will be in an organized form.

While it is the role of Government to ensure that the nation is informed and properly sensitized about the CSME and its implications for us in St. Lucia, every man, woman and child must take personal responsibility to educate themselves on this subject. No public education programme, no matter how effective, could succeed without the interest of the targeted population. My message is that people must demonstrate a certain level of interest in the things that matter. We cannot sit back and complain that we know nothing about the CSME, the FTAA and the WTO when we neglect to avail ourselves of opportunities provided for us to be informed.

I sincerely hope that the programmes and information avenues that will be created by the Ministry of Commerce will be fully utilized by the public of St. Lucia so as to ensure that there is extensive dialogue and understanding of the CSME .

The CSME is not a new step but the evolution of a process that must be hastened because of the swift pace and changes in world affairs. It can be said that the CSME provides the ground rules that can be shaped and fashioned into the economic pillars of a new society and new era for the Caricom Region. The CSME is not an idea that needs to be made real, it is a reality that the region must face - a situation which can be summarized by a quotation from the book: “Globalization A Calculus of Inequality”:

“the developing countries are nevertheless linked together by the fact that by and large the functioning of the international economic system places them at a distinct disadvantage vis a vis the developed countries. In any event, these countries will be placed at an even greater disadvantage if they opt to go it alone.”

The choice is clear.

I thank you and declare the Public Education Process of the CSME officially open.