

Golding slams EPA critics - Says they suffer from mendicancy

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John Myers, Business Reporter

Jamaica's Prime Minister Bruce Golding has sharply attacked critics of the Caribbean's new free-trade pact with Europe, accusing them of mendicancy and failure to escape the psychological shackles of slavery.

"There are persons who believe that the preferences that we have enjoyed - this business where Europe pays you twice as much for your sugar than they can buy it elsewhere - that those are things that must remain in perpetuity," Golding, Tuesday night, told delegates to an investment and capital markets conference hosted by the Jamaica Stock Exchange (JSE) in this north shore city.

"It is a kind of mendicancy that we need to purge ourselves of," Golding declared.

Jamaica, its 14 partners in the Caribbean Community (Caricom), as well as the Dominican Republic - known collectively as Cariforum - in late December agreed to a so-called economic partnership agreement (EPA) with the European Union (EU), which, ultimately, will lead to nearly full reciprocal free trade between the two regions. While the market for the 27-member EU is opened immediately, the elimination of tariffs of 85 per cent of the Caribbean's imports will begin in three years and will stretch for up to 25 years.

The EU had hoped by the end of 2007 to have executed six regional EPAs with regional groups in the African, Caribbean and the Pacific (ACP) grouping to replace the aid and non-reciprocal trade agreements it previously had with ACP under the Lomé Convention and successor Cotonou agreement.

But the Caribbean was the only region to complete negotiations within the deadline, sparking criticism from a group of regional academics who claim that the region struck a bad deal.

Jagdeo joins criticism

Ironically, Guyana's president, Bharrat Jagdeo, a key member of Caricom, has joined the criticism, arguing the region reached the deal under duress.

The suggestion has been that Cariforum caved in out of the fear that without a deal all its products would have been subject to the World Trade Organisation's (WTO) generalised system of preferences (GSP), thus higher tariffs for entry into Europe.

But Golding in his speech dismissed such criticism, saying that hand-outs and preferential trade agreements were fast becoming things of the past, to which many Caribbean leaders attempt to cling.

He suggested that people see these as being deserving because of the region's history of slavery and colonialism.

"Part of what has held back this region for so long is that there are too many of us who carry not a chip on our shoulder, but a whole light pole," Golding said. "... We need to get rid of it."

The Jamaican leader argued that the EPA, covering a market for 450 million people, provided a basis for the countries of Caricom to collectively look outwards for opportunities, rather than to compete in each other's markets - his long-time criticism of Caricom.

"We spend too much time looking at each other," Golding complained. "And as I have said before, we could see much more if we were to come together and look at the world with 15 pairs of eyes and to create a good view of what the world has to offer."

He added: "We spend too much time competing with each other, versus competing together with the rest of the world."

Not viable

An inward-looking Caribbean seeking to produce only for itself was not viable, the prime minister stressed.

"We can't do it! We don't have the market strength to support efficient production," he said.

"You can't have efficient production if you are dealing with a market of two-and-a-half million people, many of whom are poor and can't buy your products anyhow," Golding added.

In fact, the Jamaican leader said his country was already seeking to grasp the potential opportunities offered by the EPA by opening talks with European Investment Bank on funding companies which may want to locate in the Caribbean to supply the EU market.

"(Such businesses) would benefit from lower wage rates and they can export their goods from the Caribbean back into Europe duty-free, quota-free," Golding said.

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