

Northern Caribbean Conference Background Briefs

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MIGRATION

Migration studies have all alluded to the inherent migratory tendency of man. Theoretical explanations give credence to the push-pull dynamic that is responsible for this migratory pattern. It alludes to the fact that there is an inherent desire within humans to increment material wealth and improve natural conditions which often impels them to relocate to a new territory.

Exploring immigration opportunities and challenges within the Northern Caribbean reveals that the entire Caribbean region was shaped by migratory forces. Emigration dominates the 21st century Caribbean experience.

This pattern of migration is supported by the safety-valve theory which purports that Caribbean governments encourage and endorse emigration since it reduces the pressure of population on resources viewed as finite. This migratory pattern, though abated from the level that obtained in the 1950s and 1960s, has continued into the current century, despite persistent developmental and economic challenges in the host countries. This brief seeks to assess the immigration opportunities and challenges facing the Northern Caribbean territories of Cuba, Haiti, Dominican Republic, Jamaica, Puerto Rico, Cayman Islands and Bahamas

OPPORTUNITIES AND CHALLENGES

The Global economic recession has brought migration issues between the Caribbean and the Northern hemisphere to the fore as evidenced by the increased border control measures now implemented against migrants by the countries of the North, particularly the USA, Canada and the UK – the main destinations to which the Caribbean sends migrants. The economies of these industrialized countries, particularly the USA and the UK, have been significantly affected, creating an unwelcoming climate for new migrants and souring attitudes towards them.

Caribbean migration is an activity which brings both economic benefits and costs to the region. On the positive side, the income remitted to the islands as

KEY POINTS

- The Caribbean people have evolved through a historical pattern of immigration. The issue today, however, is the patterns and manner of emigration, with its selective bias towards the highly-skilled.
- The social and economic cost of brain drain outweighs the income benefit of the consequent remittance inflows.
- Common issues include weak border security and intra-regional illegal migration. Illegal migration to the developed countries to the north, and the loss skills due to the emigration of the better educated.
- The loss of skill labour with publicly subsidized education should motivate a rethink of the educational funding model.
- Intra-regional visa stipulations levied by the Cayman Islands and the Bahamas have the potential to undermine business, employment and tourism opportunities within the region.

well as the acquisition of new skills by returning migrants are significant and impactful. Remittance receipts have long been a significant contributor of income and foreign exchange in many of the countries in the Northern Caribbean. It is equivalent to almost 20 percent of GDP for the Caribbean as a whole. In corroborating this view, the World Bank data on remittances have indicated that the Caribbean has the largest remittances to GDP ratio in the world. [Figure 1 Source: World Bank Migration and Remittances World Fact Book 2011. Of note Haiti, (15.4%) , Jamaica (13.8%) & Dominican Republic (7.3%) are ranked among the Top 10 remittance recipients of 2009 as a percentage of GDP within Latin America and the Caribbean.]

FIG. 1
REMITTANCES, 2009

	US\$m
Bahamas	1,376
Cuba	3,477
Dom. Rep.	3,477
Haiti	2
Jamaica	1,376

Against the benefit of remittances and the repatriation of skills, there are drawbacks as well. The loss of skills has robbed the region of resources that are not only a key complement of other resources for development, but skills that have often been created with public money in heavily subsidized education system. Emigration of one of the parents, and sometimes the only parent, is emotionally disruptive and socially dysfunctional for the children left behind, with attendant problems of delinquency and anti-social behaviour. Using a labour-demand supply framework, it has been shown the rate of remittance inflows does not compensate for the rate of brain-drain of emigration.

Undocumented migration within and outside the Caribbean has also resulted in a plethora of related, additional challenges: drug trafficking, human trafficking, labour market abuses, racial discrimination and an overall hike in criminal activities. These are critical social issues that impact the limited resources of most Caribbean states.

The wide intra-regional income disparities have resulted in large migrations from the less developed to the more developed countries in the region, much of it illegal. In response to the social pressures that follow this economic imperative, the Cayman Islands and the Bahamas in the northern Caribbean have implemented visa requirements on some neighbouring territories.

COUNTRY SPECIFIC ISSUES

Puerto Rico

- Puerto Rico has had a history of undocumented immigration from neighbouring Caribbean countries such as the Dominican Republic and Haiti and the recent devastation in Haiti will increase this number. There is an urgent need for measures to either restrict or regularize these flows.
- Puerto Rico is also used as a trans-shipment port for entry to and from the USA for narcotics and gun-related trading. To this end, birth certificates issued prior to July 1, 2010 are no longer required as entry documents into the USA as a result of the level of illegal immigration.

The Bahamas

- The main challenges faced are illegal immigration issues and corruption due to the inflow of fellow Caribbean migrants in search of labour, particularly from Haiti and Cuba.
- There has also been an increase in the cost of border security as a result of the influx of migrants from other countries because of its close proximity to North America.
- The island therefore established the Humane Border Center after 1992 in order to stem illegal immigration; as well as entered into agreements with Cuban and Haitian governments to effectively repatriate illegal immigrants.
- The Bahamian government has also implemented other measures such as random raids of homes, work sites and health clinics.' Illegal immigrants are then detained and taken in for processing and repatriation.

Cayman Island

- The major immigration challenges include illegal immigration and corruption surrounding labour market issues, as undocumented immigrants facilitate labour market abuses.
- There is the need for tightening of border security to control and limit illegal immigration and the increased incidents of criminal activities.
- The Cayman Islands Premier W. Mackeeva Bush announced in July, plans to waive stringent visa requirements for Jamaicans. If this policy is implemented, Jamaicans who are holders of United States visa will be able to travel to the Cayman Islands, without having to obtain a Cayman Islands visa. This announcement was predicated on the perceived business and employment opportunities to be harnessed from close ties between the two countries.

Jamaica

- Brain-drain is a major cause for concern as a result of the level of out-migration of the highly-skilled citizens. An illicit drug for gun trade with Haiti is also key sore point for security officials.
- Visa impositions from territories such as USA, Costa Rica, Britain and the Cayman Islands have restricted free movement of Jamaican nationals in search of employment and business opportunities.
- Remittance inflows are major contributors of foreign exchange, nonetheless it does not enter into national development programmes or investments.
- Return migration has the potential to enhance capacity building if it is monitored and promoted.

Dominican Republic

- Illegal immigration from neighbouring Haiti is an ongoing challenge which increases the cost of border security.
- Drug trafficking creates a link within Haiti, Dominican Republic, Puerto Rico and the USA as a result of the proximity of the countries.

Cuba

- Cuba has had a long history of migration to the USA for political and economic reasons
- Cuba is seen to be better favoured under US immigration laws than other foreign nationals based on the Cuban Adjustment Act of 1966 which is tied to the “wet foot, dry foot” policy which stipulates that once Cubans reaches the American shores they can apply for adjustment status after a year with the approval of the Attorney General, however if they are caught by officials before they get to shore they will e interdicted and sent home unless they have persecution fears.
- As such, some citizens have engaged in legal/illegal migration to the USA in search of opportunities - freedom of expression, political freedom, fewer restrictions and better standard of living.
- The practice of illegal immigration of Cuban citizens to Florida and Mexico centers around the smuggling of humans within dangerous waters, sometimes resulting in loss of life (mostly women and children)-from mainly the poorest quintiles of the Cuban population.

Haiti

- Similar to Cuba, Haitians have had a long history of migration to the USA because of their repressive governments and issues of human rights violation thus special laws are applied to these countries’ migration issues. Illegal immigration began with migrants fleeing political persecution (history of political instability), riots, starvation and natural disasters.
- Haitians have also illegally immigrated to fellow Caribbean territories as well as France and North America (USA and Canada) as asylum seekers over the years. These emigrants are mainly unskilled migrants in search of economic opportunities
- Following the devastation caused by an earthquake on January 12, 2010, there has been the suspension of Haitian deportees by France, Canada and the USA. Additionally, neighbouring Caribbean countries: Jamaica, Dominican Republic, Bahamas and Puerto Rico to name a few have followed suit. Nonetheless, illegal immigration has increased as a result of the state of Haiti’s debilitating socio-economic conditions.

THE WAY FORWARD

The safety-valve theory gives credence to emigration being viewed as the temporary outlet to seasonal employment as the amount remitted may outperform that which would have been earned locally. So in this respect, emigration is functional.

However as it relates to corruption and illegal migration issues as well as human trafficking and the loss of skilled human capital; policies are needed to address these. The social cost to emigration in the form of “barrel children” and the attendant social consequences also needs addressing. These socio-economic issues should be brought to the fore. Of note, visa impositions among Northern Caribbean territories particularly in the Cayman Islands and Bahamas do not augur well for employment opportunities, business linkages and tourism potentials among the islands.

Immigration issues within and among these Northern Caribbean territories, particularly undocumented immigration also needs attention, as these have implications for the labour market and the level and types of crime emerging in both receiving and sending countries.

It is evident that immigration presents both challenges and opportunities; however with the establishment of structures and policies geared at regularizing both out and return migration, especially if it facilitates the creation of international linkages such as helpful Diasporas, immigration can be beneficial to economic growth within Northern Caribbean territories.

TRADE

The economic forces of the 21st century make it imperative for the countries of the Northern Caribbean to develop a trade framework which will translate into stronger and more competitive economies, by seizing the opportunities for increased trade through cooperation and information sharing. The region is highly dependent on trade and international capital flows and will continue to be so for some time.

INSTITUTIONAL STRUCTURES

Trade relations among the countries of the Northern Caribbean are not governed by any single or coordinated trading framework. However, all the countries in this group have some kind of relationship with CARICOM. There is no institutional mechanism that has been established with the capacity to coordinate their actions so that they can interact on trade issues.

Rather, the status quo is a web of multilateral, regional and bilateral commitments determined by the particular history of each country.

At the multilateral level, only Jamaica, Cuba, Haiti and the Dominican Republic are members of the World Trade Organisation (WTO), and are therefore governed by the multilateral trading rules in the conduct of their trade relations. Consequently, in the event of a trade dispute with non-WTO members, the WTO dispute resolution mechanism cannot be called upon. The Cayman Islands and The Bahamas are not members of the WTO. The Cayman Islands is a British Overseas Territory (OCT), a dependent of the United Kingdom and therefore do not act on its own in conducting its international relations. The Bahamas, a member of the General Agreement on Tariff and Trade (GATT), has applied for but is yet to complete WTO membership.

The Bahamas, Haiti and Jamaica are full members of the Free Trade Area (FTA) of the Caribbean Community (CARICOM) while the Cayman Islands and Cuba have only observer status.

For the Northern Caribbean countries that are not members of CARICOM, bilateral trading agreements have been the instrument of choice to cover trade relations. The Dominican Republic has signed the CARICOM-DR and CAFTA-DR. Cuba is a member of the ALADI trading group and has signed a number of economic cooperation agreements, including the Cuba-Iran agreement and CARICOM-Cuba trade and economic cooperation agreement.

KEY POINTS

- There is need to forge a coordinated approach to trade relations that will help the region to take advantage of increased trade and investment opportunities.
- The northern Caribbean lacks sufficient institutional structures to facilitate the level of cooperation and coordination required.
- The variety of economic structures and the disparities in standards of living across the northern Caribbean create opportunities for exploiting comparative advantages and economic cooperation.

While the diversity in the levels of economic development and the productive structures in the northern Caribbean create a opportunity for trade and economic cooperation, the lack of institutional structures of trade relations poses significant but not insurmountable challenges for exploitation of that opportunity.

THE DIRECTION OF TRADE

The diversity of institutional trade arrangements at the multilateral, regional and bilateral levels means that there are wide variations in the direction of trade. Most of the countries in the Northern Caribbean, except Cuba, have the United States, Canada and the European Union (EU) as their major trading partners, with these markets accepting more than two-thirds of total merchandise exports.

Trade relations among them are governed by a number of market access agreements which provides these countries with favourable and preferential terms for trade in merchandise: the CARIBCAN agreement with Canada, the Caribbean Basin Initiative (CBI) with the USA, the Revised Cotonou Agreement and now the EPA between CariFORUM and the EU. These are trade instruments that allow a significant portion of merchandise exports from beneficiary countries to enter the respective major markets under a system of one-way duty-free market access conditions. The Bahamas, the Cayman Islands, Haiti, Jamaica, and the Dominican Republic have all benefitted from such agreements. Additionally, Haiti has benefitted from further preferences under the HOPE Act which grants benefits for apparel producers.

Cuba holds a precarious position in this group in that it is the closest in proximity to the USA, with no trade relations because of the embargo. It also has the European Union and Canada as two of its main trading partners, but not under the same market access arrangements as the other northern Caribbean countries. Cuba's other major trading partners are China, the Russian Federation, Brazil and Mexico, with smaller volumes of trade taking place primarily with the Mainland Hispanic nations.

TARIFF LEVELS

Tariff liberalisation initiatives carried out in the past has generally led to significant reduction in tariff levels among the countries in the northern Caribbean. However, they remain relatively high by international standards. Haiti has the lowest applied levels for all goods, ranging from 5.9% to 2.3%, Cuba, 10.9% to 5.4%, the Dominican Republic, 12.8% to 6.2%, and Jamaica, 46.4% to 5.9%. The tariff rates in the Cayman Islands (5% to over 100%) and the Bahamas (25% and 210%) tend to be excessively high, mainly due to the fact that there are no income taxes in these jurisdictions, so they are heavily dependent on border taxes to fund all government spending.

The countries that are members of CARICOM apply duty-free trade on intra-regional commerce and apply the CET against third countries (excluding the Bahamas). The external tariff levels are relatively high on imported products and are compounded by non-tariff barriers this restricted trade. The Dominican

Republic and Cuba also benefit from preferential market access arrangements with the CARICOM members.

TRADE STRUCTURE

All countries of the northern Caribbean have similar structural pressures to the extent that they are in the same geographic region, are relatively small by global standards, and are characterised by a high level of openness that makes them especially vulnerable to shocks occurring in the international economic system. Even though the economic structures of the group as a whole is diversified, production in each country tends to be concentrated in only a narrow range of productive activities. The dependence on the same set of markets posed significant risk for the countries of the region, with the USA being the recipient of services and some manufactured goods and the EU receiving mostly food products and minerals. The services sector contributes a significant portion of total output in the economies of the Cayman Islands, the Bahamas and to a lesser extent, Jamaica. While the Dominican Republic and Haiti have somewhat higher shares of manufacturing.

The USA, Canada and the EU receive more than 60% of total merchandise exports. Haiti, Dominican Republic and Jamaica, in that order, export a significant amount of apparel to the USA, while the Canada and the EU receives mostly agricultural products, natural gas, petroleum and aluminium products. Most of the countries under consideration are currently experiencing deficits on their balance of trade (that is, imports exceed exports).

The structure of small economies places constraints on production and limits the extent to which productive capacities can be expanded in the trade of merchandise. Even if economies were integrated into a single economic space, the countries are not large enough to support any large national industries, which limits scale economies and discourages domestic competition. While there remain opportunities to be gained from trade in goods, it is in services that the region has demonstrated its capacity for competitive participation in the global economy. Over the last 40 years, the services trade has been an engine of growth for many of these economies, which came at the expense of decline in agriculture and industry. Between the 1960's and 1990's, services as a percentage of GDP moved on average, from 50% to over 62%.¹

The expansion of trade in services in the northern Caribbean is part of broader trend. Trade in services as a percentage of world trade has grown significantly over the last 30 years from 0.5 US\$ billion in 1980 to 2.5US\$ billion in the 2000's, with developing countries accounting for 5% of that increase.² Given the service oriented nature of Caribbean economies in the 2000s, this development perhaps represents an opportunity for the countries of the northern Caribbean have a deeper engagement with the global economy. The economies of the region used to be integrated into the global economy mostly as exporters of primary products. The services sectors in all of these economies accounts for more than 50% of GDP. The services export trade accounts for a

¹ A time to Choose, world bank report, 2005

² *World Economic and Social Survey 2010*, Pg.78

significant portion of the output of the entire economies. Tourism is the largest component of this by far, accounting for nearly 70% of export services in Jamaica and Cayman and 40% in the Bahamas. For both Cayman and the Bahamas, banking and financial services account for more than 20%.

TRADE ISSUES

The countries of the Northern Caribbean have been facing a declining share of trade in the presence of the growth in global output. While there has been an increase in both merchandise imports and exports with its major trading partners – the USA, Canada, and the EU. Other developing countries, especially those in Central and South America, have been able to take advantage of rising productivity and improved market access.

One of the factors influencing the decline in the share of world trade is the erosion of preferences. The major trade partners, the US, the EU, and Canada, have negotiated bilateral trade agreements with and have extended preferences to other countries outside the northern Caribbean. This led to the contraction of the garment sectors in Jamaica, Haiti and the Dominican Republic because of competition from the Mexico and Central America.

There has been an increase in exports mainly from Jamaica (ores), Haiti and the Dominican Republic (textiles), while all countries experienced an increase in imports. Most of the other manufactured goods that are exported from the countries of the region have remained stable, namely, sugar, bauxite and rum.

Implementation is common problem across the group. Many of the countries have not been able to take advantage of opportunities that currently exist under various trade arrangements. This is true even of the larger countries in the group, the Dominican Republic, Haiti and Jamaica.

Finally, perhaps the major constraint to greater trade for these countries is the limit of economic capacity. Supply side constraints, skills, infrastructure, and capital, have limited the ability of the economies in the northern Caribbean to take greater advantage of existing trade opportunities.

POTENTIAL FOR TRADE COOPERATION

There is considerable potential for exploiting reciprocal trade amongst the countries of the northern Caribbean. The Dominican Republic has capacity in manufacturing; Jamaica, Cayman and the Bahamas are experienced in recreational services; Cuba has excelled in bio-technology and has generally high skill levels; Haiti has surplus labour. Differences among countries are also evident in their natural resources endowment, economic output, and GDP per capita. Therefore the potential for exploiting differences in comparative advantage among these countries remains large. But the exploitation of the sub-region's comparative advantages remains largely untapped.

There is no requirement that countries must be a part of a regional framework to successfully conduct trade among them. Prior to the proliferation of regional trade agreements, countries successfully traded with each other using bilateral trade agreements that were built on mutually beneficial terms.

However, the most appropriate trading arrangement that could tie the countries of the northern Caribbean together is the CARIFORUM-EU EPA and bilateral trade agreements. Given that Cuba has been a part of the Cotonou agreement since 2000 and has bilateral relations with CARICOM, and the Cayman Islands has observer status with CARICOM, there is an existing foundation on which trade relations can be built. The countries that are part of CARIFORUM can maximize the opportunities provided by the development component of that agreement and leverage them to include Cuba and Cayman.

Whether trade relations are going to be formalized through bilateral trade agreements or through regional integration agreements, there must be some forum for the coordination and harmonization of trade policies and the facilitation of among the countries. Regionalism was seen as the best framework for the delivery of sustainable trade expansion among Caribbean economies. That argument remains persuasive as a way to improve trade policy formulation and to promote the harmonization of policies, trade facilitation, standards setting, customs facilitation, and developing regulatory capabilities. It may be applied to the northern Caribbean.

In the absence of a full-fledged northern Caribbean trading block and the regional-political difficulties that the CARICOM members would have in going in that direction, consideration should be given to the implementation of bilateral arrangements which facilitates the exploitation of trade opportunities amongst the northern Caribbean group.

SECURITY

The countries of the Northern Caribbean are faced with some common security problems. In responding to these problems, their geographic proximity may be exploited for greater cooperation in this sub-region. From a Caribbean perspective, there is thus value in considering the sub-region, regardless of language difference, as a unit for thinking about and acting on the security challenges that these countries face. Such efforts are more likely to strengthen cooperation in the larger Caribbean region than to fracture and weaken it.

With the exception of Haiti, the countries of the Northern Caribbean have had regime stability and fairly strong party systems – in the case of Cuba a one-party system. And yet, in general, Caribbean states are vulnerable and fairly weak, particularly their law enforcement. (Haiti may be characterized as fragile and perhaps even as failed.) In some cases, there are profound problems of state legitimacy derived in part from global arrangements that threaten internal security and the domestic economy (for example, the impact of the drugs and arms trade), internal grievances which stem from a strong sense of exclusion from economic and social processes, and ineffective and often corrupt state institutions particularly in law enforcement. This brief suggests these issues are *central to the understanding of insecurity in the region and its remedy*.

COMMON PROBLEMS AND ISSUES

Organized crime

The countries of the sub-region are faced with several common problems. These include the activities of transnational crime organizations such as those involved in drugs, firearms and human trafficking, and the power and influence of these groups in the major urban centres and in critical institutions of the political system and state including law enforcement. The activities of these

KEY POINTS

- The power and influence of transnational crime organizations, especially in the major urban centres and in critical institutions of the political system and state pose a serious threat and have led to tensions between the respective states and the U.S.
- The impact of crimes that specifically target business such as protection rackets, competition from organized crime front firms in construction and entertainment, and unfair competition by legitimate firms that avoid customs duties has been significant.
- While there is considerable variability in the prevalence of corruption, it is problem common to all the countries.
- Cooperation and collaboration should be enhanced and improved intra-regionally, inter-regionally, and with the United States.

groups and their association with various political administrations in some of the countries of the sub-region at different points in time have led to tensions between the respective states and the U.S. These groups may also enable violent turns in the internal politics of these countries – as has been the case in Haiti and Jamaica.

The impact of crimes that specifically target business such as extortion and protection rackets, unfair competition by organized crime front firms in construction and entertainment, and unfair competition by legitimate firms that use the services of organized crime to avoid customs duties has been significant. In the cases of Jamaica and the Dominican Republic, it has been estimated that the negative impact on their growth rate has been significant.³ Fortunately, the incidents of other crimes that specifically target business persons and which are directly assaultive and life threatening such as kidnapping are non-existent in Cuba, the Cayman Islands and the Bahamas, rare in Jamaica (not to be confused with abductions) and have sharply declined and remain under control in Haiti.⁴

Limited Capacity

Countries may be faced with difficult problems but if they have the capacity and will to deal effectively with them, then confidence may be quickly regained and development goals realized. The difficulty is when the capacities are limited and the will is weakened by corruption. The response capacities and capabilities of most of the countries are limited. Haiti is perhaps the most extreme case. It remains highly dependent on the UN forces to guarantee political stability and to control crime. In Jamaica, this problem finds expression in impunity, that is, very low conviction rates for serious crimes. Some of these states are further weakened by high levels of indebtedness and insufficient regards for the rights of their populations.

Corruption

The problem of corruption is highlighted here because if left unchecked, it leads to criminal impunity. This problem of corruption is common to all but there is considerable variation in its degree in the different countries. Cuba, Jamaica, the DR, and Haiti ranked 69, 89, 101 and 146 respectively on the Transparency International Perceptions of Corruption index 2010. The higher the ranking, the lower the score and the more corrupt the country is perceived to be.

The efforts made to tackle corruption have had varying levels of success. There have been improvements in Cuba after the late 1980s and more recently in Haiti and Jamaica. It may be useful to reinforce the efforts by networking the anti-corruption agencies of the sub-region and permitting them to periodically clarify their strategies, share good practices and be mutually supportive. In this regard, it may be worthwhile examining the recent experiences with the NIAF in Jamaica which networks the different anti-corruption agencies.

³ See the UNODC and World Bank 2007. *Crime, Violence and Development: Trends, Costs and Policy Options in the Caribbean*. Report #37820.

⁴ These are reported incidents. There may be unreported cases of kidnapping that have been settled outside of the criminal justice systems.

COUNTRY PROFILES

The Bahamas

Its geography, in terms of its proximity to the USA, and being an archipelago of islands, has made the Bahamas an attractive transit point for drug-trafficking. In the 1970s and early 1980s, these islands were perhaps the main transshipment point for Colombian cocaine and Jamaican ganja to the USA. Later in the 1980s, the major drug networks were routed and a Commission of Inquiry established. The political administration installed in 1992 introduced a programme of police modernization and sanitization which has been relatively successful. Drug trafficking declined and so too did the homicide rate. The Bahamas continues to have problems with serious crimes and remains vulnerable to drug traffickers. The disruption of alternate routes into the USA presents a threat for the entire region but especially so for the Bahamas.

The Cayman Islands

This is a politically stable British colony. Its citizens enjoy a relatively high living standard from financial services and tourism. It however remains a vulnerable micro-state simply due to its size. The perception from the outside was that Cayman's financial sector was a place to launder money and avoid taxes. However, much has been done to improve regulation of the sector and to improve the perception along with it. The Cayman Islands face threats for the drug trade in two respects (a) money laundering and (b) the growth of a domestic market in illegal drugs.

Cuba

Cuba shares the sub-regions vulnerability as prime trafficking stop in the Caribbean and a destination for drugs.⁵ The Ochoa-de la Guardia purges of 1989 marked a change in the Cuban government's policies toward illegal drugs. In subsequent years the regime made a visible and mostly successful effort to set up new and elaborate drug-fighting institutions, to establish narcotics cooperation agreements with European and other Latin American states, and adopted an increasingly prohibitionist approach toward the use of drugs inside Cuba.

There is Cuba-Jamaica cooperation on drugs trans-shipment. Further cooperation is, however, limited by the problems in US-Cuba relations. The countries of region should press ahead with deeper cooperation on security issues and perhaps play a bridging role between Cuba and the US on these specific matters.

Jamaica

In June 2010, in response to the actions of the Christopher Coke led Shower organized crime group, decisive law enforcement action was taken. Since then, there has been a significant reduction in the incidence of violent crimes. The challenge in Jamaica now is to sustain this effort by strengthening the capacities and capabilities of law enforcement, the justice system, and the state

⁵ This profile relies heavily on the work of Rens Lee.

more generally. And from this platform, to improve and extend the social crime prevention measures to the most violence prone communities.

Jamaican law enforcement already actively cooperates with Cuba and Haiti and has an objective interest in strengthening sub-regional cooperation in order to more effectively tackle drugs and arms trafficking and transnational organized crime.

Dominican Republic

Like the other countries of the region, the DR also has a serious problem with transnational organized crime and problems associated with high levels drug-trafficking – criminal violence, money laundering, and corruption in law enforcement and in the political institutions. Mexican and Colombian networks already have a presence in the DR. White-collar crimes are also problematic for the economy and polity. This latter problem was highlighted after the collapse of the Banco Intercontinental in 2003 which revealed the complicity of the politicians with high level fraud.

Like the other countries of the region its response capabilities are compromised by serious corruption in law enforcement. The Dominican Republic, however, has relatively large naval assets. Together with Cuba they account for perhaps more than 85 percent of the human resources in the coast guards/navies of the sub-region.⁶ Greater coordination would provide improved collective security from traffickers transiting the sub-region and better protect the region from further penetration by Colombian and Mexican organized crime. The DR already actively cooperates with law enforcement agencies in Puerto Rico and as it shares a border with Haiti, it has a special interest in cooperation with that country.

Haiti

Haiti suffers from political instability, weak political-participatory institutions, and weak state institutions with histories of acting outside of the rule of law. The weak and corrupt state system facilitates the use of Haitian territory for the transshipment of drugs. Organized crime groups have emerged and are anchored in the slums of Port au Prince and other cities and have strong network linkages in Miami and other US cities and close ties to the competing political groups in Haiti. Haiti's political instability has made it a source of illegal guns for Jamaican gangs and illegal migration and large numbers of refugees to the DR, Bahamas and the USA.

The challenges for Haiti are therefore to build effective institutions of state. These include an electoral system that is respected and which has the confidence of the people and contestants, and effective police, justice, and correctional systems that operate on the principle of accountability. Law enforcement cooperation with the Dominican Republic has been productive if not tension free. Planned systematic cooperation with Jamaican law

⁶ This is a very rough estimate. The combined strength of the Cuban and DR navies is estimated to be 7,000.

enforcement is more recent and is developing. These relationships may be strengthened to the benefit of all.

RESPONSE ISSUES AND CHALLENGES

Intra-regional Cooperation

USAID has already begun to facilitate this process by staging meetings which involve the DR, Haiti and Jamaica. Perhaps it is time to include the Bahamas, the Cayman Islands and Cuba. We suggest that an exploratory meeting of police and intelligence chiefs be held.

Cooperation with the North

Strengthening cooperation between the sub-region and the US or other major powers must be done without being co-opted to their security agenda. This means fulfilling one's international responsibilities without unduly reallocating scarce security resources to the priorities of international partners to the neglect of national and regional priorities. The US has taken a new Caribbean security initiative. Their concern is primarily the protection of their "third border." Some \$45 million has been allocated to fund this initiative with the possibility of \$75 million in the following year.

Inter-regional Cooperation

Inter-regional cooperation includes drug and gun trafficking in a manner that reduces the collective vulnerability to balloon effects. Mutually supportive law enforcement and a common punishment regime may be considered.

Migration and trafficking

Since illegal migration and human trafficking are, by definition, an activity that operates between the states, greater cooperation on within the region is a necessary condition for success.

Capacity Building

There is a need for the transformation of the police and criminal justice systems. The sub-region can be mutually supportive of this. It is, for example, good to keep the police open to recruitment from outside of the region but there is need for a programme of leadership development that is perhaps best done as a regional initiative.

IDEAS FOR CONSIDERATION

1. Further advances in sub-regional cooperation will require dedicated mechanisms and structures to carry forward work on the common issues. This process should begin with an annual sub-regional meeting of commissioners of police and of military chiefs and coast guards.
2. Steps should be taken to develop a common plan for dealing with transnational organized crime. This requires new levels of cooperation with Colombia, Venezuela and the USA, and improved sharing of information within the entire group.

3. A joint plan for dealing with arms trafficking should be considered. This too will require the cooperation and support of the USA which is the primary source of the weapons.

THE FUTURE

Perhaps the most consequential security development in the wider region at the moment is the drug war in Mexico. If Mexico succeeds in seriously disrupting the major trafficking routes, the “cartels” are unlikely to give up on the American market. Caribbean routes will take on greater importance (See Appendix for map and drug trafficking data). This means efforts to make alliances with the stronger and better connected (politically) organized crime networks in the region and efforts to corrupt state and government officials. The softer targets with weaker more corruption prone law enforcement would be most vulnerable. The resources that are available under the US security plan for the region should be spent in a manner that ensures that the sub-region has the capacity to avoid making it a soft target.

APPENDIX

The Caribbean in Drug Trafficking

Source : World Drug Report 2010

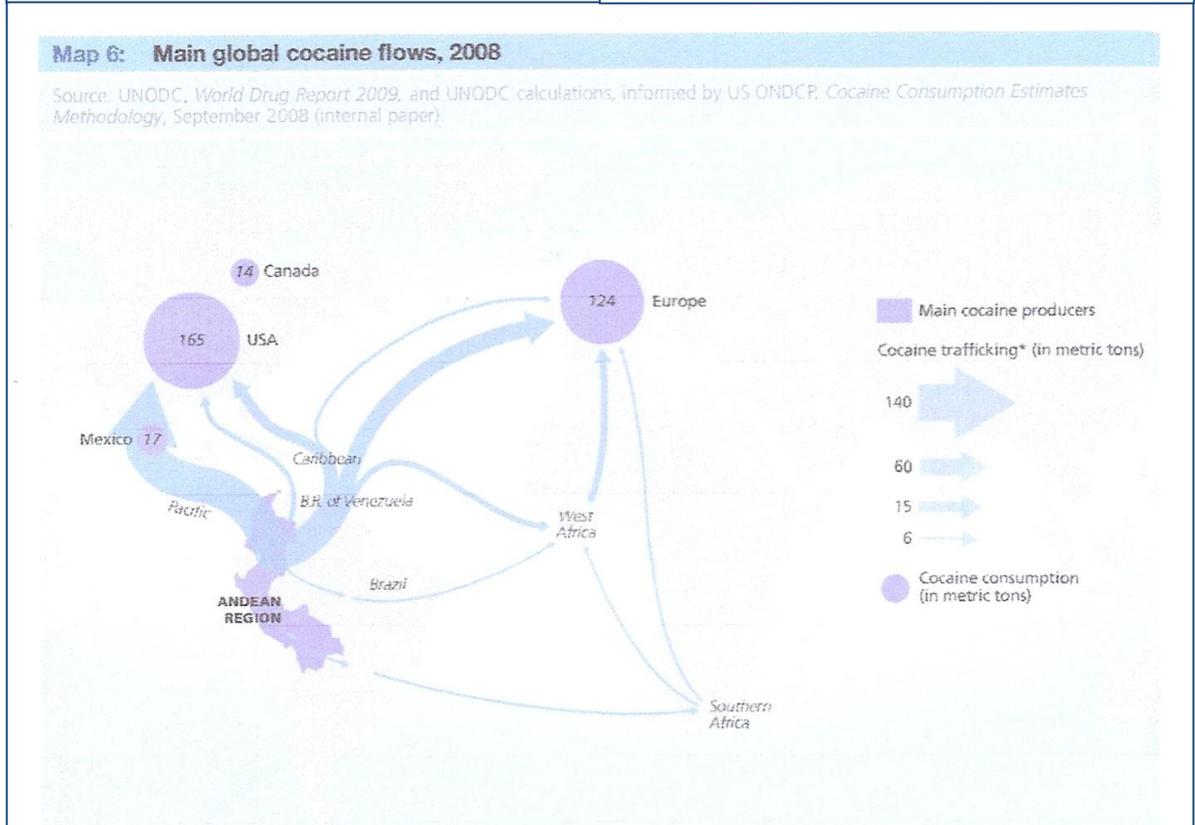
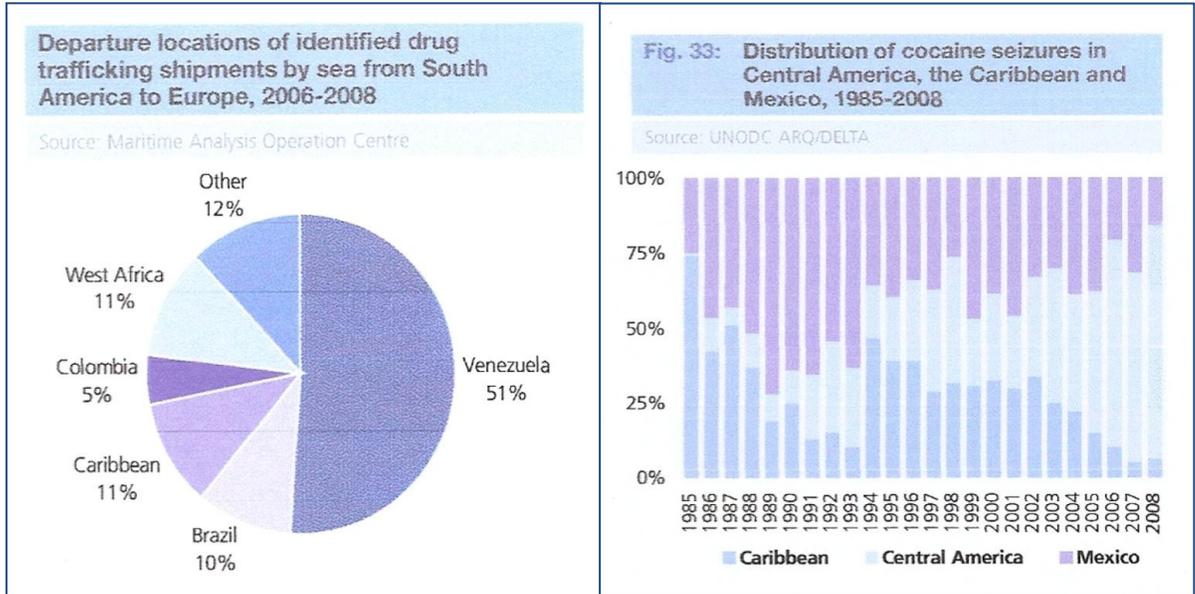


Fig. 161: Main source countries of cannabis resin reported to UNODC in the periods 2006-2008 and 2003-2005*

* Number of times that countries were identified as source countries, represented as proportion of countries reporting
Source: UNODC ARQ 2003-2008

