

2010

## And Then There Was One - An Overview of the Fifth Summit of the Americas

Christopher Malcolm

---

### Recommended Citation

Christopher Malcolm, *And Then There Was One - An Overview of the Fifth Summit of the Americas*, 16 LAW & BUS. REV. AM. 11 (2010)  
<https://scholar.smu.edu/lbra/vol16/iss1/3>

This Article is brought to you for free and open access by the Law Journals at SMU Scholar. It has been accepted for inclusion in Law and Business Review of the Americas by an authorized administrator of SMU Scholar. For more information, please visit <http://digitalrepository.smu.edu>.

# AND THEN THERE WAS ONE— AN OVERVIEW OF THE FIFTH SUMMIT OF THE AMERICAS

*Christopher Malcolm\**

## I. INTRODUCTION

**T**HE Fifth Summit of the Americas was held in Trinidad from April 17 through 19, 2009 under the theme “Securing our Citizens Future by Promoting Human Prosperity, Energy Security and Environmental Sustainability.” From a U.S. perspective:

The 2009 Summit was an opportunity for the United States to demonstrate that America remains a viable party in the hemisphere, committed to working with our neighbors in a spirit of partnership to uphold our shared values and pursue policies that bring direct benefits to all peoples of the Americas.<sup>1</sup>

Furthermore: “[t]he United States is at a critical moment in our relationship with the region, and we will remain engaged in a positive agenda. We face more challenges ahead, but the Summit provides a framework within which to address these challenges.”<sup>2</sup>

While the aspirations of the Caribbean people may not have been as clearly articulated, the purpose of the stated Summit, to promote human prosperity, energy security, and environmental sustainability, would have been paramount to all. Moreover, over time there has been increasing reliance on the good fortunes of the United States, and prosperity there redounds by remittances and other methods to the economic wellbeing of the Caribbean region.<sup>3</sup> It also follows that economic or other challenges being felt in the United States have debilitating implications for the re-

---

\* Dr. Christopher P. Malcolm is a Lecturer in the Faculty of Law at Mona, University of the West Indies and Partner with Malcolm Gordon, Attorneys-at-Law whose particular practitioner and research interest is in the field of Banking and Finance and more generally in the field of Economic Law and Development. He has been admitted to practice in Jamaica, British Virgin Islands, Saint Lucia, and Dominica and may be contacted by email: [chris@malcolmgordonlaw.com](mailto:chris@malcolmgordonlaw.com).

1. See U.S. Department of State, Summit of the Americas, <http://www.state.gov/p/wha/rt/soa> (last visited October 2009).

2. *Id.*

3. See generally Jean Grugel & Anthony J. Payne, *Regionalist Responses in the Caribbean Basin in NATIONAL PERSPECTIVES ON THE NEW REGIONALISM IN THE SOUTH A UNU/WIDER STUDY 198, 206* (Björn Hettne et al. eds., 2000); see also generally Esteban Perez Caldentey, ECLAC Sub-Regional Headquarters for the Caribbean, Special and Differential Treatment: Effects and Implications for Small Open Economies, Presentation for the Greater Caribbean in Trade Negotiations Semi-

gion. Recent events in the global economy have confirmed that the global financial sector is now so interconnected that ripples anywhere could result in consequential problems everywhere.<sup>4</sup>

At the time of the Summit, the most significant challenge faced by the Americas and the global village was an economic meltdown. This resulted from a financial crisis that was considered to have had its genesis in the United States. Given the abovementioned U.S. perspective and what was then clear and present danger of further economic erosion in domestic as well as hemispheric economies, the Summit should have provided a framework to address issues related to the financial crisis, such as perceived gaps in market regulation. While a broad based agenda would have had some merit, it would also have been necessary for the Summit to address these and other issues in a manner which properly accounted for the special and differential needs of Caribbean economies. Now, six months after the Summit has come and gone, it is worthwhile to establish what real and measurable benefits, if any, were derived—especially in relation to the still existing crisis in the financial sector. Furthermore, there is an urgent need to determine if there is a Summit influenced Caribbean plan of action that is being or is still to be implemented. And, if so, what specific targets are to be or will be met within an established time frame? It is also imperative to now determine how any such plan will benefit or has already benefitted the human prosperity of the Caribbean people.

## II. BACKGROUND

The Americas is not a homogenous region. It includes the Caribbean as well as North, South, and Central America. The several member states are distinct in system of governance, stage of development, legal tradition, language, and socio-historical variance. These states participate in the Summit of the Americas, which, for ideological reasons, does not include Cuba. As such, the Summit cannot be considered a Summit of the Western Hemisphere and the argument is well made that it should also not properly be considered a Summit of the Americas.<sup>5</sup>

The Preamble to the Summit Declaration indicates that:

[T]he Heads of State and Government of the democratic countries of the Americas, guided by a renewed spirit of cooperation, integration and solidarity [had] gathered in Port of Spain at the Fifth Summit of the Americas, with a firm commitment to protect and promote the political and civil liberties and improve the social, economic and cultural well-being of all our peoples by advancing joint solutions to the

---

nar-Workshop (July 14-15, 2003), [http://www.acs-aec.org/Documents/Trade/Projects/ACS\\_TD\\_002/Perez\\_SDT\\_Impact\\_En.pdf](http://www.acs-aec.org/Documents/Trade/Projects/ACS_TD_002/Perez_SDT_Impact_En.pdf).

4. See *Economic Crisis in a Globalized World*, PBS, Nov. 21, 2008, <http://www.pbs.org/wnet/wideangle/uncategorized/how-global-is-the-crisis/3543/>.

5. See Deborah Tedford, *Cuba Seizes Spotlight at Summit of Americas*, NPR, Apr. 17, 2009, <http://www.npr.org/templates/story/story.php?storyId=103210072>.

most pressing challenges facing our Hemisphere.<sup>6</sup>

The need for joint solutions should have been at the core of every deliberation. Accordingly, whatever else may have been accomplished, if no joint solutions resulted then the Summit could not be considered a success. Furthermore, given the then overriding global financial sector crisis and its debilitating implications for the Hemisphere, if the solutions devised did not impact the financial sector and the economy more generally in a positive way, then time spent would have been wasted.

### III. THE SUMMIT

The Summit of the Americas is an initiative of the Organization of American States. The overall objective is to: “[b]ring together the Heads of State and Government of the Western Hemisphere to discuss common concerns, seek solutions and develop a shared vision for their future development of the region, be it economic, social or political in nature.”<sup>7</sup>

Laudable as this objective is, it should be recognized that the Summit is not intended as a workshop. Accordingly, broad outline plans of action rather than detailed strategies for implementation should be anticipated. Nevertheless, the spirit of each Summit, as well as the Declarations and Commitments made there, must be examined to determine whether it turned out to be a grand social occasion or an established first step towards the accomplishment of a desired end. Furthermore, each Summit should be followed by the crafting of detailed strategies as well as work programs that in fact secure implementation of what was agreed in principle.

The first Summit was held in Miami in 1994. Since then, there have been four other regular Summits—including the last one in Trinidad, and two Special Summits. Each Summit has a special theme or focus which identifies priorities for the upcoming years as envisioned by the host government in consultation with the other Member States.<sup>8</sup> The next Summit will be held in Colombia. There was a formal transfer of Chairmanship from Trinidad to Colombia on September 21, 2009.<sup>9</sup>

Hosting a Summit is an important undertaking, requiring significant political, financial, human, and other resources. Hosting is considered a source of pride and, like with major sporting events, it would not be unusual for a state to undertake the hosting of a Summit without sufficient regard for the undue financial strain or dislocation that it could cause. This Summit would have been no different on this front, and there is no

---

6. Declaration of Port of Spain, Preamble, Apr. 19, 2009, [http://www.summit-americas.org/V\\_Summit/decl\\_comm\\_pos\\_en.pdf](http://www.summit-americas.org/V_Summit/decl_comm_pos_en.pdf).

7. See Summits of the Americas, Information Network, <http://www.summit-americas.org> (last visited Oct. 2009).

8. See Fifth Summit of the Americas, <http://www.fifthsummitoftheamericas.org> (last visited Oct. 2009).

9. See Summit of the Americas, Colombia to Host Sixth Summit of Americas, <http://www.summitamericas.com> (last visited Oct. 2009).

doubt that Trinidad and Tobago would have expended significant resources in preparing for and delivering the Fifth Summit.<sup>10</sup> Against this background, the questions now are whether the event was worth the sacrifice; and whether Trinidad and Tobago, as well as the general region, derived worthwhile consequential benefits.

As the proceedings came to a close, it was apparent that the Summit had not secured or was never intended to secure an urgent or implementable plan of action. This is reflected in the Declaration of Port of Spain, which was signed on April 19, 2009 by Prime Minister Patrick Manning.<sup>11</sup> It includes ninety-seven numbered paragraphs, none of which represent a bankable commitment to do anything.

For example, given the then existing problems in the financial market and the world economy more generally, it is regrettable that the Summit could do no better than declare:

We are committed to addressing the current economic and financial crisis in order to achieve our objectives of promoting human prosperity and securing our citizen's future. We are [also] determined to enhance our cooperation and work together to restore global growth and achieve needed reforms in the world's financial systems.<sup>12</sup>

In every other material respect, the Port of Spain Declaration lacks a sense of urgency and compares unfavorably with, say, the Group of 20 (G-20) Declaration on Strengthening the Financial System, which was concluded in London on April 2, 2009. The G-20 Parties then agreed major reforms to include:

1. Expansion of the Financial Stability Forum, which would be given broadened mandate to promote financial stability and re-established with a stronger institutional basis and enhanced capacity as the Financial Stability Board (FSB);
2. Specific measures that strengthen international cooperation, including the support of continued efforts by the International Monetary Fund (IMF), FSB, World Bank, and Basel Committee on Banking Supervision (BCBS) to develop an international framework for cross-border resolution arrangements;
3. Strengthening international frameworks for prudential regulation, including an intention to develop and agree by 2010 a global framework for promoting stronger liquidity buffers at financial institutions;
4. Revisiting the scope of regulation to determine appropriate degree and oversight, including an intention to amend their regulatory systems to ensure that authorities are able to identify and take account of macro-prudential risks across the financial system. In this

---

10. The actual cost of the Summit has not been made available. But Prime Minister Manning has indicated that it was an estimated 350 million dollars and from all indications it was over budget.

11. *Declaration of Port of Spain*, *supra* note 6, para. 7.

12. *See Id.*

- regard, they have called upon the FSB to work with Bank for International Settlements (BIS) and international standard setters to develop macro-prudential tools and provide a report by autumn 2010;
5. Requiring national supervisors to ensure significant progress in the implementation of appropriate compensation structures among financial firms by the 2009 remuneration round;
  6. Taking necessary steps to protect against risks posed by 'tax havens'. It is interesting to note that on the very day of the Declaration the OECD published a list of countries assessed by the Global Forum against an international standard for exchange of information. Furthermore, the G-20 then specifically declared, without input from these tax havens, that they stand ready to take action against those jurisdictions which do not meet international standards in relation to tax transparency;
  7. Requiring accounting standard setters to take action by the end of 2009 that, *inter alia*, reduce complexity of accounting standards for financial instruments and make significant progress towards a single set of high quality global accounting standards;
  8. Taking steps to ensure more effective oversight of the activities of Credit Rating Agencies.<sup>13</sup>

The G-20 also then agreed to:

Instruct our Finance Ministers to complete the implementation of these decisions and the attached action plan. [And] we have asked the FSB and the IMF to monitor progress, working with the FATF and the Global Forum, and to provide a report to the next meeting of our Finance Ministers and Central Bank Governors.<sup>14</sup>

There are indeed many a slip betwixt the cup and the lip and much of what is intended by the G-20 may not be accomplished in a timely manner or at all. But, their approach makes a mockery of the generic and non-specific approach adopted at the Summit of the Americas. Furthermore, the G-20 Meeting preceded the Summit and its clear implications should have been considered, even as a last minute agenda item, and accounted for in the Declaration of Port of Spain.

Against this background, it is difficult to determine what real benefits could have been derived from the 2009 Summit. It now appears, for example, that there is no discernible Summit plan of action that is capable of implementation. Furthermore, no clear attempt was made at the Summit to distil the implications of the G-20 plan of action, especially for the small States of the Caribbean. Nor was any attempt made to determine how these States can become more involved in the global standard-set-

---

13. Declaration on Strengthening the Financial System, London, U.K., Apr. 2, 2009, [http://www.g20.org/Documents/Fin\\_Deps\\_Fin\\_Reg\\_Annex\\_020409\\_-\\_1615\\_final.pdf](http://www.g20.org/Documents/Fin_Deps_Fin_Reg_Annex_020409_-_1615_final.pdf).

14. The Group of 20 [G20], Global Plan Annex: Declaration on Strengthening the Financial System, Apr. 2, 2009, <http://www.g20.utoronto.ca/2009/2009ifi.html>.

ting arrangements in ways that will enable them to better protect their aspirations for growth and prosperity.

#### A. POST MORTEM

One of the most telling synopsis—improperly so called—of the Fifth Summit of the Americas—has been a captioned pictorial which shows two luxury cruise-ships which had been rented for two weeks to accommodate delegates, luxury buses for their transportation; a fleet of motor cars, specialized security equipment, and mention of upgraded health care facilities. These had all been acquired or financed specifically for the Summit at significant cost.<sup>15</sup> The pictorial ends with Prime Minister Patrick Manning of Trinidad and Tobago sitting by himself when signing the Declaration of Port of Spain.<sup>16</sup>

This pictorial is to be considered in light of the fact that public pronouncements emanating from or supported by Government of Trinidad and Tobago rhetoric had caused many of their nationals, as well as persons across the broader Caribbean region, to expect that the Fifth Summit of the Americas would deliver measureable benefits. Many may also have been led to believe that it would in fact promote their aspirations for economic development and prosperity.<sup>17</sup> There were still many others, however, that were skeptical and had expected that it would be no more than a talk shop.

The question now is whether the skeptics got it right and if the sense of morbidity connoted by the expression ‘post mortem’—as coined in this paper—would be misplaced when considering the discernable or lack of results of the Fifth Summit. Timing is of the essence and, although the Summit could not itself be held responsible for the continued and now more pronounced economic erosion across the region, one has to consider whether the sequence of events that have since unfolded could cause an exuberant skeptic to declare that the Summit was a ‘kiss of death’ for Caribbean economies.

Since the Summit, events have included: a renewed U.S. effort to clamp down on perceived tax havens, including financial centers in the Caribbean; ongoing attempts to reform the regulatory framework for the

- 
15. See Clint Chan Tack, *What's Real Summit Cost?* (2009), <http://www.newsday.co.tt/news/0,98915.html> (explaining although the actual cost of the Summit has not been made available, Prime Minister Manning has indicated that it was an estimated \$350M and from all indications it was over budget); see also Gail Alexander, *Imbert: Luxury buses to be used for charters*, *Trinidad & Tobago Guardian*, Apr. 22, 2009, <http://guardian.co.tt/news/general/2009/04/23/imberty-luxury-buses-be-used-chartery>; see also 5th Summit of the Americas, *Information for International Participants to the Pre-Summit Events*, Apr. 10, 2009, [http://fifthsummitoftheamericas.org/information\\_for\\_international\\_participants\\_to\\_the\\_pre-summit\\_events.htm](http://fifthsummitoftheamericas.org/information_for_international_participants_to_the_pre-summit_events.htm).
  16. See Francis Joseph, *Manning Stands Alone. . . A Summit in Shambles*, *TRINIDAD & TOBAGO GUARDIAN*, Apr. 19, 2009, <http://guardian.co.tt/news/general/2009/04/20/summit-shambles>.
  17. See *5th Summit of the Americas What's in it for Us?*, *TRINIDAD & TOBAGO GUARDIAN*, Apr. 16, 2009, <http://guardian.co.tt/news/general/2009/04/16/what-s-it-us>.

global financial sector, without any meaningful involvement, if any involvement at all, of the Caribbean States; the continued stalling in relation to the long expressed intention to establish a Free Trade Area of the Americas (FTAA); and a lack of meaningful progress in relation to the implementation of the Caribbean Community (CARICOM) Single Market and Economy (CSME).

## B. TAX HAVENS

Tax havens, as some would call them, represent what have become viable international financial centers in the Caribbean region. In addition to what are considered to be onshore or domestic financial activities, they provide financial services to persons from outside their own jurisdiction. Offshore activities have grown in significance over time and have been considered to have a greater capacity than onshore financial activities to stimulate economic development.<sup>18</sup>

Offshore activities have translated into significant contributions to foreign exchange earnings and consequential improvement in economic performance for several Caribbean economies. In the Bahamas, for example, the offshore banking sector at one point accounted for over fifteen percent of Gross Domestic Product (GDP), generated over \$500 million dollars in foreign exchange earnings, and employed over 3,500 locals. While in Bermuda, the offshore financial sector has at one point accounted for over twenty percent of GDP and has been the world's largest captive insurance centre. In 1994, for example, mutual funds registered in Bermuda had over eight billion dollars in net assets.<sup>19</sup>

Whatever their limitations may be, including that they rely almost exclusively on the earnings generated by foreign economies, offshore financial activities have figured prominently in Caribbean economies that have performed well in terms of per capita income. A recent comparison between Jamaica and Antigua on this point is instructive. Whereas Antigua has diversified away from agriculture, the Jamaican economy still relies on export agriculture.<sup>20</sup> Antigua ventured into and has had significant involvement in offshore financial activities, which contributed significantly to a 1998 per capita income level of \$8,300 dollars.<sup>21</sup> On the other

- 
18. See generally Alvin G. Wint, *COMPETITIVENESS IN SMALL DEVELOPING ECONOMIES: INSIGHTS FROM THE CARIBBEAN 25* (Univ. of the West Indies Press Mona 2003).
  19. See generally Dave Seerattan, *International and Regional Trends in the Provision of Financial Services*, in *NEW TRENDS AND CHALLENGES FOR FINANCIAL SERVICES SECTOR IN THE CARIBBEAN* (1996).
  20. Compare World Factbook, Antigua and Barbuda GDP Composition by Sector, <https://www.cia.gov/library/publications/the-world-factbook/geos/ac.html> (last visited Oct. 2009) with World Factbook, Jamaica GDP Composition by Sector, <https://www.cia.gov/library/publications/the-world-factbook/geos/jm.html> (last visited Oct. 2009).
  21. Antigua Gross National Income per Capita in 2000=\$8085—Optional Cite K: Antigua and Barbuda Economic Indicators, UN Data <http://data.un.org/CountryProfile.aspx?crName=Antigua%20and%20Barbuda>.

hand, Jamaica had a 1999 per capita income level of \$2,330 dollars.<sup>22</sup>

With external encouragement over time, including from International Financial Institutions (IFIS), some Caribbean economies have sought to diversify away from agriculture and rely more on services including off-shore financial services. But, it now appears that these activities may still not represent a suitable long term replacement for agriculture or a viable development strategy.<sup>23</sup> Also, another critical activity into which Caribbean economies have diversified is also fragile and has been buoyed by spinoffs from offshore financial activities.<sup>24</sup>

Without sufficient regard, it appears, for the dynamics of offshore international financial centers and their value to the Caribbean region, the United States and the Organization for Economic Cooperation and Development (OECD) States have now adopted a more hard line approach requiring all jurisdictions to comply with what they have devised as international standards in prudential, tax, anti-money laundering/counterterrorist financing areas. While the tax element may be firmly rooted in an underlying concern that nationals of these jurisdictions should not be permitted to avoid tax and other financial liability in their own States, there is a short-sighted lack of appreciation for the fundamental role that international financial centers have had in global economic expansion. In 2007, the British Virgin Islands, for example, accounted for forty-seven percent of registered global offshore companies, many of which were conduits for business activities in China.<sup>25</sup> Furthermore, these 'tax havens' are themselves part of the global village that has been promoted by the OECD and it is ironic that the demise of one set of villagers is intended by another set of villagers.

Be that as it may, the termination of international financial centers should not be plotted without also considering significant imbalances relating to foreign investment from developed countries into developing

22. Jamaica Gross National Income per Capita in 2000 = \$2920.7—Optional Cite M: *Jamaica Economic Indicators*, UN Data, <http://data.un.org/CountryProfile.aspx?crName=Jamaica>. See generally Esther C. Suss et al, *Caribbean Offshore Financial Centers: Past, Present, and Possibilities for the Future* 17, 26 (Jun. 6, 2002) (unpublished manuscript, on file with the IMF), <http://www.imf.org/external/pubs/ft/wp/2002/wp0288.pdf>.
23. See generally T.M.A. Farrell, *Caribbean Economic Integration: What Is Happening Now; What Needs To Be Done in Caribbean Imperatives: Regional Governance and Integrated Development* 177, 191 (2005); see also generally Nand C. Bardouille, *The Offshore Services Industry in the Caribbean: A Conceptual and Sub-regional Analysis*, 2 INT'L J. OF ISLAMIC FIN. SERVICES NO. 3.
24. See generally CARICOM Secretariat *Caribbean Trade and Investment Report 2005* (Ian Randle Publishers Kingston 2006); and also generally *Caribbean Business Environment Social Sciences Study Guide vol. II* (University of the West Indies Bridgetown Barbados 1998)[hereinafter *Study Guide*]; see also generally D Seeretan 'International and Regional Trends in the Provision of Financial Services' in *New Trends and Challenges for Financial Services Sector in the Caribbean* (Caribbean Centre for Monetary Studies St Augustine October 1996).
25. See generally JS Archibald, *The Evolution of the Legal Framework of the British Virgin Islands*, an Interview published in *Business BVI* on Monday January 1, 2007 <http://www.businessbvi.com/articles/the-evolution-of-the-legal-framework-of-the-british-virgin-islands/> (Last visited Oct. 2009).

countries. While investment has been considered an important component for the economic development of the Caribbean region, there are significant negative implications.<sup>26</sup> For example, foreign investment usually results in repatriation of profits and longer term depletion of the host country's foreign exchange earnings.<sup>27</sup> Furthermore, it often requires an incentives approach under which investors provide capital to artificial colonies that serve metropolitan needs for cheap sources of raw materials and exotic products.<sup>28</sup>

In much the same way that the OECD countries are concerned about loss of tax earnings from their nationals, equity and fairness now recommend that they take such steps as are necessary to prevent their nationals from depleting the resources of vulnerable States for their benefit. These steps would, *inter alia*, require an overhaul of bilateral and other arrangements which grant unfair advantages to nationals of OECD countries and their economies more generally so as to secure economic justice for all. This suggested approach represents a pipe dream which, nevertheless, emphasizes the dichotomous and inherently unfair nature of international relations.

The case for protecting international financial centers could have been voiced at the Summit, however, a broad based discussion involving its related international relations components was not undertaken and the seminal importance of these centers has not been captured in the Declaration of Port of Spain. Furthermore, there is no clear plan of action that was agreed to, or work program embarked upon, since that would be specifically geared toward their preservation and would be able to secure a rebalancing of approaches to foreign investment and areas of possible concern.

### C. REGULATORY REFORM

The rationale for financial regulation may be considered to be unequal bargaining power, information inadequacies, and distributional justice.<sup>29</sup> Nevertheless, its underlying objective could be summarized as the promotion of effective and efficient capital accumulation and resources allocation in a safe and sound financial environment. While this objective would resonate across all jurisdictions, the method of regulation is not uniform and would in each case be influenced by the relevant theoretical and political considerations.<sup>30</sup>

- 
26. See generally *Study Guide*, *supra* note 24; see also generally Wint, *supra* note 18, at 82.
  27. See generally R. SARKER, *DEVELOPMENT LAW AND INTERNATIONAL FINANCE* 240 (2nd ed. Kluwer Law International, The Hague 2002).
  28. See generally Maurice A. Odle, *Technology Leasing as the Latest Imperialist Phase*, 28 *SOC. & ECON. STUD.* 189-233 (1979).
  29. See generally C GOODHART, ET AL, *FINANCIAL REGULATION: WHY, HOW AND WHERE NOW?* 2 (1998); see also R BALDWIN & M CAVE, *UNDERSTANDING REGULATION: THEORY, STRATEGY AND PRACTICE* 9-17 (1999).
  30. See generally ALAN C. PAGE & ROBERT B. FERGUSON, *INVESTOR PROTECTION* 9-17 (1992); see also generally GOODHART, *supra* note 29, at 144.

Since the global financial crisis, it has become more apparent that there is a need for fundamental regulatory reform in the financial system at the domestic, regional, and international levels. This need is now being actively considered by the United States at its highest domestic political and economic levels as well as through involvement with the G-20 and other international standard bearers.<sup>31</sup> The process is painstaking but it is anticipated that clear and decisive, even if inadequate, action will be taken in the United States.

While there has been talk of the need for financial regulatory over-view—if not reform, the Caribbean approach at the domestic and regional levels has lacked coherence and a sense of urgency. No bankable attempts have been made to craft and secure immediate implementation of a regional strategy, and no real basis has yet been established for meaningful participation in the global standard-setting process or that would be able to sufficiently instruct reform activities at the international level.

The Summit was held at a critical juncture, and every effort should then have been made to craft, or to at least establish, a plan of action for the creation of a hemispheric strategy for inclusion in the global agenda for reforming the financial system. Unfortunately, there is no evidence that this was even attempted, and for that purpose, the Summit would have to be considered a failure.

#### D. FREE TRADE AREA OF THE AMERICAS

Over the last thirty or so years, the orientation of the economies of the Caribbean region has become more dependent on the United States for trade and investment. But, the socio-historical experiences of the Caribbean, as well as the current trade and investment arrangements involving Caribbean States, suggest that the EU will remain a critical factor in their trade relations.<sup>32</sup> Caribbean States have been involved through CARICOM in negotiations for entry into a Free Trade Area of the Americas (FTAA), which is an outgrowth of the North American Free Trade Agreement (NAFTA).<sup>33</sup>

The three primary concerns of the FTAA are the development and strengthening of free market infrastructures, the establishment and maintenance of democratic and accountable political institutions, and adher-

---

31. See generally G-20, *Declaration on Strengthening the Financial System*, Apr. 2, 2009, [http://www.g20.org/Documents/Fin\\_Deps\\_Fin\\_Reg\\_Annex\\_020409\\_-\\_1615\\_final.pdf](http://www.g20.org/Documents/Fin_Deps_Fin_Reg_Annex_020409_-_1615_final.pdf).

32. See generally Michael Witter et al, *Measuring and Managing the Economic Vulnerability of Small Island Developing States* 13, 32 (May 9-10, 2002) (unpublished manuscript, on file with the Small Island Developing States Network), [http://www.sidsnet.org/workshop/Jamaica\\_rt\\_presentations.html](http://www.sidsnet.org/workshop/Jamaica_rt_presentations.html).

33. See generally Kevin P. Gallagher & Timothy A. Wise, *NAFTA: A Cautionary Tale*, Americas Program (Silver City, NM: Inter-hemispheric Resource Centre, Oct. 24, 2002), available at <http://www.americaspolicy.org/commentary/2002/0210ftaa.html>.

ence to the rule of law.<sup>34</sup> These concerns represent an initiative that should enable Caribbean Member States to pursue sustainable economic development through the creation of a favorable, predictable, transparent, and stable hemispheric climate for trade and investment.<sup>35</sup>

Progress in relation to the FTAA has stalled, and one commentator has described it as “dead in its current form [and] now not even on life support”.<sup>36</sup> Given the significant work that has been done in relation to the FTAA and its promise to improve conditions for trade and investment in the Western Hemisphere, it is regrettable that the Summit did not consider it as an important agenda item. More regrettable even that the United States, as principal movers and shakers of this initiative, has not sought to properly disengage the process or encourage its progress in an orderly manner.

#### E. CARICOM SINGLE MARKET AND ECONOMY

In 1989, the Conference of Heads of Government of CARICOM Member States (CHG) agreed to establish the CSME. Since then, the single market component has been implemented, at least in principle, but the single economy component that was scheduled for implementation in 2008 has still not been implemented.<sup>37</sup>

The general objectives of the CSME, as agreed to by the CHG, are maximization of labor and capital, competitive production of goods and services, and consequential improvements in standards of living and sustained economic development.<sup>38</sup> The key elements of the initiative include free movement of goods and services, right of establishment, common external tariffs, free movement of capital, and a common trade policy.<sup>39</sup>

Full implementation of the CSME is anticipated to increase critical economic mass and enable deeper penetration of external trading markets.<sup>40</sup> Furthermore, full implementation should also make the region more attractive to foreign investors and at the same time enable regional

---

34. See generally Free Trade of the Americas [FTAA], *The Third Draft FTAA Agreement*, General Provisions art. 2, Nov. 21, 2003, [http://www.ftaa-alca.org/ftaadraft03/index\\_e.asp](http://www.ftaa-alca.org/ftaadraft03/index_e.asp); see also generally JOSEPH J. NORTON, FINANCIAL SECTOR LAW REFORM IN EMERGING ECONOMIES 269 (2000).

35. *Id.*

36. See Elpert Fitzwarren, *Personality of the Year—Ambassador Richard Bernal: CARICOM's Deal Broker*, JAMAICA GLEANER, Jan. 4, 2008, <http://www.jamaicagleaner.com/gleaner20080104/business/business4.html>.

37. See generally PRODUCTION INTEGRATION IN CARICOM: FROM THEORY TO ACTION, Introduction, xv (Denis Benn & Kenneth Hall eds., 2006); see also generally Norman Girvan, *Towards a Single Development Vision and the Role of the Single Economy*, [http://www.caricom.org/jsp/single\\_market/single\\_economy\\_girvan.pdf](http://www.caricom.org/jsp/single_market/single_economy_girvan.pdf) (last visited October 2009).

38. See generally The CARICOM Single Market and Economy (CSME), [http://www.caricom.org/jsp/single\\_market/single\\_market\\_index.jsp](http://www.caricom.org/jsp/single_market/single_market_index.jsp) (last visited October 2009).

39. *Id.*

40. See generally Knight Points to Benefits of CSME, JAMAICA OBSERVER (2004), <http://www.jamaicaobserver.com/news.asp>.

entrepreneurs to have increased access to international markets.<sup>41</sup>

Notwithstanding that the *Revised Treaty* as well as the *Grand Anse Declaration* articulates an equivocal intention to fully implement the CSME, there has been dithering within the region.<sup>42</sup> This dithering continues as Member States have not been bold enough to undertake the required harmonization of laws as well as the implementation of agreed supporting standards.<sup>43</sup> Furthermore, Member States are also required to but have yet failed to concede sufficient aspects of their political autonomy to the CHG without which the CSME cannot function as intended.<sup>44</sup>

Given the seminal economic role that is to be performed by the CSME, any Summit involving the Caribbean region that does assist its progress must be considered inadequate. Significant time and resources have already been spent analyzing the possible benefits of, as well as implementation needs for, the CSME. Henceforth, talk without more must be considered cheap and a grand waste of scarce resources. Until its full and practical implementation has been secured, it can be concluded that there has been a continued lack of meaningful progress in relation to the CSME.

#### F. CLOSING REMARKS

On a more general note, event hosting should involve critical cost-benefit analysis. If the numbers and justifiable intangibles do not indicate that verifiable benefits will be derived, then hosting should be reconsidered.

The Caribbean staging of the ICC Cricket World Cup 2007 is a case in point. The staging involved a well conceived marketing blitz and was able to secure critical support from regional governments. In the final analysis, however, the event failed to measure up to the hype, and the skeptics—who had doubted its capacity to deliver verifiable benefits from day one, were vindicated.

The World Cup did not realize reasonable return on investment and, in its wake, left taxpayers with outstanding direct and indirect financial obligations to contractors, financiers, and other persons.<sup>45</sup> The event also left

---

41. *Id.*; see also generally Richard Bernal, *The Role of the Single Market and Economy in Preparing CARICOM for Challenges of Globalisation* (Apr. 18, 2002) (unpublished manuscript).

42. See generally Revised Treaty of Chaguaramas Establishing the Caribbean Community Including the CARICOM Single Market and Economy, Preamble, 2001, <http://www.caricom.org/archives/revisedtreaty.pdf> [hereinafter *Revised Treaty*]; see also generally *Grand Anse Declaration and Work Programme for Advancement of the Integration Movement*, in RE-INVENTING CARICOM: THE ROAD TO A NEW INTEGRATION 205 (Kenneth Hall ed., 2nd ed., 2003).

43. Revised Treaty, *supra* note 42, at art. 74.

44. *Id.* at art. 46.

45. See *Cricket World Cup 2007 in Barbados—Alarm Bells going off at Cost v. Income Balance Sheet*, Barbados Free Press, Oct. 27, 2006, <http://barbadosfreepress.wordpress.com/2006/10/27/cricket-world-cup-2007-in-barbados-alarm-bells-going-off-at-cost-vs-income-balance-sheet/>.

white elephants, otherwise called new stadia, with no discernable plan for revenue generation or upkeep without resort to the public purse. One such stadium, the Trelawny Multi-purpose Stadium in Jamaica, is now publicly ridiculed for being no more than an expensive cow pasture or goat pen.<sup>46</sup>

The verdict is still out on the Fifth Summit. But, if the Declaration of Port of Spain is indicative of what was accomplished, then it will be difficult to measure or verify any long term benefits for the host country or the region as a whole.

#### IV. CONCLUSION

Prime Minister Patrick Manning had sought to convince the people of Trinidad and Tobago that expenditure of scarce resources on the Summit of the Americas would inure to the benefit of that country and the Caribbean region. But there were those who then expressed a view that the intended Summit would ultimately prove itself to have been an unaffordable talk shop.

As had been agreed, Prime Minister Manning signed the Declaration of Port of Spain by himself. This approach presented no real opportunity, conveniently so perhaps, for embarrassing dissents or abstentions. The Declaration was guarded in its language and included no real plan of action. Since then, the global agenda for change in the financial sector and other economic reform has been moving apace without real, if any, input from the Caribbean States, although the changes to be implemented will have significant implications for their economies.

To date, it is difficult to establish any tangible benefit that would have been derived by the Caribbean region from the Summit. Furthermore, it is clear that some of the issues that should have been most important to these vulnerable economies, such as the treatment of international financial centers and the rebalancing of approaches to foreign investment, were hardly broached. Against this background, the skeptics would argue that they were correct and that Prime Minister Manning had gone off on a whim or fancy of his own that should have been avoided. They would also now conclude, and it is difficult not to support their argument, that the Summit time could have been better spent.

---

46. See Mark Cummings, *Where is the Marketing Plan for Trelawny's Multi-purpose Stadium?*, Jamaica Observer, Jan. 31, 2008, [http://www.jamaicaobserver.com/westernnews/html/20080130T200000-0500\\_131963\\_OBS\\_WHERE\\_IS\\_THE\\_MARKETING\\_PLAN\\_FOR\\_TRELAWNY\\_S\\_MULTI\\_PURPOSE\\_STADIUM.asp](http://www.jamaicaobserver.com/westernnews/html/20080130T200000-0500_131963_OBS_WHERE_IS_THE_MARKETING_PLAN_FOR_TRELAWNY_S_MULTI_PURPOSE_STADIUM.asp)

