

The Caribbean in President Obama's Trade Policy

What can the Caribbean expect from the United States under the forthcoming Obama Administration? No more than the Caribbean is able to negotiate for itself.

Undoubtedly, the ascendance of Barack Obama to the White House will bring a change in U.S. foreign and trade policy that is more engaged and collaborative. As President, Mr. Obama's trade policies will, however, continue to be guided by an assessment of what is in the best interests of the United States. Here is what Barack Obama has said about what we can expect from his trade policy:

- Trade with foreign nations should strengthen the American economy and create more American jobs. He is opposing confirmation of a negotiated trade agreement with South Korea because he does not think that it guarantees sufficient access for key U.S. products.
- The fight for fair trade will mean a trade policy that opens up foreign markets to support the creation of good-paying jobs in America. One priority of Mr. Obama and the Democratic-led Congress is passage of legislation expanding the program that provides assistance to workers displaced by the effects of trade agreements.
- Trade agreements will be used to spread good labor, safety, and environmental standards around the world. Mr. Obama voted against CAFTA and is opposing the passage of a US-Colombia FTA unless its labor and environmental provisions are strengthened. The recent scares involving poisonous Chinese products exported around the world further support a heightened focus on enforcing sanitary and phyto-sanitary standards.
- Trade policy will focus on the enforcement of existing trade obligations by U.S. partners, in particular China.

Advancing the Caribbean Agenda

Well, what about the Caribbean? President-elect Obama has not focused on or visited any country in Latin America or the Caribbean. His policy platform on Latin America and the Caribbean states in general terms his commitment to re-establish U.S. leadership in the hemisphere and to increase democracy, security and economic opportunity in the region. Therefore, the Caribbean should first expect to have to educate Mr. Obama's Administration about the issues facing the region and on those opportunities that exist to work in partnership to advance his platform in the hemisphere.

There are two priority issues for Mr. Obama that could provide this opportunity – US-Brazil relations and energy. One way to get the attention of the Obama Administration is in the context of the growing engagement and leadership role in the region of Brazil, whose policies could be seen as a challenge to U.S. leadership but which Mr. Obama is more likely to treat as an ally.

The two countries also share an interest in the production of renewable energy. This is another area of huge interest to the Caribbean and one of the areas of collaboration with Brazil, in particular the production of ethanol from sugar. Mr. Obama has also said that he favors developing closer relations and expanding the production of renewable energy across Latin America and the Caribbean through bio-fuel partnership agreements, such as the one signed by the Bush administration in 2007. At the same time, it must be noted that this position is undermined by Mr. Obama's expressed support for the less-efficient U.S. corn-based ethanol production and of a tariff on sugar-based ethanol from Brazil. Mr. Obama is, however, an intelligent and fast learner and the region can play a role in his education.

So too can U.S. business allies of the Caribbean. As the region hopefully expands its production of bio-fuels, from where will it procure the equipment, technology, and funding that it needs? Undoubtedly, both U.S. and Brazilian manufacturers will become increasingly interested in providing the solutions that the region seeks.

The region may also have the opportunity to educate Mr. Obama's administration on another issue as well – the need to revise the current rigid format that the United States uses to negotiate all of its free trade agreements. It is almost certain, however, that the Obama Administration will not be rushing to negotiate any new trade agreements in the near future. Indeed there have been calls within his party for a moratorium on the negotiation of bilateral trade agreements although the United States remains committed to multilateral negotiations within the World Trade Organization. In any event, this position would not prevent the region from engaging the Obama Administration at the level of its trade-related agencies, such as the Departments of Agriculture and Commerce and the Export-Import Bank, to achieve specific and targeted agreements and commitments of technical and financial assistance to address existing bottlenecks in the movement of goods, services and investments. This is an approach that can further Mr. Obama's goal of increased presence in the region even in the absence of a full-blown trade negotiations.

In summary, Mr. Obama's Presidency will give the Caribbean the opportunity to assist the United States to develop a more nuanced approach to U.S.-Caribbean trade relations; one that relies less heavily on security concerns, though they remain important, and to see the region as potential partners in areas of mutual interest. It will, however, be up to the region to state its case.