



**Caribbean Working Paper Series**

**US-Caribbean Relations in Biden  
Administration Year 1**

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**Working Paper No. 4 | April 2022**  
**Kimberly Green Latin American and Caribbean Center**  
**Florida International University**

# **US-Caribbean Relations in Biden Administration Year 1<sup>1</sup>**

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<sup>1</sup> This paper was initially presented at the April 28, 2022 webinar on “US-Caribbean Relations in Biden Administration Year 1” (Florida International University/LACC and the Caribbean Policy Consortium).

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When Joseph R Biden became the President of the United States, on January 20, 2021, he inherited a reactionary and indifferent policy toward the Caribbean.

To the extent the policy had any meaning, it was based on the determination of his predecessor, Donald Trump, to secure the votes of Latin American and Caribbean exiles and disgruntled persons, especially in South Florida which he calculated he had to win to be re-elected President in 2020. In this connection, Trump had developed a virulent anti-Cuba posture and an equally hostile attitude to Nicolás Maduro, the President of Venezuela. The latter stance led to his denunciation of Maduro as the President of Venezuela and the US government's recognition of the then President of the National Assembly, Juan Guaidó, as the "Interim President of Venezuela".

Trump's interest in the rest of the Caribbean nations was only to secure their support for his position on Venezuela. Hence, he hosted a meeting at his Florida residence, Mar-a-Lago, on March 22, 2019, with five Caribbean leaders, four of whom were Prime Ministers of Caribbean Community (CARICOM) countries, to urge them to side with his government, in opposition to other Caribbean countries, to recognize Juan Guaidó and to seat his nominee at the Organization of American States (OAS) as the representative of Venezuela.<sup>3</sup> This meeting was regarded by several Caribbean leaders as "mischief that some persons may be up to [sic] seek to divide us in a manner which we ought not to be divided and therefore reduce the extent of the efficacy of our work".<sup>4</sup> Two weeks later, on April 9, 2019, the five countries joined in giving a narrow majority vote at the OAS to seat Guaidó's representative much to the chagrin of other CARICOM member states of the OAS.<sup>5</sup>

The only other Caribbean country about which Trump had shown passing interest was Haiti which he reportedly described, along with African nations, as a "shit-hole country".<sup>6</sup> His officials subsequently denied the report, but the damage had been done and this attitude effectively summed up his administration's perceptions of the Caribbean.

Making matters worse, Mike Pompeo, Trump's Secretary of State, convened a meeting with eight of the leaders of CARICOM countries on January 22, 2020, in Jamaica. Among the CARICOM Heads of Government that were not invited to the meeting was the then Chair of CARICOM, Mia Mottley of Barbados, and the incoming Chair, Ralph Gonsalves of St. Vincent and the Grenadines. Reports of the meeting suggested that its purpose was to gain support for the re-election of Luis Almagro as the Secretary-General of the OAS at elections to be held two months later.<sup>7</sup> Almagro had been a strong critic of the Maduro government in Venezuela, and he was regarded as a key ally for the US in Trump's anticipated second term. However, he was facing

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<sup>3</sup> The five Caribbean countries referred to here are CARICOM members The Bahamas, Haiti, Jamaica, St. Lucia, and the Dominican Republic.

<sup>4</sup> See: Regional divisions emerge after Trump meets with five Caribbean leaders, The Caribbean Council, <https://www.caribbean-council.org/regional-divisions-emerge-trump-meets-five-caribbean-leaders/>

<sup>5</sup> The 14 independent member states of CARICOM are: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

<sup>6</sup> Trump derides protections for immigrants from 'shithole' countries, by John Dawsey, The Washington Post, January 12, 2018, [https://www.washingtonpost.com/politics/trump-attacks-protections-for-immigrants-from-shithole-countries-in-oval-office-meeting/2018/01/11/bfc0725c-f711-11e7-91af-31ac729add94\\_story.html](https://www.washingtonpost.com/politics/trump-attacks-protections-for-immigrants-from-shithole-countries-in-oval-office-meeting/2018/01/11/bfc0725c-f711-11e7-91af-31ac729add94_story.html)

<sup>7</sup> Pompeo's Jamaica Visit Divides Caribbean Over Venezuela, By Jessica Donati, Wall Street Journal, January 22, 2020, <https://www.wsj.com/articles/pompeos-jamaica-visit-divides-caribbean-over-venezuela-11579737670>

competition from two contenders – one of whom, Maria Fernanda Espinosa of Ecuador, had been nominated by Antigua and Barbuda and St. Vincent and the Grenadines.

Ultimately, the CARICOM countries were left divided by the US policies and strategies toward the region.

### **Trump’s legacy policies unhelpful to the Caribbean**

In the dying days of his tenure as Secretary of State and only 9 days before Antony Blinken took over the reins of US foreign policy, Pompeo placed Cuba on a list of *State Sponsors of Terrorism* that the US draws up unilaterally. As an extension of that listing, in its June 2020 *Trafficking in Persons* (TIP) Report to the US Congress, the US State Department stated that “there was a [Cuba] government policy or government pattern to profit from labor export programs with strong indications of forced labor, particularly its foreign medical missions’ program”.<sup>8</sup> The Department’s questionnaire sent to Caribbean governments in December 2020 included a new and sinister section related specifically to workers from China and Cuba.

The US asked questions which are entirely the business of a sovereign State, or the business of sovereign States which have entered into contracts with each other. The questions intruded glaringly on State rights. More alarmingly, it threatened that any government that continued to accept medical brigades from Cuba would be regarded as an accessory to human trafficking. These questions did not sit well with Caribbean governments not only because each of them had sought, received, and greatly valued the help of Cuban medical brigades, but also because of the inference that they were contributing to, and involved in, human trafficking.

Trump also left a policy of Climate Change denial, including the intention to withdraw from the 2015 Paris Agreement on Climate Change, and a steadfast refusal to provide any funding to combat Climate Change. Since Caribbean countries are among the worst victims of the effects of Climate Change while they contribute the least to the greenhouse gas emissions that cause it, they were especially disturbed by this US policy.

Then, as the COVID-19 pandemic spread throughout 2020, Caribbean countries looked to the World Health Organization (WHO) and the Pan American Health Organization (PAHO) to help them cope with unprecedented health care challenges. Trump’s decision, on July 6, 2020, to withdraw from the WHO by July 2021, depriving it of resources when Caribbean countries needed them most, was regarded as callous, unfriendly, and uncaring. All of this had the unintended but unsurprising consequence of pushing those Caribbean countries with diplomatic relations with the People’s Republic of China closer to the Chinese government which was continuing to contribute to financing for adaptation to Climate Change and to the WHO’s programmes to help developing countries cope with the pandemic.

Caribbean governments, for the most part, also felt threatened by Trump’s “America First” policy, not only because it cut back aid generally but because it targeted reduced funding for the global and hemispheric organizations to which they looked for help. This was exacerbated by the buying and hoarding of anti-COVID-19 vaccines, depriving Caribbean countries of access to vaccines to save their peoples’ lives. Further, the Caribbean – like the African-American and other ethnic minority communities in the US – also saw “America First” not only as intensely nationalistic, but

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<sup>8</sup> Trafficking In Persons Report, US State Department, June 2020, page 174, <https://www.state.gov/wp-content/uploads/2020/06/2020-TIP-Report-Complete-062420-FINAL.pdf>

also as racist. They regarded it as code for putting white America first, and they were hugely sympathetic to the Black Lives Matter movement.

“Caribbean 2020: A Multi-Year Strategy to increase the Security, Prosperity, and Well-Being of the People of the United States and the Caribbean” – a State Department exercise – was all words and no deeds, especially because it had no funding attached to it, apart from already operational and minuscule programmes that were swept into a single package. There was little or no consultation on Caribbean 2020 and such consultation that took place was perfunctory and between lower-level state department officials and Caribbean Ambassadors. Even where minor adjustments were made, no funding was attached to any of the “priorities” that it identified.

It was against this background that President Biden came into office. The time was, therefore, ripe to shift toward a meaningful Caribbean policy.

### **Missed opportunity by Biden**

Biden immediately took global – non-specific Caribbean – initiatives, from which the region benefited, and which were welcome. He recommitted the US to the Climate Change accord, pledged US money, and held a Climate Change Summit.

He also recommitted to the WHO and eased the financial squeeze on the Organization to which the Caribbean looked for help to obtain vaccines and to fight COVID-19. He released funds, including for COVAX – the WHO-managed facility that procured some vaccines for developing countries in the Caribbean.

Biden dropped the “America First” policy which gave Caribbean countries some comfort. He emphasised multilateralism, restoring confidence in the international system which Caribbean countries regard as their safeguards against aggression and a platform by which they could raise their voices and be heard. And he honoured his campaign commitment to pursue more inclusionary and non-discriminatory policies at home.

But his administration has failed to elaborate and roll out a specific Caribbean policy and he has certainly not attempted to consult with the Caribbean leadership on what such a policy should look like.

### **First year actions concerning Caribbean countries**

The Biden administration’s actions in the Caribbean area focussed principally on Haiti – in terms of trying to contain its decline into chaos. However, it intensified two issues inherited from the Trump government. These are Cuba and China.

#### ***Cuba***

President Biden did not continue the normalisation policy of the Obama administration in which he was Vice-President. At the moment of this writing, he appears to have abandoned a position he set out in a 2016 paper titled “Building on Success: Opportunities for the Next Administration”. In that paper, Biden had argued that the US “is already seeing the returns of a renewed focus on the [Western Hemisphere]”, with the Caribbean included, and he stated that:

“because of the way President Obama and I have prioritized improving relations with our neighbors, including the opening to Cuba, the United States’ standing in the hemisphere

has never been higher. The next administration should build on this momentum to strengthen the security and prosperity of people throughout the Americas”.<sup>9</sup>

Instead, he has continued the Trump policy of treating Cuba as a terrorist state, ramping up hostile positions toward the Cuban government. As the publication, *Newsweek*, reported:

“Since coming to office early last year, Biden, who once backed the U.S.-Cuba thaw years ago as Obama's vice president, has not only in effect maintained the ‘maximum pressure’ approach pursued by his rival, but expanded upon it with new sanctions targeting Cuban officials and institutions accused of human rights abuses”.<sup>10</sup>

His administration has also maintained the position of implicating Caribbean governments in human trafficking if they accept medical brigades from Cuba.

The only explanation for Biden’s current attitude to Cuba is that he is concerned about mid-term elections in Florida and the risk of the Democratic Party losing control of the Congress. But the alienation of Cuba and forcing the region to take sides, is a source of disagreement with CARICOM countries.

### *China*

The Biden administration also introduced into the US-Caribbean relationship the new dimension of the region’s relations with the People’s Republic of China (PRC). Almost from the moment that the administration began, it launched a campaign in the Caribbean urging that investment from China be curtailed, and labelling investment and concessionary funding agreements as “debt traps” and discouraging other connections. Biden’s State Department continued the narrative, started under Trump, and encapsulated in the disputable questions by Mike Pompeo to a group of Caribbean leaders concerning investment financing provided by China: “what good is it if it feeds corruption and undermines your rule of law? What good are those investments if in fact they ruin your environment and don’t create jobs for your people?”.<sup>11</sup> All this in the absence of the US presenting any alternative by the way of enhanced investment in the Region.

The China issue has continued unabated in the Congress. For instance, it was raised in June 2021 at a US House hearing on Biden’s efforts in the Caribbean. During the hearing, Representative Mark Greene of Tennessee said:

“The Chinese Communist Party has vastly increased its influence in the Caribbean over the past 20 years with 13 Caribbean countries having signed on to China’s Belt and Road Initiative. The CCP has expanded its network of loaned-back infrastructure projects to resume in telecom investment and relationship with regional defense counterparts. China’s disregard for the environment is a huge threat to the Caribbean tourism industry. That is why I am drafting a bill to move supply chains away from Communist China and into the Western Hemisphere. Our dependence on China is a threat to our national security, and

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<sup>9</sup> Joseph R. Biden, Jr. “Building on Success: Opportunities for the Next Administration”, p. 48

<sup>10</sup> Biden Takes Aim at Cuba During Worst U.S.-Russia Crisis Since Cold War, Tom O'Connor, *Newsweek*, <https://www.msn.com/en-us/news/world/biden-takes-aim-at-cuba-during-worst-us-russia-crisis-since-cold-war/ar-AAWbTmV?ocid=BingNewsSearch>

<sup>11</sup> Toward Closer U.S.-Caribbean Ties, Speech by Michael R Pompeo, Secretary of State, in Kingston, Jamaica on January 22, 2020; <https://2017-2021.state.gov/expanding-americas-commitment-to-the-caribbean/index.html>

the Western Hemisphere must become more economically independent if we are to safeguard our future”.<sup>12</sup>

On October 12, 2021, more than a dozen members of Congress sent a letter to the US Trade Representative (USTR), Katherine Tai, asking for immediate attention to what they described as “the growing influence of the Chinese Communist Party in both Latin America and the Caribbean trade and economic development”.<sup>13</sup>

The US Congresspersons, who wrote to USTR Tai, have come to this realization years after Caribbean representatives in Washington have been saying to successive US Governments and Congress that the US has been absent as a meaningful contributor to Caribbean development for almost two decades.

The vacuum, left by the US, has been filled by the PRC, and it would be unreasonable for the US government or Congress to expect Caribbean countries to defer or delay their urgent development needs, waiting for the US to refocus its attention on the region. Further, the terms of China’s loans to many Caribbean nations have been far more concessionary even than World Bank and IMF loans to lower and lower middle-income countries, and China does not use per capita income as a criterion for disqualifying high-income, but vulnerable and underdeveloped, Caribbean countries from eligibility for loans and grants.

US Congress persons and US government policymakers should take these realities into account when they say, as they did to the USTR, “Economic prosperity and solidified trading relationships is [sic] slowing (in Latin America and the Caribbean), becoming a matter of national security.”

Caribbean countries do not regard the loans and other economic arrangements they have with China as a threat to US national security, and no member state of CARICOM has put any policies or programmes in place that affect US national security. Indeed, CARICOM countries have remained faithful to importing goods and services from the US, even though US assistance and investment in the sub-region have steadily declined.

While it is factual that trade between Caribbean countries and China has increased in recent years, no trade in goods with the US has been displaced, and certainly no trade in services. And, on foreign assistance to the region, if China is now delivering more to the Caribbean than the US, it should hardly be a matter of complaint by the US.

Among the accusations against China is that its representatives use sharp practices in negotiating contracts with Caribbean countries which could lead to seizure of vital infrastructure should defaults occur on repayment of loans. These references suggest that representatives of Caribbean countries lack the skill to negotiate contracts that are in their interest – an assertion most CARICOM governments would reject. It also suggests that CARICOM countries have not encountered similar practices from other countries that have led to uneven contracts. Yet, the Economic Partnership Agreement between the European Union collectively (27 nations) and each

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<sup>12</sup> The Biden Administration’s efforts to Deepen US engagement in the Caribbean, Hearing Before The Subcommittee On Western Hemisphere, Civilian Security, Migration And International Economic Policy of The Committee On Foreign Affairs, House Of Representatives, One Hundred Seventeenth Congress, First Session, June 23, 2021, Serial No. 117–5; page 8, <https://www.congress.gov/117/chrg/CHRG-117hhrg46573/CHRG-117hhrg46573.pdf>.

<sup>13</sup> See text of letter at: [https://insidetrade.com/sites/insidetrade.com/files/documents/2021/oct/wto2021\\_0499.pdf](https://insidetrade.com/sites/insidetrade.com/files/documents/2021/oct/wto2021_0499.pdf)

CARICOM country individually is a case in point. CARICOM countries, due to their small size, inevitably find themselves in asymmetrical relationships with larger countries, including the United States.

What US policy makers should regard as undeniable is that China is giving more scholarships to Caribbean students to upgrade their knowledge and capacity than the US. If the US does not improve access to educational and training opportunities for Caribbean students and professionals, it will have only itself to blame if the Caribbean professionals and influencers of the future know China better than the US.

The 13 Congress persons, who wrote to the USTR, were more concerned about China's relationship with the bigger countries of Latin America than they were about the Caribbean. It is that concern about loss of trade benefits and influence over Latin American markets that caused them to say:

“We believe that it is of the highest priority for the US to keep its relationships strong with our neighbors in the Western Hemisphere. Before long, China will be significantly positioned to completely dominate Western Hemisphere economics, as China is already the top trading partner for practically all of Asia, Oceania, Eastern Europe, Africa and, as stated, most of South America.”<sup>14</sup>

The Caribbean is usually a forgotten appendage to Latin America among most US policy makers and influencers, but it suffers the consequences of US action or inaction, nonetheless.

If China comes to dominate Western Hemispheric economies, it will be because of a long period of US neglect, and the slow process to recognise that the US must re-engage Latin America and the Caribbean in genuine cooperation and not with one-sided strategies that are long on words, but short on allocation and delivery of funds.

In any event, Latin American and Caribbean countries, concerned about improving their economies and advancing the social and economic conditions of their peoples, do not subscribe to a rivalry between China and the US in their region and hemisphere. They would all declare that there is ample room for economic and other forms of mutually beneficial cooperation with both China and the US.

If the US is genuinely concerned about extra-regional interest in the Hemisphere, it should better position itself as a source of investment and cooperation.

While the Biden government has not continued the domestic trade war with China that Trump waged, it has, perhaps unwittingly, laboured under the perennial US preoccupation with reducing or eliminating the influence of countries from outside the region that the US regards as a threat to its own desire for suzerainty in Latin America and the Caribbean. In this respect, it has enlivened the Monroe Doctrine which, ironically, John Kerry, who was Secretary of State in the Obama-Biden administration, had pronounced dead in November 2013.<sup>15</sup>

### **A Troubling Bill before the US Senate**

The absence of a US government policy on the Caribbean that seeks Congressional funding to give it muscle opened a space for the introduction in the US Senate on February 7, 2022, of a Bill

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<sup>14</sup> Ibid

<sup>15</sup> John Kerry, “The United States and Latin America: The Power of Partnership”, address at an event organised by the OAS and the Inter-American Dialogue, OAS General Secretariat, Washington, DC, USA, November 18, 2013.

entitled: “The Western Hemisphere Security Strategy Act of 2022”. The Bill was proposed by two Senators, Republican Marco Rubio and Democrat Bob Menendez, and was referred to the Senate Foreign Relations Committee.

According to Senator Rubio, this bill was introduced “at a time when the destabilizing impact of authoritarian regimes, and transnational criminal organizations, in addition to the malign activities of state actors like China and Russia, pose risks to US national security”.<sup>16</sup>

The authoritarian regimes in the Caribbean and Latin America, which the Bill claims are causing a “destabilizing impact” on US security, are not identified. They could hardly exist in the CARICOM region, where, apart from Haiti and its very peculiar circumstances, all governments have been freely and fairly elected and adhere to both domestic and international requirements of the rule of law.

Indeed, according to Freedom House, a think tank that conducts research and advocacy on democracy, political freedom, and human rights, many Caribbean countries rank ahead of the US in the measurement of respect for political and civil rights. In Freedom House’s Global Freedom Score for 2021, the US is rated at 83 (highest rating being 100), several points lower than Antigua and Barbuda (85), Barbados (95), Belize (87), Dominica (93), Grenada (89), St. Kitts-Nevis (89), Saint Lucia (91), St. Vincent and the Grenadines (91) and The Bahamas (91). Significantly, all the CARICOM countries, except Haiti, are rated as “free” as is the US.<sup>17</sup>

It should also be noted that there is no evidence of any military presence in CARICOM countries or of any capacity of the Russian government to influence CARICOM governments. There is also little economic investment by Russia in CARICOM countries and virtually no official development assistance. When Russia invaded Ukraine in February 2022, CARICOM governments issued two very strong statements of condemnation, and the majority voted in favour of two UN General Assembly Resolutions criticising Russia’s aggression toward Ukraine and to suspend it from the UN Human Rights Council. The majority of CARICOM countries also voted at the OAS in favour of Resolutions in March and April 2022 that respectively described Russia’s aggression in Ukraine as a violation of international law and suspended its status as a Permanent Observer at the Organization.

The Rubio-Menendez Bill was introduced with no input from Caribbean governments or any other official Caribbean representative organisations. Attempts by Caribbean Ambassadors in Washington to engage the proponents of the Bill received no interested response. Therefore, the interests and perspectives of Caribbean countries are not reflected in the Bill.

If this Bill is adopted and funded by the US Congress, it will become the only overarching guiding law for US activities in the Caribbean, constraining US government action and failing to respond to Caribbean concerns.

## **US House of Representatives and attention to the Caribbean**

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<sup>16</sup> See report of Rubio’s statement in Marco Rubio, Bob Menendez Bring Out Bill to Keep Russia, China Out of Latin America, Caribbean, By Kevin Derby, February 9, 2022, Florida Daily, <https://www.floridadaily.com/marco-rubio-bob-menendez-bring-out-bill-to-keep-russia-china-out-of-latin-america-caribbean/>

<sup>17</sup> See: page 6 of Freedom in the Americas Today, [https://freedomhouse.org/sites/default/files/inline\\_images/Freedom%20in%20the%20Americas.pdf](https://freedomhouse.org/sites/default/files/inline_images/Freedom%20in%20the%20Americas.pdf)

On June 23, 2021, the US House of Representatives Subcommittee on the Western Hemisphere, Civilian Security, Migration and International Economic Policy held a hearing on “The Biden Administration’s efforts to Deepen US engagement in the Caribbean”.<sup>18</sup>

While it was an inconclusive hearing, particularly as the House Representatives focused on current issues in Haiti, Cuba and Venezuela that reflected the concerns of the constituencies they represented, the questioning of officials from the State Department, USAID and the Bureau of International Narcotics and Law Enforcement Affairs helped to stimulate action regarding vaccine donations to the Caribbean. The Chairman of the subcommittee, Albio Sires of New Jersey (a State with a significant Caribbean population), was blunt when he told the officials:

“You have China going in and giving directly to these islands, the vaccine. They take all the credit. Why can’t we do the same thing and take the credit instead of giving it to COVAX or CARICOM? They may be great organizations, but I am not looking to build those organizations, rather I am looking to build our position in the Caribbean. And our position in the Caribbean should be that we should send the vaccines directly to these people, let them know that it is the United States that is helping”.<sup>19</sup>

While the US was slow to respond to the urgent pleas of CARICOM governments for vaccine access, when the response did come, in August 2021, it made a significant difference and, in all likelihood, not only saved the lives of a large number of Caribbean populations but also helped the countries, particularly the tourism-dependent ones, to restart their economies.<sup>20</sup>

### **The Caribbean pushed the pace for US attention in Biden’s first year**

In Biden’s first year, Caribbean countries pushed for a US-Caribbean agenda and for a US policy to the region in which there is consultation and collaboration. Because of the COVID-19 pandemic, the Caribbean focussed on securing help from the US government to get access to vaccines. In 2021, the successive chairs of CARICOM, Keith Rowley of Trinidad and Tobago and Gaston Browne of Antigua and Barbuda, wrote repeatedly to Biden seeking access to vaccines and, eventually, contributions from the US stockpile of vaccines.

After travel restrictions imposed by the pandemic were eased, two Caribbean Heads of Government - Mia Mottley of Barbados and Andrew Holness of Jamaica - visited the US officially. Mottley met Vice President Kamala Harris on October 13, 2021, but the statements after the meetings showed no movement toward a coherent and meaningful Caribbean policy. A more substantive statement emanated from the Jamaican Prime Minister’s meeting with Secretary of State Blinken six months later on April 1, 2022, though it too failed to point to an emerging policy toward the Caribbean. Blinken focused on US concerns by thanking the Prime Minister “for Jamaica’s principled stance in condemning Russia’s unprovoked invasion of Ukraine”<sup>21</sup> but did not respond to Holness’ statement that “it would be in the interest of the US to look at countries,

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<sup>18</sup> See Note 10 for details of the Subcommittee meeting

<sup>19</sup> Ibid, page 28

<sup>20</sup> See: US to Deliver Nearly 837K Pfizer Vaccines to Caribbean, The U.S. government says it will deliver nearly 837,000 Pfizer vaccines to Caribbean nations as the region with limited resources struggles with a spike in COVID-19 cases, By Associated Press, Aug. 11, 2021: <https://www.usnews.com/news/us/articles/2021-08-11/us-to-deliver-nearly-837k-pfizer-vaccines-to-caribbean>

<sup>21</sup> Secretary Blinken’s meeting with Jamaican Prime Minister Holness, Read Out, Office of Spokesperson, April 1, 2022, <https://www.state.gov/secretary-blinkens-meeting-with-jamaican-prime-minister-holness/>

like Jamaica, to position strategic production capacity which could be beneficial for the stability of production chains and supply of goods and services”.<sup>22</sup>

An earlier meeting between Blinken and Foreign Ministers of CARICOM on Thursday, April 22, 2021, may have been too soon in the Biden administration to expect a comprehensive policy approach toward the Caribbean. In any event, nothing concrete came out of the meeting, except that, in a statement afterwards, CARICOM Foreign Ministers said that Blinken “stated that he would engage his colleague US Cabinet Secretaries on the issues of mutual interest raised by the CARICOM Ministers”.<sup>23</sup> The State Department read-out of the meeting made no mention of the undertaking attributed to him by the CARICOM Foreign Ministers; it merely said that he “emphasized the strong partnership between the United States and the Caribbean, plans to manage the COVID-19 pandemic and promote a regional economic recovery, cooperation on increasing climate resilience, and continued collaborations on strengthening security, democratic values, and human rights”.<sup>24</sup>

At the time of the meeting, India and China had already donated anti-COVID-19 vaccines to the Caribbean while CARICOM countries could not access vaccines from pharmaceutical companies because rich nations, including the US had purchased the entire production for 2 years and had stockpiled quantities larger than their populations. The US was criticised strongly for its apparent neglect of the region, particularly when it introduced new rules restricting the export of raw materials essential to vaccine production; and it joined other rich countries in opposing the waiving of a World Trade Organization (WTO) rule protecting the intellectual property of COVID-19 vaccines and treatments.<sup>25</sup>

### **Significant Caribbean issues ignored**

However, Secretary of State Blinken completely ignored other major issues raised with him by CARICOM Foreign Ministers at the April 21, 2021 meeting. Those issues were set out in the opening remarks made by the then CARICOM Secretary-General, Irwin LaRocque, who pointed to “blacklisting, correspondent banking, and access to concessional financing based on vulnerability, especially in this very challenging period for our Region with COVID-19 and its economic impact”.<sup>26</sup>

More significantly, when another meeting with CARICOM Foreign Ministers was convened with the US State Department, the level of the US government’s representation was the Deputy Secretary of State Wendy Sherman. The meeting was held virtually in the margins of a busy UN General Assembly on September 21, 2021. The public record of the meeting disclosed that

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<sup>22</sup> Secretary Antony J. Blinken and Jamaican Prime Minister Andrew Holness before their meeting, Remarks, Washington, DC, April 1, 2022, <https://www.state.gov/secretary-antony-j-blinken-and-jamaican-prime-minister-andrew-holness-before-their-meeting/>

<sup>23</sup> CARICOM and US agree on need to work together, April 21, 2021, <https://caricom.org/caricom-and-us-agree-on-need-to-work-together/>

<sup>24</sup> Secretary Blinken’s Roundtable with CARICOM Foreign Ministers, Office of the Spokesperson, April 21, 2021, <https://www.state.gov/secretary-blinkens-roundtable-with-caricom-foreign-ministers/>

<sup>25</sup> See for instance: Unless the U.S. changes its vaccine policy, the world will look at us like hoarders By Kislaya Prasad, academic director for the Center for Global Business at the University of Maryland and a research professor for the university’s online MBA in business analytics program. April 4, 2021; <https://fortune.com/2021/04/04/us-vaccine-hoarding-nationalism-diplomacy-china-russia-india/>

<sup>26</sup> Remarks By Caricom Secretary-General Ambassador Irwin Larocque to The Roundtable Between US Secretary of State Hon Anthony Blinken And Caricom Ministers of Foreign Affairs on Wednesday, April 21, 2021; <https://caricom.org/remarks-by-caricom-secretary-general-ambassador-irwin-larocque-to-the-roundtable-between-us-secretary-of-state-hon-anthony-blinken-and-caricom-ministers-of-foreign-affairs-on-wednesday/>

CARICOM had repeated its concerns about “increased climate ambition and financing for adaptation as well as acceptance of the Multidimensional Vulnerability Index as the main criterion for access to concessional development financing”.<sup>27</sup>

According to the official CARICOM statement, “Deputy Secretary Sherman indicated that she had taken note of the concerns and would be relaying them to Secretary of State Anthony Blinken”.<sup>28</sup>

### **Preoccupations of the Biden Government**

Admittedly in his first year in office and four months into the second, Biden has been preoccupied with major domestic and international problems. At home, he faced the increasing decimation of the population by the COVID-19 pandemic, the imperative of getting a high percentage of the population inoculated against the Coronavirus, reducing soaring unemployment, and getting the US economy up and running again.

Abroad, American troops were in a quagmire in Afghanistan in an increasingly unpopular intervention. He had to rebuild relations with traditional allies, particularly in the North Atlantic Treaty Organization (NATO) which had developed a distrust of America in the Trump era; and deal with irregular migration from Central America as refugees increasingly gathered on the southern border of the US.

And, then in recent months, came the greatest challenge that an American President has had to face – the wrecking of the international order, as established by the United Nations and set out in its Charter, by the aggression of Russia in Ukraine and the threat of escalating the conflict into World War III unless the member states of NATO abandon Ukraine to balkanisation and control by Russia.

For the most part, departments of the US government have been working on the leftovers of the Trump 2017 strategy. However, the Biden administration will lose influence in the region by neglect, particularly of the issues that the governments of the region consider priorities.

### **Why is the Caribbean important to the US – what the Biden Administration should appreciate**

There is a mistaken view within officialdom in the US that the countries in the CARICOM area are dependent on generous contributions of aid and investment from the US, and that US purchases of Caribbean goods and services are major contributors to the growth of Caribbean economies.

### ***Official Development Assistance***

In reality, US aid and investment to the Caribbean, with the exception of Haiti, have dwindled since the end of the Cold War in 1990. In 2020, its aid to the Caribbean was less than 1% of its global aid, and 10.8% of its aid to the Western Hemisphere of \$3.1 billion. Of the \$336.4 million provided to the 14 CARICOM countries collectively, almost 90%, or \$266 million, went to Haiti

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<sup>27</sup> CARICOM Foreign Ministers meet US Deputy Secretary of State – vaccines, climate change issues raised September 21, 2021, <https://caricom.org/caricom-foreign-ministers-meet-us-deputy-secretary-of-state-vaccines-climate-change-issues-raised/>

<sup>28</sup> Ibid

alone. The remaining 10%, or \$70.5 million, was shared among the remaining 13 countries with the Bahamas and Jamaica getting the lion's share.<sup>29</sup>

### ***US-CARICOM Trade***

In trade, the US has enjoyed a perennial balance of trade surplus with the CARICOM countries, notwithstanding the programmes of the Caribbean Basin Initiative (CBI) and the Caribbean Basin Trade Partnership Act (CBTPA) which are of very limited benefit only to a few Caribbean countries. In 2021, for instance, the US balance of trade surplus in goods with the 14 CARICOM countries was \$4.5 billion despite increased imports of much needed oil and petroleum products from Guyana and Trinidad and Tobago.<sup>30</sup>

Therefore, while it may be small in US trade terms, the region is one of the few places in the world with which the US enjoys a trade surplus. In 2020, the US exported \$13 billion in goods to the CARICOM area, providing jobs for Americans and revenues to the Government.

### ***CARICOM stable US partner***

The CARICOM countries, again with the exception of Haiti for historical reasons, are stable democracies with a high regard for human rights and freedoms. The peace and stability in the area help to keep the US secure and free of refugees (again with the exception of Haiti). CARICOM countries are also willing partners with the US in the fight against organized crime, drug trafficking, money laundering and terrorism financing, and tax enforcement, notwithstanding the unsubstantiated claim that many of them are tax havens, as reflected, for example, in the State Department's annual International Narcotics Strategy Reports (INCSR), which also deal with money laundering, based on a flawed methodology that relies on anecdotal evidence rather than verifiable data. The fact of the matter is that every CARICOM country cooperates fully with the US and has signed and implemented Tax Information Exchange Agreements (TIEAs) with the US as well as Mutual Legal Assistance Treaties (MLATs) and Intergovernmental Agreement (IGAs) to implement the US Foreign Account Tax Compliance Act (FATCA). It is the US that has not fully reciprocated on FATCA IGA's and has refused to sign the OECD's Common Reporting Standard, thus causing Caribbean states to lose business in financial services to the US, especially South Dakota, Wyoming, Nevada, and Delaware.

### ***Emergence of substantial Oil and Gas suppliers in the Caribbean***

In recent years, with significant oil and gas discovered and being generated in Guyana, and large quantities also discovered in Suriname, joining Trinidad and Tobago as producers of oil and petroleum products, the US has a nearer shore source – and friendly countries – from which to secure supplies, ensuring its energy security and lower costs of delivery. Experts report that the Guyana-Suriname basin holds over 20 billion barrels of oil equivalent resources (boe). Already, an ExxonMobil-led consortium has found over 10 billion boe at the Stabroek Block offshore Guyana and multiple discoveries at Suriname's Block 58 show that the Basin's potential continues to grow".<sup>31</sup>

Of significance in this regard is that amid the oil shortages and high prices caused by the Russian invasion of Ukraine and the consequential measures against Russia, the US used its voting power

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<sup>29</sup> Sources are: <https://foreignassistance.gov/> and <https://www.census.gov/foreign-trade/balance/c2484.html>

<sup>30</sup> Ibid

<sup>31</sup> Exploration's star is rising; Guyana-Suriname basin shining brightest, By Oil NOW, April 13, 2022, <https://oilnow.gy/featured/explorations-star-is-rising-guyana-suriname-basin-shining-brightest/>

at the Inter-American Development Bank (IDB) to deny a Guyanese private sector consortium a \$180 million loan that had gone through a two-year approval process. The loan sought, *inter alia*, to expand a port and shore-based facilities through the construction of four additional berths.

The IDB Board rejected the loan based on the Biden administration's policy that has directed all lending institutions, in which the US operates, not to support funding to support the oil and gas industry.<sup>32</sup> The US Government action evoked sharp criticism from US Senator Marco Rubio, who, on March 25, 2022, dispatched a letter to President Biden, saying: "This project would not only have supported the growth of Guyana's overall economy, it would help to address rising energy prices here in the United States". He added that instead of strengthening "our relationship with our allies . . . your administration is working behind closed doors to lift sanctions on the fossil fuel industries controlled by the Maduro regime in Venezuela and the Ayatollahs in Iran".<sup>33</sup>

### **Caribbean support for the US on global issues**

The US has also been able to count on the support of CARICOM countries generally on major global issues. For instance, in the global effort to condemn the Russian invasion of Ukraine; its disregard of the international legal order; and the threat to global peace and security, Antigua and Barbuda led the adoption of two Resolutions by the OAS condemning Russian aggression.<sup>34</sup> One of the resolutions led to the suspension of Russia's status as a Permanent Observer to the OAS on April 21<sup>st</sup> 2022.<sup>35</sup> The first resolutions were supported by 13 of the 14 independent CARICOM countries, but St. Kitts-Nevis which has voted in favour of the first Resolution, abstained on the second.

An important social factor is that the Caribbean is a nearby, mostly English-speaking, and relatively safe destination for recreation for US citizens. These countries admit US citizens without the necessity for a visa and their arrangements are set up to provide facilities for easy use of US credit and debit cards.

For all these reasons, the US ought to be seeking to strengthen its relations with CARICOM countries, including by helping them to address challenges – some of which are directly attributable to the US, such as Climate Change.

### **The matters that a Biden Caribbean Policy should address**

The required task of this paper was to consider "US-Caribbean Relations in Biden Administration Year 1". The author hopes that the paper has satisfied that commission. However, it might be useful to flag issues that should be incorporated in any meaningful US policy for the Caribbean going forward.

The context of flagging these issues is the repeated acknowledgment by the US that the Caribbean is its "third border". In this regard, US security is tied to the security of the Caribbean. CARICOM

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<sup>32</sup> For a full report on this, see: US vetoed IDB loan for GYSBI shore base, by Lakhram Bhagirat, Stabroek News, March 7, 2022. <https://www.stabroeknews.com/2022/03/07/news/guyana/us-vetoed-idb-loan-for-gysbi-shore-base/>

<sup>33</sup> Letter is posted Marco Rubio's Senate website at: <https://www.rubio.senate.gov/public/index.cfm/press-releases?id=AD265181-548B-48A3-A6CA-466E0064C684>

<sup>34</sup> CP/RES. 1192 (2371/22) 25 March 2022. The Crisis In Ukraine, see: [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fscm.oas.org%2Fdoc\\_public%2Fenglish%2Fhist\\_22%2Fcp45739e03.docx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fscm.oas.org%2Fdoc_public%2Fenglish%2Fhist_22%2Fcp45739e03.docx&wdOrigin=BROWSELINK)

<sup>35</sup> CP/RES. 1195 (2374/22), 21 April 2022, Suspension of the status of the Russian Federation as a Permanent Observer to the Organization of American States.

countries have adopted the position that its “security” is multi-dimensional and while it contains military and law enforcement aspects related to drug trafficking, arms trafficking, and money laundering, it also crucially includes:

- the provision of financing by institutions and governments for adaptation and building resilience to Climate Change particularly as the Caribbean is one of the greatest victims of Climate Change while being one of the least contributors to its cause;
- improving the conditions under which Caribbean countries access financing for development from the International Financial Institutions and donor governments at concessionary rates, including changing the criteria to one based on vulnerability rather than per capita income;
- action by friendly governments to bolster democracy (including human and civil rights and freedoms) by providing funding at affordable terms for economic and human development;
- implementation of a programme to restructure and forgive debt that is a major impediment to economic growth because it has deprived Caribbean governments of the ability to use fiscal policy to promote growth, reduce poverty, increase employment, curb crime and discourage consequential irregular migration;
- recognition that de-risking policies that have led to the withdrawal of correspondent banking relations to Caribbean banks are adversely affecting the region’s capacity to participate in the global financial and trading system; and action to make regulatory rules more conducive to promoting trade in goods and services, and investment;
- addressing energy security by providing investment and funding to establish renewable energy sources and transition from fossil fuels.

The source of expanded supply of oil, gas and petroleum products from the Southern Caribbean – Guyana, Suriname and Trinidad and Tobago – present an opportunity for the US to procure its needs from friendly, democratic and near-shore countries that would reduce its dependence on supplies from hostile states and ones that do not share US values for democracy, human rights and the rule of law. The US should consider a policy of cooperation with these countries that would enhance their mutual growth and prosperity and contribute to the stability of the Caribbean.

Five of the smallest CARICOM countries have attempted to diversify their dependence on the fragile tourism industry and the besieged financial services sector despite their compliance with the requirements of the Financial Action Task Force (FATF) requirements and the Global Tax Forum of the Organisation for Economic Cooperation and Development (OECD).<sup>36</sup> For almost a decade they have been operating a Citizenship by Investment (CBI) programme that has helped to sustain their economies in the worst downturns caused by hurricanes and other external shocks, but most evidently during the COVID-19 pandemic that shut down tourism and all other commercial activity completely.

A mostly uninformed assault has been unleashed recently in the US House by three representatives who, on March 3, 2022, proposed a *No Travel for Traffickers Act*, demanding that the CBI programmes be closed down or penalties applied to the countries.<sup>37</sup> The governments of the five countries have all signed and implemented cooperation agreements with the US for tax information including on bank accounts and to provide legal assistance for criminality and tax

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<sup>36</sup> The five countries are: Antigua and Barbuda, Dominica, Grenada, St. Kitts-Nevis and St. Lucia.

<sup>37</sup> <https://owens.house.gov/posts/owens-cohen-introduce-the-no-travel-for-traffickers-act>

evasion. The Biden administration should deepen its cooperation with the governments concerned to ensure the integrity and security of their CBI programme while ensuring that they are maintained as an important source of revenue.

The COVID-19 pandemic decimated many CARICOM economies for most of 2020 and 2021. Unprecedented costs of providing health services while government revenues declined drastically, increased their indebtedness, including to the WB and the IMF. At the end of 2021, seven of the 14 independent CARICOM countries were among the top 10 Latin American and Caribbean countries with a debt to Gross Domestic Product (GDP) ratio between 91.8% and 157.4%.<sup>38</sup> Four others are ranked among the top 15 with debt to GDP ratios between 72.5% and 88.6%.<sup>39</sup> This limitation on the fiscal space of the majority of Caribbean governments means that they will be unable to stimulate economic growth, increase employment and reduce poverty. In turn, worsening conditions will affect the region's capacity to continue to purchase US goods and services; maintain robust law enforcement agencies, including to combat drug trafficking; and sustain economic and social conditions that discourage irregular migration and refugees and, also, strengthens democratic norms.

### **Conclusion**

In year 1, the Biden administration did not establish a policy toward the Caribbean, except in relation to Cuba and China. In year 2, the Biden administration should remedy this neglectful situation which has encouraged Caribbean governments to gravitate to other nations, especially China, that have extended much needed economic and financial cooperation. It has been 7 years since a US President held a meeting with CARICOM leaders. The last meeting was between President Barack Obama and CARICOM leaders in Jamaica in April 2015. A good way to begin the formulation and implementation of a Caribbean policy would be an early meeting of Biden and Caribbean leaders, preceded by working groups of representatives that could shape a meaningful agenda for the discussion.

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<sup>38</sup> The seven are: Suriname 157.4%, Barbados 143%, Belize 134.6%, Antigua and Barbuda 111.8%, Jamaica 96.5%, Dominica 96.4%, St Vincent and the Grenadines 91.8%; Source: STATISTA at:

<https://www.statista.com/statistics/813474/public-debt-gross-domestic-product-latin-america/>

<sup>39</sup> Ibid: the four are: Bahamas 88.6%, St Lucia 88.4%, Grenada 74.5%, and St Kitts-Nevis 72.5%