

**Caribbean Foreign Policies toward China and Japan:
Small States in Changing International Relations**

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Abstract

Caribbean states have been trying to reposition themselves in the changing international relations sphere by reorienting their foreign policy strategies in order to develop their relationships with China and Japan. Since the beginning of the 2000s, Caribbean states have been experiencing several challenges to economic growth and development such as the loss of this preferential market access, reduction in US aid, decline in the number of visitor arrivals, and threats from hurricanes. This dissertation argues that the Caribbean's growing relations with China and Japan is integral to its economic adjustment strategy as they have been providing the region with much needed economic assistance. Economic development has consistently been the main goal behind the foreign policy strategies of Caribbean states and this is also the case, in their relationships with China and Japan.

Caribbean states have been pursuing "unorthodox" foreign policies strategies towards China and Japan. Due to their limited resource base, they have been creatively using their value-based resources such as votes and quality advocacy in international fora, in exchange for economic assistance. In the context of small states in the international system, having acknowledged their vulnerabilities due to their smallness, Caribbean states have shown resilience and resourcefulness in crafting these foreign policies as they seek to reposition themselves in the international system.

China and Japan's motivations towards the region are related to the pursuit of their economic development, political security and global status. China and Japan have been trying to garner votes and support in international bodies and developing

countries. The global status dimension is particularly interesting as China continues to rise to power and Japan struggles to hold on regionally and internationally.

The levels of analysis framework is used to help explain the foreign policy behaviour of these Caribbean small states. This dissertation argues that the system, state and individual level are useful in explaining the Caribbean's foreign policy behavior and decision-making process. Moreover, there is an interplay among the levels whereby the changes in the international system affect the domestic economic conditions of the state; and the political system of the state awards power and importance to the leader.

This dissertation concludes that in order to maximize the benefits to be gained from the increased engagement with China and Japan and moreover, to ensure that it remains mutually beneficial, Caribbean states need to strengthen regional integration and work more actively as CARICOM rather than as members of CARICOM.

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Abbreviations

ACP	African, Caribbean and Pacific Countries
ACS	Association of Caribbean States
CARICOM	Caribbean Community
CARIFTA	Caribbean Free Trade Area
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CPC	Communist Party of China
CSME	Caribbean Single Market and Economy
EC	Eastern Caribbean
ECLAC	Economic Commission for Latin America and the Caribbean
EEC	European Economic Community
EPA	Economic Partnership Agreement
EPZ	Export Processing Zone
EU	European Union
G77	Group of 77
GDP	Gross Domestic Product
GIFSA	Grenada Financial Services Authority
HDI	Human Development Index
IADB	Inter-American Development Bank
IMF	International Monetary Fund
IWC	International Whaling Commission
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency

JLP	Jamaica Labour Party
MOFA	Ministry of Foreign Affairs, Japan
NAFTA	North American Free Trade Agreement
NAM	Non-Aligned Movement
NIEO	New International Economic Order
ODA	Official Development Assistance
OFC	Offshore Financial Centre
OECS	Organization of Eastern Caribbean States
OECD	Organisation for Economic Cooperation and Development
PNP	People's National Party
RNM	Regional Negotiating Machinery
SIDS	Small Island Developing States
SGR	Strategic Global Repositioning
UN	United Nations
UNCTAD	United Nations Trade and Development Conference
UNDP	United Nations Development Program
WTO	World Trade Organization

CHAPTER 1

Introduction

1.1. The Caribbean's Economic Predicament in the New Millennium

Since the beginning of the 1990s, there have been profound economic, political and geostrategic changes in the international system which were triggered by the end of the Cold War and the collapse of bipolarity. The international system was thrust into a post-Cold War era in which “the old assumptions, the seemingly immutable structures and intellectual constructs which underpinned the functioning of the international system since the end of the second World War have been shattered and swept away by the tidal wave of far-reaching changes, political and economic.”¹ Moreover, the economic changes wrought by globalisation have left Caribbean countries in the process of reorienting their foreign policy and repositioning themselves in the present configuration of the international system.

Caribbean states² have over the years practiced foreign policy strategies pursuant to the premise that due to their small size, they are in a disadvantaged position in the international system and as a result, need special consideration. One primary change that has affected Caribbean countries in the new millennium is the loss of preferential treatment from great powers such as Britain and the United States of America (US)³. Moreover, there has been a notable decline in the strategic

¹Anthony T. Bryan, “Caribbean International Relations: A Retrospect and Outlook for a New Millennium,” in *Contending with Destiny: The Caribbean in the 21st Century*, eds. Dennis Benn and Kenneth Hall (Kingston: Ian Randle Publishers, 2000), 347.

²For the purposes of this dissertation, “Caribbean” or “Caribbean states” refers to the English-speaking Caribbean countries. These are Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. The definition of the Caribbean is discussed later in this chapter.

³Throughout the dissertation, the United States of America will be referred to as the US.

importance of Caribbean states since the beginning of the 1990s, particularly with the end of the Cold War, as security concerns about the threat of communism within the Caribbean region are no longer of primary concern to the US. Additionally, Caribbean agricultural products and raw materials traditionally exported to Britain and the US, began facing competition from other regions which offered cheaper prices.

Stemming from their history of colonialism, the economic survival of the Caribbean had been typically associated with Britain and the US. Caribbean states share a long history of British rule, under which they specialized in the production of sugar and bananas for export primarily to the European markets. Even after decolonisation, Caribbean states remained heavily dependent on their agricultural sectors despite their numerous attempts to diversify their economies and the steep competition they faced from producers in Central American countries.

Over the years, Caribbean states have relied on major powers as sources of aid, investments and special concessions. Under the Lomé Conventions,⁴ for example, Caribbean states used to enjoy preferential treatment and access to the European Economic Community (EEC) markets for most of their exports, as well as various development aid programs. This one-way preferential system, however, was gradually replaced by two-way free trade agreements which resulted in a loss of preferential market access treatment for Caribbean states. Consequently, they have faced some difficulties in readjusting themselves into the current international economic arena compounded by the fact that most of their economies have been

⁴Chapter 3 provides a more detailed discussion of the Lomé Conventions.

heavily dependent on the agricultural sector and their products lack competitiveness in an open market.

During the Cold War period, the Caribbean region marked an area of great geopolitical importance to the US, who feared “growing leftist” threats⁵ to the prevailing pro-Western ideological order in the region at that time. In an effort to counter and contain this growing threat, the Caribbean Basin Initiative (CBI) was conceived by the US administration in 1983. Under the CBI, there was an increased flow of development aid from the US government, a 12 year guarantee of duty free status for most Caribbean exports to the US market, and the establishment of arrangements such as tax incentives and protection against nationalism designed to promote private investments in the region.⁶ However, with the end of the Cold War, the Caribbean region seemingly lost its once important strategic value to the US as security concerns have changed dramatically to focus on countries in the Middle East, for example. This dwindling lack of attention and interest from the US and other traditional trading partners has left Caribbean states facing harsher economic realities and with a void to be filled.

Within the past two decades, Caribbean states have not only seen a loss of preferential access to European and US markets but also a sharp decline in development assistance. In particular, there has been a significant reduction in development assistance from the US to the Caribbean region, which has traditionally been perceived as the “US backyard”. The aid trajectory has changed as historical ties have been downplayed. During the 1980s, US aid to the region amounted to

⁵The armed coup led by Maurice Bishop in Grenada, 1979 as well as other leftist insurgencies in Latin America were perceived by the US as threats to American influence in the region.

⁶H. Michael Erisman, “CARICOM: The Pursuit of Economic Security,” in *Latin America and Caribbean Foreign Policy*, eds. Frank O. Mora and Jeanne A.K. Hey (NY: Rowman and Littlefield, 2003).

US\$5.5 billion but by the 1990s declined to about US\$3 billion.⁷ Economic assistance from the US continued to decline throughout the 1990s to 2000s but increased significantly in 2010 to US\$1.7 billion which was almost three times the amount given the previous year (US\$586 million in 2009).⁸ This increase was, however, as a result of the devastating earthquake that Haiti suffered that year.⁹ Since then, over two-thirds of US aid to the Caribbean region has been allocated to Haiti's relief and reconstruction efforts. In 2012, aid to the region was US\$522.7 million with Haiti receiving approximately US\$357.2 million.¹⁰ The other remaining Caribbean countries are therefore left with the task of finding alternative sources of economic assistance.

Another factor that Caribbean states have been arguing that is a hindrance to the development is the classification of Caribbean states as middle-income countries. This classification has rendered the region relatively stable and not poor enough in terms of gross domestic product (GDP) per capita when compared to other developing countries.¹¹ As a result of this, Caribbean countries have seen a reduction in the allocation of aid which is mostly directed to low income countries and increased stringent conditions attached to loans from international funding agencies. This has also prevented them from benefitting from international debt

⁷Peter J. Meyer and Mark P. Sullivan, *U.S. Foreign Assistance to Latin America and the Caribbean: Recent Trends and FY2013 Appropriations*, CRS Report R42582 (Washington, DC: Library of Congress, Congressional Research Service, June 26, 2012), accessed August 20, 2012, <https://www.fas.org/sgp/crs/row/R42582.pdf>.

⁸Ibid.

⁹On January 12, 2010, Haiti suffered a devastating earthquake which claimed the lives of an estimated 316,000 people. More than one third of Haiti's population suffered from the 7.0 magnitude earthquake.

¹⁰Meyer and Sullivan, CRS Report R42582.

¹¹Antigua and Barbuda, Barbados, the Bahamas and Trinidad and Tobago are considered high-income countries.

relief.¹² Caribbean leaders have argued that “per capita income was the wrong way to measure development” as it obscures the many challenges faced by Caribbean small states.¹³ Among these challenges is the decline in the number of tourist arrivals due to the global economic recession as well as the frequent threats from the hurricane season.

Caribbean states have been grappling with these challenges to economic development in the 21st century, and are burdened by heavy debt, a struggling tourist industry, and the reduction of aid and preferential trade treatment. Richard Bernal argues that, in order to cope with these challenges, Caribbean states should undertake Strategic Global Repositioning (SGR) and that foreign policy plays a crucial function in achieving competitiveness in the new era. SGR, he argues is

a process of repositioning a country in the global economy and world affairs by implementing a strategic medium to long-term plan formulated from continuous dialogue of the public sector, the private sector...It involves proactive, structural and institutional transformation (not adjustment) focused on improvement and diversification of exports and international economic and political relations. Achieving SGR requires changes in both internal and external relations. The external relations are of paramount importance because of the highly open and vulnerable nature of these small developing economies.¹⁴

This dissertation argues that the Caribbean’s growing relations with China and Japan since the beginning of the 2000s is integral to the Caribbean’s economic adjustment strategy as the region copes with the changes in the international economic system. Economic assistance represents the main foreign policy strategy employed by China and Japan towards Caribbean states and manifests itself in

¹²UN General Assembly, GA/EF/3375, “New Approach needed to Address Vulnerabilities of Middle-Income Countries,” October 23, 2013, accessed December 5, 2013, <http://www.un.org/News/Press/docs/2013/gaef3375.doc.htm>.

¹³Ibid.

¹⁴Richard Bernal, “The Caribbean in the International System: Outlook for the First Twenty Years of the 21st Century,” in *Contending with Destiny: The Caribbean in the 21st Century*, eds. Dennis Benn and Kenneth Hall (Kingston: Ian Randle Publishers, 2000), 311.

grants, loans and technical assistance. As a result of this, Caribbean states have begun the process of repositioning themselves in the changing international relations sphere by reorienting their foreign policy strategies towards strengthening and expanding their relationship with the Asia-Pacific region.

China and Japan have stepped in to fill the void left by the shrinking of aid from the Caribbean's traditional sources, providing them with assistance for infrastructural and other development projects. The second and third largest economies in the world have shown interest in the Caribbean, giving them much needed economic assistance, and in the case of China, seemingly without any strict conditionalities as those usually associated with help from international financial institutions. Caribbean heads of governments are therefore welcoming of this growing relationship and are being encouraged to maximize the opportunities to be gained. Economic survival has been the basis of Caribbean foreign policy over the years, and as such, provides a good explanation for the increasing economic and diplomatic activities between the Caribbean region and these Asian powers.

Caribbean foreign policy has typically been focused on receiving concessions or economic preferences on account of their smallness and thus, highlights their dependence on outside assistance. Economic growth in the region has been slow over the last two decades averaging just 1.8 per cent in comparison to an annual growth rate of 3.5 per cent in the world economy.¹⁵ Moreover, the economic situation of Caribbean states is further exacerbated as many of them struggle with high levels of debt. The economic climate across the region is therefore quite unstable and in attempting to understand the reasons for trying to

¹⁵Institute for the Integration of Latin America and the Caribbean IDB-Intal, *CARICOM Report No.2*, August 2005, accessed May 27, 2014, http://ctrc.sice.oas.org/trc/Articles/CARICOM_Report_2.pdf.

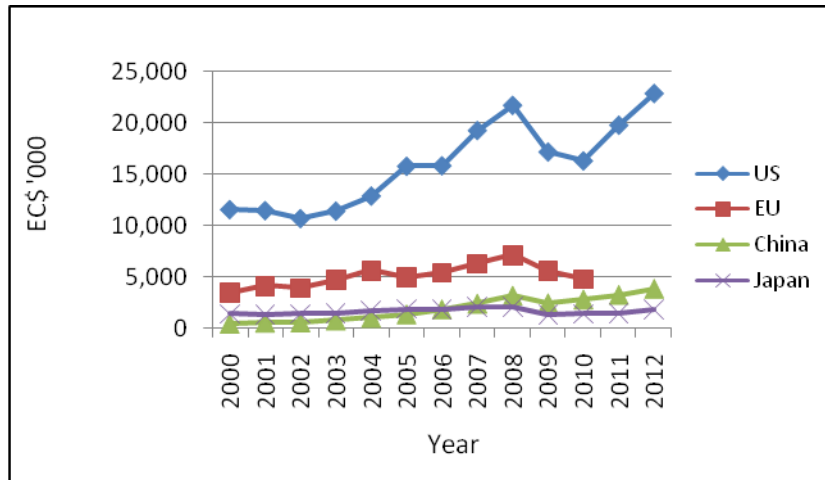
attract Chinese and Japanese aid and investments, the current economic situation facing Caribbean states must be taken into consideration. The Caribbean's current economic situation is discussed further in Chapter 3.

This dissertation examines the Caribbean's relationships with China and Japan. China and Japan's presence in the Caribbean has been steadily expanding since the beginning of the new millennium, with both countries publishing documents to formally highlight their commitment towards deepening the relationship with the Latin America and Caribbean region.¹⁶ This has manifested itself through their active engagement with the Caribbean especially with regards to the significant amount of economic assistance being rendered. China and Japan have been filling the vacuum left by the Caribbean's traditional partners, providing them with the much needed assistance that they require due to their precarious economic situation.

As mentioned previously, the Caribbean's trading and economic relations have traditionally been with the US and the EU. However, Caribbean states have been attempting to diversify their trading relations with other players such as China and Japan (see Figure 1.1. and Figure 1.2.). It should be noted that the US and EU are still the Caribbean's dominant trading partners but the point to be highlighted here is the diversification of trade partners, which therefore provides Caribbean states with access to new markets and choice of cheaper products. The value of imports from China and Japan in 2010 begins to increase relative to that of the EU.

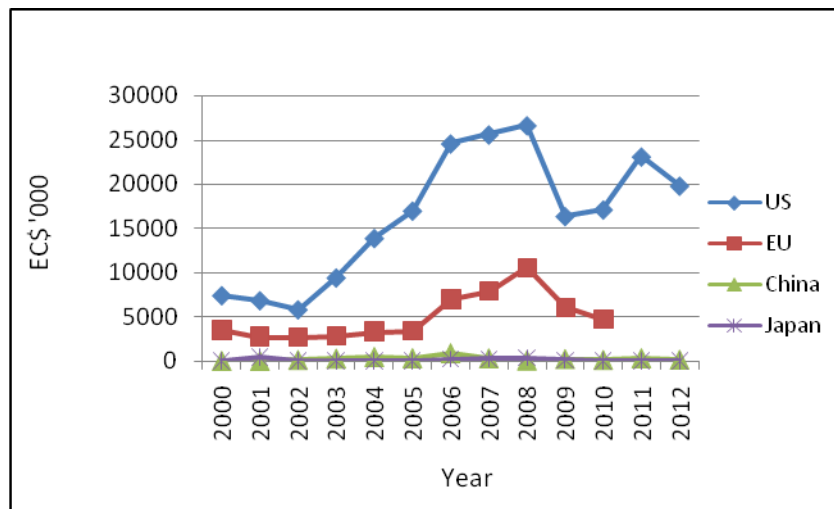
¹⁶ The Central People's Government of the People's Republic of China, "China's Policy Paper on Latin America and the Caribbean (full text)," November 5, 2008, accessed November 20, 2010, http://english.gov.cn/official/2008-11/05/content_1140347.htm, see Appendix A; Ministry of Foreign Affairs, Japan, "A New Framework for Japan-CARICOM Cooperation for the Twenty-first Century," November 8, 2000, accessed November 20, 2010, http://www.mofa.go.jp/region/latin/latin_e/caricom0011.html, See Appendix B.

Figure 1.1. CARICOM Imports from the US, EU, China and Japan, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

Figure 1.2. CARICOM Exports to the US, EU, China and Japan, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

The Caribbean’s engagement with China and Japan have and still continue to grow with an increase in the value of trade and development assistance and a widening of economic interaction in services and investments and an escalation of diplomatic relations.

1.2. Defining the Caribbean

Definitions of the Caribbean are many and varied; based on geopolitics, history and culture, language and identity, organizations and geography. The notion of the Caribbean is “continuously being reinterpreted in response both to external influences and internal currents”.¹⁷ The most commonly used definition of the “Caribbean” is one based on geography which defines the region as the island chain in the Caribbean Sea.¹⁸ However, this definition does not include countries such as Guyana and Belize and consequently, does not prove useful for this research. The geographical definition has been expanded in reference to the Caribbean as a basin which includes not only countries lying in the Caribbean Sea but also those around it.¹⁹ The notion of a Caribbean Basin may be considered as geopolitical and hegemonic as the Caribbean Basin Initiative (CBI) was developed by the US Reagan administration. This definition is not a practicable one for this research based on the fact that some of the countries included in the Caribbean Basin do not identify themselves as a part of the Caribbean.²⁰

A cultural definition of the Caribbean relates to “the indigenous Amerindian cultural roots and strong cultural ties with Europe, Africa and Asia” shared by these

¹⁷Norman Girvan, “Creating and Recreating the Caribbean,” in *Contending with Destiny: The Caribbean in the 21st Century*, eds. Dennis Benn and Kenneth Hall, (Kingston: Ian Randle Publishers, 2000), 34.

¹⁸Ibid

¹⁹Ibid

²⁰The Caribbean Basin refers to countries within and around the Caribbean Sea. This definition would therefore include countries such as Costa Rica, Honduras, Guatemala, Nicaragua, Panama which do not identify themselves as Caribbean and which have vast differences in the history and culture. This definition also excludes the three Guianas which identify themselves as a part of the Caribbean. The three Guianas are Guyana (former British colony), Suriname (former Dutch colony), and Guiana (former French colony). Despite being located in South America and washed by the Atlantic Ocean, they have often identified themselves as a part of the Caribbean.

countries.²¹ Girvan describes the Caribbean as an “ethno-historic zone which comprises the islands and the adjacent coastal communities in South and Central America sharing a similar history, culture and ethnicity”.²² These countries share a similar history based on the sugar and plantation system, the genocide of the pre-Colombian population, slavery and indentureship. The drawbacks to a cultural definition, however, are that the boundaries of a cultural Caribbean cannot be easily demarcated and that it includes countries which have only a relatively small part of their perimeter being washed by the Caribbean Sea.²³

Payne and Sutton define the Caribbean as a region characterized by a combination of geography and history, closely linked to the US by geography, language and culture while still being tied to European history and sentiment.²⁴ This definition is most practicable and will be used for this research to define the Caribbean as the islands in the Caribbean Sea as well as Guyana and Belize which share a similar political and economic history under British colonialism.²⁵

Based on this definition, for the purposes of the research, “Caribbean” or “Caribbean states” will be used in reference to the English-speaking countries. However, this research will focus only on sovereign countries within the region and therefore excludes the dependent colonies of the United Kingdom (UK) and US.²⁶

²¹Byron Blake, “The Caribbean-Geography, Culture, History and Identity: Assets for Economic Integration and Development,” in *Contending with Destiny: The Caribbean in the 21st Century*, ed. Dennis Benn and Kenneth Hall, (Kingston: Ian Randle Publishers, 2000), 47.

²²Girvan, “Creating & Recreating the Caribbean,” 31.

²³Girvan’s definition includes Puerto Limon of Costa Rica which is washed by the Caribbean Sea but does not include other areas of the country.

²⁴Anthony Payne and Paul Sutton, *Modern Caribbean Politics* (London: Johns Hopkins University Press, 1993).

²⁵Guyana and Belize have traditionally identified themselves as being a part of the Caribbean, despite being located in South and Central America respectively.

²⁶Anguilla, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands are dependencies of the UK; while Puerto Rico and US Virgin Islands are dependencies of the US.

Therefore, the countries which will be examined are those which have a similar history, culture, political system, identity, and population size. These countries are also members of the regional organization representing the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS).²⁷ Whenever the terms “Caribbean” and “Caribbean states” are used in this study, it is therefore only in reference to these English-speaking independent states (see Figure 1.3.)

²⁷CARICOM comprises of fifteen members - Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, and Trinidad and Tobago; as well as Haiti and Suriname which will not be included in this analysis since they are not English-speaking countries. Montserrat will also be excluded since it is a dependency of the UK.

Figure 1.3. Map of Caribbean States



Note: Countries that are highlighted represent the group under study. They are referred to as “Caribbean states” or “the Caribbean” throughout the dissertation.

For the purposes of this research, it is important to distinguish between Latin America and the Caribbean, as much of the existing literature on the foreign policy of Latin America and the Caribbean focuses mainly on Latin America, with often times just a passing mention of the Caribbean.²⁸ Despite geographical proximity and the norm to label both areas as one region, as in the case of policy papers and academic discourse, there are in fact major differences between the two areas. The small developing economies of the Caribbean differ from those of Latin America in size or level of development or both. For example, Latin American economies are richer in natural resources than Caribbean countries (this is discussed in subsequent chapters) and as such, China and Japan’s resource-driven motivations towards Latin

²⁸For example, *Latin America and Caribbean Foreign Policy*, eds. Frank O. Mora and Jeanne A.K. Hey (NY: Rowman and Littlefield, 2003). Of the 17 chapters, only one chapter addresses the Caribbean. See Erisman, “CARICOM: The Pursuit of Economic Security”, in *Latin America and Caribbean Foreign Policy*, eds. Frank O. Mora and Jeanne A.K. Hey (NY: Rowman and Littlefield, 2003).

American are much stronger than towards the Caribbean. It is therefore important to make a distinction between Latin America and the Caribbean, in order to yield a deeper analysis of those factors behind China and Japan's interest in the Caribbean. In doing so, it is my hope that this research will contribute to the limited existing body of academic work on Caribbean foreign policy.

Though this study focuses on the relationship Caribbean states share with China and Japan; Chapters 5 and 6 focus on the relationships of two countries in particular – Jamaica and Grenada- with the two Asian powers in detail. These were chosen mainly because one of the main objectives of this dissertation is to show that there are differences in the foreign policies that Caribbean states pursue towards China and Japan. These case studies show that the differences in their foreign policy strategies are related to the attributes possessed by each country.

Another point to be highlighted is the fact that while Japan shares a relationship with CARICOM; China does not, as not all member states recognise the “One China” policy.²⁹ Hence, in discussing relations with China, the terms “Caribbean” or “Caribbean states” are used instead. This is also related to a larger issue regarding the ineffectiveness of regionalisation in the Caribbean. Both issues are discussed later in subsequent chapters.

²⁹Belize, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines do not recognize the One China policy.

1.3. Overview of Caribbean Relations with China and Japan since the 2000s.

China and Japan's engagement with the Caribbean has been expanding since the 2000s with an increase in the number of high-level visits from Caribbean governments to China and Japan and vice versa. In the case of China, Caribbean countries have been the recipients of loans provided at low rates of interest and prima facie without any conditionalities that have been the subject of much discontent in loans obtained from the International Monetary Fund (IMF) or World Bank. They have also been given numerous grants and technical assistance in areas of infrastructure. In the areas of education and culture, the governments of China and Japan offer scholarships at the tertiary level for study in China and Japan. Additionally, a number of individuals from the Caribbean trek to Asia-pacific region yearly as assistant language teachers (ALTS).³⁰

1.3.1 Present Day Caribbean - China Relations

On November 5, 2008, China issued its first policy paper on Latin America and the Caribbean which, inter alia, reflected the importance of China-Caribbean relations. According to Yang Wanming, Director-General of the Department of Latin America and Caribbean Affairs of the Foreign Ministry, the policy paper was formulated with an aim to further clarify the goals of China's policy in this region

³⁰Japan Exchange and Teaching (JET) program is one such cultural exchange initiative. Participating countries from the Caribbean include Antigua and Barbuda, Barbados, Jamaica, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. In 2000, Jamaica was the first Caribbean country to begin participating in the programme and since then over 200 Jamaicans have been sent to Japan. See <http://www.jetprogramme.org>.

and outline guiding principles for future cooperation.³¹ The four main goals highlighted in the policy paper are

1. to promote mutual respect and trust between China and the Latin American and the Caribbean region, based on the Five Principles of Peaceful Co-existence and by strengthening dialogue and communication and enhancing mutual trust;
2. to deepen cooperation and achieve win-win relations by becoming partners in economic cooperation and trade, among other things;
3. to draw on each other's strengths in order to boost common progress and intensify exchanges via cultural diplomacy and people-to-people exchanges; and
4. to establish and develop state-to-state relations with all countries in the region based on the One China principle.³²

Similarly, the report produced from the National Congress of the Communist Party of China (CPC) held during the period of November 8-14, 2012, presented a congress-approved plan for “completing the building of a moderately prosperous society in all respects and accelerating socialist modernisation” stating that it is of great importance to China's on-going development.³³ This report reiterates China's proclamation of assisting other developing countries and purports that the principles

³¹The Central People's Government of the People's Republic of China, “China's Policy Paper on Latin America and the Caribbean,” November 5, 2008, accessed December 20, 2010, http://www.english.gov.cn/pfficial/2008-11/05/content_114-347.htm. See Appendix A.

³²The Central People's Government of the People's Republic of China, “China's Policy Paper on Latin America and the Caribbean,” November 5, 2008, accessed December 20, 2010, http://www.english.gov.cn/pfficial/2008-11/05/content_114-347.htm.

³³Zheng Qingdian, “New Opportunity to Strengthen China-Jamaica Relations,” *Jamaica Gleaner*, January 2, 2013, accessed January 4, 2013, <http://jamaica-gleaner.com/gleaner/20130102/cleisure/cleisure2.html/>

highlighted in the policy paper and from this report have “established a stable foundation for China, Latin American and Caribbean relationships”.³⁴

The China-Caribbean Economic and Trade Cooperation Forum was inaugurated in Jamaica in 2005, with the aim to enhance cooperation and common development between China and the Caribbean region. Its mission is to discuss how to promote China-Caribbean economic and trade exchanges and cooperation; and will be held every three to four years. In addition, many practical cooperation programs and development projects have been executed over the last decade as well as there have been many exchanges of high level visits such as that of Premier Wen Jiabao to the Caribbean region in June 2012.

More recently in June 2013, President Xi Jinping visited Trinidad and Tobago³⁵ on the first leg of his tour to the Latin America and Caribbean Region. During his visit to Trinidad, President Xi met and had bilateral talks with Caribbean heads of government from CARICOM countries that share diplomatic ties with China and not Taiwan. He announced that a US\$3 billion concessionary facility would be given to eight Caribbean countries. Prime Minister Kamla Persad-Bissessar of Trinidad and Tobago stressed that this concessional financing would be limited to those CARICOM members states that support the One China policy.³⁶

Caribbean leaders have openly expressed their recognition of the One China policy which plays an important role in China’s engagement with the Caribbean

³⁴Ibid

³⁵According to Chinese officials, Trinidad and Tobago was selected because of its powerful economic status in the Caribbean region and for the traditional friendship shared. Trinidad and Tobago cast its vote in favour of restoring the seat of China in the UN. See “Foreign Minister Wang Yi on President Xi Jinping's State Visit to Trinidad and Tobago, Costa Rica and Mexico”, June 7, 2013, accessed June 10, 2013, <http://www.fmprc.gov.cn/eng/topics/xjpttermux/t1049938.shtml>.

³⁶Prime Minister Kamla Bissesar-Persaud stated that the loan would be used for mostly for infrastructural development. See Juhel Browne, “US \$3b for region : No \$\$ for St Lucia, St Kitts, 3 others”, *Trinidad Express*, June 3, 2013, accessed June 10, 2013, <http://www.trinidadexpress.com/news/US-3b-for-region-209876301.html>

region. This is discussed in Chapter 4 as one of the motivations behind China's interest in Caribbean states. The One China policy rhetoric has been echoed in statements made by Caribbean leaders as in the case of Prime Minister Roosevelt Skerrit of Dominica, who has expressed that China's constructive engagement signals to the Caribbean that China has been taking the region seriously, responding to the long-standing solidarity which they have expressed to China over an extended period of time, particularly with regards to the One China policy and also the peaceful reunification of the whole of China.³⁷

China came to the assistance of Caribbean countries in 2007 by providing the necessary funds to build new stadiums.³⁸ Caribbean states had been delegated to host the International Cricket Council (ICC) Cricket World Cup for the first time. However, most of the Caribbean countries sharing the hosting rights for the event did not have acceptable venues at that time, so it was necessary for them to build new stadiums and to refurbish old ones. This "stadium" diplomacy was integral in China's quest to isolate Taiwan in the Caribbean, for example in the case of Grenada which will be discussed further in Chapter 6.

China's economic relations with the Caribbean are largely bilateral in nature due to the divide among CARICOM member states over diplomatic recognition of China. Initiatives such as the China-Caribbean Economic and Trade Cooperation forum may be considered as an attempt though limited at a regional approach.³⁹ At

³⁷Prime Minister Roosevelt Skerritt in *Jamaica Observer*, "China offers US\$3-billion concessionary facility to CARICOM," June 04, 2013, accessed June 10, 2013, http://www.jamaicaobserver.com/news/China-offers-US-3-billion-concessionary-facility-to-Caricom_14412491.

³⁸China provided economic assistance for the building of stadiums in Antigua and Barbuda, Grenada and Jamaica.

³⁹Relations are largely bilateral due to the fact that some CARICOM member states have diplomatic ties with Taiwan and not China.

this forum, China promised \$1 billion in preferential loans for Caribbean economic development; US\$1 billion from the China Development Bank for special commercial loans towards infrastructural development; a donation of \$1 million to the CARICOM Development Fund; approximately 2,500 training opportunities and 30 opportunities for studies for master's degrees in China; support and training for natural disaster mitigation and prevention and support for increasing and diversification of export.⁴⁰

China's presence in the region is also visible in its membership in the region's development bank - Caribbean Development Bank (CDB). China has also provided support for the Confucius Institute at the University of the West Indies (UWI) at the Mona campus in Jamaica and is currently, constructing another in Trinidad and Tobago. The Chinese have granted assistance across the Caribbean for infrastructure and development programs such as the Palisadoes Shoreline Protection works and the Jamaica Development Infrastructure Programme in Jamaica; and the construction of Couva Children's Hospital in Trinidad and Tobago.⁴¹ According to Ambassador Qingdian, the 18th CPC National Congress makes a clear signal of actively developing relations with Caribbean countries at this stage.⁴²

⁴⁰ Annita Montoute, "Caribbean-China Economic Relations: What are the Implications?" *Caribbean Journal of International Relations & Diplomacy* 1, No. 1 (February 2013): 114, <http://journals.sta.uwi.edu/iir/index.asp?action=fullTextPermaLink&articleId=344&galleyId=304>.

⁴¹ *Jamaica Observer*, "China Generous Despite Its Own Problems," October 5, 2010, accessed November 20, 2010, https://www.jamaicaobserver.com/news/China-generous-despite-its-own-problems_8016805.

⁴² Qingdian, "New Opportunity to Strengthen China-Jamaica Relations."

1.3.2. Present Day CARICOM - Japan Relations

Japan, like China, has shown similar commitment to the cooperation and development of its relationship with the Caribbean region; insofar as designating the year 2014 as “Japan-CARICOM year” to celebrate the 20th anniversary of Japan-CARICOM consultations.⁴³ Moreover, Prime Minister Abe visited Trinidad and Tobago in July 2014 during his tour of Latin America and the Caribbean. During his visit, the first Japan-CARICOM Summit Meeting was held with other Caribbean leaders.⁴⁴ Abe’s visit to the Caribbean signals an important step in highlighting the importance of the region to Japan.

In the year 2000, “A New Framework for Japan-CARICOM Cooperation for the Twenty-first Century” was adopted, which outlined a number of political, economic and social areas of collaboration, placing emphasis on cooperation

1. for the economic and social development of CARICOM member states,
2. for integration into the global economy; active economic interaction and exchanges between member states and Japan, and
3. in international fora such as the UN and the WTO⁴⁵

In 2004, during his visit to Latin America, Japan’s Prime Minister Junichiro Koizumi proposed a “Vision for a New Japan-Latin America and Caribbean Partnership (the Koizumi Vision)”, which called for the creation of new, future-

⁴³It should be noted that Japan, unlike in the case of China, shares a relationship with all CARICOM member states. Hence, the framework speaks of Japan-CARICOM relations. Note the use of “CARICOM” referring to the regional organization of the Caribbean states as opposed to use of “Caribbean states”.

⁴⁴MOFA, “Prime Minister Abe's Visit to Latin America and the Caribbean (July 25 - August 2, 2014),” August 11, 2014, accessed November 28, 2014, http://www.mofa.go.jp/la_c/sa/page3e_000199.html.

⁴⁵MOFA, Japan, “A New Framework for Japan-CARICOM Cooperation for the Twenty-first Century,” November 8, 2000, accessed November 20, 2010, http://www.mofa.go.jp/region/latin/latin_e/caricom0011.html, see Appendix B.

oriented relationship between Japan and the countries of Latin America and the Caribbean.⁴⁶ Additionally, it called for enhanced cooperation in tackling a variety of issues in the international community, including reform of the United Nations and the Security Council.⁴⁷ This address marks a key moment in the reactivation of Japan's foreign policy with Latin America, and the deepening of ties with Caribbean states.

In keeping with the Japan-CARICOM framework, a "Partnership for Peace, Development and Prosperity between Japan and the Member States of the Caribbean Community (CARICOM)" document was prepared in September 2010, which is purported to give further direction to future Japan-CARICOM relations.⁴⁸ Additionally, the Japan-CARICOM Friendship Cooperation Fund was established to strengthen friendly and cooperative relations between Japan and the CARICOM countries. It is made up of a contribution from the Government of Japan's fiscal budget as well as donations from the private sector.⁴⁹ A scheme for the management and operation of the Fund was proposed to the CARICOM Secretariat, for which all CARICOM member countries were consulted, and the proposal was accepted in November 2001. Table 1.1. shows some of the projects in the areas of tourism, environment and energy that have been implemented by way of this fund.

⁴⁶MOFA, Japan, "Address by Prime Minister Junichiro Koizumi on the Latin American and Caribbean Policies - Toward a New Japan-Latin America and Caribbean Partnership," September 15, 2004, accessed February 20, 2014, <http://www.mofa.go.jp/region/latin/pmv0409/adress.html>.

⁴⁷Official Wwebsite of the Prime Minister of Japan and His Cabinet, "The Second Day of Prime Minister's Visit to Brazil," September 15, 2004, accessed February 20, 2014, http://japan.kantei.go.jp/koizumiphoto/2004/09/15brazil_e.html.

⁴⁸MOFA, Japan, "The Second Japan-CARICOM Ministerial-level Conference," September 2010, accessed December 20, 2010, http://www.mofa.go.jp/region/latin/caricom/mc_1009/index.html.

⁴⁹The contribution from the 2001 fiscal budget amounted to US\$100,000.

Table 1.1. Projects implemented under the Japan-CARICOM Friendship and Cooperation Fund

Tourism
- The Caribbean Music Fair
- The Symposium on Caribbean History and Culture
Environment
- Caribbean Community Environmental Policy and Action Programme (2013)
- Training in Coastal Zone Management and Environmental Monitoring of Industrial Waste in the Caribbean (2006)
- Real-time Flood Forecasting for the Caribbean (2008)
- Invitation Program on Environment and Climate Change
Energy
- Establishment of Regional Capacity and Expertise for addressing the Impacts of Future Climate Change on Energy Demand in CARICOM countries
Capacity Building in the Area
- Support for Participation of Caribbean Companies in FOODEX
- Support for the Second Round Table on the Development of Small and Micro Enterprise
- Post –Disaster Restoration for Farmers’ Seed Supply in Small Island Member Countries of the Caribbean Community

Source: Information taken from handout prepared by the Caribbean Division, Ministry of Foreign Affairs, Japan

Since 2001, under the Japan–CARICOM cooperation programme, Japan has contributed over US\$500 million in technical assistance and Official Development Assistance (ODA).⁵⁰ Moreover since 2012, some 55 regional projects in thematic areas of poverty reduction, disaster management, information technology, trade and investment promotion, development of small and medium enterprises, agriculture and fisheries, and tourism and culture have been implemented. Support was also given for the establishment of the Caribbean Court of Justice (CCJ) and the construction of the headquarters of the CARICOM Secretariat in Georgetown, Guyana.⁵¹

⁵⁰Caribbean Division, MOFA. Hand-out prepared on Japan–CARICOM Relationship. December 2012.

⁵¹CARICOM Secretariat, “Joint Communiqué issued at the Conclusion of the Eight CARICOM-Japan Consultation, 4-5 March 2002, St. John’s, Antigua and Barbuda,” Press Release 38/2002, March 8, 2002, accessed November 20, 2010, http://www.caricom.org/jsp/pressreleases/pres38_02.jsp.

Under the Grassroots and Human Security Grants, Japan has, since 1995, provided US\$3.9 million to over 63 local projects in Jamaica.⁵² In Trinidad and Tobago, under the same grant, US\$87,076 was granted in March 2012 for the Project of Greenhouse Farming at primary and secondary schools.⁵³ The Japan Exchange and Teaching Program (JET) continues to be an exceedingly popular program which many Caribbean citizens enrol and are sent to Japan for teaching assignments each year.

The staging of the third Japan-CARICOM Ministerial-Level Conference with CARICOM member states in September 2013 reaffirms Japan's commitment to deepen its relationship with the Caribbean region. This is discussed in greater detail in the following chapters.

1.4. Research Questions

There are four main research questions driving this dissertation which explores the reorientation of the foreign policy direction of the Caribbean from traditional partners in the western hemisphere towards partners in the Asia-Pacific region, and examines the Caribbean's interest in increasing its engagement with China and Japan. In Chapter 3, it is seen that the main priority of Caribbean states has been economic development and since they have been losing the special consideration they once had with Europe and the US, they have to find new ways of attracting aid and investments. Hence, the primary objective of their foreign policies

⁵²Embassy of Japan in Jamaica. "Bilateral Relations – Japan's Economic Assistance to Jamaica," accessed December 20, 2010, <http://www.jamaica.emb-japan.go.jp/en/bilateral/economicassistance.html>.

⁵³Embassy of Japan in Trinidad and Tobago. "Press Release: Japanese Government Assist in the Greenhouse Farming at Primary and Secondary Schools," March 26, 2012, accessed December 20, 2010, http://www.tt.emb-japan.go.jp/press%20release_29.03.12.htm.

towards China and Japan are rooted in economic survival. Having acknowledged the reason behind their interest in diversifying their relations, the dissertation goes on to highlight that along with the perceived benefits of these relationships, are certain drawbacks such as an overwhelming trade surplus. The first research question is as follows:

What are the opportunities and challenges for Caribbean states to deepen relations with China and Japan?

This dissertation focuses on the foreign policy strategies of Caribbean states towards China and Japan, arguing that there is not one generic Caribbean foreign policy. Though they have a similar objective of achieving economic development and face similar predicaments due to their smallness, this dissertation proposes that there are in fact differences in their foreign policy strategies pursued toward China and Japan. Hence, the next research question enquires:

To what extent do the attributes of Caribbean countries influence the different foreign policy strategies pursued towards China and Japan?

The argument made centres on the resilience of small states and how in order to overcome their shared vulnerabilities; they have been using their positive features such as their resources as a foreign policy tool.

Resource endowment here refers to those natural resources such as minerals, oil and natural gas, sun, sand and sea as well as land space which provides for economies based on tourist, agricultural and in the case of Trinidad and Tobago, manufacturing industries. Depending on the resources they possess, Caribbean countries devise their foreign policy strategies accordingly. For example, Chapter 5 shows the case of Jamaica which has an economy focused on bauxite, tourism and

agricultural products such as coffee, and hence, its foreign policy towards China and Japan is geared towards utilising these resources. Those smaller Caribbean states in the Eastern Caribbean which do not possess natural resources, and have limited tourist and agricultural industries, have been using their value-based resources to craft ingenious foreign policy strategies. Value-based resources is an argument proposed by Braveboy-Wagner who argues that Caribbean states use their normative power such as their votes in international bodies and support in international fora.

Chapter 3 discusses the use of value-based resources in more detail in discussion with arguments put forward by Palan and Prashad about the Caribbean's use of sovereignty in exchange for economic assistance. Caribbean states have traditionally been seen by the international community as having a consistent record of democracy and are well respected in international organizations such as the United Nations (UN). Despite their small size, they have positioned themselves proactively in international organizations and as a result, this has allowed them to have some influence on relevant aspects of the global agenda. Chapter 6's case studies of Grenada show how a small state without natural resources, creatively uses its value-based resources to craft its foreign policies with China and Japan. With regards to the One China policy, Grenada uses its recognition of China to capitalise on benefits to be had from the relationship; whereas, votes in international organizations such as the UN and International Whaling Commission (IWC) plays a key role in the relationship with Japan.

Archibold's article had hit the nail on the head, when he spoke about China (in particular) setting up shop in the US' "backyard" and the red flags that it brought

up for many concerned with this interest with the Caribbean region.⁵⁴ Although, this dissertation will not focus on the US security concerns, an investigation of these two Asian powers' interest in the region will help to provide a better understanding of the nature of this relationship. The third research question is therefore:

What are the primary motivations behind China and Japan's interest in the Caribbean region?

This dissertation argues that the motivations are based on economic development, political security and global status. With regards to economic development, both China and Japan are searching for access to markets for their exports as well as transportation routes, and for natural resources to secure. On a political level, China's motivation may be to a greater extent than that of Japan's in terms of the One China policy. China's desire to isolate Taiwan in the Caribbean region is an important aspect of its foreign policy with Caribbean states and will be discussed later in subsequent chapters. In terms of global status, China and Japan have been trying to garner votes and support in international bodies and developing countries. As China continues to rise to power, Japan has been increasing its activities in a bid to stay relevant regionally and internationally.

The final research question relates directly to the theoretical discussion of this dissertation which is:

How can the Caribbean's foreign policies towards China and Japan help to explain and develop the study of small states in international relations?

In explaining their behaviour towards China and Japan, the aim of this dissertation is to build on the existing academic work on the study of small states by highlighting

⁵⁴Randall Archibold, "China Buys Inroads in the Caribbean, Catching U.S. Notice," *New York Times*, April 7, 2012, accessed April 30, 2012, http://www.nytimes.com/2012/04/08/world/americas/us-alert-as-chinas-cash-buys-inroads-in-caribbean.html?pagewanted=all&_r=0.

important aspects of small states and their foreign policy behaviour. This dissertation employs the level of analysis approach, which is discussed further in Chapter 2, to explain the foreign policy behaviour of Caribbean states and explores the interplay between the levels. It proposes that all three levels of analysis – system, state and domestic - are important in explaining the Caribbean’s foreign policies towards China and Japan and in analyses of small state foreign policy behaviour on a whole.

1.5. Methodology

While China and Japan’s economic and political interactions with the developing world have been attracting attention in the media, there still remains a limited output of information in academic discourse. In particular, their engagement with Caribbean states is a fairly new area of research and as such, there has been little scholarly work on this subject matter. In general, academic literature on Caribbean states is limited but growing. The literature that does exist with regards to China and Japan, discusses the relationship with Latin America and the Caribbean as a whole with only minor references to Caribbean states.⁵⁵ As was mentioned previously, the relationship with Latin America is vastly different from that with the Caribbean. Hence, this dissertation intends to help fill the void on the subject matter of the Caribbean’s involvement with China and Japan in the new millennium and in

⁵⁵For literature on Caribbean- China relations, see Richard Bernal, *Dragon in the Caribbean: China’s Global Re-Dimensioning Challenges and Opportunities for the Caribbean*, (Kingston, Jamaica: Ian Randle Publishers, 2014). Bernal’s book is the first to provide a study exclusively on China’s relationship with the Caribbean. R. Evan Ellis also includes the Caribbean in his study on China-Latin America relations; see R. Evan Ellis, *China on the Ground in Latin America: Challenges for the Chinese and Impacts on the Region* (NY: Palgrave Macmillan, 2014).

effect, contribute to the existing body of academic work on Caribbean foreign policy analysis.

In examining the Caribbean's engagement with China and Japan, a principally qualitative approach is employed by using case studies which entails the in-depth exploration of events, activities and processes.⁵⁶ Case studies of two Caribbean countries – Jamaica and Grenada – and their engagement with China and Japan are presented. These two Caribbean countries were chosen because of their differences in attributes. Despite both countries facing similar economic and environmental vulnerabilities, Jamaica is rich in bauxite and has a larger land area for agriculture and tourism than Grenada. Grenada has been known for its use of value-based resources in exchange for economic gain in establishing offshore financial centres for example. Chapter 6 shows how the country creatively uses these value-based resources in its foreign policies towards China and Japan. Rowley argues that one of the main advantages of a case study is the “ability to undertake an investigation into a phenomenon in its context, it is not necessary to replicate the phenomenon in a laboratory or experimental setting in order to better understand the phenomenon”.⁵⁷

The methods of data collection used include the consultation of government documents, various newspaper articles and interviews with individuals close to the foreign policy decision-making process from previous and current government administrations. Interviews were conducted between September 20, 2012 and June 27, 2013. It should be noted that due to the nature of this subject matter, the names

⁵⁶John W. Cresswell, *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*, (Thousand Oaks, CA: Sage Publications, 2003).

⁵⁷Jennifer Rowley, “Using Case Studies in Research,” *Management Research News* 25, no. 1 (2002), 18.

of interviewees will not be provided in this dissertation as the interviews conducted are confidential.⁵⁸

In order to explore China and Japan's motivation to foster relations with the Caribbean, primary data detailing aid and loans received from these countries were analysed to determine general trends. With regards to Japan, data on its economic assistance to region was readily available and easily accessible from Ministry of Foreign Affairs (MOFA) ODA White Papers and Japan International Cooperation Agency (JICA) reports. However, with regards to China's economic assistance, reliable primary data is limited. Secondary literature on the general foreign policies of China and Japan was also used in an attempt to better understand their foreign policy stance towards Caribbean states. These sources were limited to those written in English but this limitation, however, should not prove worrisome, as the aim of this dissertation is to provide a discussion and explanation of foreign policy behaviour from the Caribbean's perspective.

It should also be noted that the statements of interviewees were checked against newspaper articles reports and used available statistics and agreements to corroborate newspaper reports and interviewee statements. This process of triangulating the different data sources of information by examining evidence from the sources and using it to build a coherent justification was used to ensure the reliability and validity of the research findings.⁵⁹

⁵⁸See References for further information about date and place of interviews.

⁵⁹Cresswell, *Research Design*, 2003.

1.6. Structure of Dissertation

Having introduced the research questions driving this research, the dissertation continues in Chapter 2 with a review of the existing literature of small states and small state foreign policy behaviour. This dissertation is grounded in the theoretical discussions on small states in the international system and as such, Chapter 2 presents previous academic work highlighting the features of small states and the foreign policy strategies of small states. One of the aims of this research is to build on the existing literature on small state foreign policy behaviour by attempting to not only explain the foreign behaviour of Caribbean small states but to also highlight that there are differences in the foreign policies pursued by small states.

Chapter 3 provides a trajectory of Caribbean foreign policy since the 1960s and highlights the behaviour of Caribbean states today in the changing international sphere. In exploring the history of the foreign policies of Caribbean states, Chapter 3 highlights that the pursuit of economic development has always been the primary motivation behind their foreign policy strategies. Furthermore, as presented in the literature reviewed in Chapter 2, small states have argued that their economic survival is dependent on larger powers. In this current changing international relations sphere, Caribbean states are repositioning themselves and reorienting their foreign policies towards China and Japan, the newest providers of aid and investment to the region.

Chapter 4 of this dissertation gives a brief overview of China and Japan's general foreign policies towards developing countries. The similarities and differences between Chinese and Japanese foreign policy strategies are also

highlighted. It should be noted, that while this research is focused on Caribbean foreign policy, it is still necessary to explore the general foreign policies of these Asian powers with other developing countries in order to ascertain their interest in Caribbean states. The discussion presents the pursuit of economic development, political security and global status as factors behind their interest in these small states.

The relationships Jamaica share with China and Jamaica are explored in the case studies presented in Chapter 5. The foreign policy behaviour of Jamaica since its independence is first highlighted in an effort to show the changes in the country's foreign policy ideology and strategies. In the current international system, Jamaica has been using both its natural and value-based resources to gain the maximum benefits from its growing relationships with China and Japan.

Chapter 6 similarly presents the relationships that Grenada has with China and Japan. These cases show that Grenada, because of its limited resource base, has been actively using its value-based resources to pursue its foreign policies with China and Japan. In the Chinese context, Grenada leverages its value-based resources for economic benefits as evidenced in its switching diplomatic recognition from China to Taiwan, and vice versa. In the Grenada-Japan relationship, Grenada creatively uses its value-based resources such as votes in international fora such as the International Whaling Commission.

Chapter 7 reviews and summarises the main arguments of the dissertation and addresses how it contributes to the development of the literature on small state foreign policy behaviour. This chapter also highlights the fact that economic development is prime motivation for small state international relations and that they

pursue different foreign policies based on the attributes they possess. Moreover, it emphasises the role of the system, state and individual levels of analysis in explaining the Caribbean's foreign policies towards China and Japan and thus, that the domestic level should be considered as an important factor in the foreign policy decision-making of Caribbean states.

CHAPTER 2

Small State Foreign Policy Behaviour and Levels of Analysis Framework

2.1. Overview of Chapter

Most of the earlier literature on small states is preoccupied with conceptualising “smallness”, though seemingly there is still no widely accepted definition of a small state. Despite the ambiguity in the definition of a small state, Caribbean states have unanimously and consistently identified themselves as “small”. As such, their foreign policy strategies have been based on the inherent vulnerabilities that exist as a result of their smallness. This chapter reviews the literature on the study of small states and focuses especially on their foreign policy behaviour. Beginning with a presentation of the definitions and special features of a small state, the chapter continues with a discussion on the impact of “smallness”. In presenting the special characteristics of small states, some authors have argued that small size hampers their development while others have argued that despite their vulnerabilities, many small states have fared quite well.

The literature relating to the foreign policies of small states is also reviewed with a discussion on the earlier works of Annette Baker-Fox, Maurice East, Peter Katzenstein and more recently, of Jeanne Hey and Jacqueline Braveboy-Wagner. These scholars have greatly contributed to the development of the scholarship on small states and specifically, their foreign policy behaviour. Braveboy-Wagner, in particular, is a pioneer and one of few scholars to discuss Caribbean foreign policy in general, and within the context of small states in international relations.

2.2. Definitions of a Small State

A considerable amount of the existing literature on small states is primarily focused on the definition or conceptualisation of “smallness”. Authors have utilised a series of definitions which have included geographical size, population size, and a state’s degree of influence in the international system. In spite of this, there is still no widely accepted definition of a small state. According to Crowards, definitions previously utilised have been based upon “arbitrarily cut off values of selected criteria”.¹

Most of the definitions used in the literature have been based on population size as authors like Streeten, opine that it is the “best simple measure”.² However, there still seems to be no general agreement on what limits of population size can be used to identify a small state. According to Streeten, what is considered a small country today is much smaller than what was considered a small country “a hundred years ago”.³ Similarly, Crowards addresses this by positing that there has been an evolution of the definition of the population size of small states. He purports that during the 1950s and 1960s, a state was considered small if it had a population of under 10 or 15 million, whereas, in the 1970s and 1980s, it was small if the population was under 5 million; and in the 1990s, if it was between 1 and 1.5 million.⁴

¹Tom Crowards, “Defining the Category of “Small” States,” *Journal of International Development* 14, no. 2 (March 2002), 143.

²Paul Streeten, “The Special Problems of Small Countries,” *World Development* 21, no.2 (1993), 197.

³Ibid, 197

⁴Crowards, “Defining the Category of ‘Small’ States,” 143.

The 1985 Vulnerability Report prepared by the Commonwealth Consultative Group on Small States, defines a small state as “one with a population of around one million or less”.⁵ This same defining criterion was used in the updated version of the report in 1997 but to include an upper limit of 1.5 million people. If we are to strictly adhere to this limit, then it would not be possible to include Jamaica in this category of small states, since its population exceeds this upper limit of 1.5 million (see Table 2.1). However, the report addresses this by stating that in addition to population size, the importance of region should also be taken into consideration. Hence, countries such as Jamaica in the Caribbean, Papua New Guinea in the South Pacific and Lesotho in Southern Africa, which have many physical and economic characteristics in common with all the other states in their region, should be included in the list of small states, despite their greater population size.⁶

⁵Commonwealth Secretariat, *A Future for Small States: Overcoming Vulnerability*, (London: Commonwealth Secretariat, 1997), 9.

⁶Commonwealth Secretariat, *Small States: Meeting Challenges in the Global Economy*, Report of the Commonwealth Secretariat/ World Bank Joint Task Force on Small States, April 2000. <http://www.cpahq.org/cpahq/cpadocs/meetingchallengeinglobaleconomy1.pdf>

Table 2.1. Demographic Statistics of Caribbean Small States, 2013

Country	Land (sq km)	Population (inhab.)	GDP per capita (current US\$ mil)	HDI Index*	HDI Rank [^]
Antigua and Barbuda	440	89,069	12,733	0.760	High
The Bahamas	10,010	371,960	21,908	0.794	High
Barbados	430	283,221	21,908	0.825	Very High
Belize	22,800	324,060	4,721	0.702	Medium
Dominica	750	71,684	6,692	0.745	High
Grenada	340	105,483	7,267	0.770	High
Guyana	196,850	795,369	3,584	0.636	Medium
Jamaica	10,830	2,712,100	5,440	0.730	High
St. Kitts and Nevis	260	53,584	14,314	0.745	High
St. Lucia	610	180,870	6,848	0.725	High
St. Vincent and Grenadines	390	109,373	6,515	0.733	High
Trinidad and Tobago	5,130	1,337,439	17,437	0.760	High

Source: Data collected from the World Bank Database, <http://data.worldbank.org/> and UNDP Human Development Index Report, 2013, http://hdr.undp.org/sites/default/files/reports/14/hdr2013_en_complete.pdf.

Note: *HDI Index refers to the UNDP's Human Development Index which measures a country's development by combining indicators of life expectancy, educational attainment and income.

[^]HDI classifications are relative—based on quartiles of HDI distribution across 187 countries. Countries ranked 1-47 are denoted as “very high”, 48-94 as “high”, 95-141 as “medium” and 142-185 as “low”.

Caribbean states are considered to be small states by any of these and other definitions employed. However, this research, as supported by Hey's proclamation, will not focus on proposing a definition of small states but will rather, direct attention to the foreign policy behaviour of small states. Hey argues that no strict definition is necessary either to employ “smallness” as an analytical device or to

collect findings about foreign policy behaviour from it.⁷ She instead adopts Vital's position that a concept is preferable to a definition when discussing small states.⁸ This "concept", Vital refers to as a loosely defined notion of small states that eschews rigid specifications.⁹ Moreover, Hey opines that her concept is one based on the idea of perceptions, that is, if the people and institutions of a country generally perceive themselves as small, then it shall be considered as small.¹⁰ This approach is considered to be more consistent with that of the early writings of Rothstein, who argued that "a small power is a state which recognizes that it cannot obtain security primarily by use of its own capabilities and that it must rely fundamentally on the aid of others".¹¹

2.3. Features of Small States

The Commonwealth Secretariat identifies remoteness and isolation, openness, susceptibility to natural disasters and environmental change, limited diversification, poverty, and limited capacity as the main features of small states.¹² Earlier writings on the features of small states include Maurice East's classification which consists of small land area, small total population, small total gross national product (GNP), and a low level of military capabilities.¹³ Percy Selwyn's list of

⁷Jeanne A. K Hey, *Small States in World Politics: Explaining Foreign Policy Behaviour* (Boulder: Lynne Rienner Publishers, 2003), 3.

⁸Ibid.

⁹David Vital, "The Inequality of States: A Study of the Small Power in International Relations", in *Small States in International Relations*, eds. Christine Ingebritsen, Iver Neuman, Sieglinde Gstohl and Jessica Beyer, (Seattle, USA: University of Washington Press, 2006).

¹⁰Hey, *Small States in World Politics*.

¹¹Robert L. Rothstein, *Alliances and Small Powers*, (New York: Columbia University Press, 1968).

¹²Commonwealth Secretariat, *Small States: Meeting Challenges in the Global Economy*.

¹³Maurice A. East, "Size and Foreign Policy Behaviour: A Test of Two Models," *World Politics* 25, no. 04 (July 18, 1973).

features is broader than East's, as he puts forward seven attributes of small states.

He positions that small states:

1. are more dependent on foreign trade than larger states;
2. have a narrow range of resources, and hence, a specialised economy;
3. are heavily dependent on one large foreign company;
4. are dependent on external institutions;
5. have a narrow range of local skills;
6. have diseconomies of scale; and
7. face difficulties in their import substitution industries.¹⁴

Streeten, similarly identifies the possession of a small land area, diseconomies of scale, and concentration of production in one or few areas as three main features of small states.¹⁵ These features are all characteristic of Caribbean states and as we will see in Chapter 3, may be considered as factors which contribute to the economic climate in the region.

The concept of vulnerability is pervasive throughout the literature, and arose out of a study published by the Commonwealth Secretariat. The concept was later developed extensively by Lino Briguglio, who also published a vulnerability index. According to Briguglio, small states are more likely to be vulnerable to exogenous economic, political, strategic, as well as ecological, environmental and meteorological factors.¹⁶ This feature is often used by Caribbean states to lobby international support for special economic privileges to be given to countries with small economies.

Briguglio has also argued that a small state that is also an island is expected to be even more vulnerable and disadvantaged as they are more susceptible to

¹⁴Percy Selwyn, "Smallness and Islandness," *World Development* 8 (1980).

¹⁵Streeten, "The Special Problems of Small Countries."

¹⁶See Lino Briguglio, "Small Island Developing States and Their Economic Vulnerabilities," *World Development* 23, no. 9 (1995).

ecological problems.¹⁷ The discourse on Small Island Developing States (SIDS) was largely explored and advanced by the Commonwealth Secretariat and Briguglio. The discussion on SIDS is centred around their susceptibility to be affected by environmental factors.¹⁸ Selwyn, however, argues that the “island” category in the small state discussion is not useful in the context of social analysis and policy.¹⁹

As mentioned earlier, the literature on small states previously focused on and highlighted the negative features of small states. However, there has been a notable shift in the literature to include positive features as well. Payne and Sutton are among the scholars who have presented a more balanced list of features by adding “resilience” which is interesting because prior to this, features highlighted throughout the literature, were usually of a negative nature and have been attributed as important factors leading to the economic disadvantages faced by small states.²⁰

The literature thus far highlights that due to their small markets, small land area, limited natural resources, openness to international trade and susceptibility to ecological factors, small states are left environmentally and economically vulnerable. However, there are other scholars who argue that small states are not as disadvantaged as they perceive themselves to be and that in many cases, they have performed quite well.

Easterly and Kraay provide empirical data arguing that despite the “good theoretical reasons” regarding the limitations of small size, small states are not as

¹⁷Ibid.

¹⁸Briguglio, “Small Island Developing States and their Economic Vulnerabilities.”

¹⁹Selwyn, “Smallness and Islandness.”

²⁰Anthony Payne and Paul K Sutton, “Lilliput under Threat: The Security Problems of Small Island and Enclave Developing States,” *Political Studies* 41, no. 4 (December 1993).

disadvantaged as the literature posits.²¹ Easterly and Kraay argue that there is no significant difference in growth performance between large and small states. They examined the per capita income level of 157 countries over a 10 year period and found that small states actually had the same range of per capita incomes with the other countries in the study.²² Similarly, Streeten found in his study on European small states, that there were many instances when they out-performed larger states.²³

Moreover, Easterly and Kraay's study showed that the life expectancy rate in small states was about four years higher than that in larger states.²⁴ Thus, highlighting that small states had better human development indicators and as such, are not at a development disadvantage. This is seen across the Caribbean with regards to the ranking of Caribbean states on the UNDP's Human Development Index.²⁵ As highlighted in Table 2.1., some small Caribbean states such as Barbados and Trinidad and Tobago have performed quite well. Therefore, discrediting earlier studies that presented small size does as inevitably resulting in poor economic performance.

Armstrong and Read continue this line of argument, opining that small states have the ability and potential to gain economic prosperity.²⁶ They argue that rather than focusing on conceptualizing small size or on the features of smallness, scholars should instead examine "the extent to which small size affects fundamental

²¹William Easterly and Aart Kraay, "Small States, Small Problems? Income, Growth, and Volatility in Small States," *World Development* 28 no. 11 (2000).

²²Ibid.

²³Streeten, "The Special Problems of Small Countries."

²⁴Easterly and Kraay, "Small States, Small Problems?"

²⁵The HDI ranks human development for 177 countries with the country ranked number 1 having the highest level of human development and the country ranked number 177 having the lowest level of human development.

²⁶Harvey Armstrong and Robert Read, "The Phantom of Liberty?: Economic Growth and the Vulnerability of Small States," *Journal of International Development* 14 (2002).

economic ‘givens’ and so constrain domestic economic activity in small states and adversely affects their growth performance.”²⁷ Armstrong and Read found that the most successful micro-states and autonomous regions were those that had a well-developed financial sector, or were endowed with natural resources, or had a strong tourism sector.

Armstrong and Read further examined the vulnerability of small states and found that vulnerability has a long term impact on their growth performance. However, they further explained that this was “insignificant as a determinant of cross-section levels of income per capita.”²⁸ Like Armstrong and Read, Easterly and Kraay argue that the vulnerability feature does not affect the economic performance of small states in the short run and that there is no significant difference in growth performance between large and small states.

Seemingly, the evidence by Easterly and Kraay and Armstrong and Read, does not support the theoretical claims that small states are by virtue of being small, or even small islands, at a long run disadvantage. Despite this, subsequent chapters will illustrate that actual small state foreign policies in the Caribbean still reflect the limitations and constraints posed by their smallness.

Wint, in acknowledging the vulnerability of small states, also contends that for those small Caribbean countries that have demonstrated a relatively good economic performance, the significant factors have been the maintenance of

²⁷Ibid.

²⁸Armstrong and Read, “The Phantom of Liberty?”

macro-economic, political and social stability, good infrastructure, and a high level of integration into the world economy.²⁹

Scholars have begun to include resourcefulness and resilience in the discussion regarding the special features of small states. Resilience, according to Brigulio, is defined as “the ability to recover from or adjust to change”.³⁰ Brigulio asserted that the concept of resilience should replace vulnerability as the focus on analysis in the small state literature. However, Payne argues though that despite the ability of small states to perform well, the argument can still be made that the concept of vulnerability effectively describes the structural conditions of small states.³¹ He notes that small states have consistently practiced the “diplomacy of wallowing in vulnerability”.³² In subsequent Chapters, we will see that Caribbean states have also practiced this, arguing that the vulnerabilities associated with their small size warrant some special considerations so that they can be treated more fairly in the international system.

Baldacchino, for example, argues that small states use their power of jurisdiction to advance their development cause.³³ He argues that based on the statistics, small states have been characterised by relatively good socio-economic performance. In other words, despite being highly vulnerable, small states are able to design ingenious strategies to cope with their inherent vulnerability. As a result

²⁹Alvin Wint in Jessica Byron, “Strategic Repositioning: Foreign Policy Shifts in Barbados and Trinidad and Tobago, 1990 - 2000.” *Social and Economic Studies* 56, no. 1/2 (2007).

³⁰Lino Briguglio, “Economic Vulnerability and Resilience: Concepts and Measurements,” in Eliawony Kisanga and Sarah Jane Danchie, (eds) *Commonwealth Small States: Issues and Prospects* (London: ComSec & CPA, 2007): 105.

³¹Anthony Payne, “Afterword: Vulnerability as a Condition, Resilience as a Strategy,” in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

³²Ibid, 282.

³³Godfrey Baldacchino, “The Contribution of Social Capital to Economic Growth: Lessons from Island Jurisdictions,” *Round Table* 94, no.378 (2005).

these countries have developed ‘economic resilience’, defined as a state’s “ability to economically cope with or withstand its inherent vulnerability as a result of some deliberate policy”.³⁴ Briguglio also argues that small states have exhibited resilience given the numerous opportunities and challenges of globalisation. He affords considerable onus to the “meshing of the operationalisation of resilience” and the means by which diplomacies are used.³⁵ The case studies provided in Chapters 5 and 6 help to illustrate how despite the vulnerabilities of Caribbean states (discussed in the next chapter), they have managed to craft strategies to pursue foreign policies with China and Japan. Thus, highlighting their resourcefulness and resilience.

The budding literature on the resilience of small states asserts that scholars should recognize the multiple natures of small states and the variations in their practices. One of the main objectives of this dissertation is to contribute to this lacuna in the literature and to show that there are variations in the foreign policies of small states which can be seen in those pursued by Caribbean states towards China and Japan. The differences are determined by the attributes that Caribbean states possess.

The earlier literature on small states is preoccupied with discussions on the definitions and features of small states. The rest of this chapter will review the literature focused on the foreign policy behaviour of small states.

³⁴Ibid.

³⁵Andrew F. Cooper and Timothy Shaw, “The Diplomacies of Small States at the Start of the Twenty-first Century: How Vulnerable? How Resilient?” in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

2.4. Small State Foreign Policy Behaviour

Fox's work on the diplomacy of small states in World War II was among the earliest writings to highlight the success of unique foreign policies of small European states.³⁶ In it, she speaks about the general existing belief that the Great Powers are the ones who determine the course of world politics and that the small powers can only submit to their decisions. She argues, however, that there are other means apart from military strength that can be used to exercise influence. These include employing economic, ideological and diplomatic measures. Explaining that, both great and small states may instead "consent with goods and services, win friends and influence people with psychological manoeuvres, bargain for the exchange of advantages, and gain strength through appropriate alliances".³⁷ Fox highlights the granting of concessions for the exploitation of natural resources as one of the claims made by the Great Powers on smaller states.³⁸ This bears a striking resemblance to the situation which exists in the Caribbean region, as in subsequent chapters, one of the arguments made is that Caribbean states use their resources to help gain economic assistance from China and Japan.

Fox's discussion focuses on the alliances formed during the war, postulating that "Sweden, Spain, Turkey, Switzerland, Eire and Portugal, all avoided being drawn into the war and emerged from it unwounded and, if anything, stronger than before".³⁹ This successful alliance is deemed by Fox as their diplomatic prowess of

³⁶Annette Baker- Fox, "The Power of Small States: Diplomacy in World War II," in *Small States in International Relations*, eds. Christine Ingebritsen, Iver Neuman, Sieglinde Gstohl and Jessica Beyer (Seattle: University of Washington Press, 2006).

³⁷Ibid, 40.

³⁸Baker-Fox, "The Power of Small States: Diplomacy in World War II."

³⁹Ibid.

small states and as such, illustrates the potential of small states and their unique foreign policies.

The focus of East's study on "Size and Foreign Policy Behaviour" is on the similarities and differences in the foreign policy behaviour of both small and large states.⁴⁰ He examines the conventional model of small state behaviour based on the defining characteristics of small size and the projection of a rational decision-making model into the situation facing small states. Based on the characteristics of small states that he presents (highlighted previously), East postulates that small states, in comparison to large states, display the following patterns of foreign policy behaviour:

1. Low levels of participation in world affairs.
2. High levels of activity in international governmental organizations.
3. High levels of support for international legal norms.
4. Avoidance to the use of force as a technique of statecraft.
5. Avoidance of the behaviour and policies which tend to alienate the more powerful states in the system.
6. A narrow functional and geographic range of concern in foreign policy activities.
7. Frequent utilization of moral and normative positions on international issues.⁴¹

He states that underlying these patterns, is a general assumption that small state behaviour is the result of the same general processes of decision-making that

⁴⁰East, "Size and Foreign Policy Behaviour," *World Politics* 25, no. 04 (July 18, 2011).

⁴¹Ibid, 557.

are found in larger states. East proposes an opposite assumption that there is a fundamental difference between the foreign policy decision making processes of small and large states and hypothesizes that there are likely to be some important differences between large and small states in the style and techniques used when processing and reacting to foreign policy issues. An alternative model is, as such, proposed by East. This model is based on a communications perspective which outlines that small states will act as they do precisely because of limitations on their organizational capacity and ability to monitor international affairs adequately.⁴²

East's "Test of Two Models" demonstrates the importance of economic factors in the foreign policies of small states.⁴³ He concludes that the involvement of economic bureaucracies and utilization of economic techniques of statecraft are more frequent in small state foreign policies than in those of larger states. According to East, economic considerations are a key component of the foreign policies of small states. Similarly, it is the aim of dissertation to show that economic motivators are pivotal for Caribbean states in their heightened pursuance of foreign policies with China and Japan.

Katzenstein, like East, also discusses the economic adjustment strategies of small states and posits that small states with open and vulnerable economies do in fact, have the ability "to respond effectively to changes in the global economy".⁴⁴ In his analysis, he argues that during the oil shocks and economic downturn of the 1970s and 1980s, small European states were able to adapt more than larger

⁴²East, "Size and Foreign Policy Behaviour."

⁴³Ibid.

⁴⁴Peter Katzenstein, "Small States in World Markets: Industrial Policy in Europe," in *Small States in International Relations*, eds. Christine Ingebritsen, Iver Neuman, Sieglinde Gstohl and Jessica Beyer (Seattle: University of Washington Press, 2006), 201.

industrial states.⁴⁵ Katzenstein accounts for this by emphasizing the role of domestic factors; arguing that these states “adapt domestically to economic change imposed by an international economy they cannot control”.⁴⁶

The democratic corporatism of these small European states, according to Katzenstein, contributed to their ability to adjust to the economic conditions during that time. Democratic corporatism, Katzenstein posits, is a mixture of ideological consensus, centralized politics, and complex bargaining among politicians, various interest groups, and bureaucracies.⁴⁷ These components, he further argues, account for the high level of performance of these even during the international economic turmoil of the 1970s. The stable domestic environment of these states, he argues was in large part due to the continuous bargaining that took place between the various groups. Katzenstein’s approach thus, emphasizes the importance of domestic political structures in explaining the adjustment strategies of these European states and as a result, may be used to help explain the behaviour of Caribbean small states. Though the political and economic structures of the Caribbean are different from that of the European small states, the general premise that political structures and economic structures determine adjustment strategies is generalizable and as such, may be applied to the Caribbean context.

More recent scholars like Jeanne Hey argue that small states have a foreign policy that is, among other things, limited in scope, principled, non-conflictual and dependent on external powers.⁴⁸ She builds on the literature on small state foreign

⁴⁵Ibid.

⁴⁶Ibid.

⁴⁷Ibid.

⁴⁸Hey, *Small States in World Politics*.

policy behaviour, by adding a list of the commonly cited foreign policy attributes of small state behaviour, such as:

1. Low levels of participation in world affairs; addresses a narrow scope of foreign policy issues.
2. Limits behaviour to close geographical area.
3. Employs diplomatic and economic foreign policy instruments, as opposed to military instruments.
4. Emphasizes internationalist principles, international law, and other “morally minded” ideals.
5. Chooses neutral positions; relies on superpowers for protection, partnerships and resources.
6. Aims to cooperate and avoid conflict with others.
7. Spends a disproportionate amount of foreign policy resources on ensuring physical and political security.

Jacqueline Braveboy-Wagner, a pioneering researcher in the foreign policies of Caribbean states, examines how these small states have managed to employ their foreign policies to overcome their vulnerabilities.⁴⁹ She argues that Caribbean states have also found that along with their vulnerabilities, they also possess positive features, and that they have the ability to contribute at the regional and international level. Braveboy-Wagner posits that their foreign policy is derived from the perception of these vulnerabilities and attributes, and focused on finding ways of overcoming these vulnerabilities while taking advantage of the positive attributes. She argues that the leadership variable plays an integral role in devising and executing these strategies.⁵⁰

⁴⁹Jacqueline Braveboy-Wagner, *Small States in Global Affairs: The Foreign Policies of the Caribbean Community (CARICOM)*, (New York: Palgrave Macmillan, 2008).

⁵⁰Ibid.

According to Braveboy-Wagner, while small states do share similar features and vulnerabilities, there is “no blanket prescription” for small states in crafting their foreign policies, arguing that this is so because they are devised to suit domestic priorities.⁵¹ This dissertation proposes that this is the case in the foreign policies of Caribbean states towards China and Japan. At the helm of their foreign policies, are national priorities such as the objective of achieving economic development. The literature on small states thus far has tended to put small states in one category practicing one generic foreign policy. However, as prompted in Braveboy-Wagner’s assertion, there are differences in how foreign policy is devised among the states. As such, this dissertation aims to fill the gap in the literature by arguing that while there are commonalities in the issues facing Caribbean states, there are also differences in the foreign policies pursued towards China and Japan.

⁵¹Jacqueline Braveboy-Wagner, “The Diplomacy of Caribbean Community States: Searching for Resilience,” in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw, (London: Palgrave Macmillan, 2009), 102.

2.5. Theoretical Framework: Levels of Analysis

This dissertation is a study about the foreign policy behaviour of Caribbean states within the context of small states in the international system. It argues that despite their inherent vulnerabilities due to their small size, they have shown resilience in devising their foreign policies so as to adapt to the challenges posed by globalisation and trade liberalisation.

The study of foreign policy is driven, according to Breuning, by the quest to understand why leaders make the choices they do, and also how and why domestic and international constraints and opportunities affect these choices.⁵² Hence, in analysing the foreign policies of Caribbean states towards China and Japan, I have chosen the levels of analysis approach to do so. In order to understand and further explain the foreign policy behaviour of these Caribbean states under study, it is necessary to consider the role of the problems and opportunities existing in the international environment as well as their effect on the domestic environment, the role of political institutions and the personality and perception of leaders.

This approach is seemingly the most practicable in providing answers to the research questions driving this study. There are generally three broad levels of analysis identified in the foreign policy literature for considering the foreign policy process and these will be used in this dissertation. These are the systemic level which considers the impact of international factors upon state behaviour; the domestic or state level which looks at factors within the national polity and

⁵²Marijke Breuning, *Foreign Policy Analysis*, (New York: Palgrave Macmillan, 2007).

economy; and the individual level which considers the perceptions and personalities of leaders and decision-makers.⁵³

The levels of analysis framework has been gaining prominence and credibility in studies of small state foreign policy as traditional theories of international relations have fallen short in accounting for the behaviour of these small states. Theories have typically been preoccupied with state behaviour and argued that their foreign policy behaviour was “exclusively” in response to external stimuli.⁵⁴ However, after the end of World War II, studies began to emphasise that other events and factors have to be considered and as such, as was the tendency before, domestic variables should not be ignored.⁵⁵ Instead, foreign policy analysts contend that foreign policy behaviour is shaped by internal and external factors and as such the study of foreign policy connects the study of international relations with the study of domestic politics. Critiques of foreign policy research have argued that studies tend to overlook the developing or third world in particular, and that they rely on theoretical models which are not usually applicable to underdeveloped or developing regions.

The levels of analysis approach was first introduced by Kenneth Waltz in his study of the causes of war, in which he located the causes at three different levels of analysis – the system, state and individual. Singer, in discussing the levels of

⁵³Byron, “Strategic Repositioning: Foreign Policy Shifts in Barbados and Trinidad and Tobago.”

⁵⁴Beasley, *Foreign Policy in Comparative Perspective: Domestic and International Influences on State Behaviour*; James Rosenau, “Pre-theories and Theories of Foreign Policy” in *The Scientific Study of Foreign Policy* edited by James Rosenau, (NY: Nichols Publishing 1980).

⁵⁵Rosenau, “Pre-theories and Theories of Foreign Policy.”

analysis problem, makes the argument that the system level and the state level are the two possible levels of analysis in international relations.⁵⁶

James Rosenau's work, similarly, argues that factors at various levels of analysis can influence the foreign policy making process and subsequent external behaviour. He argued that explanatory factors of foreign policy behaviour were based on the size, level of development and political system of a state and presented five levels of analysis - system, role, government, society and individual.⁵⁷ Rosenau's conceptual work has been a starting point for scholars in examining small state foreign policy behaviour.

Hey adopts Rosenau's framework and combines role, government and society as the state level to provide the system, state and individual levels. The system level of analysis studies macro or international variables such as the structure of the international system, interstate conflict, role of international governmental and non-governmental actors and dominant values of norms of the international system to distinguish the key determining factors shaping foreign policy.⁵⁸ The state level, looks at the role of domestic political institutions, such as legislatures, political parties, and civil society organizations and examines them to discern the impact of state or societal institutions in the formulation of foreign policy; whereas, the individual level of analysis focuses on the importance or weight of the personality of individual leaders in foreign policy as well as political culture.⁵⁹

⁵⁶David Singer, "The Levels of Analysis Problem in International Relations," *World Politics* 14, no. 1 (1961): 77-92.

⁵⁷Rosenau, "Pre-theories and Theories of Foreign Policy."

⁵⁸Hey, *Small States in World Politics*.

⁵⁹Ibid

Hey argues that analyses of small state foreign policy have typically placed the usual explanatory variable at systems level; arguing that small states are even more constrained by the international system due primarily to their lack of diplomatic, military or economic resources.⁶⁰ As a result of this, they find themselves in a position whereby they are unable to dictate the rules of the international game.⁶¹ Fox similarly points out the influence of the international system, positing that small states have to submit to the decisions made by larger states.⁶²

In later studies, however, scholars began to find that it was simply insufficient to explain the behaviour of small states as solely a consequence of events in the international system. As academic discourse on small states developed, scholars moved away from the tendency to associate smallness with weakness and in the case of Armstrong and Read, for example, started to argue that small states do have the ability to perform.⁶³ Similarly, Katzenstein argues that small states have the ability to adapt to changes in the international system and that domestic political structures may be considered as an important variable to explain this behaviour.⁶⁴ Therefore, making the case that it is necessary to consider other explanatory factors along with systemic ones. Braveboy-Wagner argues that in analysing Caribbean foreign policy, domestic economic policies are key as they have tended to reflect changes elsewhere in the international system.⁶⁵

⁶⁰Ibid.

⁶¹Ibid.

⁶²Baker-Fox, "The Power of Small States: Diplomacy in World War II."

⁶³Armstrong and Read, "The Phantom of Liberty?"

⁶⁴Katzenstein, "Small States in World Markets: Industrial Policy in Europe."

⁶⁵Jacqueline Braveboy-Wagner, "The English Speaking Caribbean States: A Triad of Foreign Policies," in *Small States in World Politics: Explaining Foreign Policy Behaviour*, ed. Jeanne A.K. Hey, 31-51. (Boulder: Lynne Rienner Publishers, 2003).

The individual level of analysis has also been used as an explanation for the foreign policies of individual countries.⁶⁶ Foreign policy decisions, in these cases, are attributed to the leader that is in power at any particular time. In explaining Caribbean foreign policy behaviour, scholars have tended to use the individual level of analysis. This is because of the important role played by the leader in decision-making. Chapter 3 highlights the importance of the leader in Caribbean's political and economic history. Braveboy-Wagner, in analysing the foreign policy behaviour of small states, ranks systemic and individual variables as being more influential than domestic variables.⁶⁷

Development and economic security goals are an important state-level variable for Latin American and Caribbean foreign policies.⁶⁸ Erisman points out an additional variable in the specific case of Commonwealth Caribbean states, arguing that to the domestic level of analysis must be added the intermestic factor of multilateral foreign policy formulation and implementation within the CARICOM framework.⁶⁹

While previous studies have ranked the system and individual level of analysis as more important in explaining the foreign policies of small states, some have argued that the state level has gained significance.⁷⁰ Braveboy-Wagner argues that "foreign policy analysis really begins with the domestic level since foreign policy is a tool to achieve domestic interests".⁷¹ This dissertation in employing the

⁶⁶Ibid.

⁶⁷Braveboy-Wagner, *Small States in Global Affairs*.

⁶⁸Frank O. Mora and Jeanne A. K. Hey, *Latin America and Caribbean Foreign Policy*, (New York: Rowman and Littlefield, 2003).

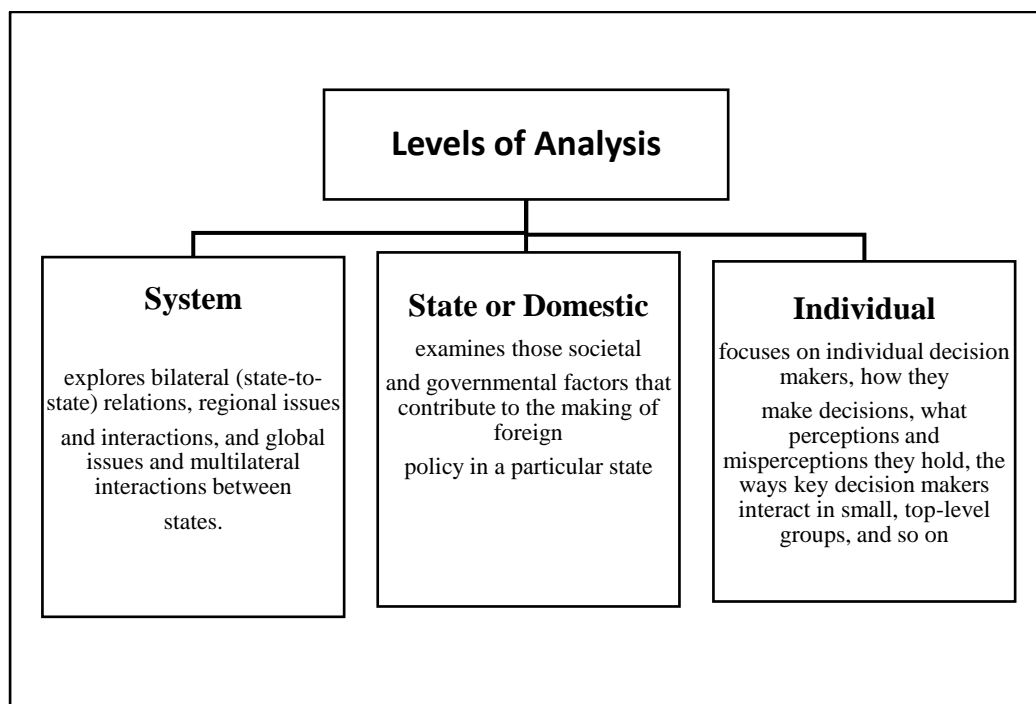
⁶⁹Erisman, "CARICOM: The Pursuit of Economic Security."

⁷⁰See Katzenstein, "Small States in World Markets"; Braveboy-Wagner, *Small States in Global Affairs*.; Byron, "Strategic Repositioning".

⁷¹Braveboy-Wagner, "The English Speaking Caribbean States."

levels of analysis approach to explain the foreign policy behaviour of Caribbean states towards China and Japan, proposes that all three levels are important and moreover, there is interplay among them.

Figure 2.1. Levels of Analysis Framework used to explain Caribbean Foreign Policy Behaviour



The system level is used to explain how the international system poses constraints on, and further influences the behaviour of Caribbean states. Chapter 3 shows that changes in the international system have had direct effects on the economies of all the Caribbean states. While the state level is used to explain the influence of the existing economic conditions and the political system of Caribbean states on foreign policy decision-making. The individual level of analysis explains the important role played by Caribbean leaders.

The discourse on small states in the international system is still developing with gaps in the discussion relating to their foreign policy behaviour. One of the objectives of this research is to contribute to the literature by highlighting that there are differences in the foreign policy strategies pursued by small states and that the role of the system, state and individual are important in explaining their foreign policy behaviour. In analysing and understanding Caribbean foreign policy behaviour towards China and Japan, we cannot, as was the previous tendency, look solely at the system level for explanations. Instead, it is necessary to consider the role of the state and individual and the interplay among all three levels.

In addition, the research will reiterate East's premise that one key component of small state foreign policy is economic development and that the same may be true for Caribbean states. Despite constraints posed by the international system on the actions of Caribbean states, the main goal of their foreign policy is to achieve higher levels of economic development. The next chapter gives an insight into the foreign policy history of Caribbean states since their independence as well as their political system. This is done in an effort to show how the domestic economic and political conditions of a state influences the foreign policies pursued. It also highlights how

the international system has in effect caused the constraints facing Caribbean states, placing them in an unstable economic situation and also how their political system has facilitated the important role of the leader in foreign policy decision- making.

CHAPTER 3

Caribbean States in Changing International Relations

3.1. Overview of Chapter

Analyses of Caribbean foreign policy have placed external factors as well as internal economic and political weaknesses at the centre.¹ This chapter shows that throughout their economic and political history, Caribbean states have used their status as small states as a basis for the region's dependence on external powers. Their economic survival has always linked to great powers in terms of trade, direct foreign investment, technology, and aid. Caribbean states share a history of colonisation and as such, even after decolonization, the UK remained a dominant power.

The structure of Caribbean economies in the 1960s is reminiscent of their history of colonisation as the Caribbean was, at that time, set-up as a supply of raw materials such as sugar to the 'mother country', Britain. Following their decolonization, several new states emerged and were eager to be noticed and heard in the international community. These newly independent small states argued that they had been in a disadvantaged position because of the prolonged system of dependence on Britain and moreover, due to their small size could not keep up with the international economic system. Later on due mainly to geographical proximity and the Cold War, the US eventually surpassed Britain as the major power in the region.

¹See Braveboy-Wagner, *Small States in Global Affairs*.

In the post-Cold War era, the emphasis shifted to the US solely, but since the beginning of the 2000s, new players such as China and Japan have emerged in the Caribbean arena. Due to the physical distance between the Asia-Pacific region and the Caribbean region, the increased engagement of China and Japan has generated much attention. However, this discussion argues that the Caribbean's economic survival has always been dependent on larger states and in this new international relations sphere, it still continues to be at the helm of their foreign policy.

This chapter ties in the previous discussion on small states, arguing that Caribbean states rely on external players to enhance their foreign policy and as a result, their economic development. China and Japan are the current players that Caribbean states have been associating with as they continue to opine that because of their small size they are dependent on larger powers for economic survival. Payne argues that this “diplomacy of wallowing in vulnerability” has been a consistent basis for the foreign policies pursued by Caribbean states throughout their history.²

This chapter gives an overview of the foreign policies of Caribbean states since their independence and shows that despite changes in foreign policies and ideologies, the focus has always been to achieve economic development. It also highlights how the political system plays an integral role in the Caribbean's foreign policy behaviour. Thus, placing emphasis on furthering domestic interests through their foreign policies.

The chapter concludes with a theoretical discussion about the Caribbean's use of unorthodox strategies for economic attainment, such as sales of flags of

²Payne, “Afterword: Vulnerability as a Condition, Resilience as a Strategy,” 282.

convenience³, economic citizenship and establishment of offshore financial centres and tax havens. This dissertation argues that in a similar manner, Caribbean states have been using their value-based resources such as their votes and quality advocacy in international fora to pursue foreign policies toward China and Japan.

3.2. The Foreign Policies of Caribbean States since the 1960s

The Caribbean, throughout its foreign policy history has been strongly influenced by great powers. According to Braveboy-Wagner, since colonialism, “the region has been buffeted by powerful external economic and political forces”.⁴ The importance of these powers is depicted in the political system, the economic structure and the foreign policy objectives of Caribbean states. However, as outlined previously in Chapter 1, the historical geostrategic and economic significance of the region has given way to its marginalization in affairs with Western powers. Caribbean states have therefore been expanding their regional and global collaborative strategies in order to effectively address the challenges to their economic development. In order to understand the Caribbean’s relations with China and Japan in the new millennium, it is therefore important to briefly discuss both the Caribbean’s economic and political history.

³The flag of convenience started after the First World War when some non-traditional maritime countries (Panama, Liberia, and Honduras) started registering foreign owned vessels under their flags. This was mainly for economic reasons, in exchange for exercising minimal control over the operations and activities of the vessel. Belize and St. Vincent and the Grenadines are Caribbean states that operate flags of convenience. See E. Osieke, “Flags of Convenience Vessels: Recent Developments,” *American Journal of International Law* 73, no.4 (1979); and Naren Prasad, “Small but Smart: Small States in the Global System,” in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

⁴Jacqueline Braveboy-Wagner, “International Relations,” in *Understanding the Contemporary Caribbean*, eds. Richard Hillman and Thomas D`Agostino, 161-188 (Boulder: Lynne Rienner, 2009), 186.

During the early 1960s, Britain's status in the Caribbean region had begun to decline as US influence began to increase. Caribbean states having recently gained their independence and being cognizant of the fact that the US was becoming the hegemon in the region, ensured that they declared their alignment with "the West". This was against the backdrop of the ongoing power struggle of the Cold War between the "East" and "West". The events in Cuba had caused paranoia across the region and generated a need for Caribbean states to clearly define where they stood. The prevailing ideology during this time was supported by Jamaica's Prime Minister Alexander Bustamante's famous declaration "We're with the West" in 1962.⁵ This was a necessary move by Jamaica and other Caribbean states to show their support at the helm of the Cold War and to reassure not only its citizens but also the US government where they stood. This highlights the extent to which the international system has influenced the foreign policies of Caribbean states since its formative years.

⁵Holger Henke, "Jamaica's International Relations: Between the West...and the Rest," *Jamaica Journal* 34, no.1-2 (January 2013): 3.

3.2.1. Non-Alignment and Third World Activism

The decade of 1970 marked a notable period in the overall economic and political history of Caribbean states. It is during this period that these newly independent states attempted to shape their own foreign policy which espoused solidarity with developing countries and a rejection of interference by industrialized countries. Third World and nonaligned ideas and concerns permeated the Caribbean's foreign policy during this period, whereby Caribbean nations took a leading role in the Non-Aligned Movement (NAM), Group-77 and advocacy for a New International Economic Order (NIEO).

The NAM was formed in 1961 and was aimed at promoting the principles of self-determination and sovereignty of third world countries.⁶ Caribbean political leaders such as Michael Manley of Jamaica, Eric Williams of Trinidad and Tobago, Forbes Burnham and Cheddi Jagan of Guyana had a “strong sense of a Caribbean destiny and argued their right to shape their own foreign policy”.⁷ Caribbean leaders, after a long period of interventions from Western powers, became intrigued by the activism of the developing world. Despite the size of their countries, these leaders commanded great respect in the NAM and the wider developing world because of their strong representation in these fora.

⁶The Belgrade Conference of 1961 was the first non-aligned summit meeting and expanded the original membership beyond African and Asian states to also include Yugoslavia and Cuba. Guyana, Jamaica and, Trinidad and Tobago were among the first Caribbean countries to become members of the NAM. Eventually, Belize, Grenada and St. Lucia joined while Barbados and Dominica attended as observers. See G. Pope Atkins, *Latin America and the Caribbean in the International System* (Boulder: Westview Press, 1999).

⁷Rupert Lewis, *Walter Rodney's Intellectual and Political Thought* (Jamaica: UWI Press, 2002), 202.

In 1972, the Non-Aligned Meeting of Foreign Ministers was held in Guyana, thus highlighting Guyana's active and leading role in the movement.⁸ Guyana's membership in the NAM was primarily motivated by the desire to be economically and politically independent, and to develop a common economic strategy with other developing countries. According to Forbes Burnham,

Our central philosophy of self-reliance and our dedication to self-reliance... largely inspires our membership in the Non-Aligned Movement... we aim at owning, controlling and developing our resources for our own benefit.⁹

After hosting the Foreign Ministers' Meeting, Guyana assumed an even more high-profile in the NAM when it was appointed to serve as the principal coordinator country in the critical areas of trade, transportation and industry.¹⁰ It is in this regard that Guyana emerged as a leading advocate not only in NAM but in the wider Third World Movement.

In 1973, Caribbean leaders led the call for a New International Economic Order (NIEO) which would transform the structure of international economic relations in such a way that economically disadvantaged states could get a fairer deal in the international system.¹¹ The role of CARICOM countries in the negotiations on

⁸Cheddi Jagan, "Non-Alignment as a Viable Alternative for Regional Cooperation", Paper presented at CEESTEEM Seminar on "Geopolitical Change in the Caribbean in the 1980s, Mexico, March 15-19, 1982. See Cheddi Jagan Research Centre www.jagan.org.

⁹Forbes Burnham, *Breakthrough: Address by Prime Minister Forbes Burnham, Leader of the People's National Congress, at the 16th Annual Delegates' Congress, 6th May, 1973* (Georgetown, Guyana: Guyana Printers, 1993), 31, quoted in Euclid A., *1970-1985* (New York: Lexington Books, 2002), 137.

¹⁰Rose, *Dependency and Socialism in the Modern Caribbean*.

¹¹The origin of the NIEO can be traced to the first UN Conference on Trade and Development (UNCTAD I) with its formal establishment in 1974. The NIEO created a north-south global confrontation between rich and poor nations based on the idea that, the wealthy nations of the world were in the Northern Hemisphere and the poorer nations in the Southern Hemisphere. Discussions were aimed at making a more equitable international economy as developing countries argued that the existing structure of the international system was one in which developed countries got richer and underdeveloped countries, poorer. See G. Pope Atkins, *Latin America and the Caribbean in the International System*, (Boulder: Westview Press, 1999); William G. Demas, "The Caribbean and the New International Economic Order," *Journal of Interamerican Studies and World Affairs* 20 no.3 (August 1978).

the NIEO represents an interesting example of the capacity of small developing states to influence and shape international politics and to make a contribution to the dialogue on change in the international system. Michael Manley's leadership in promoting this radical international proposal was particularly outstanding and would help to solidify his stature as an international statesman. Manley was unequivocal in his lobby for the NIEO, arguing that

the fact of the matter is that the Third World has come to freedom and discovered that it is a rich man's world. It has discovered that its newly acquired independence is subject not only to the constraints that are imposed by deficiencies in its own development but also by other, and equally inhibiting, factors that inhere in the world system itself...

The NIEO is at once the battlecry, the set of concepts and, latterly, the specifics of the alternative which we propose.¹²

The leadership of Manley and his counterparts on the international stage reflects the importance of the leadership variable in Caribbean foreign policy. Domestic sources such as the role of the leader are important in understanding the foreign policy of Caribbean small states. Later on in the chapter, it is shown how the state and individual levels of analysis interplay – as the influence of the leader is derived from the power afforded by the existing political system and political culture in the Caribbean.

¹²Michael Manley, "Third World under Challenge: The Politics of Affirmation," Speech delivered at the Third World Foundation's inaugural Third World Lecture, London, October 29, 1979, *Third World Quarterly* 2, no.1 (1980):31

3.2.2. Preferential Treatment: Lomé Conventions

Despite their strong calls for Third World solidarity and changes in the economic system during this time period, Caribbean states simultaneously continued to argue that they needed development assistance and increased access to the markets of developed countries on preferential terms. They teamed their efforts with other African and Pacific countries in the African-Pacific-Caribbean (ACP) grouping to successfully negotiate and enter a series of development arrangements with the EU. The Lomé Conventions were essentially comprised of a succession of agreements which covered aid and trade on the basis on non-reciprocity.¹³

The Lomé Conventions were borne out of Britain's decision to join the European Community. Its former colonies had feared that this move would endanger the special access that they had to British markets. Consequently, in 1972 when the opportunity to establish an institutionalised association with the entire EC rather than just Britain, these states formed the Africa, Caribbean and Pacific (ACP) group.¹⁴ The Lomé Conventions were designed to facilitate preferential European market access by exports from ACP state. In essence, they were development cooperation agreements covering trade, aid and political dialogue and gave ACP countries market access to EC countries in a one way free trade area.¹⁵

Development aid from the Lomé Conventions was distributed through the European Development Fund (EDF), and investment assistance through the

¹³Anthony T. Bryan, "Caribbean International Relations: A Retrospect and Outlook for a New Millennium," in *Contending with Destiny: The Caribbean in the 21st Century*, eds. Dennis Benn and Kenneth Hall (Kingston: Ian Randle Publishers, 2000), 363.

¹⁴Erisman, "CARICOM: The Pursuit of Economic Security."

¹⁵Payne and Sutton, *Charting Caribbean Development*.

European Investment Bank.¹⁶ The Conventions also had the Stabex and Symin provisions which gave compensatory finance to ACP countries for fluctuations in the world prices of key agricultural and mineral exports.

The first Lomé Convention, Lomé I was signed in 1975 and allowed most agricultural goods from ACP countries to enter the EC market free of duty. However, those goods that would compete with European goods would be given preferential treatment such as access based on a quota system and lower tariff rates than those levied on goods from non-ACP countries.¹⁷

The Lomé Conventions were renewed three times and each time, the number of ACP countries expanded and their benefits increased. Lomé II was in effect from January 1981 to February 1985 and reflected an increase in aid and investments. Lomé III was signed in 1984 and it shifted some focus from industrial development to the development of industries that would prove to be self-sufficient. Lomé IV was signed in December 1989 with its trade provisions covering a 10-year period.

Caribbean states played an active role in the negotiations of the Lomé Conventions which highlighted the important leadership role played by Caribbean leaders in the international arena. The Lomé Conventions may be considered as a successful attempt at that time by Caribbean states in their pursuit of economic development and security.

¹⁶Government of Grenada Customs and Exercise Divisions, "Trade Agreements," accessed November 25, 2014, http://www.grenadacustoms.com/index.php?option=com_content&view=article&id=123&Itemid=1397#lome

¹⁷Ibid.

3.2.3. Regional Integration

Caribbean states have recognized the need for regional integration and its importance due to their status as small states. The first attempt at integration was seen in 1958 by the creation of the West Indies Federation to facilitate the transition to independence for a number of British colonies. Federation was, however, short lived and failed in 1961 when Jamaica opted not to become a part of the movement. After the results of referendum held on September 19, 1961, Jamaica voted to refrain from any form of Caribbean Federation.¹⁸ One reason for this was the view held by Jamaicans that the country's progress would be hindered by the smaller and poorer countries in the region. Following Jamaica's decision to refrain, Trinidad and Tobago also followed suit. The failure of Federation is marked by Trinidad's Prime Minister, Dr. Eric Williams' who made the proclamation that "ten minus one equals zero", thereby signalling Trinidad's withdrawal from, and the effective end of, the federation.¹⁹ The sentiment behind the statement was that if Jamaica which was at that time, the most developed and of the ten Caribbean was withdrawing, then it was highly unlikely that a federation would succeed. Williams felt that Trinidad had the resources to stand on its own, and if all the islands were not committed to regionalism, there was no need for Trinidad to sacrifice its sovereignty.²⁰ The demise of Federation set the pace of regional integration in the Caribbean as Randall

¹⁸Thomas D'Agostino, "Caribbean Politics," in *Understanding the Contemporary Caribbean*, eds. Richard Hillman and Thomas D'Agostino (Boulder: Lynne Rienner, 2009).

¹⁹Trevor Munroe, *An Introduction to Politics: Lectures for First-Year Students* (Kingston: Canoe Press, 2002), 102.

²⁰Jacqueline Braveboy-Wagner, "The Regional Foreign Policy of Trinidad and Tobago: Historical and Contemporary Aspects." *Journal of Interamerican Studies and World Affairs* 31, no. 3 (1989).

opines that “the failure of Federation was an early indication of the obstacles to political change that might address historical inequities in the Caribbean”.²¹

After the collapse of the West Indies Federation, activities for regional integration were placed on the bottom of the agenda for a period of time. This period witnessed the “very tentative beginnings of a process of rebuilding the regional community in a less formal and structured manner”.²² On December 15, 1965, an agreement to establish the Caribbean Free Trade Area (CARIFTA) was signed.²³ The free trade area was chosen by member countries as this would eliminate allow them tariffs and quota systems on their imports.²⁴

The Caribbean Community (CARICOM) was established in 1973 primarily under the Treaty of Chaguaramas. This move was borne out of Caribbean states desire to deepen the attempt at integration in CARIFTA. CARICOM was therefore established as a regional cooperation and integration organization serving mainly the English-speaking Caribbean states. CARICOM widened the remit of regional cooperation to embrace three goals which were:

1. the establishment of a common market
2. the coordination of foreign policies, in order to strengthen their position in the international system, and
3. combining limited resources through functional cooperation in areas such as health, education, environment.²⁵

CARIFTA had been created primarily as a means of “economic salvation” according to Payne, as Caribbean governments were became concerned about the

²¹Stephen J. Randall, “The Historical Context,” in *Understanding the Contemporary Caribbean*, eds. Richard Hillman and Thomas D`Agostino (Boulder: Lynne Reinner, 2009).

²²Anthony Payne, *The Political History of CARICOM* (Kingston: Ian Randle Publishers, 2008), 14.

²³Pope, *Latin America and the Caribbean*.

²⁴Ibid.

²⁵Payne and Sutton, *Charting Caribbean Development*.

region's lack of economic development.²⁶ Moreover, Britain's entry into the EEC caused anxiety about the future prospects for their exports which had been enjoying duty-free access to the British market. They feared the loss of this access when Britain gained membership, it would eliminate the preferential treatment they were being given and as such, decided that it was better to work together to lobby for lobby for maintaining these preferences.

The attempts at regional integration in the Caribbean have not been as successful as expected. While CARICOM is functional, the institution's efficacy in establishing a common market is unsatisfactory and still remains to be done. The national interests of member states still trump those that would benefit the region as whole. Payne contends that CARICOM is simply "a structure created by national governments to make nationalist policies more effective by pursuing them within a regional framework".²⁷ Obstacles faced during the creation of Federation still seem applicable in strengthening CARICOM as there is a weak sense of regional identity among the states. However, for these small states, the strengthening of CARICOM is imperative in enhancing the Caribbean's foreign policy with China and Japan on a whole.

²⁶Ibid, 178.

²⁷Payne and Sutton, *Charting Caribbean Development*, 175.

3.2.4. US Influence in the Caribbean during the 1980s

The Caribbean's importance to the US continued through to the 1980s. The political climate within the Caribbean had, however, changed somewhat as a result of the end of the socialist experiment in Jamaica. Manley's regime had dire consequences on the Jamaican economy as a result of a decline in tourism and foreign investments. Grenada's socialist regime was, however, still growing with a strengthening of military and economic ties with Cuba and other socialist countries. When the opportunity arose in 1983, the US launched a military intervention in Grenada in order to contain the spread of communism throughout the region and to "restore democracy".²⁸

Caribbean states realised the benefits of the ideological rivalry between the US and the Soviet bloc during this period and as such, made sure to declare their allegiance with the US. In doing so, they also saw the opportunity to deepen their trade relations with the US and actively lobbied for a preferential trade agreement. In 1981, the CBI was enacted through the Caribbean Basin Economic Recovery Act (CBERA) and provided preferential treatment for Caribbean products to the US market.

Another noteworthy occurrence during this time is the establishment of the Organization of the Eastern Caribbean States (OECS) in 1981.²⁹ The OECS is comprised of eastern Caribbean states who are also members of CARICOM – Antigua and Barbuda, Dominica, Grenada, St. Lucia, St. Vincent, St. Kitts and Nevis and Montserrat. The organization was formed when these smaller Caribbean

²⁸Jacqueline Braveboy-Wagner, "International Relations."

²⁹Ibid.

states argued that their “rewards from CARICOM’s common market arrangements were insufficient”.³⁰

The Caribbean’s geopolitical significance was heightened during this period as the rivalry between the two powers for the Caribbean’s allegiance ensued. As such, with the end of the Cold War, was the reduced interest in the region. This subsequently led to a decrease in economic aid.

Moreover, it marked an end of the concessions that they received based on their perceived disadvantaged position in the international economic system and the beginning of reciprocity in international trade. As noted earlier, one of the major foreign policy successes of the Caribbean was the negotiation of the Lomé Convention. However, the formation of the World Trade Organization (WTO) promoted the notion of liberalization which helped to change the international trade environment. Subsequently in the mid-1990s, the European Commission embarked on a consultation process designed to define options for EU relations with the ACP countries for 2000 and beyond.

³⁰Erisman, “CARICOM: The Pursuit of Economic Security,” 120.

3.2.5. Changes in Preferential Treatment and Current Economic Climate in the Caribbean: 1990s to 2000s

In the 1990s, members of the WTO began to voice their dissenting views on the EU non reciprocal trade agreements which they considered as unfair to other developing countries who were not members of the ACP. Consequently, in 2000, the Cotonou Agreement³¹ was signed and it was agreed that the Lomé preferential arrangements would continue until 2008 with the approval of the WTO. It was agreed that Least Developed Countries (LDC) would continue to get preferential treatment after 2008. At the end of 2007, the trade section of the Cotonou agreement expired, and as such, the Economic Partnership Agreement (EPA) would replace this part of the agreement. The Lomé Conventions and the Cotonou Agreement share similar objectives as they both ostensibly aim to reduce poverty, conflict and create economic opportunities.

The EPA signed in 2008 signalled a new era of trade relations between the EU and the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM). Caribbean exporters previously had greater duty-free access to the EU market than European exporters enjoyed in the Caribbean, along with quotas that enabled them to avoid price competition with rivals from outside the Lomé ACP bloc. The EPA was intended to replace the trade arrangement for goods and services under the Cotonou Agreement and grants “duty free, quota free access, and a number of financing and technical assistance measures”.³² It did not reformulate the

³¹The Cotonou Agreement was broader in scope than the Lomé Conventions and allowed for the participation of non-state actors, and local governments. Moreover, it mandated enhanced political dialogue on issues including human rights, immigration and security. See Jacqueline Braveboy-Wagner, “International Relations,” in *Understanding the Contemporary Caribbean*, eds. Richard Hillman and Thomas D`Agostino, 161-188 (Boulder: Lynne Rienner, 2009).

³²Jacqueline Braveboy-Wagner, “International Relations.”

Cotonou Agreement's provisions for socio-economic development and the incorporation of civil society in the process of institutional strengthening. Essentially, the EPA was intended to provide improved, long term and more secure market access for CARIFORUM countries into the EU on a reciprocal basis. An issue of concern for CARIFORUM countries was the increased competition from EU goods and services which could result in the displacement of their goods and service providers.

Caribbean states have been increasingly experiencing difficulties towards achieving economic prosperity in recent times. During colonialism, they specialized in the production of sugar and bananas for export primarily to the European markets. Even after decolonisation, Caribbean states remained heavily dependent on their agricultural sectors despite their numerous attempts to diversify their economies and the steep competition they faced from producers in Central American countries.

This gradual replacement of one-way preferential by two-way free trade agreements resulted in a loss of preferential market access treatment for Caribbean states. Consequently, they have faced some difficulties in readjusting themselves into the current international economic arena compounded by the fact that most of their economies have been heavily dependent on the agricultural sector and their products lack competitiveness in an open market.

3.2.6. Engagement with Latin American Powers

Though this discussion explores the influence of great powers in the foreign policy of the Caribbean, it is also noteworthy to include the role of regional powers. Venezuela, for example, has sought to play a more active role in the Caribbean region and have provided assistance through the financing of joint ventures and the creation of a trust fund within the Caribbean Development Bank (CDB), and concessionary loans through the PetroCaribe Agreement³³ and the San Jose Accords respectively. The San Jose Accord is a joint initiative undertaken by Venezuela with Mexico in 1980, which stipulates that Central America and the Caribbean would receive oil at subsidized prices and access to loans for sports and cultural activities that will enhance cross-cultural understanding in the Caribbean basin.³⁴

Added to the struggle to develop social and economic transition programmes following the fallout of traditional preferential markets for commodities such as sugar and bananas, Caribbean states were faced with the task of finding ways to respond to their energy-related financial problems. With the exception of Trinidad and Tobago, crude oil and refined petroleum make up the bulk of Caribbean import needs. The most notable show of Venezuela's growing interest in the Caribbean was manifested in the PetroCaribe Agreement, which provided budgetary and development options for some of the countries in the region currently suffering from the loss of traditional preferential export markets and desperately searching for

³³The original agreement was signed by 12 of the 15 members of CARICOM plus Cuba and the Dominican Republic on 7 September 2005. The nations signing the agreement were Antigua and Barbuda, the Bahamas, Belize, Cuba, Dominica, the Dominican Republic, Grenada, Guyana, Jamaica, Nicaragua, Suriname, St Lucia, St Kitts and Nevis, and St Vincent and the Grenadines. The only countries that chose not to sign on were Barbados and Trinidad and Tobago. The programme was extended to Haiti in January 2006 after the election of the new president, René Preval. Honduras joined the alliance in December 2007, and Guatemala became the eighteenth member in July 2008.

³⁴Jacqueline Braveboy-Wagner, "International Relations."

measures to resolve their energy needs.³⁵ The agreement was signed in 2005 and affords Caribbean states access to Venezuelan oil at preferential rates. Payment for the oil accessed under the agreement can be deferred for 25 years at an interest rate of per cent for every year.

The issues surrounding PetroCaribe have posed diplomatic challenges for the CARICOM region as an entity as both Trinidad and Tobago and Barbados have declined to sign the PetroCaribe agreement. This reflects yet again another weakness in the Caribbean's ability to advance a regional identity and common agenda. Trinidad and Tobago was concerned that its state-owned Petrotrin refinery stood to lose about 30 per cent of its sales of petroleum products, fuel oil, diesel, and gasoline to the Caribbean.³⁶ The government of Trinidad and Tobago criticized the way in which its fellow Caribbean states dealt with the Agreement by signing without reservations. They argued that the initiative had serious implications as it would leave the region dependent on a single state-run supplier – Venezuela's PDVSA (Petróleos de Venezuela, S.A.), and moreover, Trinidad would be forced to seek a new market for the energy supplies it previously provided to its CARICOM neighbours. The PetroCaribe initiative has also disrupted Trinidad and Tobago's regional initiatives such as an oil facility to CARICOM countries including a loan initiative to finance the purchases of petroleum products above the price of \$30 a

³⁵Anthony T. Bryan, "PetroCaribe and CARICOM: Venezuela's Resource Diplomacy and its Impact on Small State Regional Cooperation," in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

³⁶Approximately 56 per cent of Petrotrin's product sales are in the Caribbean market. Phoenix Park Gas Processors Ltd, which traditionally supplies natural gas liquids to the CARICOM region, also began to suffer a decline in sales. See Bryan, "PetroCaribe and CARICOM."

barrel of oil; and a Petroleum Fund of US\$50 million which was to be used for poverty alleviation and disaster recovery in the region.³⁷

The government of Barbados argued that considering the fact that crude oil was already being refined in Trinidad, it was not necessary to embark on this initiative with Venezuela. However, the package being offered by Venezuela was far more enticing to its other Caribbean countries and would address their energy related needs. Caribbean governments were quick to focus on the short-term effects of PetroCaribe, however, and seemingly did not consider how this initiative would play out in the long run.³⁸

3.3. The Caribbean Political System and its Influence in Foreign Policy Decision-Making

This section of the discussion explores the political system and political culture of Caribbean states. The theoretical discussion of this dissertation argues that the state level of analysis should be included in analyses of Caribbean foreign policy behaviour. Hence, it is necessary to include an analysis of the institutional framework of the state such as the relationship between the executive and legislative branches of government, as well as the country's political culture. The discussion also elucidates the interplay among the levels of analysis as we see (1) how changes in the international system affect the domestic economic conditions of the state; and (2) how the political system of the state awards power and importance to the leader.

³⁷Jacqueline Braveboy-Wagner, "Opportunities and Limitations of the Exercise of Foreign Policy Power by a Very Small State: The Case of Trinidad and Tobago," *Cambridge Review of International Affairs* 23, no. 3 (September 2010).

³⁸PetroCaribe would not deliver discounted prices for petroleum products; petroleum products originating in Venezuela would attract the 20 per cent Common External Tariff (CET); and the agreement would result in debt accumulation at a tremendous rate

Breuning argues that depending on the political system of a specific society, the leader may have more or less leeway in structuring the advisory system and choosing advisors.³⁹ The more a leader has the ability to place his stamp on the organization of the executive the more his or her personality will factor into the organization structure.

The prevailing political system used by the Caribbean is based on the Westminster Parliamentary system of government which was modelled off the British Parliamentary system.⁴⁰ Among the reasons for adopting this type of system is the fact that it was the type of system that the leaders were accustomed to during the process of decolonization.⁴¹ In the Westminster Parliamentary system, the Executive branch of government is made up of the Prime Minister and his Cabinet members; who are responsible for the coordination of the entire government. The members of the Cabinet are, however, directly chosen from the Legislative branch. As a result, there is no real separation of powers between the two branches. Barrow argues that this is exacerbated by the ‘first-past-the-post’ or ‘winner-takes-all-approach’ in small societies of the Caribbean.⁴² Stress on the democratic institution often develops when a party secures the majority of Parliamentary seats who will make up the government and reduces the role of formal opposition.

Critics of the Westminster system in the Caribbean argue that the lack of a separation of power between the Executive and the Legislative branches of government is a significant hindrance to democracy. This is due to the fact that such

³⁹Breuning, *Foreign Policy Analysis*, 94.

⁴⁰It should be noted that Guyana decided to adopt a US-style Presidential system in 1980.

⁴¹Munroe, *An Introduction to Politics*.

⁴²Cynthia Barrow-Giles, “Regional Trends in Constitutional Developments in the Commonwealth Caribbean,” Paper prepared for the Conflict Prevention and Peace Forum, January 2010, accessed October 27, 2014, <http://www.cpahq.org/cpahq/cpadocs/Cynthia%20Barrow.pdf>.

a system allows for a concentration of power in the Prime Minister and members of the Cabinet.⁴³ Moreover, the main decision-making body, the Cabinet is responsible to Parliament and due to the strong Parliamentary majority; the role of the Opposition is in fact, quite limited.⁴⁴ The Opposition's rule is reduced to merely keeping the government in check.

Another problem associated with this concentration of power in the Executive is the lack of transparency. In the case studies with China, we see how often times, agreements are not debated in Parliament before hand. Moreover, in the case where Ministers are also from the House of Representatives, they often times push the agenda of their particular constituency rather than that of the Ministry as a whole.⁴⁵

The lack of public awareness and discussion about agreements being entered into by the government is another side effect of the political system and culture. Often times, the details of agreements are disclosed only after they had already been signed. This was evident in the signing of the EU-ACP Economic Partnership Agreement, in which Caribbean heads had signed the agreement without prior public notification or awareness. Moreover, in the case of Jamaica, the agreement was initialled before being tabled in Parliament. Additionally, the Parliamentary committee which is mandated to examine the details of foreign policy decisions and provide recommendations to Parliament did this only after the Agreement had

⁴³Munroe, *An Introduction to Politics*.

⁴⁴Braveboy-Wagner, *Small States in Global Affairs*.

⁴⁵In interviews with the researcher, one Caribbean Official argued that in his meetings to discuss possible areas of investments with Chinese and Japanese companies, he would push areas that would help to benefit his constituency. Interview with Person E, formerly from the Ministry of Agriculture and Fisheries. Kingston, Jamaica, October 1, 2012.

already been sign. This highlights inherent weaknesses in the system of governance.⁴⁶

The structure of the Westminster system of government strengthens the leader's dominance in decision-making matters, thereby making the effect more profound in Caribbean states. Braveboy-Wagner asserts that the danger in this lies in very small countries where "personal networking is the norm and in former colonies where a tradition of looking up to the leadership developed during colonial times and evolved further during the post-colonial nationalist era".⁴⁷ Therefore, the values and norms embedded in the country's political culture exacerbate the flaws in the nature of the political system.

The foreign policy trajectory presented above, shows how Caribbean politics has been characterised by post-colonial leaders and thus the importance of the individual level of analysis in foreign policy. While charismatic leadership has weakened, the political system is such that the influence of the leader remains at least as strong as that of the various institutions of government.

3.4. Caribbean Interest in "Non-Western" Powers

The Caribbean's interest in developing its relationships with China and Japan is tied to the economic downturn being experienced. The Caribbean's relations with other powers has always stemmed from the pursuit of economic development and security. As discussed earlier in this chapter, Caribbean states have consistently argued that due to the economic challenges as a result of their

⁴⁶Findings from Master's thesis on "The Role of the Internal and External Affairs Committee in Jamaica's Foreign Policy."

⁴⁷Braveboy-Wagner, *Small States in Global Affairs*, 194.

smallness, they require some concessions from external governments and institutions. As such, due to loss of preferential treatment, Caribbean states continue to search for other means of attracting aids and investments.

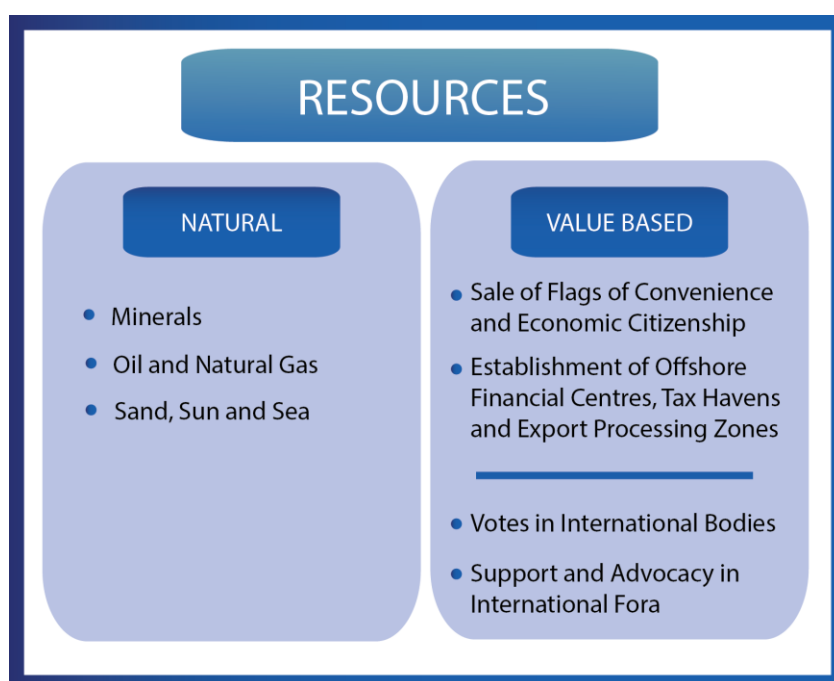
Added to economic motivations, is the potential increase in Chinese and Japanese visitors to the region. As Caribbean countries with large tourism industries seek to recover from slow or negative growth after the global financial crisis, they increasingly are looking for new markets as a source of growth for their tourism industries. During his June 2013 trip to the region, President Xi emphasized tourism as an area of cooperation with Antigua and Barbuda, the Bahamas, Barbados, and Jamaica. In the case of Japan, efforts to increase tourist arrivals to region are seen in initiatives such as the Japan Tourism Fair in Tokyo.

China's and Japan's interest in the region is welcomed not only because of the economic benefits it affords, but also because Caribbean states can also use their value-based resources especially as budding rivalry between China and Japan emerges. As noted before, the argument to be made in this dissertation is that due to their limited resource base, Caribbean states have been using their value-based resources as a strategy to gain economic assistance and to position themselves as important players in the international arena.

From the literature reviewed in Chapter 2, the most recent discussions on small states in the international system are centred on their resourcefulness and resilience. The argument made is that small states have proven to be resourceful and resilient in their use of ingenious development strategies. Nared Prasad opines that despite their vulnerabilities, small states have developed a set of unique strategies to cope with their inherent vulnerability which involve a mixture of economic and

political approaches.⁴⁸ Prasad argues that economic activities in the service sector such as offshore financial centres and in light manufacturing such as export processing zones, have led to better economic growth in small islands compared with strategies relying on agriculture and remittances.⁴⁹

Figure 3.1. Caribbean Resource Base



Source: Compiled by author

⁴⁸Naren Prasad, "Small but Smart: Small States in the Global System," in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

⁴⁹Ibid.

Prasad advances the work of Ronen Palan the establishment of offshore financial centres and tax havens to elucidate his discussion on the unorthodox strategies of small states.⁵⁰ Palan's argues that small states use the establishment of the offshore financial industry and tax havens as an innovative strategy to overcome the challenges to their economic development.⁵¹ According to Palan, this strategy is a "commercialization of sovereignty", that is, small states have been selling their sovereignty in the form of offshore financial centres, tax havens, flags of convenience and export processing zones.⁵²

Prasad reiterates Palan's "commercialization of sovereignty", arguing that small states have resorted to selling their sovereignty to other countries in order to finance their budgets and receive foreign aid.⁵³ He asserts that small states have been selling their votes in international arena for economic gain and puts forward the case of small island states selling their votes to China and Taiwan in the battle for diplomatic recognition. Morris similarly, employs Palan's argument, positing that Caribbean states have been selling their sovereign rights as commodity to China.⁵⁴

This dissertation extends these analyses, by arguing that Caribbean states have been using their natural and value-based resources in their foreign policies toward China and Japan. However, I do not propose that they are selling or trading their sovereignty. The argument made is that their votes in international bodies and

⁵⁰See Ronen Palan, "Tax Havens and the Commercialization of State Sovereignty," *International Organization* 56, no.1 (2003).

⁵¹Palan, "Tax Havens and the Commercialization of State Sovereignty."

⁵²Ibid.

⁵³Prasad, "Small but Smart: Small States in the Global System."

⁵⁴Dana Morris, "The Commodification of Sovereignty: The Caribbean's Relations with China," Presentation at Ace Conference, accessed September 9, 2011, <http://www.mona.uwi.edu/economics/notices/Presentations/Ms%20Dana%20Morris.pdf>

⁵⁴Prasad, "Small but Smart: Small States in the Global System."

quality support and advocacy in international fora may be considered as resources being used in their foreign policies strategies.

Chapters 5 and 6 discuss the Caribbean's relationships with China and Japan and how Caribbean states have been using their foreign policies as a tool for economic attainment. In the case of Japan, Caribbean officials assert that "Japan is a very important county in terms of now and the future...in the direction in which we would like to go Japan could be a great help".⁵⁵ Moreover, Caribbean states are interested in exploring more markets, and based on Japan's relationship with ASEAN and African countries; they are interested in undertaking similar initiatives.⁵⁶

⁵⁵Interview with Person D, formerly from the Ministry of Foreign Affairs and Foreign Trade. Kingston, Jamaica, September 27, 2012.

⁵⁶Ibid.

CHAPTER 4

China and Japan in the Developing World: Growing Interest in Caribbean States

4.1. Overview of Chapter

China and Japan's presence in the Caribbean has been steadily expanding since the beginning of the new millennium, with both countries publishing documents to formally highlight their commitment towards deepening the relationship with the Latin America and Caribbean region. This has manifested itself through their active engagement with the Caribbean particularly with regards to the significant amount of economic assistance being rendered and the increase in the number of high level exchange visits.

The visits from Chinese President XI Jinping in 2013 and Japanese Prime Minister Shinzo Abe in July 2014 have stressed the importance of Caribbean states to the two powers. The visits have also generated much discussion in the media and academic environment as to the interest of both countries in maintaining a presence in the region. China and Japan have been filling the vacuum left by the Caribbean's traditional partners and moreover, have provided these small states with the much needed assistance that they require. The economic relations between these two Asian powers and the Caribbean region have been growing with an increase in the value of trade and development assistance and a widening of economic interaction in services and investments. For example, since 2005 China had provided countries in Latin America and the Caribbean with approximately US\$86 billion.¹

¹Julia Jhinko, "The Caribbean-China Relationship on a Fast Track to Where?" *Newsletter* 6, no.9, Caribbean Centre for Money and Finance, September 2013, accessed November 1, 2014, <http://www.ccmf-uwi.org/files/publications/newsletter/Vol6No09.pdf>

The discussion has so far been preoccupied with the Caribbean's perspective. However, in order to fully discuss and understand the Caribbean's foreign policy towards China and Japan, it may prove useful to also examine China and Japan's interests in the Caribbean region. Hence, this chapter explores the possible motivations driving China and Japan's engagement with Caribbean states.

The first half of this chapter briefly discusses China and Japan's engagement with other developing countries, in order to assess whether it is consistent with their foreign policy towards Caribbean states. From this discussion, we can argue that while both China and Japan have similar motivations towards the Caribbean, there are also notable differences in their foreign policy motives and practices.

The discussion then continues by proposing that the motivations behind China and Japan's engagement with Caribbean states are related to the pursuit of their economic development, political security and global status. The interests rooted in economic development, for example, relate to China and Japan's need to secure natural resources as well as markets for their products.

4.2. Foreign Policy Behaviour towards Developing Countries

Over the years, China and Japan's multi-faceted relationship with developing countries has been an important component of their foreign policy. In order to examine their agenda in the Caribbean, this section first explores China and Japan's foreign policies towards other developing countries so as to determine whether or not they are consistent with their foreign policy towards the Caribbean. The similarities and differences between China and Japan's foreign policy strategies are also highlighted.

4.2.1. China's Use of Soft Power in Developing Countries

China's relations with developing countries have been an important component of the foreign policy of China since the forming of the People's Republic of China (PRC) in October 1949. China placed great emphasis on developing its relations with other developing countries. This was seen during the Cold War for example, when China showed support for countries such as those in Latin America that had confronted the US. China's desire to cultivate ties with other developing countries was also seen as it sought support in gaining its UN seat in the 1970s.

China's foreign policy is undoubtedly linked to its rapid rise in the changing international sphere since the beginning of the 2000s. The "dragon" has assumed an active role in the developing world on its quest to become a leading global power. Seemingly, China's dynamic foreign policy strategy is two-fold, whereby as Deng and Wang opine, while embracing ideas of multilateralism, win-win cooperative approach and peaceful ascent, China has equally stressed the need to protect its national interests and to remould the international environment in line with its preferences.²

In becoming a more influential actor in the diplomatic arena, China has forged and secured partnerships by promoting South-South cooperation in multilateral fora. For example, Africa represents a large single bloc of votes in multilateral organizations and these votes have been crucial in several areas of interest, for example in securing votes for China to host the 2008 Olympics.³

²Yong Deng and Fei-Ling Wang, eds., *China Rising: Power and Motivation in Chinese Foreign Policy* (Oxford: Rowman & Littlefield, 2005).

³Riordan Roett and Guadalupe Paz, eds., *China's Expansion into the Western Hemisphere: Implications for Latin America and the United States* (Washington D.C.: Brookings Institution, 2008).

China's diplomatic influence is categorized by humanitarian aid, foreign direct investments, soft power, and a foreign policy free of conditionalities. Brautigam argues that China, in an attempt to portray itself as a politically attractive power, has packaged its soft power to publicly frame their growing ties with developing countries as "win-win" rather than zero-sum.⁴ This has manifested itself in the Forum on China-Africa Cooperation (FOCAC) model which framed aid within a broad set of economic cooperation policies and allowed for regular dialogue and high level meetings.⁵ This is similar to the regional cooperative framework attempted with Caribbean states in the form of the China-Caribbean Economic Forum. Moreover, China's conditionality-free approach, according to Alden, is a foreign policy model based on non-interference in the domestic affairs of states and the promotion of sovereign integrity which is appealing to developing countries.⁶

In academic discourse, China's activities in the developing world have been described according to a use of soft power. "Soft power" was originally conceptualised by Joseph Nye in 1990.⁷ Nye made a distinction between hard power and soft power, arguing that the latter refers to a country's ability to achieve its goals through means of attraction rather than coercion.⁸ Hard power refers to military and economic might which can be exercised by way of inducements

⁴Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (NY: Oxford University, 2009).

⁵The Forum on China- Africa Cooperation (FOCAC) was formally established at the Ministerial Conference of the FOCAC in Beijing in October 2000, under the joint initiative of China and Africa. FOCAC serves to further strengthen friendly cooperation between China and African states under the new circumstances, jointly meeting the challenges of economic globalization and seeking common development. See <http://www.focac.org/eng/>,

⁶Chris Alden, "China's New Engagement with Africa," in *China's Expansion into the Western Hemisphere: Implications for Latin America and the United States*, eds. Riordan Roett and Guadalupe Paz (Washington D.C.: Brookings Institution, 2008).

⁷Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power* (NY: Basic Books, 1990).

⁸Watanabe Yasushi and David L. McConnell, *Soft Power Superpowers: Cultural and National Assets of Japan and the United States*, (NY: M.E. Sharpe, 2008).

(carrots) or threats (sticks). However, it is possible to get the desired outcome without the use of such tangible threats in a more indirect way which, according to Nye, is sometimes called the “second face of power”.⁹ He purports that

a country may obtain the outcomes it wants in world politics because other countries—admiring its values, emulating its example, aspiring to its level of prosperity and openness—want to follow it...soft power rests on the ability to shape the preferences of others...it is leading by example and attracting others to do what you want.¹⁰

Nye posits that soft power rests in a country’s culture, political values and foreign policies and that this was an important way of acquiring international support.

Kurlantzick expands Nye’s description on the use of soft power, applying it to the Chinese context whereas Nye had restricted his definition to a strictly US context. Chinese soft power, he defines as things outside of the military and security realm including not only cultural and public diplomacy but also more coercive economic and diplomatic measures such as aid and investment as well as participation in multilateral organizations.¹¹ Soft power, Kurlantzick argues, can be directed towards the elites in a country (high soft power) or can be directed at the wider public (low soft power).¹²

Cultural diplomacy has been a major tool used by China in its low soft power strategy. China has been actively promoting cultural exchange programs, festivals, movies, sports and tourism with the rest of the world in the new millennium.

⁹Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (NY: Public Affairs, 2004), 9.

¹⁰Ibid, 5.

¹¹Joshua Kurlantzick, *Charm Offensive: How China’s Soft Power Is Transforming the World* (New Haven: Yale University Press, 2007), 6.

¹²Ibid.

According to Lai,

Chinese leaders have been aware of the growing relevance and importance of cultural diplomacy and have made extensive use of cultural platforms to project China's peaceful rise, image and soft power.¹³

This is evident in its promotion of Chinese language and studies globally through the establishment of Confucius Institutes and by hosting major international events such as the Shanghai World Expo in 2010, to showcase its image. The first Confucius Institute was set up in South Korea in November 2004, with the aim to promote the learning of Chinese language and culture to the world. Confucius Institutes are partly funded by China National Office for Teaching Chinese as a Foreign Language (NOCFL or Hanban), and are jointly managed by Chinese universities and foreign parties.¹⁴ As of May 2014, there are 1089 institutes and classrooms worldwide and of which there are four in the Caribbean region- one in the Bahamas, Jamaica, Guyana and Trinidad and Tobago (see Table 4.1.). This is noteworthy considering the fact that only eight Caribbean countries have diplomatic relations with China.

¹³Lai, Hongyi. "China's Cultural Diplomacy: Going for Soft Power," in *China's Soft Power and International Relations*, eds. Hongyi Lai and Yiyi Lu (NY: Routledge, 2012), 83.

¹⁴Ibid.

Table 4.1. Confucius Institutes and Classrooms, 2014

Region	Number of Confucius Institutes and Classrooms
Africa	48
Asia	147
America	528
➤ Caribbean	4
✓ Jamaica	
✓ The Bahamas	
✓ Trinidad and Tobago	
✓ Guyana	
➤ Latin America	39
➤ USA	454
➤ Canada	31
Europe	302
Oceania	66

Source: Report on www.english.hanban.edu.cn, accessed May 1, 2014.

Like Kurtlanzick, Naidu posits that China's soft power strategies incorporates "the use of political non-interference and economic incentives coupled with the rhetoric of non-alignment and comforting words like historical friendship, equality, common development, mutual support and mutually beneficial co-operation".¹⁵ Alden argues that China's foreign policy model based on the principles of "noninterference in domestic affairs of state and the promotion of sovereign integrity" is particularly appealing to developing states.¹⁶ He asserts that in the case of Africa, for example, China's willingness to provide assistance without any political strings is more alluring to African leaders who dislike the conditionalities associated with Western aid.

¹⁵Sanusha Naidu, "China-African Relations in the 21st Century: A 'Win-Win' Relationship," in *China in Africa*, ed. Henning Melber, *Current African Issues* (Uppsala: Nordiska Afikainstitutet, 2007).

¹⁶Alden, "China's New Engagement with Africa," 230.

The discourse on China's foreign policy with the developing world is centred on a combination of economic and political issues such as trade and investments, resource needs and geopolitical interests.¹⁷ Economically, China's rapid growth is outpacing their natural resource base and hence, a growing attraction toward Africa and Latin America has ensued. China needs natural resources and markets which is largely the motivation behind their agenda in the developing world. In return, developing countries stand to benefit from trade diversification, foreign direct investments, among other attractive opportunities.¹⁸

On a political level, China has actively campaigned to displace official recognition of Taiwan. In 1997, eight African countries still had diplomatic ties with Taiwan and as such, the region has been a battleground for recognition of the One China Policy.¹⁹ This was demonstrated in 2005 when Senegal and Chad notably switched diplomatic relations to China. Moreover, China is interested in cultivating more friendly relations with states so as to garner support in international bodies.

¹⁷Deng and Wang, eds., *China Rising*.

¹⁸See Deng and Wang, eds., *China Rising*; Roett and Paz, eds., *China's Expansion into the Western Hemisphere*; Alden, "China's New Engagement with Africa."

¹⁹As of May 2014, Taiwan now has only 3 diplomatic allies in Africa. See Joshua Kurtlanzick, "China's Soft Power in Africa," in *Soft Power: China's Emerging Strategy in International Politics*, ed. Mingjiang Li (Plymouth, UK: Lexington Books, 2011).

4.2.1.1. “Soft Use of Power” Approach

Chinese scholars have offered further perspectives on soft power which largely adopts but also expands the scope of Nye’s conceptual framework of soft power.²⁰ Zheng and Zhang put forward a critique Nye’s discussion, positing that the policies and behaviours of soft power and hard power overlap.²¹ Nye argues that the policies and actions of military and economic include, inter alia, coercive diplomacy, war, alliance, aid and sanctions; whereas those of soft power include public diplomacy and bilateral and multilateral diplomacy. However, Zheng and Zhang refute this; arguing that coercive diplomacy, alliance, aid and sanctions are largely implemented through bilateral and multilateral diplomacy and as such, Nye’s concept of soft and hard power is self-contradictory.²² Chinese soft power has largely been demonstrated in their foreign policy and international behaviour which are characterised by multilateralism, economic diplomacy and the good neighbour policy and in their external influence of the Chinese model on the developing world.

Li extends Nye’s conceptualization of soft power to include a domestic context, arguing that whereas Nye’s primary focus is on the efficacy of soft power in achieving foreign policy goals.²³ Chinese discourse, he posits, frequently refers to a notable domestic context such as the need to strengthen national cohesion.²⁴

²⁰See Mingjiang Li, “Soft Power: Nature not Nurture,” in *Soft Power: China’s Emerging Strategy in International Politics*, ed. Mingjiang Li (Plymouth, UK: Lexington Books, 2011); Mingjiang Li, “Soft Power in Chinese Discourse: Popularity and Prospect,” in *Soft Power: China’s Emerging Strategy in International Politics*, ed. by Mingjiang Li (Plymouth, UK: Lexington Books, 2011); Yongnian Zheng and Chi Zhang, “Soft Power and Chinese Soft Power,” in *China’s Soft Power and International Relations*, eds. Hongyi Lai and Yiyi Lu (NY: Routledge, 2012).

²¹Yongnian Zheng and Chi Zhang, “Soft Power and Chinese Soft Power,” in *China’s Soft Power and International Relations*, eds. Hongyi Lai and Yiyi Lu (NY: Routledge, 2012).

²²Ibid.

²³Mingjiang Li, “Soft Power in Chinese Discourse: Popularity and Prospect,” in *Soft Power: China’s Emerging Strategy in International Politics*, ed. by Mingjiang Li (Plymouth, UK: Lexington Books, 2011).

²⁴Ibid

Chinese scholars and officials enunciate a broader view of soft power and propose that in the Chinese context, soft power refers to a “soft use of power”.²⁵ Essentially, rather than distinguishing sources of power as hard or soft, it is better to consider how these sources of power are used to increase a state’s attraction and persuasion.²⁶

4.2.2. Japan’s Economic Assistance to Developing Countries

Studies of Japan’s foreign policy have contended over the years that, among other things, Japan’s aid is a response to international pressure to contribute more to international order. Moreover, that Japan’s aid policy is an instrument of its foreign economic policies, and that it is a function of domestic bureaucratic politics. Japan’s foreign policy after World War II, shaped by then Prime Minister Yoshida Shigeru, was considered to be a reactive one based on response to external pressures emanating mostly from the US.²⁷ The Yoshida doctrine had seen Japan focusing its efforts on economic reconstruction and development and a minimal defence policy which relied on the US for national security. According to Mochizuki, Japan had evolved into an industrial and technological powerhouse and had “refrained from vigorously seeking the international prestige and national security autonomy that would have been more commensurate with its economic capabilities”.²⁸

Scholars have argued that Japan, during this time, pursued a foreign policy based on its own security and economic interests rather than one which tried to

²⁵See Kurtlanzick, “China’s Soft Power in Africa.”

²⁶Mingjiang Li, “Soft Power: Nature not Nurture,” in *Soft Power: China’s Emerging Strategy in International Politics*, ed. Mingjiang Li (Plymouth, UK: Lexington Books, 2011).

²⁷Mike M. Mochizuki, “Japan’s Changing International Role,” in *Japan in International Politics: The Foreign Policies of an Adaptive State*, eds. Thomas U. Berger, Mike M. Mochizuki and Jitsuo Tsuchiyama (CO, USA: Lynne Rienner Publishers, 2007).

²⁸Ibid.

shape the international environment.²⁹ However, to the Japanese, their behaviour was one of “modesty and realism based on historical realism”. According to Taichi Sakaiya, the Japanese had “learned the importance of using the world structures and international order and the danger of trying to change it”.³⁰

Japan’s growth in the 1950s necessitated its search for natural resources and as a result, Japan’s diplomacy seemingly favoured Asian developing countries which were endowed with oil, natural gas and other critical raw materials. According to Kawashima, following the Meiji restoration period and the quest to “catch up with the West”, Japan’s “obsession about the scarcity of key natural resources in Japan seems to have been deeply embedded the national psyche”.³¹ This “obsession” continued through to modern day Japan, with its aid being linked closely to areas of national interest, such as the security of oil supplies from the Middle East or the expansion of production networks in Asia.³²

Additionally, Japan’s aid in the 1950s began as post-war reparations to payments to Southeast Asian countries and facilitated Japanese trade and investments with its neighbours. In 1954, Japan joined the Colombo Plan which was an international organization established to promote economic and development mainly through technical cooperation in countries of the Asia Pacific region.³³ Thus, allowing Japan to provide aid through technical assistance to Asian countries. In 1964, Japan became a member of the Organization for Economic Co-operation and

²⁹See Mochizuki, “Japan’s Changing International Role”; Akira Iriye, *Japan and the Wider World: From the Mid-Nineteenth Century to the Present* (NY: Longman, 1997).

³⁰Taichi Sakaiya, *What is Japan? Contradictions and Transformations*, 26.

³¹Yutaka Kawashima, *Japanese Foreign Policy at the Crossroads: Challenges and Options for the Twenty-First Century* (Washington D.C.: Brookings Institution Press, 2003), 18.

³²Robert M. Orr Jr., “Japanese Foreign Aid: Over a Barrel in the Middle East,” in David Arase, *Japan’s Foreign Aid: Old Continuities and New Directions* (NY: Routledge, 2005).

³³MOFA, Japan, *Japan’s Official Development Assistance: White Paper 2001* (Tokyo: Economic Cooperation Bureau, MOFA, 2003), 3.

Development (OECD) and as a result, its aid would from hereafter be characterized by institutional structure of an Official Development Assistance (ODA) program. The Japanese government considered this membership as an opportunity to improve its image in the international arena.

Japanese foreign policy was based on three major assumptions that its external policies had previously been formulated on which are as follows:

1. US military protection and its reliable commitments to Asia
2. Free access to raw materials and export markets abroad in order to accelerate the Japanese economy and
3. A stable political framework in which a dominant Liberal Democratic Party (LDP) with the support of big businesses can pursue a consistent economic foreign policy.³⁴

After the first oil crisis in October 1973, Japan began a new phase of altering these assumptions by broadening its geographic horizons and its assistance objectives to include humanitarian assistance. According to Mochizuki, Japan realised it could help to alleviate world poverty by “recycling its burgeoning trade surplus through its aid programs” rather than pursuing commercial interests in a narrow sense.³⁵ Japan embarked on this capital recycling program following the disruption of its relations with Latin America due to the debt crisis in the 1980s. This entailed transferring part of the country’s balance of payments surpluses to help finance the deficits of Latin America.³⁶

³⁴Sudo, *The Fukuda Doctrine and ASEAN*.

³⁵Mochizuki, “Japan’s Changing International Role.”

³⁶A. Blake Friscia, “Japanese Economic Relations with Latin America: An Overview,” in *Japan and Latin America in the New Global Order* eds. Susan Kaufman Purcell and Robert M. Immerman (London: Lynne Rienner Publishers, 1992).

During the 1970s, the Latin America region had become increasingly important in Japan's foreign policy pursuit not only because of the many Japanese immigrants who resided there but also because the region possessed an abundance of undeveloped natural resources. With the oil crisis and subsequent global energy problem, the potential for Latin American countries to become a stable supplier of industrial raw materials and an area for investments was evident and thus, Japan pursued resource diplomacy towards the region.³⁷

Japan's relationship with Latin American countries was significant during this period and was characterised by a high level of trade, private investments and government exchanges. The Japanese government and private sector participated in large-scale national projects which were aimed at the joint development of resources and production of items such as petroleum, iron ore and aluminium.³⁸ Many of the largest projects were concentrated in Brazil but other countries such as Mexico, Peru and Venezuela were of particular interest to Japan as well.³⁹ Japanese banks also began to supply loans to Latin American governments. In 1979, Foreign Minister Sunao Sonoda visited six countries in the region; Mexico, Brazil, Peru, Chile, Argentina and Venezuela and held negotiations for the purchase of Mexican crude oil.⁴⁰ This same year, the Ministry of Foreign Affairs would make an addition to its organizational structure by opening the Latin America and Caribbean Affairs Bureau which had previously been housed under the North America Division.

³⁷MOFA, Diplomatic Bluebook 1974

³⁸Barbara Stallings and Gabriel Szekely, "The New Trilateralism: the United States, Japan and Latin America," in *Japan, the United States and Latin America: Toward a Trilateral Relationship in the Western Hemisphere*, eds. Barbara Stalling and Gabriel Szekely (Maryland, USA: The John Hopkins University Press, 1993), 9.

³⁹MOFA, Diplomatic Bluebook 1974-1980

⁴⁰MOFA, Diplomatic Bluebook 1980

By the late 1980s, Japan's rising economy had positioned the country at the helm of international politics but would later receive much international criticism after it failed to send troops to the 1991 Gulf War. In response, Japan established the ODA Charter in June 1992 to emphasize the country's contribution to international peace via economic means. The 1992 ODA Charter was established to "garner broader support for Japan's ODA through better understanding both at home and abroad and to implement it more effectively and efficiently".⁴¹ It embodied four core principles

1. Compatibility between preservation of the environment and development
2. Avoidance of the use of ODA funds for military purposes and for purposes liable to inflame international conflicts
3. Monitoring of military spending of developing countries, their activities of developing and producing weapons of mass destruction, and the export or import of weapons
4. Monitoring of activities for the promotion of democratization in developing countries, and their efforts to introduce a market-oriented economy and protect basic human rights and freedoms of their citizens.⁴²

Humanitarian and environmental considerations were added to Japan's criteria for aid decisions. Japan also began to place democratic norms into the core of its aid policy. Moreover, as Western allies expected Japan to enhance its international

⁴¹MOFA, *Japan's Official Development Assistance: White Paper 2001*.

⁴²MOFA. "Basic Approaches of Japan's ODA (philosophy and principles)," accessed May 3, 2011, <http://www.mofa.go.jp/policy/oda/summary/1995/1basic.html>

contributions outside East Asia, Japan's expanding aid programs in Africa and Latin America began to receive scholarly attention.⁴³

Japan's ODA spending increased as it grew into an economic superpower then, becoming the world's largest bilateral ODA donor by the 1990s.⁴⁴ The leadership demonstrated Japan's role in making a contribution to global peace and prosperity and signalled their intention to remain a non-military power. Arase argues that Japan's ODA model is dichotomous, whereby its motivations, from the 1970s until present, have been categorized by *Kokueki* (national interest) and *Tsukiai* (membership obligations).⁴⁵ These motivations, he posits, were proposed by Sukehiro Hasegawa, who defined Japan's national interest at the time, in terms of the advancement of their own strategic economic development while simultaneously trying to oblige their membership in the Western alliance by adhering to altruistic ODA as was required.⁴⁶

4.2.2.1. Renewal of Japan's Diplomacy

In 2001, under the leadership of Junichiro Koizumi, Japan sought to transform and revitalise its internal and foreign affairs. Additionally, it began to centralise the decision-making process including issues surrounding development aid. Prime Minister Koizumi had inherited a changing foreign policy whereby the ODA budget started declining following the burst of the economic bubble in the

⁴³Yoichiro Sata and Masahiko Asano, "Humanitarian and Democratic Norms in Japan's ODA Distributions," in *Norms, Interest and Power in Japanese Foreign Policy*, eds. Yoichiro Sato and Keiko Hirata (NY: Palgrave MacMillan, 2008).

⁴⁴See David Arase, *Japan's Foreign Aid: Old Continuities and New Directions* (NY: Routledge, 2005); David Leheny and Kay Warren, eds. *Japanese Aid and the Construction of Global Development: Inescapable Solutions* (NY: Routledge, 2010).

⁴⁵David Arase, *Japan's Foreign Aid: Old Continuities and New Directions* (NY: Routledge, 2005).

⁴⁶*Ibid.*

1990s. Japan's ODA charter was consequently revised in 2003, to emphasize efficiency and increased national interest orientations in its aid policy. The most important elements of the revised Charter included supporting the self-help efforts of developing countries and the introduction of human security among its basic policies.

In September 2004, Koizumi made a five day trip to the Latin America and the Caribbean region, visiting Brazil and Mexico. This was a significant event as the last visit by a Japanese Prime Minister to the region had been eight years prior and signalled the importance of the region to the Japanese government. During his visit, Koizumi delivered an address on Japan's foreign policy toward Latin America and the Caribbean, proposing a "Vision for a New Japan-Latin America and Caribbean Partnership", which would later be referred to as the "Koizumi Vision".⁴⁷ The Koizumi Vision called for the creation of a new, future-oriented relationship between Japan and the countries of Latin America and the Caribbean; and was essentially a signal of Japan's desire to renew its diplomacy.

In the 1970s, Japan and Latin America had shared a stable trade and investment partnership; however, due to the Latin American debt crisis in the 1980s and Japan's in the 1990s, this economic relationship had subsided. Koizumi's Vision was designed to reinvigorate Japan's diplomacy with Latin America and stipulated the need to

⁴⁷MOFA, "Visit by Prime Minister Junichiro Koizumi to Latin America (Overview, Evaluation and Specific Results)," September 2004, accessed May 7, 2014, <http://www.mofa.go.jp/region/latin/pmv0409/overview.html>

1. reactivate their economic relationship,
2. address challenges of the international community,
3. promote mutual understanding and exchanges of people.⁴⁸

In keeping with these principles, an agreement between Japan and Mexico was signed on September 17, 2004 for the strengthening of economic partnership. This was the first EPA between Japan and a Latin American country and was designed to promote a freer trans-border flow of goods, persons, services and capital between Japan and Mexico.⁴⁹ The EPA would, according to Koizumi, not only “stimulate Japan and Mexico’s economic exchange”, but would also become “a scaffold to strengthen the relationship between Japan and Latin America”.⁵⁰

In essence, the Koizumi Vision signals the reactivation of Japan’s general foreign policy with developing countries and the move to strengthen ties with the developing world and hence, with Latin America and Caribbean states. The timing of Koizumi’s vision is in line with China’s growing ascendancy not only in Asia but more noteworthy in Latin America and the Caribbean. Japan’s renewal of its diplomacy is therefore largely rooted in its rivalry with China and in the need to maintain its regional and global prestige.

The establishment of MOFA’s International Cooperation Bureau in August 2006 enhanced the strategic aspects of economic cooperation and also provided an opportunity to better integrate ODA into MOFA’s various diplomatic tools. The

⁴⁸MOFA, “Address by Prime Minister Junichiro Koizumi on the Latin American and Caribbean Policies,” September 15, 2004, accessed May 7, 2014, <http://www.mofa.go.jp/region/latin/pmv0409/adress.html>

⁴⁹Ibid.

⁵⁰Ibid

launch of the new Japan International Cooperation Agency (JICA)⁵¹, which was merged with Japan Bank of Institutional Co-operation (JBIC)⁵² in 2008, has strengthened this approach. In a January 2006 speech, then Minister of MOFA, Taro Aso declared ODA as a political policy measure that should also favour the donor nation. He opined that “Japan’s ODA should be used abundantly in the future for the objectives of enhancing and expanding ties between Japan and countries with the same interests and aspirations as Japan”.⁵³

Bilateral ODA has been used as a critically important tool in advancing Japan’s own independent political interests such as to cultivate friendly relations with its Asian neighbours in a bid for regional leadership. Additionally, Japan’s agenda seeks to strengthen relations and garner support from developing countries in international bodies. Tarte opines that “policymakers have sought to use ODA to bolster diplomatic support for Japan’s position, and thereby project its domestic norms as being in common interests with the interests of developing states”.⁵⁴ The cooperation of African countries is particularly important, in addressing Japan’s

⁵¹JICA is an agency for the implementation of government-based technical cooperation. It conducts training programs in Japan, implements an expert-dispatch group, and provides equipment. It also administers the Japan-Overseas Cooperation Volunteers programs, emigration programs and emergency disaster-relief programs. See MOFA, *Official Development Assistance: White Paper 2001*, ix.

⁵²JBIC was formed in October 1999 as a result of a merger between the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund. It was responsible for the extension of yen loans and also provided financing and loans to companies engaged in projects in developing countries. See MOFA, *Official Development Assistance: White Paper 2001*, ix.

⁵³MOFA, “Speech by Minister for Foreign Affairs Taro Aso ODA: Sympathy is Not Merely for Others’ Sake,” January 19, 2006, accessed February 2, 2014, <http://www.mofa.go.jp/announce/fm/aso/speech0601-2.html>

⁵⁴Sandra Tarte, “Norms and Japan’s Foreign Policy Aid in the South Pacific,” in *Norms, Interest and Power in Japanese Foreign Policy*, eds. Yoichiro Sato and Keiko Hirata (NY: Palgrave MacMillan, 2008), 144.

campaign on global issues such as UN Security Council Reform and climate change.⁵⁵

The export of manufactured products from Japan was considered to be essential in order to secure key resources and materials from abroad. Economic motivations therefore constitute another component to Japan's foreign policy, as it strives to further strengthen its relations with countries in the developing world that export natural resources including oil and natural gas so as to secure stable supplies of natural resources and energy.⁵⁶ This is highlighted in the discourse of Japanese officials as former Prime Minister Koizumi asserted the importance of securing natural resources in the developing world stating that

Energy, minerals, and edible resources are indispensable to making possible the sustained growth of the world economy. Endowed with energy and rich natural resources, Latin America continues to grow in importance. To my country, which has few natural resources, securing a stable supply of resources in the mid to long term is an issue of grave importance.⁵⁷

Added to Japan's preoccupation with securing natural resources, is also that of ensuring access to its exports market.⁵⁸ Japan has outlined the importance it places on strengthening their relationship with Africa, "a potentially huge market which sustains high rates of economic growth and which is endowed with abundant natural resources and a growing population".⁵⁹

⁵⁵Ministry of Foreign Affairs, Japan, Diplomatic Bluebook 2012.

http://www.mofa.go.jp/policy/other/bluebook/2012/pdfs/chapter2_p17_29.pdf

⁵⁶Kay Warren, "An Overview of Japanese ODA to Latin America: Comparative Observations on Social Development Initiatives," in *Japan's Foreign Aid: Old Continuities and New Directions*, ed. David Arase (NY: Routledge, 2005).

⁵⁷MOFA, "Address by Prime Minister Junichiro Koizumi on the Latin American and Caribbean Policies."

⁵⁸Kawashima, *Japanese Foreign Policy at the Crossroads*.

⁵⁹MOFA, Diplomatic Bluebook.

Cultural diplomacy has also been important in Japan's foreign policy strategies as it seeks to improve its image in the world.⁶⁰ The most visible and successful source is the Japan Exchange Teaching (JET) programme. The JET program was proposed in the 1980s to change Japan's global image through promotion of international exchange and foreign language education. Assistant language teachers from English-speaking countries are invited to Japan to teach English in secondary schools and to further promote cultural exchange. Of the 40 participating countries, six are from the Caribbean.⁶¹

4.2.3. Similarities and Differences between Chinese and Japanese Foreign Policy Behaviour in the Developing World

China and Japan share some similarities in their wider foreign policies in the developing world as they both become an increasingly visible power in these countries. China's behaviour in regional and international affairs, as a rising power, is quite similar to that of Japan's during its high-growth era as both countries have prioritized modernization and adopted a more pragmatic stance on their economic policies. Moreover, China and Japan have both employed economic cooperation as a tool to advance their economic, diplomatic and commercial interests. For example, in the 1960s and 1970s, Japan's economic assistance to its regional neighbours in Southeast Asia was mainly intended for enhancing market access and developing strategic resources to sustain its continued growth. Following the Fukuda doctrine, Japan adopted an aid doubling plan and used it to assist Japanese industrial

⁶⁰See David L. McConnell, "Japan's Image Problem and the Soft Power Solution: The Jet Program as Cultural Diplomacy," in *Soft Power Superpowers: Cultural and National Assets of Japan and the United States*, eds. Yasushi, Watanabe, and David L. McConnell (NY: M.E. Sharpe, 2008).

⁶¹See <http://www.jetprogramme.org/e/aspiring/countries.html>

upgrading in East Asia in the 1980s.⁶² Meanwhile, China's foreign aid since the 1990s has been used as a form of subsidy to Chinese state-owned enterprises by tying it to procurement of Chinese goods, contracts and services. China has also been using economic assistance to secure contracts for the development of resources in order to sustain its economic growth.

The rhetoric of "win-win" cooperation is pervasive in China's foreign policies which largely constitutes the provision of 'conditionality-free' assistance to developing countries. Chinese economic assistance omits the intrusive political governance policy conditions usually associated with aid given by Western multilateral institutions. This seemingly conditionality-free' approach associated with Chinese aid and loans is an important component of China's foreign policy with the developing world. However, this approach does not extend to Japan's economic assistance as Japan adheres to certain stipulations in its distribution of aid, as outlined in its ODA Charter.

Japan's foreign policy in the new millennium has been purported to be premised on the idea that fostering interdependence through increased commercial activities and cooperation would lead to democratic peace. In contrast, however, Li argues that China's domestic concerns such as sustaining rapid economic growth, ensuring continued Communist Party rule, and national stability, are the main priorities of Chinese leadership.⁶³

Other differences in their foreign policy strategies relate to environmental concerns. Japan has been at the forefront in promoting environmental issues in international fora. This transcends the discourse and is visible in projects that are

⁶² Sudo, *The Fukuda Doctrine and ASEAN*, 170.

⁶³ Mingjiang Li, "China: Domestic Sources of its Soft Power Strategy in East Asia," in *Regional Leadership in the Global System: Ideas, Interests, and Strategies of Regional Powers*, 207-221.

funded and executed in developing countries.⁶⁴ However, environmental concerns seemingly take a back-burner with regards to China's engagement with the developing world and will be discussed more in Chapter 5.

4.3. China and Japan's Interest in the Caribbean Region

The Caribbean stands thousands of miles from the Asiatic region, yet this distance has not deterred their interest in these small island states. Instead, China and Japan assert that this increased involvement with the Caribbean, is a move to further strengthen and deepen ties with the region. Chinese officials have summed up their interest as one pillar of China's foreign policy designed to increase the unity with fellow developing countries such as those in the Caribbean.⁶⁵ Others simply argue that China's interest has "good business logic" and is a recognition of the "strategic value" of the region.

According to MOFA, Japan's interest in the region is derived from the existing commonalities and shared fundamental values that they have with Caribbean states such as democracy, market economy as well as the vulnerabilities, for example, natural disasters, faced by island states.⁶⁶ Moreover, its foreign policy towards CARICOM member states is geared towards (1) the strengthening of

⁶⁴In interviews with Caribbean and Japanese officials, the discourse on environment conservation was noticeable. According to officials, in the case of the Nippon Light Metals project to extract rare earth minerals in Jamaica, a feasibility study was first done to assess the impact on the environment. If the impact would have been overwhelming, then the project would have been abandoned. Caribbean officials that were interviewed affirmed that this was the case with all projects explored with Japan.

⁶⁵Interview with Person A, from the Ministry of Foreign Affairs and Foreign Trade. Kingston, Jamaica, September 20, 2012; Person D, formerly from the Ministry of Foreign Affairs and Foreign Trade. Kingston, Jamaica, September 27, 2012.

⁶⁶Caribbean Division, MOFA. Hand-out prepared on Japan-CARICOM Relationship.

economic relations, (2) supporting the stable development of the region, and (3) advancing cooperation in the international arena.⁶⁷

More recently in July 2014, at the first Japan-CARICOM Summit meeting, Prime Minister Shinzo Abe outlined the three pillars of Japan's CARICOM policies which are

1. Cooperation towards sustainable development, including overcoming the vulnerabilities particular to small island states.
2. Deeping and expanding fraternal bonds of cooperation and friendship.
3. Cooperation in addressing challenges of the international community.⁶⁸

This first pillar is particularly significant because in it, Prime Minister Abe proposes that Japan, in considering the “vulnerabilities particular to small island states” that CARICOM member states face as well as the importance of providing support other than on per-capita income basis, will conduct field surveys on future cooperation. As discussed earlier in this dissertation, the classification of CARICOM member states as middle-income countries has put them in a disadvantage in receiving assistance. Owing to this classification, Caribbean leaders have actively argued that the allocation of aid should not be considered according to per capita basis. Hence, willingness to reconsider this shows the importance of the region to Japan.

Despite these assurances of the motivating factors behind their increased involvement in the Caribbean region, there still exists a cloud of doubt as to whether there are other underlying factors at play. Scholars have voiced scepticism regarding the presence of these Asian countries, particularly China, in the US backyard; and

⁶⁷Ministry of Foreign Affairs, Japan. Diplomatic Bluebook 2011.

⁶⁸MOFA, Japan, “Press Release on Japan – Caribbean Community (CARICOM) Summit Meeting: Japan's CARICOM Policy,” July 28, 2014, accessed July 29, 2014, <http://www.mofa.go.jp/files/000047229.pdf>. See Appendix I

argue that it may have some implications towards US security in the region.⁶⁹ China and Japan’s interest in the Caribbean is not purely altruistic but more consistent with Brautigam’s argument that foreign aid is fundamentally a tool of foreign policy and that all donors give aid for a variety of political, commercial and moral reasons.⁷⁰ This paper proposes that the primary motivations behind China and Japan’s growing interaction with Caribbean states and as a result, their increased presence in the region; are related to the pursuit of their economic development, political security and global status (see Figure 4.1). The following sections will explore each motivation in more detail.

Figure 4.1. Motivations towards Caribbean States



Source: Compiled by author.

⁶⁹See R. Evan Ellis, “The Strategic Dimension of Chinese Engagement with Latin America,” *Perry Paper Series*, no. 1. William J. Perry Center for Hemispheric Defense Studies, 2013.

⁷⁰Brautigam. *The Dragon’s Gift*.

4.3.1. Economic Development

China and Japan's economic motivation in the Caribbean is consistent with their wider foreign policy in the developing world, which as seen in Africa and Latin America, is related to their search for natural resources, and access to markets and transportation routes. According to Bernal, China's "voracious appetite for resources, is one of their most compelling drivers of foreign policy".⁷¹ They have been courting the governments of Caribbean states, building goodwill by strengthening bilateral trade relations, awarding aid, improving infrastructure by helping to build roads, bridges and stadiums – seemingly, in return for access to key resources. Similarly, Chinese and Japanese interests at the economic level relate to accessing the Caribbean markets as a destination for their exports.

Caribbean officials insist that there is nothing untoward about China's growing presence and that "their interest is primarily economic," according to Minister Peter Phillips, Jamaica's finance minister.⁷² Phillips opines that "there is no military or strategic reach into the Caribbean...there's no indication that they want that either".⁷³

The literature on China and Japan's involvement with developing countries discusses their search for natural resources and the desire to secure them. China and Japan have shown their interest in accessing raw materials in the Caribbean states of Guyana, Jamaica and Trinidad and Tobago. It is evident that there is an interest in the minerals found in Jamaica and Guyana, and the oil and natural gas in Trinidad

⁷¹Richard Bernal, "The Dragon in the Caribbean: China-CARICOM Economic Relations," *The Round Table* 99, no. 408

⁷²Robin Wigglesworth, "Caribbean in Crisis: Chequebook Diplomacy," December 17, 2013, accessed on January 14, 2014, <http://www.ft.com/intl/cms/s/2/7f7b0d8e-5ea8-11e3-8621-00144feabdc0.html#axzz33P0A5gEG>. This sentiment was echoed in the interviews conducted.

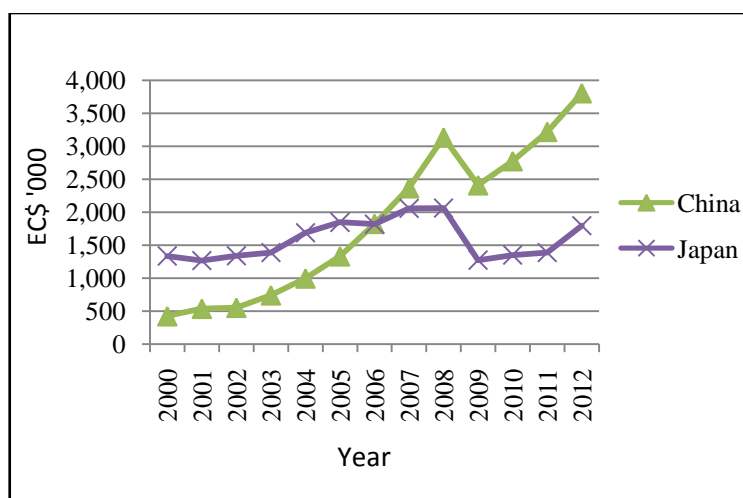
⁷³Ibid.

and Tobago. However, while their quest for resources may indeed be a major motivation for their policies in Africa, as well as in Latin America, the extent to which this is true in Caribbean countries is much less.

There are only three CARICOM member states which are resource endowed; Jamaica, Guyana and Trinidad and Tobago. Moreover, the exports of said resources to China and Japan are significantly lower when compared to other countries outside of the region. The search for resources, while visible in the Caribbean, is therefore not as great a source of motivation as it is in other regions. Nevertheless, both China and Japan have a strong desire to secure stable supplies of natural resources and as such, will ensure that they have access to any untapped resources in these states.

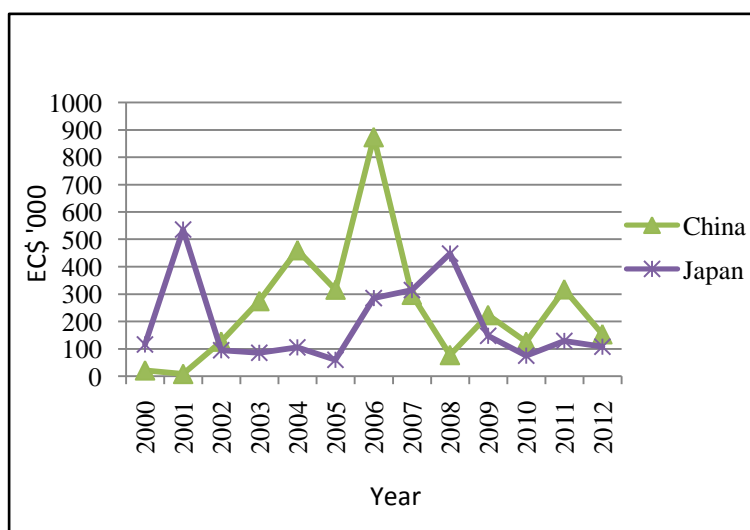
Access to markets for a country's exports is a necessary strategy for economic growth and development. As such, Caribbean states provide another, though a miniscule market for Chinese and Japanese products. This has proven successful as demonstrated by the increase in the import of their goods and the subsequent widening trade surplus that they have with the Caribbean (see Figure 4.1. and Figure 4.2.) By 2012, Chinese imports to the region had grown by 85 per cent over a ten year period thus showing the China's role as a trading partner for Caribbean states as they seek to diversify trade. It also reflects China's economic performance growth during this period. While the value of imports increased, the value of exports from Caribbean states to China had decreased in 2012 by 82 per cent from that in 2006. In the case of Japan, the value of imports from Japan to the Caribbean was 16 times greater than the value of exports.

Figure 4.2. CARICOM Imports from China and Japan, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

Figure 4.3. CARICOM Exports to China and Japan, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

In 2012, Jamaica imported approximately US\$311 million worth of Chinese products and approximately US\$209 million of Japanese; while only exporting US\$12 million and US\$ 11 million worth of goods to China and Japan respectively.

This pattern is the same across the region with Guyana importing approximately US\$194 million and US\$78 million of Chinese and Japanese products. Only US\$20 million worth of Guyanese products were exported to China and US\$4 million to Japan.

Table 4.2. Trade with China and Japan in US\$ Million, 2012

	China			Japan		
	Imports	Exports	BoT	Imports	Exports	BoT
Antigua and Barbuda	19	0	-19		0	-8
Bahamas	n/a	n/a	n/a	n/	n/a	n/a
Barbados	74	7	-68	3	0	-36
Belize*	n/a	n/a	n/a	14	13	-1
Dominica	5	0	-5	5	0	-5
Grenada	6	0	-6	6	0	-6
Guyana	194	20	-174	78	4	-74
Jamaica	311	12	-299	209	11	-199
St. Kitts and Nevis *	n/a	n/a	n/a	5	0	-5
St. Lucia*	n/a	n/a	n/a	14	0	-14
St. Vincent and Grenadines*	n/a	n/a	n/a	5	0	-5
Trinidad and Tobago^	----	35.4	---	142	150	8

Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradysyonline> and MOFA, Japan.

Note:

* No data is available for these countries because they have ties with Taiwan and not China.

^ No trade data was available for trade with China.

In securing export markets in the Caribbean and the Western Hemisphere at large, there is a need to also improve the access to transportation routes. Moreover, with the expansion of the Panama Canal to provide a more cost-effective transit, Caribbean ports are expecting a large commercial boost. In 2013, the Jamaican Government announced that a Memorandum Of Understanding (MOU) was signed

with state-owned China Harbour Engineering Company (CHEC) to explore the feasibility of establishing a new trans-shipment port, with a preliminary estimate of the investment being between US\$1200 million and US\$1500 million.⁷⁴ The Panama Canal links the Atlantic and Pacific Oceans and as such, once ships the Canal from the Pacific Ocean, they must use sea passages through the Caribbean Sea to get to destinations in the US and Europe for example.⁷⁵ Sata and Asano argue that countries on strategic sea lanes are important to Japan and are favoured in ODA loan and technical cooperation distributions.⁷⁶ This sentiment was echoed in an interview conducted with a Japanese government official, who stressed the importance of securing passage through the Caribbean Sea not just for transshipment of nuclear waste but with regards to establishing a new sea lane for transshipment of oil.⁷⁷

4.3.2. Political Security

China and Japan's presence in the developing world is linked to the drive to secure natural resources. In the Caribbean context, there is interest especially in oil and minerals, but there are also other equally, if not more important motivating factors at play. While the interest in Caribbean states may not be predominantly focused on exploitation of its natural resources, there are other value-based resources that Caribbean states have to offer. Morris argues that in the absence of

⁷⁴See Alicia Dunkley-Willis, "CHEC turns down Fort Augusta Development," *Jamaica Observer*, May 1, 2014, accessed May 1, 2013, http://www.jamaicaobserver.com/news/CHEC-turns-down-Fort-Augusta-development_14178090.

⁷⁵Ivelaw L. Griffith, "Probing Security Challenge and Change in the Caribbean," in *Caribbean Security in the Age of Terror: Challenge and Change*, ed. Ivelaw L. Griffith (Jamaica: Ian Randle Publishers, 2004).

⁷⁶Sata and Asano, "Humanitarian and Democratic Norms in Japan's ODA Distributions."

⁷⁷Interview with Person F, from the Ministry of Foreign Affairs, Tokyo, Japan, March 22, 2013.

natural resources, use their sovereignty as a commodity to be traded with China.⁷⁸ Such may be the case for the other CARICOM member states lacking minerals and natural gas but that China and Japan still provide assistance to. This research builds on Prashad's arguments that Caribbean states have been using unorthodox development strategies and posits those countries without raw materials and commodities, depend on their value-based resources.⁷⁹ Moreover, in the Caribbean context, due to small resource base of even those countries with resources, use of value-based resources are used to complement their foreign policy strategies as well.

Both China and Japan have been practicing some form of "checkbook diplomacy" in their foreign policy strategies towards the Caribbean. In the case of China, this is reflected with regards to the One China Policy – as China and Taiwan compete for the allegiance of Caribbean governments. China's interest in the region is driven by the need to promote the crucial "One China" policy and in effect, isolate Taiwan in the worldwide arena. The One China principle is the political basis for the establishment and development of relations between China and Caribbean countries, whereby member states are committed to the position of supporting China's reunification and not having official ties or contacts with Taiwan. Manian, argues that the US government's distractions elsewhere in the world have helped to create the space that is the Caribbean region, in which this "battle" can proceed.⁸⁰ Of the 23 countries that hold official relations with Taiwan, 12 are from Latin America and

⁷⁸Dana Morris, "The Commodification of Sovereignty: The Caribbean's Relations with China," Presentation at Ace Conference, accessed September 9, 2011, <http://www.mona.uwi.edu/economics/notices/Presentations/Ms%20Dana%20Morris.pdf>

⁷⁹Prasad, "Small but Smart: Small States in the Global System."

⁸⁰Sabita Manian. "For all the Tea in China: China and Taiwan's policy in the Circum- Caribbean" in Diana Thorburn's *Remapping Caribbean Geopolitics*.

the Caribbean.⁸¹ Moreover, four are CARICOM member states, thus presenting the Caribbean region as a competitive area in which both China and Taiwan have strong interests (see Table 4.3.). China, in competition with Taiwan, offers economic support to the Caribbean through trade, aid and investment, which returns the favour—for the most part—by maintaining the “One China” policy.

Table 4.3. Caribbean Countries Recognition of One China Policy

	China	Taiwan
Antigua and Barbuda	1983	
The Bahamas	1997	1989 to 1997
Barbados	1997	
Belize	1987-1989	1989
Dominica	2004	1983-2004
Grenada	1985- 1989, 2005	1989-2005
Guyana	1972	
Jamaica	1972	
St. Kitts and Nevis		1983
St. Lucia	1997-2007	1984-1997 2007
St. Vincent		1981
Trinidad and Tobago	1974	

The support of these four countries, Belize, St. Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines, has been described as being based on financial incentives which is consistent with China’s strategies to isolate Taiwan in Latin America and Africa. In 2012, China completed construction on a \$35 million sports stadium in the Bahamas, which was deemed by Bahamian officials as a reward for

⁸¹Belize, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Haiti, Dominica Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Paraguay have diplomatic ties with Taiwan.

switching diplomatic recognition from Taiwan to China in 1997.⁸² This was also seen in the case of Grenada's switch in 2004. In December 2004, Prime Minister Keith Mitchell and his foreign minister, Elvin Nimrod, made an official trip to China, which stirred great controversy and particular discontent with its Taiwanese counterparts since at that time, Grenada still officially recognized Taiwan.⁸³ Taiwan, had offered Grenada \$47 million in aid and to rebuild their national stadium but the government turned to China to see a better deal would be given.⁸⁴ China provided Grenada with monetary assistance to expand the national stadium in time to host the Cricket World Cup in 2007, and the construction of 2000 housing units, thus resuming diplomatic relations between the two.⁸⁵ In addition, China offered the Grenadian government a \$6 million grant to compensate for the loss of support from Taiwan, \$1million scholarship fund and \$2.5 million financial grant.⁸⁶

Japan has also used economic assistance as a means of gaining the support of CARICOM members. The cultivation of more friendly relations with states in an attempt to garner their support, whether in domestic, regional or international bodies, is an active component of Japan's foreign policy in the Caribbean. The trans-shipment of nuclear waste from the United Kingdom and France to Japan has also been a controversial issue and one of great concern for CARICOM heads of Government leaders. They have maintained their position that the "economic

⁸²Archibold, "China Buys Inroads in the Caribbean, Catching U.S. Notice."

⁸³Ibid.

⁸⁴*Taipei Times*, "MOFA Has Pessimistic Outlook on Ties with Grenada," December 22, 2004. <http://www.taipetimes.com/News/taiwan/archives/2004/12/22/2003216209>.

⁸⁵Daniel Erikson, "China in the Caribbean: the New Big Brother," *China Brief*, Vol. 9, Issue: 25, December 16, 2000, accessed July 25, 2012,

<http://www.thedialogue.org/page.cfm?pageID=32&pubID=2204>

⁸⁶Ibid.

importance and ecological fragility of the Caribbean Sea must be respected”.⁸⁷ Despite this unwavering position, shipments of radioactive waste still continue to traverse Caribbean waters.⁸⁸ Interestingly, the establishment of the Japan-CARICOM Friendship fund by the Government and Private Sector of Japan was done partly in the hopes of helping to compensate for this “unfortunate situation”.⁸⁹ However, the most controversial use of economic assistance by Japan lies in its stance in the International Whaling Commission (IWC) and the support given in exchange by CARICOM member countries.⁹⁰ This is discussed in further detail in Chapter 6 which explores the foreign policy strategies of Grenada and other smaller Caribbean states.

Caribbean countries represent an important voting bloc for China and Japan, as each country represents a sovereign entity with an independent vote in the international arena, which was also the case with African states, as discussed earlier. Both China and Japan have recognized this and is for example, outlined in the ‘Partnership for Peace, Development and Prosperity between Japan and CARICOM’. The Government of Japan has outlined their interest in working closely with the Latin America and Caribbean region, which due to the large number of countries, has a significant influence over decision making at the United Nations and other international fora where decisions are made by majority vote.

⁸⁷CARICOM Secretariat. Press Release 287/2011, “CARICOM Demands Halt to passage of Hazardous Waste Through Caribbean Sea,” July 20, 2011, http://www.caricom.org/jsp/pressreleases/press_releases_2011/pres287_11.jsp.

⁸⁸Up until Dec 2012, fourteen such shipments were done.

⁸⁹Interview with Person F, from the Ministry of Foreign Affairs, Tokyo, Japan, March 22, 2013.

⁹⁰See W. Andy Knight, “The Caribbean on the World Scene: Security Regimes, Instruments and Actions,” in *Caribbean Security in the Age of Terror: Challenge and Change*, ed. Ivelaw L. Griffith (Jamaica: Ian Randle Publishers, 2004).

Reference is made to cooperation in International fora, by addressing issues such as environmental and climate change, nuclear disarmament and non-proliferation, and reform of the UN. In this context, Japanese foreign ministers have given particular attention to the need for an early realization of the UN Security Council through expansion in both permanent and non-permanent categories of membership.⁹¹ In the fourth sitting of the Japan-CARICOM Ministerial Level Conference held November, 2014 in Tokyo, Japan's Foreign Minister Fumio Kishida and Caribbean agreed to strengthen cooperation for UN Security Council reform next year.⁹² Japan has been actively seeking support in its campaign for election in October 2016 to a non-permanent seat in the UN Security Council. The recent appointment of Jamaica's Permanent Representative to the UN Ambassador Courtenay Rattray, as chairman of the UN Intergovernmental Negotiations on Security Council reform has amplified the importance of Caribbean states to Japan's bid.⁹³ In other international fora, both Japan and Jamaica, have for example, asserted their desire to be included in UNESCO's World Heritage site list, and are both looking to join forces to achieve this.⁹⁴

Caribbean states have over the years displayed strong diplomatic power not only in their numbers as a voting bloc but also in the quality of their advocacy. Caribbean representatives have an outstanding track record of taking leading and long-serving roles in international fora. This is seen from as early as during their

⁹¹MOFA, "The Second Japan-CARICOM Ministerial-level Conference."

⁹²MOFA, "Ministerial Joint Statement between Japan and CARICOM," Fourth Japan-CARICOM Ministerial-level Conference, November 15, 2014, accessed November 20, 2014, <http://www.mofa.go.jp/files/000059793.pdf>

⁹³JIS, "Important Appointment for Jamaican Permanent Rep. to UN," November 11, 2014, accessed November 15, 2014, <http://jis.gov.jm/important-appointment-jamaican-permanent-rep-un/>

⁹⁴Norman Munroe, "Jamaica, Japan Pledge Support for World Heritage Dreams," *Jamaica Gleaner*, September 9, 2011.

roles in the NAM and NIEO, discussed in Chapter 3. According to Maki Kobayashi, director of the Division of the Centre for Latin America and the Caribbean, MOFA, Caribbean representatives have proven to be quite eloquent in their speech and decorum, and as a result, show a higher ability to advocate in English.⁹⁵ Moreover, Ken Shimanashi, current Advisor for Japan-CARICOM Friendship Year Committee and former director of the LA Bureau, MOFA asserts that there is a growing importance of Caribbean states in the international community as evidenced in the participation of nations in the COFCOR.⁹⁶ CARICOM representatives, he opines, play a strong role in international advocacy. This is undoubtedly important to Japan, in the move to increase cooperation in promoting issues such as Climate Change and reform of the UN Security Council.

4.3.3. Global Status

China has recognized its ascendancy in the international system and has been advocating for South-South cooperation in order to cultivate allies in the developing world. Japan has also recognized China's growing influence in not only the Asian region but internationally. China has been joining an increasing number of multilateral institutions both regionally and internationally. In 2009, China became the 48th member nation of the Inter-American Development Bank (IDB), contributing \$350 million to various programmes.⁹⁷ Moreover, China is also a non-regional member of the Caribbean Development Bank. One important component of

⁹⁵Maki Kobayashi, "Nihon-Karibu Kouryuu Nen ni (For the Japan-CARICOM Exchange Year)," in *Infomacion LatinoAmericana*, 1406 (April 2014).

⁹⁶Ken Shimanashi, "Waga Kuni no Karibu kai Shokoku Gaikou (Our Country's Diplomacy towards the Caribbean States)," in *Infomacion LatinoAmericana*, 1406 (April 2014).

⁹⁷See IDB's Official Website, <http://www.iadb.org/>

Chinese foreign policy is to develop more friendly relations with states so as to garner support in international fora.

China has been actively trying to strengthen its political and diplomatic links within the international community so as to improve its image and further increase its influence. Deng argues that China places great emphasis on the concept of international status.⁹⁸ As a rising power, an improved image and increased role of China in the developing world will help to give China more influence in the international system. Caribbean countries, though small in size, possess strong diplomatic power in their numbers and quality advocacy. Therefore, the development of its diplomatic and economic investments in the Caribbean may be considered as an important strategy to augment China's global status.

Similarly, Japan's diplomacy serves to improve and maintain its global image and prestige. This is not limited to Japan's cultural diplomacy initiatives but extends to its support of common agenda on issues such as human security and climate change which project a positive image of Japan's principled diplomacy and increasingly important role in international fora.⁹⁹ In the non-English speaking Caribbean, Japan's peace-keeping initiatives in Haiti resonated well with its Caribbean neighbours.¹⁰⁰

China and Japan hold differing views regarding East Asian cooperation and hence, there is a form of power rivalry between the two in the region. For example, with regards to membership in the East Asian summit, there was a clear difference

⁹⁸Yong Deng, "Better Than Power: International Status in Chinese Foreign Policy," in *China Rising: Power and Motivation in Chinese Foreign Policy*, eds. Yong Deng and Fei-Ling Wang (Boulder: Rowman and Littlefield Publishers Inc., 2005).

⁹⁹Interview with Person A, from the Ministry of Foreign Affairs and Foreign Trade, Kingston, Jamaica, September 20, 2012.

¹⁰⁰This was consistent with all responses in all interviews conducted.

in opinion about the concept of the proposed East Asian community.¹⁰¹ China's vision of a harmonious region called for the inclusion of the ten ASEAN states, China, Japan and South Korea; and excluded the US. Japan's vision for the region, however, is one based on universal values such as democracy, freedom, and supported by a steady presence of the US in the region.

As China's "growing regional ascendancy" transpires, Japan is prompted to not only maintain but improve its prestige regionally and internationally. According to Dennis Trinidad, China's rise has resulted in anxiety and optimism in Japan's economic and security dimensions.¹⁰² Anxiety, he argues, is due largely to China's intentions, whether it will eventually seek power as a status quo power or seek to alter the rules under the existing international order. Ogoura argues that the strengthening of the Japan-US alliance and Japan-India relations can be seen as part of an effort to check and counter China.¹⁰³ In the Caribbean context, this was seen during Koizumi's visit to Latin America and the move to strengthen relations with Caribbean states as it was also during this time that China's presence in the region begins to grow. Japan has been strengthening its foreign policy initiatives and attempts to cultivate and deepen ties not only in the Asiatic region but elsewhere, as in the Caribbean. Prime Minister Abe's most recent visit to Trinidad and Tobago during his Latin America and Caribbean tour in July 2014, just one year after the

¹⁰¹Iida Masafumi, "Japan-China Relations in East Asia: Rivals or Partners," in *China's Shift: Global Strategy of the Rising Power*, ed. Iida Masafumi (Tokyo, National Institute for Defense Studies, 2009).

¹⁰²Dennis Trinidad, "China and Japan's Economic Cooperation with the Southeast Asian Region: The Foreign Aid of a Rising and a Mature Asian Power," Research Paper done Japan Institute of International Affairs, 2013, accessed December 2013, https://www2.jiia.or.jp/pdf/fellow/Trinidad_Revised_Draft_JIIA_Study0326.pdf

¹⁰³Kazuo Ogoura, "Major Developments in Japanese Foreign Policy since the mid-1990s," in *A New Japan for the Twenty-First Century: An Inside Overview of Current Fundamental Changes and Problems*, ed. Rien T. Segers (NY: Routledge, 2008).

visit of China's XI Jinping, also sends a clear message regarding Japan's intention to maintain a presence in the region.

CHAPTER 5

The Foreign Policy of Jamaica: Case Studies of the Growing Relationships with China and Japan

5.1. Overview of Chapter

Jamaica has maintained long-standing relationships with both China and Japan, establishing diplomatic ties in 1972 and 1962 respectively. In fact, the relationship with China predates this; going as far back as the 1800s when the Chinese were brought to the Caribbean as indentured labourers after slavery had been abolished.¹ Even after indentureship had ended, many Chinese settled in the island leading to generations later today that make up the Jamaican population. In this new millennium, faced with challenges to their economic development, Jamaica has been actively pursuing diplomatic and economic relations with China and Japan.

This chapter explores the development of the relationships that Jamaica shares with China and Japan, in an attempt to locate the current relationships in Jamaica's political and economic history. In doing so, it also draws similarities with China and Japan's general relations with developing countries as highlighted previously in Chapter 4. The main purpose of these case studies is to show that China and Japan are sources of economic gain and that the foreign policies of Jamaica and the Caribbean at large, have always been focused on economic interests. This is consistent with Thorburn and Morris' argument that Caribbean

¹See Thomas D. Boswell, "A Geographic Preface," in *Understanding the Contemporary Caribbean*, eds. Richard Hillman and Thomas D'Agostino (Boulder: Lynne Rienner, 2009).

foreign policy is “directly and or indirectly geared towards economic development in one way or another”.²

The chapter begins with a brief synopsis of Jamaica’s foreign policy since it gained independence in 1962 and also highlights the ideological influence of its leaders on the country’s foreign policy stance over the years. This trajectory is useful because it shows the importance of the domestic and individual in decision-making as well as the link between foreign policy goals and economic development strategies. Jamaica’s relationships with China and Japan are then examined in order to show the increasing level of interactions and subsequent development since the 2000s. The Jamaican economy has been struggling in this harsh economic climate, and has relied on tourism, remittances, investments and aid as a source of economic means. Despite being endowed with natural resources, the country has over the years failed to effectively exploit them. Jamaica’s current relationships with China and Japan show that it has been actively using all its resources to diversify its foreign policy strategies.

5.2. Jamaica’s Foreign Policy and Ideology since the 1960s

Jamaica was one of the first English-speaking Caribbean countries to have gained independence from Great Britain, which it did on August 6, 1962. This was a significant turning point for the country not only because it had now severed ties with its colonial master but also because it meant that the Jamaican government would now be charged with the responsibility of managing its own international affairs, and navigating and shaping its own foreign policy. The decade of the 1960s

²Diana Thorburn and Dana-Marie Morris. “Jamaica’s Foreign Policy: Making the Economic Development Link.” *The Jamaican Economy Project: Taking Responsibility*, (Kingston: CaPRI, 2007), 4.

represents the formative stages of the development of Jamaica's foreign policy objectives.

According to Henke, there are three sets of factors which significantly influenced the foreign policy direction of Jamaica following its immediate post-independence period. There are (1) the domestic dynamics, (2) the international environment which included the Cold War and the country's geostrategic location to the US, and (3) attempts by other Caribbean states to cultivate federation among newly independent nations in the region.³

The activities and diplomatic initiatives pursued were influenced by the post-colonial international environment as many nation-states were admitted as new, independent members of the international community. The international environment at this time was consumed by a power struggle between the "East" and the "West". As a newly independent state, Jamaica chose to adopt a pro-West stance first espoused by Bustamante and reaffirmed by acting Prime Minister Donald Sangster during an address to Parliament in 1965

We are not a large country...In the eyes of a number of countries we are very small...(we have to) mind our own business and not interfere with people when they are misbehaving so that we do not get any blows in the conflict because we cannot afford to get into any conflict. We are not neutral. 'We are with the West', the Prime Minister said three years ago and we do not propose to change...⁴

The government embraced an "industrialization by invitation" model of development but by the late 1960s this showed limitations in achieving economic development.

³Holger Henke, "Jamaica's International Relations: Between the West...and the Rest," *Jamaica Journal* 34, no.1-2 (January 2013).

⁴Prime Minister Donald Sangster's Speech to Parliament, 1965 cited in R.B. Manderson-Jones, *Jamaica's Foreign Policy in the Caribbean 1962-1988* (Kingston: Ian Randle, 1994), 126.

Michael Manley and the People's National Party (PNP) gained power of the Jamaican government after winning the general elections in 1972, and embarked on a search for a new balance "between self-determination and dependency".⁵ During his administration, Manley operated under the ideology of 'Democratic Socialism', which he conceived as his 'strategy of change' for Jamaica and for the rest of the Caribbean at large. Democratic Socialism "underpinned the policy making progress as it pertained to both the domestic and international spheres".⁶ On a domestic level, Manley envisioned the creation of a more independent economy that would be free of foreign control; the development of a more egalitarian society; and the increased involvement of the population in the decision-making process.⁷ Manley's strategy had a "clearly articulated dimension", wherein his view was that domestic change could only be accomplished and secured if the government could negotiate better terms with the international economy.⁸

Manley saw this strategy as a 'third path' for Jamaica and the rest of the Caribbean, which opposed the existing international order in so far as not being economically or politically dependent on neither the East nor West. He proposed that Jamaica adopt an open foreign policy which involved extending relations to countries beyond Jamaica's traditional partners. According to Manley,

It is obviously important for Jamaica to retain its friendship with this (North Atlantic) part of the world, and if possible to extend and deepen its economic relations with the United States, Canada and Great Britain. However, the perpetuation of these three relationships is inimical to Jamaica's long term interests and is only favoured by those who remain frozen to the postures of yesterday.⁹

⁵Henke, "Jamaica's International Relations," 4.

⁶Thorburn and Morris, "Jamaica's Foreign Policy," 14.

⁷Payne and Sutton, *Charting Caribbean Development*, 68.

⁸Ibid, 69.

⁹Michael Manley, *The Politics of Change: A Jamaican Testament* (Washington D.C.: Howard University Press, 1974), 124.

Manley's ideology of democratic socialism navigated the country's foreign policy whereby the government openly embraced new alliances with countries of the third world while shying away from the 'closed policy' which according to him, only envisaged relations with traditional partners.¹⁰

Jamaica's participation in the international arena in multilateral organizations was vibrant and in many cases, the country assumed a leadership role.¹¹ Henke highlights Jamaica's influence in international affairs during this time, stating that, the country's leadership position was "by virtue of Manley's charismatic stature as a political leader on the international stage, as well as through the positions Jamaica promoted in its multilateral and bilateral foreign relations."¹² The country played an active part in international fora and was vociferous in its advocacy for Third World solidarity. This is evidenced by the government's participation and support of the Non-Alignment Movement (NAM) in so far as even holding a seat on the Coordinating Bureau of the NAM.¹³

Manley's administration maintained a high profile in the NAM and on the international stage in general but on the local stage, the government suffered from numerous challenges such as a withdrawal of foreign capital which led to a shrinking economy and growing debt. Manley's increasingly leftist rhetoric along with his high profile in the NAM and growing relations with Cuba, "stirred profound suspicions among the private sector and translated into greater restrictions

¹⁰Ibid, 128.

¹¹See Don Mills, "Jamaica's Foreign Policy," In *Jamaica in Independence*, ed. Rex Nettleford (Kingston: Heinemann Caribbean, 1989). For example, the country's representative to the UN was selected by the Secretary-General in 1975 to serve as a member of a group of experts charged with the restructuring of the economic and social sectors of the organization. Along similar lines, the Jamaican representative to the UN Economic and Social Council (ECOSOC) was elected president of that council in 1978.

¹²Henke, "Jamaica's International Relations, 4.

¹³Thorburn and Morris, "Jamaica's Foreign Policy."

and restraints” in relation to grants, loans and investments.¹⁴ The growing discontent among the Opposition and the public with Manley’s approach eventually led to the loss of the 1980 election and the end of Jamaica’s Democratic Socialist experiment.

The defeat of Manley and his administration signalled the beginning of Jamaica Labour Party’s, under the leadership of Edward Seaga, pursuit of Orthodox Liberal Development.¹⁵ Seaga saw that the return to neo-liberal premises was the global trend in economic management and openly rejected the democratic socialist ideology of the previous administration. The country’s foreign policy perception remained consistent, however, in so far, Jamaica assuming a leading voice in the region and the developing world.

Seaga openly stressed the importance of the US to Jamaica and the Caribbean and placed great emphasis on establishing a close relationship with the US’ Regan administration.¹⁶ Seaga’s efforts to forge closer ties with the US were acknowledged by Reagan who praised Jamaica for ‘making freedom work’, after Manley’s time in power.¹⁷ The JLP administration worked actively to realign the country with the US. Jamaica also played an integral role in lobbying for the CBI, and thus highlighted that Jamaica was still indeed a leader in the region.¹⁸

Manley was once again re-elected to power in 1989 but he had abandoned his socialist rhetoric. Instead the ideas of his administration were more consistent with those of the prevailing international economic system such as free trade and liberalisation.¹⁹ During this time, the government has embarked on a program of

¹⁴Henke, “Jamaica’s International Relations,” 6.

¹⁵Payne and Sutton, *Charting Caribbean Development*

¹⁶Henke, “Jamaica’s International Relations.

¹⁷Payne and Sutton, *Charting Caribbean Development*.

¹⁸Ibid.

¹⁹Ibid.

neoliberal reforms including the privatisation of state entities.²⁰ This was largely because of the policy conditions associated with loans from the IMF- World Bank and IADB. During this period, the country also witnessed the erosion of preferential access to European markets. As such, the government still however, while embracing ideas of free trade, continued to advance the need for preferential treatment due to the vulnerabilities faced by their smallness.

Since then the foreign policy stance of Jamaica and Caribbean states in general has been focused on diversifying its relationships with other powers. This dissertation argues that changes in the international system such as loss of preferential treatment are among the reasons behind Jamaica's increased relations with China and Japan. The rest of the discussion examines case studies of Jamaica's relationships with China and Japan.

5.3. Jamaica-China Relations

Jamaica established diplomatic relations with China on November 21, 1972.²¹ This was in conjunction with Guyana, which based on the ideological standpoints of its elected socialist government, had chosen to rescind recognition of Taiwan.²² In 1973, the Chinese government opened its embassy in Kingston.²³ However, due to a lack of diplomatic resources, Jamaica was unable to do the same in Beijing. Instead, the Ambassador to Japan acted as its diplomatic representative in

²⁰Thorburn and Morris, "Jamaica's Foreign Policy."

²¹Embassy of the People's Republic of China in Jamaica, "Bilateral Political Relations," accessed June 3, 2014, <http://jm.china-embassy.org/eng/zygx/zzgx/t211492.htm>

²²Prior to 1972, the US had recognized Taiwan as legitimate and as such, Caribbean countries such as Barbados, Guyana, Jamaica, and Trinidad and Tobago had all recognized the Chiang Kai-shek government in Taiwan as the legitimate government. This was in order to show support with the US. However, in the 1970s, Guyana and Jamaica in large part due to their socialist leanings, decide to determine their own allies.

²³Embassy of the People's Republic of China in Jamaica, "Bilateral Political Relations."

China, as the country simply could not afford an independent embassy at that time. The first official delegation headed by Deputy Prime Minister David Coore, was sent to China on September 23-29, 1976.²⁴ The visit resulted in the signing of a trade agreement and a commodity loan agreement pertaining to rice being sent to Jamaica and a protocol on a project of polyester cotton mill.²⁵ The mill cost US\$15 million and was financed by an interest-free loan spanning twenty years.²⁶

Table 5.1. Agreements Signed Between Jamaica and China 1974-1980

Date Signed	Agreement
February 12, 1974	Technical Assistance Agreement
September 26, 1976	Protocol on Construction of a Cotton Polyester Spinning and Weaving Mill
September 26, 1976	Trade Agreement
September 26, 1978	Commodity Loan Agreement

Source: Compiled by author.

Manley's regime sought to expand Jamaica's relations beyond the Western hemisphere and towards socialist countries. According to Bernal, this was highlighted in Manley's party manifesto - the Principles and Objectives of the PNP, which stated explicitly that "the development of principled relations with socialist countries is also essential to the diversification of our foreign trade and the overall development of our economy".²⁷ Moreover, according to the National Planning Agency's "Emergency Production Plan of 1977", democratic socialism entailed the construction of a self-reliant economy which required the diversification of economic relations through the "development of closer economic contracts with

²⁴Ibid.

²⁵5,000 tons of rice was sent to Jamaica which was experiencing a rice shortage. See Embassy of the People's Republic of China in Jamaica, "Bilateral Political Relations," accessed June 3, 2014, <http://jm.china-embassy.org/eng/zygx/zgxx/t211492.htm>

²⁶Richard Bernal, "Restructuring Jamaica's Economic Relations with Socialist Countries, 1974-1980," *Development and Change* 17 (1986).

²⁷Ibid, 610. See also People's National Party, "The Principles and Objectives: PNP," (Kingston, 1980), 59.

socialist countries...the strengthening of our relations with the People's Republic of China".²⁸

In 1990, a Chinese delegation headed by the Minister of Textile Industry, Madame Wu Wenying visited Jamaica to attend the launch of the Polyester Cotton Mill, the first joint venture between China and Jamaica. High-level exchange visits during the 1980s had been at a standstill and it is only in the 1990s that they resume consistency.²⁹ In 1991, Michael Manley was the first Prime Minister of Jamaica, to visit China, signing agreements on economic cooperation and the provision of loans.³⁰ Jamaica has also received visits from its Chinese counterparts, notably from the Vice Premier of China in 1998, who signed an agreement for the first grant from the Chinese government to Jamaica and in that same year, the Prime Minister of Jamaica, PJ Patterson visited China and signed a preferential loan agreement.

During his visit, Patterson explicitly expressed that in recognizing China's rapid economic growth and strength, Jamaica was interested in strengthening the relationship with China in order to further the country's economic development, stating that

During the last two decades, Chinese industrial growth has been rapid and impressive...the Chinese government approved more than six thousand non-financial investment projects outside China, with a cumulative investment of US\$6 billion. My mission today is to secure for Jamaica, even a slice of that huge investment cake.³¹

²⁸National Planning Agency, "The Emergency Production Plan," (Kingston, April 1977), 115.

²⁹This may be attributed to the period in which the Jamaica Labour Party was in power. Prime Minister Edward Seaga practiced less socialist tendencies.

³⁰Agreement between the Government of the People's Republic of China and the Government of Jamaica on Economic Cooperation, an Agreement on the Provision of Loans by the Government of the People's Republic of China to the Government of Jamaica and a Cultural Agreement between the Government of the People's Republic of China and the Government of Jamaica.

³¹P.J. Patterson's speech at Investment and Economic Forum, Shanghai, October 12, 1998 in Delano Franklyn, *A Jamaican Voice in Caribbean and World Politics: P. J. Patterson selected Speeches 1992- 2000* (Kingston: Ian Randle Publishers, 2002).

Since then, there has been a notable increase in government to government contact between Jamaica and China (see Figure 5.1.). At the invitation of the Jamaican Government, Vice President Zeng Qinghong paid an official visit to Jamaica in 2005. During the visit, Vice President Zeng held talks with Prime Minister Patterson, who announced that the Jamaican government had recognized China's complete market economy status.³² Zeng also attended the first Ministerial Conference of the China-Caribbean Economic and Trade Cooperation Forum and the official Opening of the China-Caribbean Trade Fair held in Kingston.

With China's growing ascendancy in the international arena and an increasing interest in Caribbean states, the Jamaican government felt that it was time to open an embassy in China but were stymied by the same lack of resources that had hindered its decision to do so in the 1970s. However, on July 18, 2005, Jamaica was able to open its embassy with His Excellency Wayne McCook as the Ambassador. The Chinese government had offered to provide a building to house the Jamaican embassy in Beijing for three year rent-free use and in addition, the

³²The following agreements were signed: Agreement on Economic and Technical Cooperation between the Government of the People's Republic of China and the Government of Jamaica, The Framework Agreement between the Government of the People's Republic of China and the Government of Jamaica on the Provision of Concessional Loan, Letter of Exchange for Chinese Language Instructor, Memorandum of Understanding between the National Tourism Administration of the People's Republic of China and the Ministry of Industry and Tourism of Jamaica on the Facilitation of Group Travel by Chinese Tourists to Jamaica, Agreement of Cooperation between China Council for Promotion of International Trade and Jamaica Promotions Corporation, Water System Rehabilitation and Extension Project between the Export-Import Bank of China and the Ministry of Finance and Planning of Jamaica, Frame Agreement between China Minmetals Non-Ferrous Metals Company Limited and Government of Jamaica on Bauxite and Alumina Trade and Mining Cooperation and Commercial Contract between China National Corporation for Overseas Economic Cooperation and the National Water Commission of Jamaica on Water System Rehabilitation and Extension Project.

government would not need to pay any utility bills and the Chinese Government would also provide some of the necessary staff.³³

Members of the Opposition in a meeting of the Standing Finance Committee of Parliament objected to this arrangement, however, arguing that it was “unbecoming of a sovereign nation” and that the government was essentially transferring some of its international diplomatic responsibility to China.³⁴ This also outraged many other citizens, but the government insisted that it was the economically expedient thing to do. In fact, Anthony Hylton, Minister of Foreign Affairs and Foreign Trade, argued that China had established similar arrangements with other developing countries.³⁵

More recently, Prime Minister Portia Simpson-Miller led a delegation to Beijing in August 2013. Jamaica has assigned great importance to its relationship with China as evidenced in Prime Minister Simpson-Miller’s Budget Debate Presentation in April 2014, following her trip to China. The Prime Minister in her address to the Jamaican Parliament asserted that

Jamaica remains totally committed to the One China policy which has resulted in a vibrant and mutually beneficial bilateral cooperation programme and led to significant investment in the Jamaican economy...and we are working to deepen our relationships with strategic economic partners such as China.³⁶

³³Charmaine Clarke, “Jamaica’s Arrangement with China Not Unique”, *Jamaica Observer*, April 23 2006, accessed November 20, 2012, http://www.jamaicaobserver.com/news/103188_Jamaica-s-arrangement-with-China-not-unique

³⁴Ibid.

³⁵Ibid.

³⁶The Most Hon. Portia Simpson-Miller, “Going for Growth and Development: Unleashing Our Potential,” 2013-2014 Budget Debate Presentation, Gordon House, April 30, 2014, Accessed May 10, 2014. <http://jis.gov.jm/media/HPMs-budget-presentation-April-30-2013.pdf>

The Prime Minister’s endorsement of the One China policy in a domestic arena is significant and emphasises the importance of China in Jamaica’s economic development goals.

Figure 5.1. High-Level Exchange Visits between Jamaica and China

Year	Visits to China	Visits to Jamaica
1976-1979	➤ Deputy Prime Minister David Coore	➤ Vice-Premier Geng Biao
1980-1989	➤ Deputy PM and Min. of Foreign Affairs and Foreign Trade Hugh Lawson Shearer	➤ Vice-Foreign Minister Han Xu ➤ Vice-Minister Lu Xuejian
1990-1999	➤ Speaker of the House of Representatives, Headly Cunningham ➤ Deputy President of the Senate Courtney Fletcher, ➤ Prime Minister Michael Manley ➤ Min. of Foreign Affairs and Foreign Trade, Paul Robertson ➤ Deputy PM and Min. of Foreign Affairs and Foreign Trade Seymour Mullings ➤ Leader of JLP and former Prime Minister Edward Seaga ➤ Speaker of the House, Carl Marshall ➤ Prime Minister Percival James Patterson	➤ Minister of Textile Industry Madame Wu Wenying ➤ Vice-Chairman of the NPC, Wang Hanbin ➤ Secretary-General of the State Council, Luo Gan ➤ Vice-Foreign Min. Liu Huaqiu ➤ Chairman of the CPPCC National Committee, Li Ruihuan ➤ Vice-Premier Qian Qichen
2000-2012	➤ Min. of Foreign Affairs and Foreign Trade Keith Desmond Knight ➤ Prime Minister P.J. Patterson ➤ Prime Minister Bruce Golding ➤ Min. of Foreign Affairs and Foreign Trade, Kenneth Baugh ➤ Speaker of the House, Delroy Chuck	➤ Ast. Foreign Min. Zhou Wenzhong ➤ Vice-Min. of Finance, Luo Jiwei ➤ Vice-Chairman of NPC Foreign Affairs Committee, Xu Dengxin ➤ State Councillor, Wu Yi ➤ Foreign Min. Li Zhaoxing ➤ Vice President Zeng Qinghong ➤ Vice President Xi Jinping ➤ Asst. Foreign Min. He Yafei ➤ Vice Premier Hui Liangyu
2013	➤ Prime Minister Portia Simpson-Miller ➤ Min. of Transport and Works, Omar Davies ➤ Min. of Land, Water and Environment, Robert Pickersgill ➤ Min. of Science, Technology and Mining, Phillip Paulwell ➤ Min. of Education Ronald ➤ Min. Sandra Falconer ➤ Min. of Finance and Planning, Dr. Peter Phillips	

Source: Compiled by Author

Note: Names in bold letters represent Heads of State and Deputy Heads of State

Jamaica’s relationship with China has been intensifying since 2000. China’s economic growth has provided for an increase its offering of loans, foreign direct

investment, and other aid. China has granted numerous loans to the Jamaican government which have included loans for infrastructural development such as highway construction and building of stadiums. The China Development Bank has financed the country's North/South Highway 2000 project with a loan of US\$457 million and a further \$144 million in equity investment from the China Harbour Engineering Company (CHEC).³⁷ In 2011, the cooperation programmes with China totalled up to US\$729.6 million for assistance up to 12 projects with approximately US\$252 million being disbursed which was an increase of US\$167.7 million compared to the previous year.³⁸

As discussed in Chapter 4, China's soft use of power approach has manifested itself through cultural diplomacy initiatives such as the setting up of Confucius Institutes in many countries. This approach is consistent with China's engagement in Jamaica whereby in February 2009, the Vice-President of China, Xi Jinping officially handed over the Confucius Institute to The University of the West Indies at the Mona campus. The Institute is a partnership between the UWI and the Taiyuan University of Technology (TUT) and is sponsored by Hanban.³⁹ The establishment of the Institute was born out of an agreement was signed between the Confucius Institute of China and the University of the West Indies for the establishment of a Confucius Institute at the Mona Campus for, inter alia, the teaching of the Chinese language, the provision of Chinese language teaching

³⁷Jamaica Information Service (JIS), "Prime Minister's Statement on the Official Trip to China," September 11, 2013, accessed September 20, 2013, <http://jis.gov.jm/prime-ministers-statement-on-the-official-trip-to-china/>.

³⁸Planning Institute of Jamaica (PIOJ), *Economic Social Survey Jamaica 2001*, (Kingston, Jamaica: PIOJ, 2012).

³⁹See Confucius Institute (孔子学院), UWI Mona Website, accessed March 10, 2014, <http://myspot.mona.uwi.edu/modlang/confucius-institute-%E5%AD%A6%E9%99%A2>.

resources, the training of Chinese language instructors and the conducting of language and cultural exchange activities.

Jamaica's strengthening relationship with China is motivated by the country's need for economic restructuring, development assistance and the search for new markets. Interestingly, Michael Manley's vision of diversifying foreign policy strategies was ahead of his time and has come to light in the new millennium as Jamaica seeks to strengthen relations and expand trade with China and Japan. Under Manley's regime in the 1970s, his democratic socialism strategy entailed the diversification of economic development by "explor[ing] the possibilities for increasing our trade with the People's Republic of China and the possibilities for utilizing more assistance from that country".⁴⁰ This section continues with an examination of Jamaica and China's relationship since 2000.

5.3.1. Trade and Investments: Chinese Interest in Jamaica's Bauxite

Jamaica is one of three Caribbean countries endowed with natural resources and was the world's leading producer of bauxite in 1957.⁴¹ China has made several attempts to invest in Jamaica's bauxite industry, however, despite active and promising negotiations; they have been up until February 2014 unsuccessful. China's determination to invest in the bauxite industry highlights the drive to secure natural resources where possible. On June 20, 2005, an agreement was signed between the Chinese government, Jamaica Bauxite Institute, Jamaica Bauxite Mining Limited and China Minmetals Corporation aimed at the establishment of a

⁴⁰See NPA, "Emergency Production Plan," 117.

⁴¹Hon. Phillip Paulwell, Minister of Science, Technology, Energy and Mining, "Building the Platform for Sustainable Growth", Sectoral Debate Presentation 2014, Gordon House, May 6, 2014 http://jis.gov.jm/media/min_paulwell_presentation_final.pdf

bauxite refinery in Jamaica that is projected to produce 1.4 million tons of bauxite per year.⁴² Additionally in 2010, the Jamaican government proposed to sell its 45 per cent stake in the jointly owned Government of Jamaica-Alcoa-Jamalco alumina refinery to a Chinese company, Zhuhai Hongfan Non-ferrous Metals and Chemical Engineering Limited (Hongfan). However, the deal was eventually dismissed following concerns within the industry.⁴³

More recently, in February 2014, the Jamaican government announced that a Chinese owned company, Xinha Group Company Limited - would be establishing a new alumina plant in the northern part of the island. The project includes the construction of an alumina plant with production capacity of two million tonnes per year and a coal-fired plant to provide energy for the alumina plant which will both involve foreign direct investment of approximately US\$3 billion.⁴⁴ This investment will allow the company to export up to 4.5 million tonnes of bauxite annually for 25 years, in the first instance; construct a 2 million tonne per annum alumina plant to operate for 25 years, also in the first instance; and to construct a coal-fired power plant to support the alumina plant.⁴⁵ Minister of Science, Technology, Energy and Mining, Phillip Paulwell stated that Cabinet appointed a negotiation team to pursue further negotiations to settle the terms of definitive agreements within six months.

⁴²*Jamaica Observer*, "Jamaica and China sign Bauxite and Education Agreements," June 23, 2005, accessed December 2, 2011, http://www.jamaicaobserver.com/news/82925_Jamaica-and-China-sign-bauxite-and-education-agreements

⁴³Concerns emerged regarding whether Hong Fan, chiefly a trading company that specialises in the production and sale of metallic elements, had sufficient background experience in the bauxite-alumina business to be a strong partner to Alcoa, which owns 55 per cent of Jamalco. Under the 'first right of refusal' agreement with Alcoa - which gives the company 90 days in which to object - the Government had to oblige. See *Jamaica Gleaner*, "GOJ Negotiating Jamalco Sale with Glencore, Drops talks with Hong Fan," January 21, 2011, accessed January 25, 2011, <http://jamaica-gleaner.com/gleaner/20110121/business/business1.html>.

⁴⁴Jamaica Information Service (JIS), "Chinese Firm to Build New Alumina Plant in Jamaica," May 6, 2014, accessed May 9, 2014 <http://rjnnews.com/local/chinese-firm-to-build-new-alumina-plant-in-jamaica>.

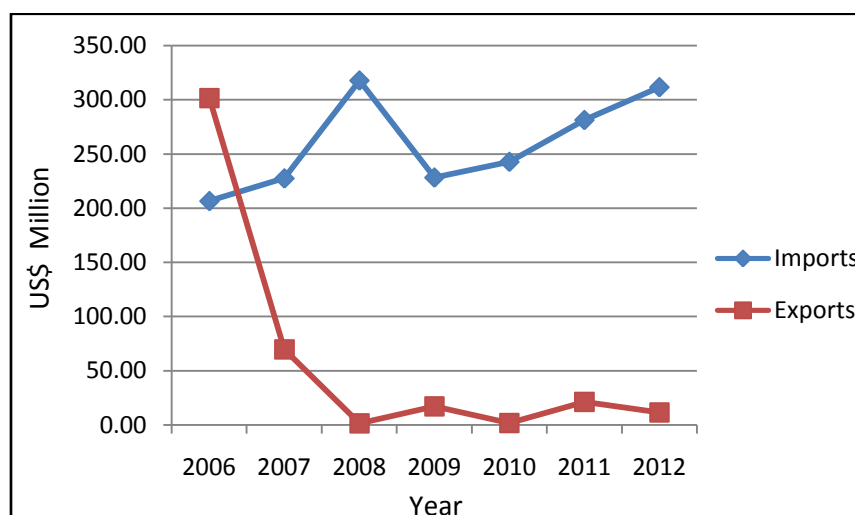
⁴⁵Paulwell, Sectoral Debate Presentation 2014, Gordon House, May 6, 2014 http://jis.gov.jm/media/min_paulwell_presentation_final.pdf

Table 5.2. Jamaica's Trade with China in US\$, 2006-2012

Year	Imports	Exports	Balance of Trade
2006	206,657,238	300,585,047	93,927,809
2007	227,573,527	69,605,051	-157,968,475
2008	317,921,434	1,527,959	-316,393,475
2009	228,355,106	17,144,477	-211,210,629
2010	242,896,231	1,801,002	-241,095,230
2011	281,451,006	21,340,443	-260,110,563
2012	310,772,687	11,628,151	-299,144,536

Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

Figure 5.2. Jamaica's Trade with China, 2006-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

In 2006, Jamaica notably had a trade surplus with China. However since then, exports to China have been decreasing significantly. By 2012, Jamaica's exports fell by approximately 96 per cent and the balance of trade was valued at US\$-299 million. Chinese goods imported to the country, however, continue to increase steadily. While China's imports such as manufactured products offer the country cheaper and more attractive prices, the flooding of the market with these goods does present some cause for concern. For example, Jamaica relies heavily on tourism which presents a market for selling Jamaican souvenirs. However, even Jamaican souvenirs are manufactured in China due to cheaper manufacturing and labour costs and as such; this sidelines opportunities for local artists and businesses.

5.3.2. Construction Projects

China provided the Jamaican government with a loan for the building of cricket stadium for the International Cricket World Cup which was held in 2007. This stadium diplomacy was applied across the Caribbean as is highlighted in Chapter 6 and is also consistent with China's engagement with African countries as well. Though the country already had the well-known Sabina Park stadium in the capital city, Kingston; the Greenfield Stadium was constructed in a somewhat rural location at the other end of the island, Trelawny, to host the opening ceremony of the World Cup as well as practice matches.

As discussed in Chapter 4, Chinese loans and grants for infrastructure projects, are usually associated with a supply of Chinese imported labour. This includes contracting Chinese construction companies as well as labourers. The Greenfield Stadium presents an example of such a case of conditions associated with Chinese

projects, when the construction of the stadium was temporarily halted due to a protest by local workers.⁴⁶ The workers demonstrated against what they thought to be too many Chinese workers on site, and argued that when they showed up for work that day, they had been displaced.⁴⁷ There was no notice given to the local workers or the public at large, regarding a shortage of the requisite number of construction workers or even to displace the existing local workers. According to the project manager, Kevin Chin, the Chinese workers were brought in following fears that the work schedule was falling behind and that the project would not be completed in time.⁴⁸

Bernal posits that one of the justifications for the use of Chinese labour on Chinese-funded projects is because they are often “lauded for the productivity”.⁴⁹ This sentiment was endorsed in an interview, whereby the official opined that while the importation of Chinese workers resulted in limited employment opportunities for locals, the Chinese work ethic was “far more impressive”.⁵⁰ The Sligoville Stadium as well as the Montego Bay Convention Centre projects also highlight the inherent “strings” attached to Chinese funds.

In 2006, The Chinese government and the Minister of Foreign Affairs and Foreign Trade, K.D. Knight signed an agreement to build a multi-sports complex in

⁴⁶Adrian Frater, “Showdown at Greenfield, Chinese and Jamaicans Clash,” *Jamaica Gleaner*, April 19, 2006, accessed September 28, 2014, <http://jamaica-gleaner.com/gleaner/20060419/news/news1.html>.

⁴⁷Ibid.

⁴⁸Horace Hines, “Brief Work Stoppage at Trelawny’s Greenfield Stadium,” *Jamaica Observer*, April 19, 2006, accessed September 28, 2014, http://www.jamaicaobserver.com/news/102889_Brief-work-stoppage-on-Trelawny-s-greenfield-stadium.

⁴⁹Bernal, *Dragon in the Caribbean*, 48.

⁵⁰Interview with Person B, from the Ministry of Foreign Affairs and Foreign Trade, Kingston, Jamaica, September 20, 2012.

Sligoville, Jamaica.⁵¹ The Minister argued that the stadium would create job opportunities for local residents and serve as a community centre as well as a training base and sporting venue for both students and residents. The decision of Minister Knight to build another stadium in a remote location which not easily accessed may be criticised for its priority as a development project. Instead, the situation is one in which, yet again Parliamentarians make decisions in their own political interests as is evidenced here in the Minister's decision to build a multi-million sports complex in his constituency.⁵² Shortly after the stadium had been completed, Chinese officials publicly expressed disappointment at the fact that the stadium had not been used.⁵³

The story is quite similar with the building of the Montego Bay Convention centre which was branded as a "major outlet to garner foreign exchange from the lucrative meetings and conventions market".⁵⁴ The complex was constructed at a cost of US\$51.7 million and was expected to have an economic impact valued at US\$122.3 billion.⁵⁵ Instead, it was reported that 3 years later that US\$1 million per month was being spent to maintain the centre and it was earning significantly less. This sparked much criticism as it marks yet another case of a 'white elephant'. One prominent businessman in Montego Bay voiced his dissatisfaction and disappointment with the waste of resources, arguing that the government should

⁵¹Du Jing, "China Helps Jamaica Build Sports Complex," *Chinese Government Network*, March 26, 2006, accessed September 28, 2014, http://www.gov.cn/misc/2006-03/24/content_235586.htm.

⁵²This is consistent with an account from one interviewed who indicated to pursuing agendas to advance his personal political interests. Interview with Person E, formerly from the Ministry of Agriculture and Fisheries, Kingston, Jamaica, October 1, 2012.

⁵³Ingrid Brown, "Chinese lament waste of money on Sligoville mini-stadium: Stadium built with Chinese money in ruins," *Jamaica Observer*, May 19, 2013, accessed September 28, 2014, http://www.jamaicaobserver.com/news/Stadium-built-with-Chinese-money-in-ruins_14278481.

⁵⁴Mark Titus, "\$1 million a day down the drain," *Jamaica Gleaner*, February 10, 2013, accessed August 30, 2013, <http://jamaica-gleaner.com/gleaner/20130210/lead/lead1.html>.

⁵⁵*Ibid.*

instead transform this white elephant into diamonds, lobbying for the centres to be used as university campuses.

The Convention Centre was financed with Chinese loans with 2 per cent per annum interest for 20 years. The Sligoville and the Greenfield stadiums were similarly financed loans with interest rates of 3 per cent. Despite this attractively low interest, the Opposition and the wider public have raised concern relating to the efficacy of constructing buildings stadiums which seemingly offer little development opportunities.

5.3.3. COMPLANT Sugar and CHEC Logistics Hub

In 2011, the Jamaican Government divested its remaining state owned assets of the sugar industry to the Chinese owned company – COMPLANT. In an attempt to fuel investment into the failing sugar industry and to reduce and remove further accumulation of debt, the deal was made for three sugar factories; Frome, Bernard Lodge and Monymusk, as well as the land immediately surrounded them to be sold for \$744 million.⁵⁶ In addition, acres of government land which had been earmarked for growing sugar cane was leased to the company as a part of the deal.

In discussion with the researcher, a Jamaican official opined that the deal was a relief for the government and was well-welcomed, as the sugar industry was not thriving, and as such, they were accumulating debt.⁵⁷ Moreover the industry, he stated, needed revitalizing including the updating of machinery that the government simply could not afford. When questioned about the conditionalities associated with the deal, the official simply replied that they were “minimal”, in exchange for such a

⁵⁶Bernal, *Dragon in the Caribbean*, 61.

⁵⁷Interview with Interview with Person E, formerly from the Ministry of Agriculture and Fisheries. Kingston, Jamaica, October 1, 2012.

great deal.⁵⁸ The government argued that COMPLANT would be relieving them of future debt while potentially rebooting the industry, and by extension, providing more jobs for local workers.

Interestingly, the details of the deal were disclosed to show that the government had in fact granted the Chinese company with several tax incentives, which included relief from corporate income tax, withholding tax, customs duty and stamp duty for 20 years.⁵⁹ Moreover, the General Consumption Tax (GCT) would be waived in respect of business, purchase of agricultural material and the likes. Members of the Opposition argued that other players in the industry felt they were being disadvantaged and that others in the divestment process claimed that their arrangements were much different. Issues surrounding the lack of transparency with the signing of these deals again became obvious as officials enter agreements without prior full disclosure.

Jamaica's most recent agreement with China involves a project planned for Goat Islands.⁶⁰ China Harbour Engineering Company (CHEC) plans to build a \$1.5 billion trans-shipment port and logistics hub there to take advantage of the expansion of the Panama Canal.⁶¹ However, the logistics hub has stirred great controversy in Jamaica. The Goat Islands is in the middle of the Portland Bight Protected Area and covers an area 1,900 sq km of mangroves, coastal swamps, cays and coral reefs. There is already some industrial activity and fishing in the area but

⁵⁸Interview with Interview with Person E, formerly from the Ministry of Agriculture and Fisheries. Kingston, Jamaica, October 1, 2012.

⁵⁹Alicia Dunkley, "Country sold short with sugar deal, says Clarke," *Jamaica Observer*, May 31, 2012, accessed August 23, 2012, <http://www.jamaicaobserver.com/NEWS/Country-sold-short-with-sugar-deal--says-Clarke>.

⁶⁰Cays to the south of the Jamaican mainland which are considered to be an environment protected area.

⁶¹Kimone Thompson, "10,000 jobs from Goat Islands Port," *Jamaica Observer*, January 22, 2014, accessed January 24, 2014, <http://www.jamaicaobserver.com/news/10-000-jobs-from-Goat-Islands-port>.

the Jamaica Environment Trust fears the port project will destroy the habitat of vulnerable species, such as the Jamaican iguana.

Munroe argues that Chinese investment is both an opportunity and a potential disaster.⁶² He opines that while the country needs more investment, the government desperation could lead it to yield too much on environmental and labour standards. This sentiment is echoed across the development world where concern exists that due to the economic predicament of countries, they are desperate to accept aid without proper thought of conditionalities that may be associated with this aid. Minister Phillips, Jamaica's finance minister has argued that "we have to be mindful of our interests but also mindful of operating in a global world. There is no evidence of anything untoward in the Chinese presence here in Jamaica."⁶³

The Goat Islands plan is yet another issue of the lack of transparency and complete disclosure associated with foreign policy making decisions and moreover, with agreements made with China. The agreement to fund this initiative was further negotiated and signed upon Prime Minister Simpson-Miller's recent visit to Beijing which emphasises the role of the individual at the levels of analysis. Time and time again, decisions are made without full disclosure and discussion in Parliament. This project also highlights the environmental impact as unlike in the case of Japan (discussed later); Chinese investors do not hold environmental concern at the helm of development ventures.

⁶²Robin Wigglesworth, "Caribbean in Crisis: Chequebook Diplomacy," December 17, 2013, accessed on January 14, 2014, <http://www.ft.com/intl/cms/s/2/7f7b0d8e-5ea811e3-86210144feabdc0.html#axzz33P0A5gEG>.

⁶³Ibid.

5.3.4. Consistent ‘One China Policy’ and Support in International Fora

Jamaica’s support of the One China policy has been unwavering since it first established diplomatic ties in 1972. In 2005, Prime Minister PJ Patterson during his visit to Beijing declared that the government would continue to firmly uphold the One China policy and would be willing to work with China to promote the development of bilateral relations and the cooperation between Caribbean countries and China.⁶⁴

The discourse on Jamaica’s relations with China is loaded with rhetoric of South-South cooperation, common development, mutually beneficial cooperation and mutual trust. Jamaica’s consistent diplomatic recognition has not gone unnoticed by its Chinese counterparts. In their speeches, Chinese officials have acknowledge Jamaica’s staunch support. In 2004, Ambassador of China to Jamaica, His Excellency, Zhao Zheng expressed China’s “high appreciation to the Jamaican government’s strong support to the One China policy”.⁶⁵

⁶⁴Ministry of Foreign Affairs, the People's Republic of China, “Premier Wen Jiabao Holds Talks with Jamaican Prime Minister Percival J. Patterson,” June 20, 2005, accessed February 2, 2014, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/lmzs_664952/gjlb_664956/3503_665098/3505_665102/t200844.shtml.

⁶⁵Embassy of the People’s Republic of China in Jamaica, “Speech by Ambassador Zhao Zhenyu at the Reception to Celebrate the 55th Anniversary of the Founding of the People's Republic of China,” September 27, 2004, accessed November 12, 2010, <http://jm.china-embassy.org/eng/dsjh/t210660.htm>.

5.4. Jamaica-Japan Relations

Jamaica and Japan established diplomatic ties on March 16, 1964, shortly after the Caribbean country had gained its independence in 1962. Since then, both countries have enjoyed 50 years of a “long-standing and time-honoured” friendship. On February 17, 1992, the embassy of Jamaica was opened in Tokyo with His Excellency, Derrick Heaven as ambassador. Three years later, the first resident ambassador of Japan was appointed in Kingston. Moreover, the Honorary Consulate of Jamaica in Kobe, Japan was opened on June 10, 1996, headed by the president of the UCC Ueshima Coffee Company Limited and chairman of the Association of Japanese Importers of Jamaica Coffee, Tatsushi Ueshima.⁶⁶

Jamaica and Japan’s relationship has strengthened over the years with many high level exchange visits such as former Prime Minister of Jamaica, PJ Patterson to Tokyo in 1997 and Their Imperial Highnesses Prince and Princess Akishino to Jamaica in 1997.⁶⁷ Most recently in November 2013, Prime Minister Portia Simpson- Miller visited Tokyo to mark the 50th anniversary of diplomatic relations between Jamaica and Japan and to pave the way for further strengthening of bonds of friendship, cooperation, trade and investments between both countries.⁶⁸ Having visited China three months prior, Prime Minister Simpson-Miller, returned to the Asia-Pacific region to remind the Japanese Government, that in spite of Jamaica’s

⁶⁶See Embassy of Japan in Jamaica, <http://www.jamaica.emb-japan.go.jp/>.

⁶⁷Ibid.

⁶⁸Office of the Prime Minister of Jamaica, “Highlights from Remarks by Minister with responsibility for Information Senator the Hon. Sandra Falconer at the Jamaica House Press Briefing,” November 13, 2013, accessed December 1, 2013, <http://opm.gov.jm/speeches/jamaica-house-press-briefing-notes-november-13-2013>.

expanded relationship with China, Jamaica continues to assign importance to the relations with Tokyo and to value balance in their foreign policy.⁶⁹

Japan has been a traditional friend of Jamaica for the past 50 years and has provided development cooperation and served as a market for Jamaica's Blue Mountain coffee and cultural goods and services.⁷⁰ Since 1995, Jamaica has received some US\$5 million in funding assistance from the Government of Japan's Grant Assistance for Grass-Roots and Human Security Projects (GGP).⁷¹ As Japan's ODA strategy started to evolve in the new millennium so did its relationship with Jamaica. Jamaica continues to benefit from Japanese aids and loans in the areas of disaster relief and Human Grass roots projects. Under the Grant Assistance for Grassroots projects, Japan has provided US\$2.9 million to implement the Social and Economic Inclusion of Persons with Disabilities project as well as US\$82,870 for Father Holung's Missionaries of the Poor charity.⁷² Moreover, Japanese investments in Jamaica's agricultural and energy sectors have been increasing. The remainder of this chapter will continue the discussion on Jamaica's use of natural and value-based resources in its foreign policy strategies towards Japan.

5.4.1. Trade and Investments

Japan has been an important trading partner for Jamaica but the balance of trade has been heavily in favour of Japan. Table 5.2 shows that in 2006, imports from Japan were valued at US\$212 million compared to US\$29 million worth of

⁶⁹Ibid.

⁷⁰Interviews with researcher in September 2012 and March 2013.

⁷¹*Jamaica Observer*, "Japan Continues Support for Local Projects," March 26, 2014, accessed May 3, 2014, http://www.jamaicaobserver.com/news/Japan-continues-support-for-local-projects_16329943

⁷²*Jamaica Observer*, "Japan funds project to improve lives of people with disabilities," June 13, 2013, accessed September 20, 2013, <http://www.jamaicaobserver.com/news/Japan-funds-project-to-improve-lives-of-people-with-disabilities>.

exports to Japan. In 2012, the trade imbalance was still significant with US\$209 million worth of Japanese imported goods as compared to US\$11 million worth of exported goods to Japan.

New and used motor vehicles represent the main items imported from Japan and accounts for around 90 per cent of the total imports from Japan. The main exported item from Jamaica to Japan is coffee.

Table 5.3. Selected Imports from and Exports to Japan in US\$ Million, 2006-2012

Year	Imports		Exports	
	Road Vehicles	Total	Coffee	Total
2006	182	212	27	29
2007	201	228	26	28
2008	169	193	22	24
2009	100	118	29	30
2010	104	121	15	16
2011	129	150	13	14
2012	190	209	10	11

Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

5.4.1.1. Blue Mountain Coffee

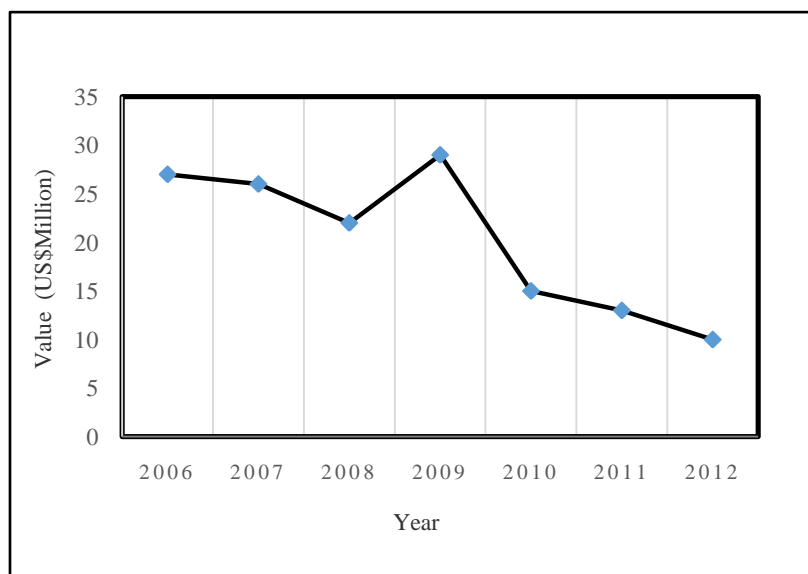
Jamaica's coffee industry is the second largest income earner in its agricultural sector. The Japanese market has, over the years, accounted for approximately 80 per cent of Blue Mountain Coffee imports.⁷³ However, by 2012, this was reduced to about 60 per cent and at depreciated prices due to the global economic slump.⁷⁴ Previously, Japanese importers have provided advance payments to Jamaica for the purchase of cherry coffee and its processing into green beans for export. It has been customary for Japanese importers to keep approximately 1.5 years of inventory of Jamaican Blue Mountain coffee.⁷⁵ However, arising from the global recession, gourmet coffee sales have declined in Japan and therefore, existing inventories remain high. Moreover, Jamaican Blue Mountain Coffee has been facing strong competition in Japan from other premium coffees that are less expensive. Figure 5.1 below shows the decline in coffee exports to Japan since 2010. In 2009, coffee exports to Japan were valued at US\$29 million, however, in 2010 fell to US\$15 million.

⁷³Interview with Person E, formerly from the Ministry of Agriculture and Fisheries, Kingston, Jamaica, October 1, 2012.

⁷⁴Interview with Person F, from the Ministry of Foreign Affairs, Tokyo, Japan, March 22, 2013.

⁷⁵Interview with Person E, formerly from the Ministry of Agriculture and Fisheries, Kingston, Jamaica, October 1, 2012.

Figure 5.3. Coffee Exports to Japan, 2006-2012



Source: Compiled by author based on Data collected from the Coffee Industry Board of Jamaica, accessed June 20, 2013, <http://www.ciboj.org/index.php>.

The Jamaican coffee industry has depended solely on the Japanese market over the years and has failed to tap into the other markets. With the recent decline, in demand from Japan, Jamaica has to find other strategies to generate resurgence in the Japanese market. One such measure is the expansion of marketing strategies by Japan's Ueshima Coffee Company (UCC).⁷⁶ Such strategies include a million dollar campaign with television advertisements, point-of-sale material and brand messages within cafes.

5.4.1.2. Marubeni Corporation and Nippon Light Metal

Japan's private sector investment in Jamaica's energy sector is growing. Marubeni Corporation, a Japanese owned company became a major shareholder of the Jamaica Public Service (JPS) in 2007 when it purchased 80 per cent of the shares

⁷⁶UCC is the largest marketer for Jamaican Blue Mountain Coffee in Japan.

of the company.⁷⁷ However, in 2011, Marubeni sold 50 per cent of its shares to the Korea East-West Power Company Ltd. The Jamaican government retained 19.9 per cent stake and 0.1 held by private entities. The details of the transaction were not disclosed to the public.

More recently, in 2013 Japanese investors has shown interest in the Jamaica bauxite industry. Nippon Light Metal of Japan signed a Memorandum of Understanding with the Jamaica Bauxite Institute to set up a pilot project to extract rare earth elements from the country's red mud. The goal is to extract 1,500 metric tonnes each year and both Jamaica and Nippon will each have 50 per cent share in the results of the project.⁷⁸ The rare earth minerals, according to Jamaica's Mining Minister Phillip Paulwell, attracts rates of up to US\$3500 kg compared to alumina which attracts only US\$330 per ton.⁷⁹

Unlike with the case of China's interest in Jamaican bauxite, Japan shares an environmental concern along with its economic considerations. In the event that environmental concerns are overwhelming, projects are abandoned.⁸⁰ The Nippon Light Metal company will first conduct a pilot plant study to identify any environmental implications and to see how best they can be managed. Mining Minister Phillip Paulwell was also a part of the Prime Minister's delegation to Tokyo in November 2013, where they met with the Nippon Light Metal Company to

⁷⁷Japan External Trade Organization (JETRO), "2008 JETRO White Paper on International Trade and Foreign Direct Investments," 2008, accessed June 7, 2013, http://www.jetro.go.jp/en/reports/white_paper/trade_invest_2008.pdf

⁷⁸JIS, "Japanese Firm to Extract Rare Earth Elements from red Mud," January 16, 2013, accessed January 23, 2013, <http://jis.gov.jm/japanese-firm-to-extract-rare-earth-elements-from-red-mud/>.

⁷⁹Hon. Phillip Paulwell, Minister of Science, Technology, Energy and Mining, "Statement to Parliament on Rare Earth Elements," January 15, 2013, accessed January 23, 2013, http://www.japarliament.gov.jm/attachments/842_STATEMENT%20TO%20PARLIAMENT%20ON%20RARE%20EARTH%20ELEMENTS.pdf.

⁸⁰This was consistent with all interviews conducted with Jamaican government officials, who opined that Japan had a softer approach to these investments with environmental considerations being of primary concern.

continue talks about the programme.

5.4.2. Cooperation in International Fora

Japan has recognized the strength of Jamaica's diplomatic power and the leading role in which the country assumes on the regional and international level. According to Prime Minister Simpson-Miller, her recent visit to Tokyo "helped to cement the position of Jamaica in the eyes of Japan as the leader of the Caribbean region".⁸¹

The Japanese government has reiterated the need to realise as early as possible the reform of the UN Security Council with the expansion of permanent and non-permanent membership. In speeches, they have voiced their appreciation to CARICOM states for the importance which it attaches to reform generally especially highlight the directive of CARICOM Heads of State and Government in February 2013 which called for "greater urgency in achieving lasting Security Council Reform" as well as the initiative of CARICOM to reinvigorate the Intergovernmental Negotiation process.⁸² During Simpson-Miller's visit, along with Prime Minister Abe, she affirmed the role and importance of the United Nations in maintaining peace and security, and stressed the need for Security Council reform in order to improve its effectiveness, transparency and representativeness. The two prime ministers recalled the commitment by international leaders on early reform of the Security Council in the Outcome Document of the 2005 World Summit, and

⁸¹Office of the Prime Minister of Jamaica, "Highlights from Remarks by Minister with responsibility for Information Senator the Hon. Sandra Falconer at the Jamaica House Press Briefing," November 13, 2013, accessed December 1, 2013, <http://opm.gov.jm/speeches/jamaica-house-press-briefing-notes-november-13-2013>.

⁸²See MOFA, "Ministerial Meeting of the G4 Countries (Brazil, Germany, India and Japan) in the margins of the 68th Session of the UN General Assembly," September 26, 2013, accessed November 5, 2013. http://www.mofa.go.jp/policy/page3e_000090.html; CARICOM Secretariat, "Communique issues at the Conclusion of the Twenty-fourth Inter-sessional Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM)," February 20, 2013, accessed February 21, 2013. http://www.caricom.org/jsp/pressreleases/press_releases_2013/pres35_13.jsp

stressed the need to intensify efforts to achieve concrete outcomes by 2015 at the latest.⁸³ The two prime ministers reiterated their will to cooperate and enhance dialogue to achieve reform of the UN Security Council.⁸⁴

Japan has asked for the support of CARICOM Member States for Japan's candidature for election as a non-permanent member of the Security Council in 2008, while appreciating the support already expressed by some CARICOM Member States, as well as CARICOM's support for Japan's candidature at other elections such as the UN Economic and Social Council (ECOSOC) in 2008, the Human Rights Council in 2008 and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in November 2007.

With regards to Security Council reform, Japan spares no effort to coordinate with CARICOM. In the 6th Meeting of the Council for Foreign and Community Relations (COFCOR) in Trinidad and Tobago, Parliamentary Vice-Minister for Foreign Affairs Minoru Kiuchi had a fruitful discussion with CARICOM Foreign Ministers on how to further advance the Japan-CARICOM relations, in particular on Security Council reform. Japan highly appreciates the active efforts of CARICOM toward early reform of the Security Council, based on the expansion in both the permanent and non-permanent categories.⁸⁵

Similarly, CARICOM has in the past, sought Japan's support for the candidature of Jamaica for a seat on the Council of the International Maritime Organization in November 2007. They have also received support for the

⁸³MOFA, "Joint Statement between Japan and Jamaica," November 5, 2013, accessed November 10, 2013. <http://www.mofa.go.jp/mofaj/files/000018986.pdf>.

⁸⁴Ibid.

⁸⁵Permanent Mission of Japan to the United Nations, "Statement by H.E. Mr. Tsuneo Nishida, Permanent Representative of Japan to the United Nation at the Intergovernmental Negotiations on Security Council Reform," June 27, 2013, Accessed December 2, 2014, <http://www.un.emb-japan.go.jp/statements/nishida062713.html>.

candidatures of Trinidad and Tobago for election to the Council of the International Civil Aviation Authority (ICAO) 2007, Saint Lucia's candidature for membership to the UN ECOSOC for 2008-2010, and the candidature of Guyana to the International Criminal Court in 2009 through the person of Judge Mohamed Shahabuddeen.⁸⁶

5.5. Explaining Jamaica's Foreign Policy Behaviour

Having presented specific cases about Jamaica's engagement with China and Japan, and highlighted certain aspects of these interactions, this section of the chapter will look at what motivates and explains the foreign policy behaviour of Jamaica towards China and Japan. This is also done in Chapter 6, in an attempt to highlight similarities and differences which can be used to make some conclusions on the general behaviour of Caribbean small states. This dissertation argues that all three levels of analysis can be used to examine the behaviour of Caribbean states in their foreign policy decision-making and strategies.

The System Level

System level variables, according to Braveboy-Wagner, are useful in explaining both the influences and the constraints on the behaviour of Caribbean states.⁸⁷ In the earlier part of this chapter which examined the background of Jamaica's foreign policy, we saw how the structure of the international system during the Cold War for example impacted their behaviour, with constraints stemming from their political geopolitical closeness with the US. Jamaica has

⁸⁶CARICOM Secretariat, "Joint Communiqué on the twelfth CARICOM-Japan Consultation," Press Release 181/2007, August 10, 2007, accessed December 2, 2014, http://www.caricom.org/jsp/pressreleases/pres181_07.jsp?null&prnf=1.

⁸⁷Braveboy-Wagner, "The English-Speaking Caribbean States," 43.

attempted over the years to form alliances with the Third World as well as its Caribbean counterparts in order increase their overall power in the international system.

Today, the constraints stem from the replacement of one-way preferential system by two-way free trade agreements which resulted in a loss of preferential market access treatment for Caribbean states. Consequently, they have faced some difficulties in readjusting themselves into the current international economic arena compounded by the fact that most of their economies have been heavily dependent on the agricultural sector and their products lack competitiveness in an open market. The effects of globalization and economic liberalization have pushed Jamaica to increase its diplomatic and economic activity with countries outside of US and Europe.

The Individual Level

The Prime Ministers over the years have been integral to Jamaica's foreign policy decision-making. This points to the importance of the individual level of analysis in the Jamaican context. We have seen where the ideological stance of the Prime Minister has influenced the foreign policy strategies pursued by Jamaica in the cases of Manley and Seaga for example. The latter leaders have been less ideological and mostly driven by domestic interests including economy as well as their own political interests.

The State Level

As seen in the literature reviewed in Chapter 2, the domestic level has been overlooked in explaining the foreign policy behaviour of small states. However, this dissertation argues, that all three levels are important and that they are linked in their influence on Caribbean foreign policy. In the case of Jamaica, the country's domestic interests motivate its foreign policy goals as the primary motivation is driven by the need for economic development.

From the case studies presented, we can observe how due to the nature of Jamaica's political system, agreements entered into with China for example, are often times done without full disclosure of the details. This lack of transparency resulted in issues regarding labour importation as well as unnecessary high-maintenance infrastructural gifts. Here, the interplay between the state and individual levels is evident as the political system in place, gives the ruling party control over the country's legislative agenda.

Braveboy-Wagner argues that the emphasis of the individual and leadership suggests that there a limited role for Oppositions in small Caribbean states.⁸⁸ Theoretically, as discussed in Chapter 3, the main decision-making body, the Cabinet, is responsible to Parliament and due to the strong Parliamentary majority, the opposition has very little if any influence at all. The Opposition's role is seemingly to keep the government in check. In the case studies, it is evident that the Opposition is not involved in the discussion of agreements prior to signing. However, the voice of the Opposition is growing increasingly loud and to some

⁸⁸Braveboy-Wagner, *Small States in Global Affairs*.

extent, this has allowed for some amount of accountability on the part of the government.

In addition to the voice of the Opposition, has been the voice of NGO's regarding environmental considerations surrounding investments. For example, in the case of Japan's interest in the bauxite industry, there has been an expressed concern by environmental groups regarding the impact of mining on the Jamaican environment. However, consistent with Japanese investments, emphasis is placed on these considerations unlike in the case of China. There has been a campaign by environmental groups and the general public to lobby against the Logistics Hub port to be established by CHEC on the environmentally protected Goat Islands. The Caribbean Coastal Area Management Foundation has commissioned a study of the alternatives to the port development plans, stressing concern that there has been a lot of discussion on the issue but that the government has presented very little facts.⁸⁹

With the widespread availability of news via the internet as well as the Access to Information Act, there has been growing coverage and in effect, interest among the Jamaican public regarding foreign policy issues. Jamaicans have been paying close attention to the government's relationship with China in the name of economic development and have raised concerns pertaining to issues of

- 1) Government spending on diplomatic activities – for example, trips of Prime Minister to China and
- 2) Issues relating to Investments such as environmental concerns and in the case of China, labour importation.

⁸⁹*RJR News*, "NGO commissions study of alternatives to Goat Islands for controversial port development," June 26, 2014, accessed October 4, 2014, <http://rjrnews.com/local/ngo-commissions-study-of-alternatives-to-goat-islands-for-controversial-port-development>

The overarching question remains however, whether the opinion of the Opposition, NGO's, media and the general public are actually taken into account in policy formulation. While they are not a part of the decision-making process and this is partly attributed to the nature of the political system and shows the importance of domestic matters in Jamaica's behaviour, there is to some extent an influence in keeping the government in check and balance. In Chapter 6, we will observe a more direct role of political parties for example, on foreign policy motives.

The following chapter explores the foreign policy strategy of Grenada. It shows how Grenada and other Caribbean countries have been relying solely on their value-based resources for economic gains. The chapter explores Grenada's use of unorthodox strategies in its foreign policies towards China and Japan.

CHAPTER 6

Grenada's Use of Value-based Resources for Economic Gain

6.1. Overview of Chapter

Grenada, with a population of only 105,483 and land size of 344 sq km, has had a notable political and economic history. Following the aftermath of the Grenadian revolution in 1983 and subsequent US invasion, the country has been seeking to revive and diversify its economy. However, Grenada has continued to encounter numerous setbacks in doing so. Among them is the drastic decline in tourist arrivals from the US following the 9/11 terrorist attacks. By 2002, the number of tourist arrivals was 271,571 which was a 13.6 per cent reduction from the year 2000.¹

Grenada's economy is also driven by its agricultural sector which provides 20 per cent of the world's supply of nutmeg, making them the world's second largest producer.² However, hurricanes Ivan and Emily in 2004 and 2005 caused extensive damage across the country thus severely hindering both its tourism and agricultural industries.³ The country is also well known for its offshore financial

¹The number of visitor arrivals in 2000 and 2001 were 314,325 and 275,421 respectively. See National Assessment Team of Grenada, "Country Poverty Assessment: Grenada, Carriacou and Petit Martinique", (Trinidad and Tobago: Kari Consultants, 2008), accessed November 5, 2013, http://www.gov.gd/egov/docs/reports/Grenada_CPA_Vol_1_Main_Report_Submitted.pdf

²World Bank, "In Grenada, Nutmeg Heads up an Economic Revolution," December 2, 2013, accessed March 3, 2014, <http://www.worldbank.org/en/news/feature/2013/12/02/grenada-oecs-caribbean-smallholder-farmers-economy-agriculture>.

³Government of Grenada, "About Grenada: Economy," May 7, 2013, accessed March 3, 2014, <http://www.gov.gd/economy.html>.

industry but this too suffered a downfall in 2001 as a result of being blacklisted by the Paris-based Financial Action Task Force due to concerns of money laundering.⁴

Grenada has been trying to boost its economy in this changing international relations especially in an attempt to reduce the economic vulnerability associated with its small size. As a result, the use of unorthodox development strategies may be considered as an important component of Grenada's economic adjustment strategy. This chapter examines Grenada's relationships with China and Japan; arguing that the increased engagement with both countries is rooted in the need for economic development. China and Japan have been providing the country with well-needed financial assistance. For example, in the aftermath of hurricanes Ivan and Emily, Grenada received technical assistance from the Japanese Social Development Fund to buy seeds, fertilizer and pesticide.⁵

The first section of this chapter provides a brief overview of Grenada's political and economic history. The discussion then continues with an exploration of Grenada's relationship with China and the country's decision to switch recognition from Taiwan to China. The relationship shared between Grenada and Japan, and the importance of Grenada's membership in the International Whaling Commission (IWC) to this relationship is also examined. The chapter wraps up by extending the analysis to include other small Caribbean countries in a similar position as Grenada.

Grenada largely lacks the commodities that would be of high value to China and Japan as the country is not a major producer of raw materials or food. Thus,

⁴Grenada was removed from the blacklist in 2002. See *Jamaica Gleaner*, "Grenada Avoids Blacklist," August 2, 2008, Accessed March 28, 2014, <http://jamaica-gleaner.com/latest/article.php?id=3367>

⁵World Bank, "In Grenada, Nutmeg Heads up an Economic Revolution," December 2, 2013, accessed March 3, 2014, <http://www.worldbank.org/en/news/feature/2013/12/02/grenada-oecs-caribbean-smallholder-farmers-economy-agriculture>

generating much speculation about the reasons behind China and Japan's interest in this Caribbean state. Unlike, in the case of Jamaica which has bauxite for example, Grenada's main exports include nutmeg which is not a high value product for either Asian country, and for which Indonesia is an alternate and the largest producer. Hence, this chapter argues that China and Japan have other interests beyond economic development. These interests are related to political security and global status. The argument made in this chapter is that Grenada has been using its value-based resources to diversify its economy and also in its foreign policy towards China and Japan.

The case studies presented highlight that the loans and aid provided by China, for example, are associated with underlying conditions such as the use of Chinese labour. However, despite this the country still pursues an active relationship with China. The final section of this chapter shows that the trade deficit with both Asian countries is widening. While, China and Japan have been given increased access to Grenada's markets; Grenada, largely due to its limited resource base, has not been able to penetrate their markets.

6.2. Grenada's Economic and Political History since Independence

Grenada's political history is characterized by coup d'états, a revolutionary regime and US invasion. The first coup occurred in 1979, when Eric Gairy who had been Prime Minister since the country gained its independence in 1974, was ousted out of power by Maurice Bishop, leader of the People's Revolutionary Government

(PRG).⁶ The Bishop administration operated under a ‘non-capitalist development’⁷ strategy which posited that

the construction of socialism was not dependent on the prior emergence and full development of capitalism: the task could be begun before the material and productive prerequisites for socialist transition were available and the capitalist phase thereby effectively bypassed or interrupted.⁸

This doctrine shaped the thinking and actions of the leading elements of the PRG in Grenada during this time.

Bishop’s government sought to establish a mixed economy. This, he explained was part of the country’s development strategy which would “continue to draw on the skills, experiences, resources and connections of the patriotic elements within the Grenadian private sector”.⁹ What this meant essentially, was that though the state would lead the development process and plan the economy; it would also enlist the cooperation of the private sector, in an attempt to boost production and offset the limitations of the state sector. The government identified the areas of agriculture, tourism and manufacture as the key sectors of the economy.

In acknowledging the country’s lack of natural resources, the government sought to strengthen its tourism industry and as such, it was necessary to improve the facilities of the existing airport. The Cuban government, according to Payne and Sutton, agreed to provide more than half the cost of the project, in a gesture of “revolutionary solidarity”.¹⁰ This gesture, however, came under significant criticism

⁶Payne and Sutton, *Charting Caribbean Development*.

⁷The “non-capitalist development” theory was first advanced during the 1960s by Soviet scholars such as Professor R. Ulyanovsky. The theory had a tendency to be associated exclusively with the prospects of socialist transformations in the newly independent states of Africa and Asia. However, by 1975 the theory’s influence was seen in the Caribbean region as important aspects were incorporated in the Declaration of Havana. See Payne and Sutton, *Charting Caribbean Development*.

⁸Payne and Sutton, *Charting Caribbean Development*, 11.

⁹*Ibid*, 89.

¹⁰*Ibid*.

and opposition from the US as they feared that the airport could be used by the Soviet Union to infiltrate Latin America and the Caribbean. In addition to that, the number of tourist arrivals began to decline and subsequently, the tourism industry instead had a disastrous impact on the wider economy. The government's attempt to boost the tourism industry was seemingly "incompatible with the anti-imperialist, pro-soviet and pro-Cuban character" of the PRG's foreign policy.¹¹

Grenada's development strategy proved to be too rigid amidst the external environment. In 1983, the country engaged in a violent internal conflict which escalated into a tragic and bloody end of the regime, and further resulted in the murder of Bishop and subsequent US invasion of the country. The collapse of the Grenadian revolution marked the end of the radical era in Caribbean economic and political development.

6.2.1. Economic Adjustment and Offshore Banking

In Chapter 3, the use of unorthodox strategies by Caribbean states such as the trading of value-based resources as a development strategy was discussed. Grenada is one such example, whereby the government of Grenada attempted to revive and diversify its economy in 1997 by establishing the country as an offshore financial centre¹². Offshore services offered in Grenada included offshore medical schools, offshore finance (offshore banks and insurance), international business

¹¹Ibid, 95.

¹²Caribbean countries in an attempt to shift their reliance on agriculture to tourism encountered challenges to sustaining growth in this industry such as their vulnerability to natural disasters. As a result, countries such as Antigua and Barbuda, Barbados, the Bahamas, Dominica, Grenada, St. Kitts and Nevis and St. Vincent; established activities in other services such as offshore financial centres (OFCs). Offshore financial centres can be defined as services and activities that are provided within the territory of one state but which are almost wholly or exclusively oriented to foreign markets or clients in other states. See Williams, Suss and Medis, "Offshore Financial Centres in the Caribbean: Prospects in a New Environment".

companies, international trusts, economic citizenship, offshore gambling.¹³ There were 3400 international banks registered by 2004 and thus the offshore financial sector seemed successful in providing Grenada with a new development strategy. Among the benefits in establishing an off-shore sector are financial contributions to communities, sports, culture and civil society at large as well as job creation both directly within the sector and through linkages. In Grenada, offshore banks made substantial financial contributions in this regard and expenditure increased from US\$26,000 in 1998 to US \$92,600 in 1999.¹⁴ Moreover, over 200 jobs were created directly within the sector for Grenadians.¹⁵

Grenada was, however, added to the non-cooperative list of the Financial Action Task Force in 2001 which was in part due to problems associated with the collapse of the First International Bank of Grenada collapsed where investors were reportedly cheated out of US\$170million.¹⁶ This setback affected the Grenadian economy tremendously and later coupled with the effects from subsequent hurricanes left the country in a predicament and as such may be considered as one of the reasons for its increased engagement with China and Japan.

In 2013, Grenada announced that it would be reviving a “citizen-by-investment” program which allows investors to buy local citizenship.¹⁷ The country had previously engaged in the program before suspending it in October 2001, during

¹³Williams, Suss, and Medis, “Offshore Financial Centres in the Caribbean: Prospects in a New Environment”.

¹⁴Nand C. Bardouille, “The Offshore Services Industry in the Caribbean: A Conceptual and Sub-regional Analysis,” *Economic Analysis and Policy* 31 no.2 (September 2001): 111-124.

¹⁵Ibid.

¹⁶*Jamaica Gleaner*, “Grenada to Relaunch Offshore Sector,” October 22, 2008, accessed January 25, 2011, <http://jamaica-gleaner.com/gleaner/20081022/business/business6.html>

¹⁷Linda Straker and David McFadden, “Grenada to Revive Program Selling Citizenship,” *The Associated Press*, March 27, 2014, accessed November 27, 2014, <http://bigstory.ap.org/article/grenada-revive-program-selling-citizenship>.

which passports were sold to investors for approximately US\$40,000.¹⁸ This shows yet another case whereby Grenada uses its value-based resources for economic gain. The case studies below will illustrate that Grenada has been doing the same in their engagement with China and Japan.

6.3. Grenada-China Relations

Grenada has had a fluctuating relationship with China, switching back and forth between China and Taiwan over the last 40 years. After gaining its independence in 1974, Grenada established diplomatic relations with Taiwan. During this time, several high level visits were exchanged between both countries. By October 1985, switched recognition to China which would, however, be severed just four years later, after the country re-established ties with Taiwan. This was following the election of the Herbert Blaize, leader of the National Democratic Congress (NDC) as the party had forged close ties with the Taiwanese government.¹⁹ This highlights the importance of domestic politics in the foreign policy decision-making process.

In 2004, following the economic downturn from their blacklisting, and the effects of Hurricane Ivan²⁰ which caused severe damage to the island's infrastructure, Grenada established ties with China once more.²¹ After the hurricane, the Taiwanese government had given immediate assistance even sending a

¹⁸Ibid.

¹⁹*Jamaica Gleaner*, "Grenada Says Taiwan Trying To Cripple Economy," October 26, 2011, accessed December 3, 2011, <http://jamaica-gleaner.com/gleaner/20111026/business/business8.html>

²⁰Hurricane Ivan directly hit Grenada in September 2004, resulting in the loss of 39 lives and extensive damage of homes, schools and hospitals.

²¹*BBC News*, "Grenada picks China over Taiwan," January 21, 2005, accessed July 25, 2011, <http://news.bbc.co.uk/2/hi/asia-pacific/4190295.stm>

delegation from the Ministry of Foreign Affairs to tour affected areas. Grenada was provided US\$200,000 in supplies and turned a US\$1.5 million fund for infrastructure projects into a disaster-relief fund.²² The destruction of the National Cricket Stadium, formerly known as Queen's Park which was originally built from proceeds of a Taiwanese loan in 1997 was probably the trigger of Grenada's decision to switch recognition. The International Cricket Council (ICC) World Cup was scheduled to be held in March 2007 in the Caribbean. Hence, the government needed to rebuild the stadium in order to keep its commitment to host matches. Taiwan offered \$6million in aid and to rebuild the stadium. However, this package was unsatisfactory and following the case of Dominica²³, the government turned to China.²⁴

6.3.1. Switching Recognition from Taiwan to China

On December 12-16 2004, Prime Minister Keith Mitchell and his foreign minister, Elvin Nimrod, made an official trip to China, which stirred great controversy and particular discontent with its Taiwanese counterparts since at that time, Grenada still officially recognized Taiwan.²⁵ Prime Minister Mitchell's visit to China was therefore an indirect severance of diplomatic relations with Taiwan. China provided Grenada with monetary assistance to expand the national stadium in

²²Ministry of Foreign Affairs, Taiwan, "In order to uphold our national interests and dignity, the government of the Republic of China has decided to sever diplomatic relations with Grenada as of today," January 28, 2005, accessed January 13, 2013,

http://www.mofa.gov.tw/EnMobile/News_Content.aspx?s=5DF19A0B8D18E2DB. See Appendix C.

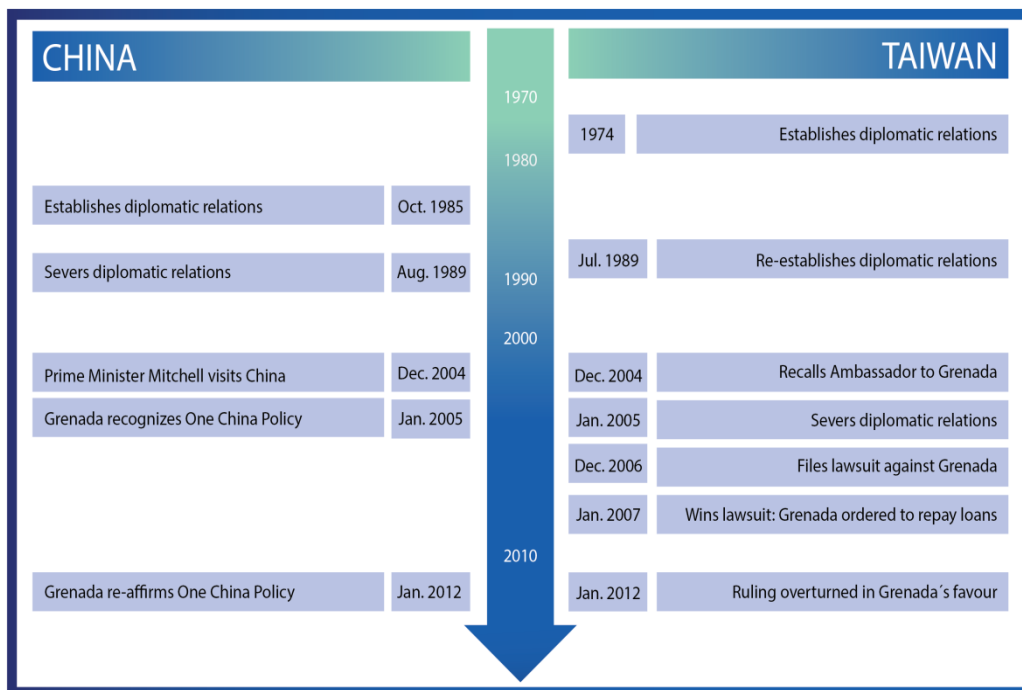
²³In return for recognizing China and supporting the One China Policy, Dominica was rewarded \$122 million in aid packages which included the money to build a new stadium and improve the country's infrastructure.

²⁴*Taipei Times*, "MOFA has Pessimistic Outlook on Ties with Grenada," December 22, 2004, accessed July 3, 2011, <http://www.taipeitimes.com/News/taiwan/archives/2004/12/22/203216209>

²⁵*Ibid.*

time to host the Cricket World Cup in 2007, and the construction of 2000 housing units, thus resuming diplomatic relations between the two.²⁶ In addition, China offered the Grenadian government a \$6 million grant to compensate for the loss of support from Taiwan, \$1 million scholarship fund and \$2.5 million financial grant.²⁷

Figure 6.1. Timeline of Grenada’s Diplomatic Relations with China and Taiwan



Source: Compiled by author.

²⁶Daniel Erikson, “China in the Caribbean: the New Big Brother,” *China Brief*, Vol. 9, Issue: 25, December 16, 2000, accessed July 25, 2012, <http://www.thedialogue.org/page.cfm?pageID=32&pubID=2204>

²⁷Ibid.

On January 28, 2005, the government of Taiwan issued a strongly worded statement formally severing ties with Grenada, stating that it regretted that

The government of Grenada, being lured through financial incentives from the People's Republic of China, has decided to establish diplomatic relations with China. In order to uphold our national interests and dignity, the government of the Republic of China has decided to sever diplomatic relations with Grenada.²⁸

Moreover, Taiwan likened the conduct of the Grenadian government with regards to its decision to switch recognition to that of "extortion-like behaviour", asserting that Prime Minister Mitchell had incorrectly believed that "by his leaning towards the People's Republic of China, Taiwan can be pressured into significantly increasing the financial assistance we provide to Grenada".²⁹

The Taiwanese Export-Import Bank filed a lawsuit in December 2006 against Grenada seeking the repayment of US\$28.1 million loans given to the country before it broke ties in 2005.³⁰ The suit was regarding the repayment of loans negotiated between 1990 and 2000 by Mitchell's administration which among them, were loans issued for the construction of the Queen's Park Stadium, and other infrastructure payments.³¹ The lawsuit was filed after the Grenadian government had decided to switch recognition to China few months prior and they Grenadian were unable to immediately pay back the loans in full. On June 15, 2005, shortly after the

²⁸Ministry of Foreign Affairs, Taiwan, "In order to uphold our national interests and dignity, the government of the Republic of China has decided to sever diplomatic relations with Grenada as of today," January 28, 2005, accessed January 13, 2013, http://www.mofa.gov.tw/EnMobile/News_Content.aspx?s=5DF19A0B8D18E2DB. See Appendix C.

²⁹Ibid.

³⁰*Jamaica Gleaner*, "Lawyer Clarifies Taiwan Loan Dispute," November 18, 2011, accessed January 13, 2013, <http://jamaica-gleaner.com/gleaner/20111118/business/business94.html>

³¹*Jamaica Gleaner*, "Grenada Says Taiwan Trying To Cripple Economy," October 26, 2011, accessed December 5, 2011, <http://jamaica-gleaner.com/gleaner/20111026/business/business8.html>

breaking ties, the Taiwanese Ex-IM bank issued a written notice of default with regards to four loans that had been issued.³²

In January 2007, the court ruled that the Grenada government owed the Taiwanese government and was ordered to repay the loans in full. Grenada's defense rested on their inability to pay their debt due to the challenges faced by the hurricanes in 2004 and 2005. However, the judge found that this was not a sufficient excuse as the agreements had not provided for the delay or suspension of payments under these special circumstances. Based on the court's ruling, the Export-Import Bank had been collecting payments owed to Grenada by airlines and cruise ship companies.³³ However, in 2012, a US court released Grenada from the earlier court order that had allowed the EXIM bank to seize tourism-related revenues to pay off the loans.³⁴

Grenada's decision to switch recognition in 2004 highlights the influence of the individual level in the foreign policy behavior of small states, whereby, the Prime Minister has the power to make decision. Moreover, the interplay of domestic and foreign is witnessed as early as 1989, when the NDC switches recognition due to its party alignment. Taiwan's law suit against Grenada is a concrete example of cases where leaders of small states make decisions without complete assessment or prior consultation. Rather, decisions are made based on immediate economic goals and the need for survival. In this case, Grenada needed to rebuild the cricket stadium and China presented a more attractive package.

³²*Grenada Today*, "Monies owed for Stadium and Ministerial Complex," February 3, 2007, accessed January 13, 2013, <http://www.belgrafix.com/gtoday/2007news/Feb/Feb03/Taiwan-sues-for-59-million.htm>.

³³*Daily Observer*, "Grenada re-affirms Commitment to China," July 6, 2012, accessed January 13, 2013, <http://antiguaobserver.com/grenada-re-affirms-commitment-to-china/>

³⁴*Ibid.*

6.3.2. Chinese Imported Labour

The financing of infrastructural projects by China whether in the form of grants or loans is usually associated with conditions such as the supply of labour. This is consistent with Chinese support in developing countries in Africa and even closer to home, The Bahamas, as discussed previously in chapter 4. The case was similar in the rebuilding of Grenada's Queen's Park stadium which was gifted to the county by China. Approximately 500 Chinese workers were reportedly brought in to work on the stadium because the project had to be completed quickly in time to host the cricket World Cup.³⁵ However, members of the opposition and public later argued that a protocol was needed to curb the mass importation of Chinese workers to even the playing field with opportunities for locals.³⁶

As discussed earlier, infrastructure projects funded by the Chinese government are executed by Chinese companies and workers. The case is the same regarding projects by Chinese investors whereby Chinese companies, workers and even equipment are used. In December 2012, an agreement was signed for the construction of a \$200 million resort complex in Grenada.³⁷ The Bacolet Bay Resort and Spa was financed by the Chinese investors and built by the China Machinery Engineering Corporation. It was announced that 50 jobs would be provided for locals during the construction of the resort.³⁸

³⁵Kenneth Tan, "Grenada Thanks China for New Stadium with a Rendition of Taiwan Anthem," *The Shanghai List*, February 8, 2007, accessed November 22, 2014, http://shanghaiist.com/2007/02/08/grenada_thanks.php

³⁶*Grenada Today*, "A Protocol is Needed," November 17, 2007, accessed December 5, 2011, <http://www.belgrafix.com/gtoday/2007news/Nov/Nov17/A-protocol-is-needed.htm>

³⁷R. Evan Ellis, *China on the Ground in Latin America: Challenges for the Chinese and Impacts on the Region*, (NY: Palgrave Macmillan, 2014).

³⁸*Ibid.*

6.3.3. Extension to other Caribbean States

Grenada's fluctuating relationship with China bears a striking resemblance to that of Dominica's. The Dominican government switched recognition from Taiwan to China in March 2004 which was disclosed in a notable address to the nation by the country's Prime Minister Roosevelt Skerit.³⁹ This decision generated much skepticism from citizens as there had been no discussion in parliament or with the public regarding the decision to make the diplomatic switch in recognition. Skerit, however, argued that while he was aware of the lack of public knowledge regarding the diplomatic switch, "confidentiality was required because at that time we had formal relations with Taiwan".⁴⁰ This is quite similar to the case of Grenada and stresses one of the main arguments of this dissertation which is the important role the state and individual level play in the foreign policies of Caribbean states. As illustrated in Chapter 3, the political system in the Caribbean is one which affords the leader power to make decisions without consultation with opposition or the public.

The China-Taiwan dimension was also active in the Caribbean prior to the Grenada and Dominica cases. In 1997, diplomatic recognition of China and Taiwan in St. Lucia was polarized along political lines leading up to its elections. Recognition of the One China policy became closely linked to the country's domestic politics as was evident by the support of China by Dr. Kenny Anthony and

³⁹*Caribbean News Now*, "Dominica Severs Diplomatic Relations with Taiwan," March 30, 2004, accessed July 22, 2013, <http://www.caribbeannewsnow.com/topstory-Dominica-severs-diplomatic-relations-with-Taiwan-492.html>

⁴⁰*Ibid.*

the St. Lucia Labor Party and support of Taiwan by Sir John Compton and the United Workers Party.⁴¹

Upon Dr. Anthony's election as Prime Minister, he immediately switched recognition of Taiwan to China. Under his administration, China provided assistance for the construction of a national stadium in time to host the ICC World Cup, consistent with China's activities in other Caribbean countries. The China-Taiwan issue became once again pervasive in St. Lucia's domestic politics during their elections in 2007 when the newly elected Prime Minister Compton, re-established ties with Taiwan once more.⁴² The St. Lucia case is different from that of Grenada and Dominica in the sense that it still currently recognizes Taiwan. However, what is more important are the similarities among the cases which highlight how the China-Taiwan battle influences the domestic politics of Caribbean states and are grounded in their search for economic attainment.

Recognition of the One China policy is an important component in the relations of the Caribbean states and China. The luring of aids and investments in the cases presented in exchange for recognition of China further highlights the creative use of value-based resources by these small states without other resources to offer. Furthermore, the discourse by Caribbean and Chinese leaders on support for the One China policy also highlights its importance in the foreign policies pursued towards China.

Moreover, as China's rise continues, it will need to strengthen its support from Caribbean states. The value-based resources of the Caribbean are seemingly

⁴¹*Jamaica Observer*, "St. Lucia Torn Between Two Lovers- China and Taiwan," September 16, 2012, accessed July 25, 2014, http://www.jamaicaobserver.com/editorial/St-Lucia-torn-between-two-lovers---China-and-Taiwan_12533154

⁴²*Ibid.*

well sought after as they represent not only votes in the international arena but also quality votes and advocacy. China has acknowledged the leading role that Caribbean delegates play in multilateral organizations. For example, President Xi Jinping during his visit to the Caribbean in June 2013, stated explicitly China's interest in nurturing the support of these small states,

as Antigua and Barbuda will hold the rotating chair of the 68th session of the UN General Assembly, China is willing to strengthen coordination and cooperation with Antigua and Barbuda.⁴³

Moreover, he asserted that countries in the Caribbean region were an important force in the international community.

6.4. Grenada-Japan Relations

The relationship between Grenada and Japan is longstanding and has been consistent since establishing ties in April 1975, shortly after gaining independence. Unlike, in the case previously highlighted with China, Grenada's relationship with Japan highlights time honoured relations shared with Caribbean countries. Several high level visits have been made by Prime Ministers of Grenada: Gairy in 1975 and Mitchell in 1996 and 2005.⁴⁴ Likewise, Japan's Member of Parliament Yamashita and Vice Minister of Agriculture of Forestry and Fisheries, Kameya visited Grenada in 1994 and 1999 respectively.⁴⁵

⁴³Ministry of Foreign Affairs of the People's Republic of China, "President Xi Jinping meets with State leaders of Caribbean Countries," June 3, 2013, accessed June 10, 2013, http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpttermux_665688/t1047966.shtml

⁴⁴Ministry of Foreign Affairs (MOFA), Japan, "Basic Data on Grenada Relations," August 26, 2014, accessed October 4, 2014, <http://www.mofa.go.jp/region/latin/grenada/data.html>

⁴⁵Ibid.

Grenada has been the recipient of Japan's ODA totaling US\$58.99 million up to 2011.⁴⁶ Noteworthy, Japan was Grenada's top bilateral donor from 1999-2002. Despite the absence of an embassy and resident ambassador, JICA has been very involved in the country with over 92 persons from the public sector having participated and benefited from training courses since 1989.⁴⁷

Japan has also made significant contributions to further the development of Grenada's Fisheries Sector among other sectors, in terms of infrastructure and Human Resource Development Fisheries. Several mega Fisheries Complexes on the Eastern and Western corridors have been constructed as well as roads, bridges and major retaining walls in the middle of the island through grant aid projects.⁴⁸

6.4.1. Membership in the IWC and Support of Japan's Pro-whaling Stance

Whaling is a widely controversial issue which generates mostly anti-whaling sentiment in the international community. Japan has consistently maintained a pro-whaling stance, arguing that the act is necessary for scientific research purposes.⁴⁹ Consequently, Japan has faced strong opposition for its pro-whaling stance and has had to contend with strict anti-whaling regulations by the International Whaling Commission (IWC).

⁴⁶Ibid.

⁴⁷Government of Grenada, "JICA Alumui Association of Grenada Annual General Meeting," March 13, 2013, accessed October 17, 2013, http://www.gov.gd/egov/news/2013/mar13/13_03_13/item_1/jica_alumui_grenada_general_meeting.html.

⁴⁸Ibid.

⁴⁹Japan began scientific whaling research in 1987, carrying out its program in the Antarctic under the Japanese Antarctic Research Program (JARPA). See Keiko Hirata, "Japan's Whaling Politics," in *Norms, Interests and Power in Japanese Foreign Policy*, eds. Yoichiro Sato and Keiko Hirata (New York: Palgrave MacMillan, 2008).

The IWC is the major international forum on whaling and was established to ensure the proper conservation of whale stocks and hence, see to the orderly development of the whaling industry.⁵⁰ The anti-whaling bloc within the IWC, consisting of countries such as Britain and the US, oppose whaling altogether and have condemned Japan's consistent claim to whaling rights in the name of science.⁵¹ Despite this strong opposition, the Japanese government has continued to focus its efforts on capturing a large number of whales through its scientific research program, pressuring the IWC to provide four Japanese coastal communities with the same aboriginal subsistence whaling rights that some indigenous peoples are given, and on lifting the ban on commercial whaling.⁵²

From the 1980s onwards, both the pro and anti- whaling camps within the IWC began to inveigle other countries to join the organization in a bid to seek sympathizers for their cause. The pro-whaling camp led by Japan, for example, began luring countries from the Caribbean and Pacific Islands. Grenada, like a number of other Eastern Caribbean countries, is a member of the IWC.⁵³ Over the years, these countries have been the subject of great criticism for trading their voting power in order to maintain good relations with Japan, and subsequently, securing economic assistance.

In 2006, Japan and the pro-whaling camp succeeded in passing a non-binding resolution to oppose the moratorium on commercial whaling. The St. Kitts

⁵⁰The IWC was established under the International Convention for the Regulation of Whaling which was signed in Washington D.C. on December 2, 1946. See International Whaling Commission, <http://www.iwc.int>.

⁵¹The Pro-whaling camp in the IWC is led by Japan, Iceland and Norway.

⁵²Hirata, "Japan's Whaling Politics," 187.

⁵³Grenada became a member in 1993. However the other Caribbean members joined earlier such as Antigua and Barbuda in 1982; Dominica in 1992; St. Kitts and Nevis in 1992; St. Lucia, and St. Vincent and the Grenadines in 1981. Jamaica was a member 1981-1984 and Belize re-joined in 2003, having left in 1984. See International Whaling Commission, <http://www.iwc.int>.

and Nevis Declaration was passed by 33-32 votes. The resolution argues that this IWC has failed “to meet its obligations under the terms of the ICRW” and declares the signatories commitment to normalizing the functions of the IWC based on the terms of the ICRW.⁵⁴ The resolution states that the moratorium on commercial whaling was unnecessary as the IWC’s scientific committee identified many species as abundant.⁵⁵ As seen in Table 6.1. all Caribbean member states voted in favour of the resolution. Moreover, Japan hosted the Conference for the Normalization of the International Whaling Commission in 2007 to further promote the anti-moratorium campaign. Notably, while most anti-whaling members of the IWC did not attend, representatives from the six Caribbean member countries were present.

⁵⁴International Whaling Commission, “St. Kitts and Nevis Declaration,” International Whaling Commission/58/16, Agenda Item 19, June 2006, accessed July 28, 2014, <http://www.unesco.org/csi/smis/siv/Forum/SKNdeclaration06.pdf>

⁵⁵Ibid.

Table 6.1. Signatories to the St. Kitts and Nevis Declaration, 2006

➤ Grenada	➤ Japan
➤ St. Kitts and Nevis	➤ Kiribati,
➤ Antigua & Barbuda	➤ Mali
➤ Dominica	➤ Republic of the Marshall Islands
➤ St. Lucia	➤ Mauritania
➤ St. Vincent and the Grenadines	➤ Mongolia
➤ Benin	➤ Morocco
➤ Cambodia	➤ Nauru
➤ Cameroon	➤ Nicaragua
➤ Cote d'Ivoire,	➤ Norway
➤ Gabon	➤ Republic of Palau
➤ Gambia	➤ Russian Federation
➤ Republic of Guinea	➤ Suriname
➤ Iceland	➤ Togo
➤ Solomon Islands	➤ Tuvalu

Source: International Whaling Commission, "St. Kitts and Nevis Declaration," International Whaling Commission/58/16, Agenda Item 19, June 2006, accessed July 28, 2014, <http://www.unesco.org/csi/smis/siv/Forum/SKNdeclaration06.pdf>

Following, the passing of the St. Kitts and Nevis Declaration, Grenada and its other Caribbean member countries have been criticized for selling their votes in the IWC in exchange for loans and grants from Japan.⁵⁶ This criticism is not unfounded and derives from the fact that these Caribbean countries stand to benefit from whale watching activities. Taking into consideration that tourism is the leading industry in terms of employment, revenues, and source of foreign exchange, there is no clear line of reasoning as to why they would adopt a pro-whaling stance. Moreover, with an increase in awareness about whaling issues, the decision to

⁵⁶However, this claim was refuted by a Japanese embassy spokesperson who stated that Japan does not buy votes and their aid was not tied to policy.

support Japan's stance in the IWC is dangerous to the whale watching industry in the Caribbean.⁵⁷

Japan has sent experts in the field of fisheries to Caribbean state and has additionally, instituted a Development Study for the Formulation of a Master Plan for Development and Management of Fisheries and Aquaculture in the Caribbean.⁵⁸ This money is described by the Fisheries Agency of Japan as fisheries aid grants but Prime Minister Lester Bird of Antigua and Barbuda in 2006 proclaimed that the money was given to his country in return for voting with Japan on whaling issues at the International Whaling Commission (IWC).⁵⁹

This was corroborated by the statements of a senior official of the Fisheries Agency of Japan, Maseyuku Komatsu, who openly expressed that a number of countries had accepted aid in return for backing Japan's efforts to get commercial whaling restarted and described aid as "a major tool".⁶⁰

⁵⁷Eric Hoyt and Glen T. Hvenegaard, "A Review of Whale-Watching and Whaling with Applications for the Caribbean," *Coastal Management*, 30:381–399, 2002

⁵⁸Ministry of Foreign Affairs, Japan, "Japan's Official Development Assistance White Paper 2006," December 2006, accessed June 25, 2014, <http://www.mofa.go.jp/policy/oda/white/2006/ODA2006/html/honpen/hp202030600.htm>

⁵⁹Third Millennium Foundation, "Japan's 'Vote Consolidation Operation' at the International Whaling Commission, 2007" accessed June 25, 2014, <http://opinion-former-resources.politics.co.uk/microsites2/364355/graphics/iwc.pdf>.

⁶⁰Sanders, Ronald, "Dominica: A whale of a pride," March 30, 2009, accessed February 2, 2012, http://www.bbc.co.uk/caribbean/news/story/2009/03/printable/090327_sanders_dominica.shtml

6.5. Trade Deficit with China and Japan

Grenada has a widening trade deficit with both China and Japan. Over a ten year period, the value of Chinese and Japanese imports to the country has significantly increased; however, the country does not export any products to China or Japan. The value of goods imported from China increased by 160 per cent in 2005, after Grenada declared recognition of China once again. In 2007, the value of imports from Japan peaked at approximately US \$18 million (see Table 6.2.).

Table 6.2. Grenada's Imports from China and Japan, US\$

Year	China	Japan
2002	2,308,524	6,443,995
2003	3,255,910	11,356,357
2004	4,183,407	12,504,233
2005	10,841,251	13,400,955
2006	15,689,878	11,822,595
2007	10,096,683	17,941,634
2008	12,479,558	12,866,466
2009	9,607,216	10,183,766
2010	13,623,834	8,424,192
2011	11,606,617	8,089,202
2012	6,297,067	5,602,519

Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>

The relationship with China and Japan and the use of value-based resources is an important component of Grenada's attempt at economic development and at situating itself in the current international economic system. With the loss of preferential treatment and the challenges posed by environmental factors such as hurricanes, Grenada has had to resort to using its value-based resources in

establishing offshore financial centres and the selling of citizenship as well as a tool in its foreign policies towards China and Japan.

6.6. Explaining Grenada's Foreign Policy Behaviour

Having presented specific cases about Grenada's engagement with China and Japan, and highlighted certain aspects of these interactions, this section of the chapter will look at what motivates and explains the foreign policy behaviour of Grenada vis-à-vis China and Japan. This is also done in an attempt to highlight similarities and differences which can be use to make some conclusions on the general behaviour of Caribbean small states. This dissertation argues that all three levels of analysis can be used to examine the behaviour of Caribbean states in their foreign policy decision-making and strategies.

The System Level

System level variables, according to Braveboy-Wagner, are useful in explaining both the influences and the constraints on the behaviour of Caribbean states.⁶¹ In the earlier part of this chapter which examined the background of Grenada's foreign policy, we saw how the structure of the international system during the Cold War for example impacted their behaviour, with constraints stemming from their political geopolitical closeness with the US. Grenada's socialist tendencies on the domestic forefront dictated their policies and activities in the international system.

⁶¹Braveboy-Wagner, "The English-Speaking Caribbean States," 43.

Today, the constraints stem from the replacement of one-way preferential system by two-way free trade agreements which resulted in a loss of preferential market access treatment for Caribbean states. Consequently, they have faced some difficulties in readjusting themselves into the current international economic arena compounded by the fact that most of their economies have been heavily dependent on the agricultural sector and their products lack competitiveness in an open market. The effects of globalization and economic liberalization have pushed Grenada to find creative ways of devising their foreign policy strategies in order to improve their economic wellbeing. This was seen in the establishment of offshore financial centres and with regards to China and Japan, with the exchange of their votes in international fora.

The Individual Level

The individual level of analysis is useful in explaining the foreign policies of Grenada. The perception of Bishop navigated the policies and strategies pursued by the country and would eventually lead to the economic and political downturn of the country. Leaders today are less ideological; however, as seen in the case studies, they play a key role in the decision-making. This is even more visible than in the case of Jamaica. Here, we can observe an explicit case whereby the decision to change alliance rested solely or rather was made solely by the prime minister. Again, this ties in with the nature of the political system which facilitates the role of the prime minister.

The State Level

As seen in the literature reviewed in Chapter 2, the domestic level has been overlooked in explaining the foreign policy behaviour of small states. However, this dissertation argues, that all three levels are important and that they are linked in their influence on Caribbean foreign policy. In the case of Grenada, the country's domestic interests motivate its foreign policy goals as the primary motivation is driven by the need for economic development.

From the case studies presented, we can observe how the decision to switch allegiance from Taiwan to China was made on the basis of the size of the economic assistance package. Grenada was in a predicament following the hurricane and with the upcoming Cricket World Cup. As such, the government chose to align itself with the power in which it could most benefit from.

Braveboy-Wagner argues that the emphasis of the individual and leadership suggests that there a limited role for Oppositions in small Caribbean states.⁶² Theoretically, as discussed in Chapter 3, the main decision-making body, the Cabinet, is responsible to Parliament and due to the strong Parliamentary majority, the opposition has very little, if any influence at all. The Opposition's role is seemingly to keep the government in check. In the case studies, it is evident that the Opposition is not involved in the discussion of agreements prior to signing.

The case studies highlight occurrences where political interests of officials interfere with foreign policy agendas as this was observed in Grenada's recognition of China being tied to the political promises of the political party. The decision to switch recognition from Taiwan was done solely by the Prime Minister. Again, this

⁶²Braveboy-Wagner, *Small States in Global Affairs*.

shows the importance of domestic matters in foreign policy decision-making as politicians have used these issues even on a local campaigning platform.

This case study shows that Grenada's foreign policy strategy towards China and Japan is somewhat different from that of Jamaica's. This is due to Grenada's limited resource base as the country lacks raw materials and food commodities that can be traded with both countries. In the absence of those resources, Grenada has been using its value-based resources such as its support of the One China policy to receive aid and investment from China. Support of the One China policy has been tied to provision of economic assistance. Likewise, Japan's provision of aid may be linked to issues such as voting in the IWC and UN Security Council Reform. Additionally, it shows that this use of value-based is consistent with the strategies that have been previously employed by the country to establish its offshore financial industry, and sell economic citizenship. The exchange of votes and recognition with China and Japan is therefore another value-based resource being used by Grenada.

CHAPTER 7

Conclusion

This concluding chapter provides a comprehensive examination of the main arguments of this dissertation, beginning with a discussion of the research questions presented in Chapter 1. To recall, the research questions for this dissertation are as follows:

- 1) What are the opportunities and challenges for Caribbean states to deepen relations with China and Japan?

From the case studies presented in Chapter 5 and Chapter 6, we can conclude that while there are advantages and opportunities for Caribbean states vis-à-vis China and Japan, there are also challenges to be contended with. The following discussion explores the opportunities that Caribbean states have seized in relation to economic assistance, investments, diversification of trading partners and infrastructural development. However, it also shows that with these benefits, are certain disadvantages which relate to strings attached to economic assistance, a widening trade deficit and on a more internal level, challenges to regional integration which can hinder the extent and direction of these relationships.

- 2) To what extent do the attributes of Caribbean countries influence the different foreign policy strategies pursued towards China and Japan?

One of the main arguments of this dissertation is that Caribbean states have different foreign policies towards China and Japan. This is related to the attributes possessed by the different Caribbean states. This is shown in the case studies, whereby Jamaica and Grenada pursue different foreign policies. This has to do with the fact that Grenada, for example does not have resources such as bauxite, oil and natural gases

as in the case of Jamaica and Trinidad and Tobago, nor does it have a large agricultural or tourism industry. As such, the country has to use its other resources, which are value-based in devising its foreign policies strategies. This is seen especially with regards to recognition of the One China policy, for example.

- 3) What are the primary motivations behind China and Japan's interest in the Caribbean region?

In Chapter 4, three primary motivations were presented as factors explaining China and Japan's attraction to the Caribbean region which are based on economic development, political security and global status. The case studies presented in chapters 5 and 6 have presented valuable information about the relationships that Caribbean states have with China and Japan as well as on the foreign policy behaviour of small states. In addition, the case studies demonstrated that China and Japan's foreign policy behaviour with Caribbean states is consistent with their wider foreign policy with developing countries as briefly discussed in Chapter 4. Though, I argue that the economic motivation is much less in the Caribbean as it relates to securing natural resources and access to markets. The growing influence of China in the international community has not gone unnoticed by Japan and as such, a sort of power rivalry between the two for global status is an important dimension in their interest in Caribbean states.

- 4) How can the Caribbean's foreign policies towards China and Japan help to explain and develop the study of small states in international relations?

The theoretical discussion of this research is grounded in the study of small states and the levels of analysis framework. This dissertation aims to point out that small

state foreign policy behaviour cannot be explained by using only the system level variable as has been the case in previous foreign policy analyses on small states which locate casualty at this level. As shown in the case studies presented in chapters 5 and 6, the state and individual levels are also important as domestic variables play a key role in determining the foreign policy direction of these Caribbean states. This discussion also shows that the domestic politics of Caribbean states interplay with their foreign policies to influence their interactions with China and Japan. This is largely due to the weaknesses inherent in the existing political system and political culture in the Caribbean. From the case studies we have seen where politicians are more concerned with the short term agenda of attracting aid and capital flows and in many instances, neglect to take into consideration the long term consequences of their decisions.

This research is entering into an area of a somewhat uncharted territory in the scholarship on International Relations and Foreign Policy Analysis. While China and Japan's relationship with other developing regions such as Southeast Asia, Africa and Latin America have been widely documented, there is a lacuna in the literature on interactions with Caribbean states. In the case of Caribbean and China relations, there have been few studies to date; whereas Japan's relationship with the Caribbean, to the best of the researcher's knowledge, has thus far been undocumented. Moreover, often times studies are done on Latin America and the Caribbean, however, the Caribbean context is either just a passing mention or none at all. In addition to contributing to the academic work on the Caribbean's relationship with China and Japan, this research will also add to the existing yet limited body of work on the general foreign policy of Caribbean states. The

discussion stresses that the economic development of Caribbean states is the focal point of the region's foreign policy motives and strategies towards China and Japan. This is consistent with the Caribbean's foreign policy since the 1960s whereby their economic survival has been at the helm. Moreover, as it relates to the overarching topic of small state foreign policy behaviour, one of the main arguments of this research is that small states do not practice a generic foreign policy. Instead, there are differences in the foreign policies pursued and this is tied to the attributes of the states.

7.1. Opportunities and Challenges for Caribbean States

The first research question of this study investigates the opportunities and challenges for Caribbean states in expanding their relations with China and Japan. Table 7.1. presents the opportunities that Caribbean states are seizing but also the challenges that simultaneously and resultantly arise.

Table 7.1. Opportunities and Challenges arising from Increased Relations with China and Japan

Opportunities	Challenges
Economic assistance	Strings attached to aid such as labour importation, diplomatic support
Diversification of trading partners	Widening trade deficit
Infrastructural development	Regional approach

Source: Compiled by author

One of the arguments emanating from previous chapters is that the reorientation of the Caribbean's foreign policies towards China and Japan is rooted in their need for economic adjustment. In Chapter 3, we saw how Caribbean states have consistently felt that they are dependent on some form of external assistance, whether it is in terms of aid or preferential trade agreements. Caribbean states have been grappling with the changes in the international economic system and hence, their engagement with China and Japan is one such way to adapt to these changes. China and Japan are among countries willing to provide economic assistance to these Caribbean states.

Japan has augmented its efforts to strengthen its relations with Caribbean states by pledging to assist them with financial and technical assistance despite the regional countries being graduated to middle-income countries and therefore no longer eligible for concessionary loans on the basis of per capita income. During Prime Minister Shinzo Abe's speech at the first Japan-CARICOM summit in Trinidad and Tobago in July 2014, in outlining the three pillars of Japan's CARICOM foreign policies, also indicated the intention to revise this basis.¹ Maki Kobayashi-Terada, the director of the Caribbean Division, Latin American and Caribbean Affairs at the Ministry of Foreign Affairs, reiterated this promise following the Prime Minister's trip stating that "we promised that we are going to extend cooperation and we have already increased six fold compared to the past few years. We are going to work together in order to have meaningful cooperation even

¹MOFA, Japan, "Press Release on Japan – Caribbean Community (CARICOM) Summit Meeting: Japan's CARICOM Policy," July 28, 2014, accessed July 29, 2014, <http://www.mofa.go.jp/files/000047229.pdf>. See Appendix C.

though some of the Caribbean countries have a higher standard of living in terms of per capita income”.²

In the case of Caribbean-China, Chinese loans have been deemed more attractive than those offered by international financial institutions and banks such as the IMF and World Bank. This is based on the fact that they do not impose policy conditions that require the borrowing state to execute any organizational or policy-related reform.³ Brautigam, writing on China’s engagement with Africa, contends that Chinese loans are given based on the principle of non-intervention in the domestic affairs of other states and hence, does not force them to comply with traditional conditionalities such as those attached to western lending institutions.⁴ In the Caribbean context, the case is the same as Chinese economic assistance is given under a principle of non-interference in the governance of countries and hence, this is particularly appealing to Caribbean states.⁵ Caribbean states are therefore drawn to China because it is much easier to secure loans and access development assistance. Furthermore, due to this no conditions approach, distribution of Chinese loans and aid to countries is done in a relatively short period of time. This is more favourable than having to deal with the institutional bureaucracy associated with loans from multilateral agencies.

Another advantage of increasing engagement with China and Japan is that these two Asian powers represent another source of partners for trade and

²*Jamaica Observer*, “Japan offers technical, financial assistance to Caribbean,” November 13, 2014, accessed November 20, 2014, http://www.jamaicaobserver.com/news/Japan-offers-technical-financial-assistance-to-Caribbean_17923589

³Kevin P. Gallagher, Amos Irwin, and Katherine Koleski, *The New Banks in Town: Chinese Finance in Latin America*, (Washington D.C.: Inter-American Dialogue, 2012).

⁴Brautigam, *The Dragon’s Gift*.

⁵Interview with Person A, from the Ministry of Foreign Affairs and Foreign Trade, Kingston, Jamaica, September 20, 2012.

investments. Caribbean governments are eager to find not only new sources of economic assistance but trade as well in the current economic climate and are keen to diversify their diplomatic relations. While Caribbean countries have a trade imbalance with China and Japan, there are still advantages to increasing trade. Such advantages include access to less expensive imports. For example, imports of manufactured goods from China and automobiles from Japan are more attractive to Caribbean states because of their relatively low prices when compared to traditional partners.

Despite the unimpressive value of exports to China and Japan, there are still some opportunities which countries like Jamaica have been able to seize. In Chapter 5, it was shown how Japan has consistently provided a market for Jamaica's Blue Mountain coffee over the years. Jamaica is dependent on this market having almost 80 per cent of its produce exported to Japan. Bernal contends that despite the trade imbalance, there are prospects for Caribbean exports to China to increase.⁶ This opportunity may be seen in the cases of both China and Japan and their interest in resources such as bauxite, oil and natural gas in the region. Whereas in Africa and Latin America, the exploitation of resources is rife in the discourse; with regards to the few natural resources in Jamaica, for example, the concern is not the same as on its own, the state would not be able to tap into its resources. Hence, this is a welcoming venture and it is for this reason that often times, leaders are quick to sign agreements without proper scrutiny of the strings attached which is discussed later on.

⁶Bernal, *Dragon in the Caribbean*.

China and Japan's assistance in the Caribbean's infrastructural development has been noteworthy. Projects have been executed to build roads and highways and to improve facilities such as basic and primary schools, among others. As discussed in Chapter 5, the highway project in Jamaica was contracted by CHEC, a Chinese-owned company. The first phase of the Highway 2000 project linked the north and south of the island and covered 62.7km. Currently, CHEC is undertaken the second phase of the project. An increase in projects relating to infrastructural development generates employment in the Caribbean; for example, major projects such as the Highway 2000 project in Jamaica create employment for its citizens. However, this is not always the case as often times, there are discrepancies surrounding labour on Chinese projects for example, which is later discussed as a disadvantage associated with China's economic assistance.

With the financial support of infrastructural projects whether by grants or loans, often times comes exclusive supply of imported labour. This is consistent with Chinese support in developing countries in Africa and closer to home, the Bahamas for example. African countries have had a noticeable experience in relation to Chinese loans for infrastructure which though intended to reduce the high costs of production, also resulted in contracts being tied to Chinese firms through biddings that were not very transparent and moreover, an overwhelming number of Chinese workers.⁷ Similarly, problems emerged in 2010 over the number of Chinese workers being used on a tourist project in the Bahamas, Baha Mar. The project to build a 3,800 room resort was funded in part by the Chinese Export-Import Bank of the People's Republic of China, and saw the employment of a rough estimate of 5000

⁷See Brautigam, *The Dragon's Gift*.

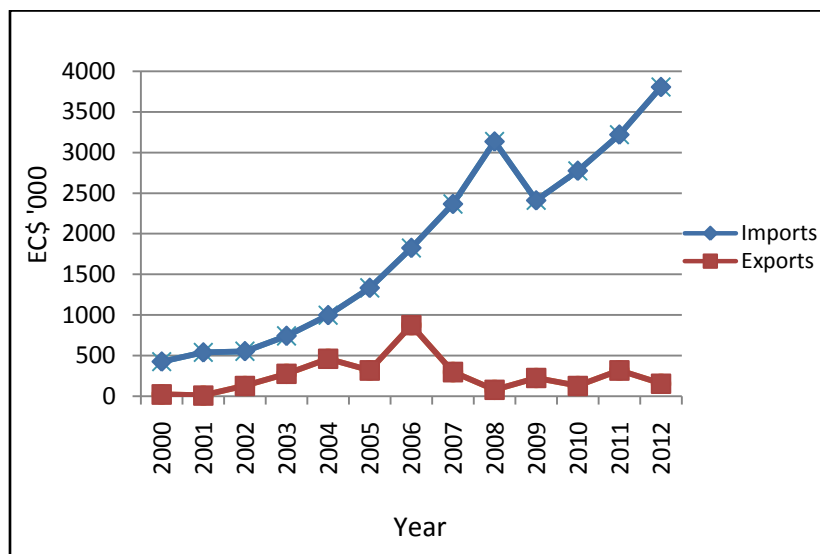
non-Bahamian workers.⁸ This was also evidenced in the cases of the Greenfield Stadium in Jamaica and the Queen's Park Stadium in Grenada. Discontent over imported Chinese labour has been popular in the discourse of Caribbean citizens and politicians. This may be a reflection of the strong bargaining position of those who are paying for the projects. This has pushed Caribbean governments to negotiate more rigid stipulations regarding labour use.⁹ Moreover, Caribbean states may be able to improve their bargaining strength if this is done collectively.

While the diversification of trading partners and markets was earlier highlighted as a positive for Caribbean states, the widening trade deficit that has been accruing is, however, a cause for concern. The trade deficit between Caribbean states and China has expanded significantly since 2006 from EC\$-952,000 to EC\$ -3,653,000 in 2012 (see Figure 7.1.). This was highlighted also in the case studies presented on Jamaica and Grenada as well. This increase in imports from China may be attributed to China's rapid economic growth which has outpaced that of Caribbean exports. Moreover, Chinese goods offer cheaper more attractive prices than traditional partners such as the US.

⁸Sir Ronald Sanders. "Chinese Take Away?" November 2010, accessed February 2, 2012, <http://www.sirronaldsanders.com/viewarticle.aspx?ID=204>

⁹Interview with Person B, from the Ministry of Foreign Affairs and Foreign Trade, Kingston, Jamaica, September 20, 2012. Interviewee proclaimed that governments have been pushing for use of local labour on projects and that this was unique to negotiations with Chinese.

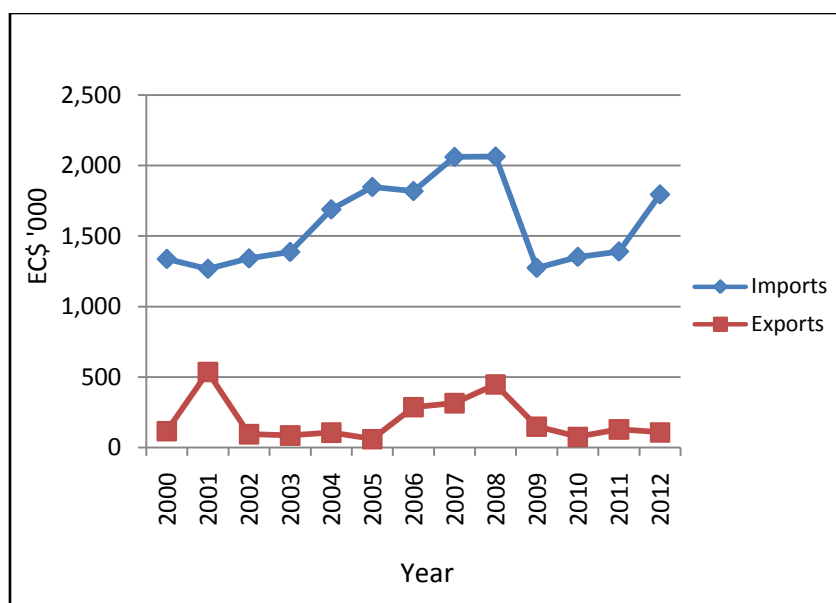
Figure 7.1. Value of Trade with China, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

A similar trade imbalance is seen between Caribbean states and Japan, where the value of imports far outweighs the value of exports from the region (see Figure 7.2.). The value of imports from Japan has been consistent over the years and can be attributed to the importation of automobiles to the region. However, during this time, Caribbean states have still face difficulties, as in the case with China, to penetrate the market. In 2012, the value of goods imported to the region from Japan was EC\$ 1,796,000 compares to EC\$ 108,000 that was exported to Japan. In Chapter 5, it was highlighted that the only goods of substantial value that Jamaica was exporting to Japan was the Blue Mountain coffee. However, even exports of coffee started to experience a decline.

Figure 7.2. Value of Trade with Japan, 2001-2012



Source: Compiled by author based on data collected from CARICOM Regional Trading Information System, accessed June 27, 2014, <http://www.caricomstats.info/tradsysonline>.

Caribbean states have not been adequately exploiting their opportunities to export products to Chinese and Japanese markets. Products such as coffee and rum which are considered high quality goods in the region need to be marketed better so that they can penetrate these markets to a greater extent. There are however, prospects for increasing export of raw materials such as bauxite and natural gas but this also depends on how well Caribbean states push this agenda.

I have highlighted the attempts at regional integration as a challenge for Caribbean states in expanding their relations with China and Japan. In reviewing the literature on small states in Chapter 2, it was highlighted that small states have tended towards alliance formation to give themselves a better advantage or footing in the international system against larger more powerful states. Regional integration can therefore be highlighted as one such way for Caribbean states to improve their position in order to maximise the opportunities to be seized and reduce the

challenges posed. However, as highlighted in Chapter 3, attempts at regional integration have proved somewhat unfulfilling. While CARICOM represents the 15 member states of the region, the extent to which the organization is effective is questionable. This is in large part due to the own internal division amongst member states where domestic interests are priority for each state. Agreements with Japan are done with CARICOM however activities are still seemingly conducted on a state-to-state basis as each member states seeks to advance its own national interests. In the case of China, interactions are not done with CARICOM as a whole because not all member states have recognized the One China policy. In order to negotiate better terms of agreements signed especially with regards to possibly an institutionalised trading agreement where Caribbean goods can be guaranteed a market, Caribbean states may be prove stronger as a whole rather than as individuals. However, internal challenges will first have to be addressed within the institution.

One major criticism often espoused in relation to projects in the Caribbean relates to the lack of transparency in the awarding of contracts and the terms of the agreements signed. In an interview with one government official, it was revealed that often times, Caribbean officials are only made aware of the major points of the actual agreements signed between their government and the Chinese government, for example.¹⁰ In 2013, Jamaica's Prime Minister Simpson-Miller made two separate visits to Asia; one to China in August and the other to Japan in November. The announcement of the Prime Minister's trips was made few days prior to her

¹⁰Interview with Person E, formerly from the Ministry of Agriculture and Fisheries. Kingston, Jamaica, October 1, 2012.

departure.¹¹ Moreover, the details of her visits, where she met and signed agreements with the heads of government of both Asian countries, were not immediately reported. As noted in the case studies, not only are the terms of agreements not debated, but also the projects embarked on are proving to be of limited benefit to Caribbean people.

Considering these challenges, the question of why Caribbean states are intensifying their relations with China and Japan arises. It is possible to argue that an answer to this may lie in the fact that Caribbean states are currently in an economic predicament and have been searching for ways to improve their national fiscal situation. As such, Caribbean governments are often times more focused on the immediate goal of aid and investments.

¹¹It should be noted that the schedule of the Prime Minister's trip was indicated on MOFA, Japan's calendar on their website in advance. However, on the Jamaican side, the public was not made aware beforehand.

7.3. Foreign Policies of Caribbean States

One of the primary arguments in this thesis revolves around the use of value resources for economic gain. According to Cooper and Shaw, “what small states lack in structural clout they can make up through creative agency”.¹² As Chapter 6 demonstrated, Grenada, prior to its recent engagement with China, had used its value-based resource as a means of attaining economic adjustment. This is primarily seen in their establishment of offshore financial centres that were characterized by low tax rates and secrecy. As discussed by Palan and later Prasad, these strategies have been seen primarily in microstates with populations well under one million. This, Prasad argues, indicates that these are the states more prone to using this strategy given their lack of other natural resources. The smaller Eastern Caribbean countries are not endowed with natural resources and it is therefore this lack of natural resources that leads smaller states in the Caribbean to be more creative.

As noted before, this creative use of value-based resources includes the sale of economic citizenship and flags of convenience, and the setting up of offshore financial centres. This dissertation argues that this is similar to Grenada’s use of its votes and recognition in devising its foreign policy towards China and Japan, as we have seen in Chapter 6.

In the case of Jamaica, as highlighted in Chapter 5, China and Japan are interested in the country’s resources such as bauxite and agricultural products such as coffee. However, because of the limited resource based as compared with Latin American countries for example, foreign policy strategies toward China and Japan

¹²Andrew F. Cooper and Timothy Shaw, “The Diplomacies of Small States at the Start of the Twenty-first Century: How Vulnerable? How Resilient?” in *The Diplomacies of Small States Between Vulnerability and Resilience*, eds. Andrew F. Cooper and Timothy Shaw (London: Palgrave Macmillan, 2009).

involve the use of its natural resources complemented by its value-based resources in particular the country's quality advocacy and support in international fora.

7.4. Motivations behind China and Japan's interest in the Caribbean region

The third research question relates to the reasons behind China and Japan's interest in this region of small states with limited natural resource. This research proposes that their motivations are rooted in the advancement of their economic development, political security and global status.

Table 7.2. Summary of Key Features of China and Japan’s Relations with Caribbean States

	China	Japan
Motivations <ul style="list-style-type: none"> • Economic Development • Political Security • Global Status 	Search for natural resources, transportation routes and markets for exports. One China Policy Rise of China as a superpower	Search for natural resources, transportation routes and markets for exports United Nations Security Council Reform, IWC Maintain prestige “Rivalry” with China
Strategies	Soft Use of Power - building hard infrastructure -provision of conditionality-free loans - cultural diplomacy	ODA -Infrastructure development -Social and human development
Approach	Pragmatic Approach - Economic cooperation and trade - Cultural Diplomacy - Improve relations based on the One China Policy	Policy-based Approach - Support of Shared vulnerabilities - Mutual cooperation and friendship - Cooperation in international arena
Principles	Win-Win Cooperation Self- Reliance South-South Cooperation Non-interference	Shared vulnerabilities Environmental Concerns Cooperation Social development Democracy Non-interference
Result	Recognition of One China Policy Votes in International Fora Widening trade surplus Investments in bauxite, lng industry	Votes in International Fora Quality advocacy Widening trade surplus Investments in bauxite, lng industry

Source: Compiled by Author

Economic development relates to the need to secure existing natural resources wherever they exists while also broadening access to export markets. As highlighted in previous chapters, there is interest in the bauxite in Jamaica and Guyana as well as the oil and natural gas in Trinidad and Tobago. In Chapter 4, the value of Chinese and Japanese imports to the region was also presented to highlight that Caribbean

states do provide a worthwhile market. The strategic location of the Caribbean region is also of some importance. Caribbean states “offer the advantage of being a neighbour to the US and having access to that market”.¹³ Also of importance is the regions location vis-à-vis the Panama Canal. Access to shipping lanes especially with the expansion of the Canal is crucial for China and Japan.

The dimensions of political security and global status motivations are based on the trading of the Caribbean’s value-based resources. These small states have assumed high-profile diplomatic roles in international fora For example, Trinidad and Tobago was a forerunner in promoting the agenda of the ICC, Antigua and Barbuda was the Chair of the 68th session of the UN General Assembly and more recently, Jamaica was appointed Chair of the UN First Committee. Caribbean states do not solely represent a single sovereign vote but also quality vote. While their votes in international organizations are important to China and Japan, of equal importance is their support and promotion of common agenda. Japan’s bid for UN Security Council reform and a non-permanent member seat requires the support of Caribbean countries and helps to explain increased interest in strengthening ties with the region.¹⁴

The recent visit of Japanese Prime Minister Abe to the Caribbean just one year after that of Chinese President Xi Jinping, generated much attention in the media both locally and internationally. Thus prompting discussion among citizens and academics questioning the motives behind Japan’s maintaining a presence in the

¹³Interview with Person D, formerly from the Ministry of Foreign Affairs and Foreign Trade. Kingston, Jamaica, September 27, 2012.

¹⁴*The Yomiuri Shimbun*, “Reciprocal, sustainable long-term ties with Latin America Important,” August 3, 2014.

Caribbean.¹⁵ While Japan's motivations in the Caribbean region are related to their long-standing relationships with Caribbean states, they can also be viewed as a strategy to counter check China's presence in the region. China's presence in the Caribbean surpasses that of Japan. This can be attributed to China's rapid and growing economy as well as the fact that China can give economic assistance without conditions attached to development assistance as in the case of Japan. Japan's decision to consider the basis of aid giving to developing countries shows that the country is taking the necessary steps to maintain its presence in the region. As China economic and diplomatic presence deepens, Japan is struggling to stay relevant.

Table 7.2. presents a summary of the key features of China and Japan's relations with Caribbean states based on discussions in previous Chapters. Chapter 4 highlighted that while motives for a presence in the region may be of a similar nature, conduct and strategies show differences. China's approach towards the region is less ideological and asserts to be more pragmatic one which is consistent with their relations with other developing countries. While espousing rhetoric of no conditionalities and non-interference, we have seen in the case studies, that there are in fact some strings attached to its aid. Japan's strategies elucidate the difference in approach from China in dealing with these countries.

¹⁵ *Jamaica Observer*, "Japan not leaving it all to China in the Caribbean," July 30, 2014, accessed September 20, 2014, http://www.jamaicaobserver.com/editorial/Japan-not-leaving-it-all-to-China-in-the-Caribbean_17264684

7.5. Small States and the Levels of Analysis Question

As highlighted in Chapter 2, the literature on small states in international relations is generally preoccupied with discussions about conceptualising “smallness”, and later about the weaknesses and vulnerabilities of small states and their viability. The new wave of literature burgeoning proposes that despite these vulnerabilities, small states are in fact quite resilient and in many cases have performed quite well. Payne argues that resilience is not a quality but a strategy of small states.¹⁶ Hence, the concept of vulnerability should not be discarded for that of resilience as they both mutually constitute the policies of small states.¹⁷

This research similarly argues that due to the perceived vulnerabilities of Caribbean states, they have been forced to find ways of adapting to changes brought on from globalisation and trade liberalisation. Their resilience is shown in the way in which having acknowledged their vulnerabilities, they have been utilising their positive attributes to devise ingenious strategies to help them adjust and survive in changing international relations. This is seen in the case studies presented, whereby Jamaica and Grenada have been using their value-based resources in the foreign policies pursued towards China and Japan

Another aspect of small state foreign policy behaviour that this dissertation highlights pertains to the variations in the behaviour. Despite the similarities shared by these states, there are in fact differences in their foreign policies pursued. Payne has similarly hinted at this divergence in small state phenomenon, asserting that it is necessary to recognize the multiple natures of small states and the variations in their

¹⁶Payne, “Afterword: Vulnerability as a Condition, Resilience as a Strategy.”

¹⁷Ibid.

practices.¹⁸ This research contributes to the field in this area, by showing that (1) there are differences and (2) that these differences are related to the attributes they possess. Chapter 5 highlighted the case of Jamaica and how the possession of bauxite and rare earth minerals as well as a prosperous coffee industry is essential in determining the foreign policies pursued towards China and Japan. This is complemented by a use of its value-based resources such as quality advocacy in international arenas. The case of Grenada is however, different, as the countries strategies are created based on their value-based resources seen in the recognition of the One China policy and support in the IWC, and even much earlier, in the establishment of offshore financial centres and selling of citizenship as a means of economic adjustment.

Foreign policy analyses of small states have typically been focused on using the system level of analysis to as the explanatory variable. In Chapter two, the literature reviewed also cited the individual level as the most important level in explaining the foreign policies of Caribbean states. However, the role of the state level of analysis has been downplayed. Hence this dissertation argues that all three levels of analysis are useful in order to explain and understand the foreign policy behaviour of Caribbean states.

The system level of analysis is useful in explaining how the changes in the structure of the economic system have impacted the economies of Caribbean states and as such, influenced the reorientation of their foreign policies. The state level of analysis highlights how the domestic economic conditions influence the actions of Caribbean states which are driven by their national interests. The case studies

¹⁸Payne, “Afterword: Vulnerability as a Condition, Resilience as a Strategy.”

highlighted the importance of the political system of the Caribbean's foreign policy decision-making. This is compounded by the political culture which reveres the Prime Minister and his Cabinet as overarching power figures.

With the widespread availability of news via the internet there has been growing coverage and in effect, interest among the wider Caribbean public regarding foreign policy issues. Interestingly, at the most recent, Japan-CARICOM Ministerial Meeting held on November 15, 2014 in Tokyo, Caribbean journalists chosen from The Bahamas, Haiti, Trinidad and Tobago, Barbados, and Jamaica had been invited by the Japanese Government to cover the event. This shows greater efforts to keep the Caribbean public informed about the international affairs of the region. On the part of Japan, the move to invite foreign journalists to cover the event may also be interpreted as a strategy to make its presence in the region more visible and audible.

At the individual level of analysis, we observe the important role played by the leader or the Prime Minister in foreign policy decision-making. Previous chapters have shown the extent of the leaders influence on decisions taken, for example in the cases of Manley and Bishop whose socialist ideology were pinned to the foreign policies of their countries. Later leaders are less ideological, however their influence is still significant and this is in large part due to the political system which affords power to the Prime Minister.

The case studies therefore indicate that all three levels of analysis may be used to explain the foreign policies of Caribbean states as small states in the international system. The interplay among the levels is evident as we see (1) how changes in the international system affect the domestic economic conditions of the state; and (2) how the political system of the state awards power and importance to the leader.

7.6. Caribbean Outlook

In tying up the main arguments of this dissertation, it may also prove constructive to include in this conclusion one possible limitation of this research due to my limited language abilities. This language barrier has resulted in the exclusion of sources written in Chinese and Japanese which could have potentially enhanced the quality of this research. However, I have the added advantage of writing this dissertation at Japanese institution and under the supervision of advisors who have guided me towards reference materials not subjected to western bias. More importantly, however since this research is focused on the Caribbean's perspective, this limitation should not prove worrisome.

This research has argued that the Caribbean's increased relationship with China and Japan is driven by their economic needs. As discussed in previous chapters, Caribbean states have traditionally been dependent on both aid and non-reciprocal trade agreements with developed countries. With the decline in ODA and the loss of preferential access to the European market, Caribbean states have been searching for ways to diversify their economies and partners. They have been reorienting their foreign policies in order to find new ways for economic adjustment.

As has been demonstrated throughout this dissertation, the foreign policies of Caribbean states are driven by their need for economic development and security. Moreover, the case studies have highlighted that despite their similar vulnerabilities at small states and their current economic predicament, there are in fact differences in their foreign policies. This is related to the attributes possessed by each state.

The decision to increasingly engage with China and Japan is rooted in the economic adjustment of Caribbean states. The case studies presented have also pointed to significant disadvantages or limited benefits associated with Chinese and Japanese loans and investments. The identified disadvantages relate to the widening trade deficit among others.

China and Japan's engagement with the Caribbean at the moment are relatively modest in comparison to Latin America. However, as China continues to grow as a leading economic power, trade and investment ties with the region are expected to increase. Ellis argues that the resumption of China and Taiwan's diplomatic competition would substantially increase China's political ties globally.¹⁹ In the Caribbean context, this would yield greater impact on the regional integration efforts of the region. Currently, four members of CARICOM diplomatically recognize Taiwan. In the event that the competition for diplomatic recognition resumes and China's manages to gain the support of these four countries, then an institutional arrangement could be established between CARICOM and China, similar to that with Japan.

¹⁹R. Evan Ellis, "The Strategic Dimension of Chinese Engagement with Latin America," *Perry Paper Series*, no. 1. Washington DC: William J. Perry Center for Hemispheric Defense Studies, 2013, accessed January 11, 2014, <http://chds.dodlive.mil/files/2013/12/pub-PP-ellis.pdf>.

With the changes in the current international economic system, the Caribbean region has evidently become less important to its more traditional partners. However, it is obvious that the region sparks interest for its Asian partners – China and Japan. Despite concerns about use of imported labour for buildings, flooding of markets with Chinese and Japanese goods etc. the relationship so far may be considered as a mutually beneficial one whereby, China and Japan, in return for their interests, provide the region with investments, aid and technical assistance well needed and well received.

In order to maximize on the benefits to be gained from this relationship with Asia and moreover, to ensure that it remains mutually beneficial, Caribbean states need to strengthen regional integration and work more actively as CARICOM rather than as members of CARICOM. Interestingly, in discussing the future of CARICOM in a changing global environment some ten years ago, Brewster posited that the region needed to stop neglecting the potential opportunities for formalizing economic relations with Japan.²⁰ He argued that there could be substantial advantages of such relationships and apart from filling the attention void of Europe and America, it could provide competition for the region.

²⁰Havelock Brewster, “The Future of CARICOM in a Changing International Environment,” in *Caribbean Community: The Struggle for Survival*, eds. Kenneth Hall and Myrtle Chuck A. Sang, 386-413, (USA: Trafford, 2012).

Appendix A

“China's Policy Paper on Latin America and the Caribbean”

The Central People's Government of the People's Republic of China,

November 5, 2008, accessed December 20, 2010,

http://www.english.gov.cn/pfficial/2008-11/05/content_114-347.htm.

Foreword

The world today is undergoing major transformation and adjustment. Peace and development are the trend of the times. The move toward multi-polarity is irreversible and economic globalization is gaining momentum. World peace and development are facing new opportunities as well as various challenges. It is in the fundamental interest of people of all countries and also their common aspiration to share development opportunities, jointly address challenges and promote the noble cause of peace and development of mankind.

As the largest developing country in the world, China is committed to the path of peaceful development and the win-win strategy of opening-up. It is ready to carry out friendly cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence and build a harmonious world of durable peace and common prosperity.

Latin American and Caribbean countries are an important part of the developing world and a major force in the international arena. Under new circumstances, the development of relations between China and Latin American and Caribbean countries is faced with new opportunities. In issuing this policy paper on Latin America and the Caribbean, the Chinese Government aims to further clarify the goals of China's policy in this region, outline the guiding principles for future cooperation between the two sides in various fields and sustain the sound, steady and all-round growth of China's relations with Latin America and the Caribbean.

I. The Status and Role of Latin America and The Caribbean

Latin America and the Caribbean have a long history, vast territory and abundant resources, and the region enjoys a good foundation for economic and social growth and huge development potential.

Countries in the region have been actively exploring development paths suited to their national conditions. They have maintained political stability and continued economic growth, and the life of the people is steadily improving. Latin American and Caribbean countries cherish a strong desire for self-development through unity and the commitment to promoting regional peace, stability and development. The region on the whole is growing in strength and its international influence is rising. Latin American and Caribbean countries have taken an active part in international affairs and contributed significantly to world peace and common development. They are playing an increasingly important role in regional and international affairs.

II. China's Relations with Latin America and the Caribbean

Though China and Latin America and the Caribbean are far from each other, the two peoples enjoy a time-honored friendship. The two sides are at a similar stage of development and face the common task of achieving development. Both sides cherish the desire for greater mutual understanding and closer cooperation.

During the twenty years or so after the founding of New China in 1949, China and Latin America and the Caribbean mainly conducted people-to-people exchanges. In the 1970s and 1980s, China established diplomatic ties with most countries in the region. Friendly cooperation between the two sides in various fields registered momentous growth in the 1990s. Since the beginning of the 21st century, the two sides have enjoyed more frequent high-level exchanges, stronger political mutual trust and closer cooperation in economy, trade, science and technology, culture and education, and mutual support and close coordination in international affairs. New progress has been made in relations between the two sides in an all-round way at various levels and across a broad spectrum of areas.

Friendly cooperation between China and Latin America and the Caribbean serves the fundamental interest of the two peoples. Future growth of relationship between the two sides enjoys great potential and broad prospects, and will contribute more significantly to peace and development of mankind.

III. China's Policy on Latin America and the Caribbean

To enhance solidarity and cooperation with other developing countries is the cornerstone of China's independent foreign policy of peace. The Chinese Government views its relations with Latin America and the Caribbean from a strategic plane and seeks to build and develop a comprehensive and cooperative partnership featuring equality, mutual benefit and common development with Latin American and Caribbean countries. The goals of China's policy on Latin America and the Caribbean are:

-- Promote mutual respect and mutual trust and expand common ground. Based on the Five Principles of Peaceful Coexistence, China and Latin America and the Caribbean will treat each other as equals and respect each other. They will strengthen dialogue and communication, enhance political mutual trust, expand strategic common ground, and continue to show understanding and support on issues involving each other's core interests and major concerns.

-- Deepen cooperation and achieve win-win results. The two sides will leverage their respective strengths, tap the potential of cooperation, and seek to become each other's partner in economic cooperation and trade for mutual benefit and common development.

-- Draw on each other's strengths to boost common progress and intensify exchanges. The two sides will carry out more cultural and people-to-people exchanges, learn from each other and jointly promote development and progress of human civilization.

-- The one China principle is the political basis for the establishment and development of relations between China and Latin American and Caribbean countries and regional organizations. The overwhelming majority of countries in the region are committed to the one China policy and the position of supporting China's reunification and not having official ties or contacts with Taiwan. The Chinese Government appreciates such a stance. China is ready to establish and develop state-to-state relations with all Latin American and Caribbean countries based on the one China principle.

IV. Strengthen China's Comprehensive Cooperation with Latin American and Caribbean Region

1. In the Political Field

(1) High-Level Exchanges

China wishes to maintain the momentum of close exchanges with leaders of Latin American and Caribbean countries to increase mutual understanding and trust, step up exchange of experience on governance and consolidate the political basis for the growth of relations with Latin American and Caribbean countries.

(2) Exchanges Between Legislatures

The National People's Congress of China wishes to strengthen friendly exchanges with parliaments of Latin American and Caribbean countries, the Latin American Parliament, the Mercosur Parliament, the Andean Parliament, etc. at multiple levels and through various channels on the basis of respecting each other, deepening mutual understanding and promoting cooperation so as to enrich and invigorate relations with Latin American and Caribbean countries.

(3) Exchanges Between Political Parties

The Communist Party of China wishes to carry out friendly exchanges of various forms with political parties and organizations of Latin American and Caribbean countries on the basis of independence, full equality, mutual respect and non-interference in each other's internal affairs to learn from each other, increase mutual understanding and friendship, and strengthen mutual trust and cooperation.

(4) Consultation Mechanisms

Relevant agencies of the Chinese Government wish to establish and improve the mechanisms of standing committee, high-level committee, high-level mixed committee, strategic dialogue, political consultation, mixed committee on economy and trade, consultation on economy and trade, high-level working group, business cooperation forum, cultural and education mixed committee, and science and technology committee with their counterparts in Latin America and the Caribbean to increase consultation and promote exchanges and cooperation.

(5) Cooperation in International Affairs

The Chinese Government will continue to strengthen coordination and cooperation on international issues with Latin American and Caribbean countries, and maintain regular consultation with them on major international and regional issues. The two sides will continue to support each other on such important issues as sovereignty and territorial integrity. China stands ready to work with Latin American and Caribbean countries to strengthen the role of the United Nations, make the international political and economic order more fair and equitable, promote democracy in international relations and uphold the legitimate rights and interests of developing countries. China supports a greater role of Latin American and Caribbean countries in international affairs.

(6) Local Government Exchanges

The Chinese side highly values exchanges at the local government level with countries in Latin America and the Caribbean. It supports the twinning of provinces/states or cities between China and Latin American and Caribbean countries, and exchanges and cooperation in business, science and technology, culture and other fields to increase mutual understanding and friendship. It attaches great importance to cooperation with Latin American and Caribbean countries in international local governments organizations.

2. In the Economic Field

(1) Trade

The Chinese Government will continue to work with its Latin American and Caribbean counterparts in the spirit of equality and mutual benefit to expand and balance two-way trade and improve the trade structure to achieve common development. At the same time, it will work with these countries to properly settle trade frictions through consultation and cooperation. China will, on the basis of mutual benefit and win-win cooperation, give positive consideration to concluding free trade agreements with Latin American and Caribbean countries or regional integration organizations.

(2) Investment Cooperation

The Chinese Government encourages and supports qualified Chinese companies with good reputation in investing in manufacturing, agriculture, forestry, fishing, energy, mineral resources, infrastructure, and service sector in Latin America and the Caribbean to promote the economic and social development of both sides. The Chinese Government will continue to welcome investment by Latin American and Caribbean businesses in China.

(3) Financial Cooperation

The Chinese Government supports China's monetary and financial regulatory authorities and financial institutions in stepping up consultation and professional exchanges and cooperation on macroeconomic situation and economic and financial policies with their counterparts in Latin American and Caribbean countries. It encourages Chinese commercial banks to set up branches in Latin America and the Caribbean. It will push for the conclusion of banking regulatory cooperation agreements with Latin American and Caribbean countries as appropriate, and work with them to jointly combat money laundering and terrorist financing.

(4) Agricultural Cooperation

The Chinese Government will promote exchanges and cooperation in agricultural science and technology with Latin American and Caribbean countries through holding agricultural technique training programs and dispatching technicians to the Latin American and Caribbean region. An information exchange mechanism will be established to discuss issues of common interest. Cooperation in flora and fauna inspection will be intensified and agricultural trade will be expanded to jointly uphold food security.

(5) Industrial Cooperation

The Chinese side wishes to strengthen exchanges with Latin American and Caribbean countries in industry. It is desirable to establish and improve relevant cooperation mechanisms, share best practices in each other's industrialization process, and promote and deepen practical cooperation.

(6) Infrastructure Construction

The Chinese side will strengthen practical cooperation with Latin American and Caribbean countries in transport, information and communications, water conservancy and hydropower and other areas of infrastructure development, scale up project contracting in the region, and conduct mutually beneficial cooperation in various ways so as to contribute its share to further infrastructure development in the region.

(7) Resources and Energy Cooperation

The Chinese side wishes to expand and deepen mutually beneficial cooperation with Latin American and Caribbean countries in resources and energy within bilateral cooperation frameworks.

(8) Customs Cooperation

The Chinese side wishes to strengthen exchanges and cooperation with Latin American and Caribbean countries on customs by increasing exchanges between customs officers of the two sides and promoting trade security and facilitation. Exchanges and consultation will be increased on issues of mutual concern, such as smuggling and business fraud. Negotiations aimed at concluding documents on mutual administrative assistance with customs authorities of relevant countries will be held in due course.

(9) Cooperation on Quality Inspection

The Chinese Government wishes to step up exchanges and cooperation with Latin American and Caribbean countries on quality inspection, technical barriers to trade (WTO/TBT) and sanitary and phytosanitary measures (WTO/SPS), and establish and improve consultation mechanisms on quality inspection to ensure product quality and food safety. The two sides will strengthen exchanges and consultation on issues of mutual interest such as product quality, food safety, and quarantine of entry animals and plants, leading to the signing of protocols on quarantine of entry products. They will also conduct active exchanges and cooperation on measurement and standardization.

(10) Tourism Cooperation

The Chinese side will expand tourism cooperation with Latin American and Caribbean countries to enhance mutual understanding and friendship between the two peoples. The Chinese side will make vigorous efforts to promote visits by Chinese tourist groups to Latin American and Caribbean countries. It also welcomes citizens of Latin American and Caribbean countries to visit China.

(11) Debt Reduction and Cancellation

The Chinese Government will, based on its consistent policy on debt reduction and cancellation, discuss with relevant Latin American and Caribbean countries ways to relieve their debts as China's ability permits. The Chinese Government will also continue to call upon the international community, developed countries in particular, to take more concrete steps to reduce and cancel debts owed by Latin American and Caribbean countries.

(12) Economic and Technical Assistance

The Chinese Government will, according to its financial capability and level of economic and social development, continue to provide economic and technical assistance to relevant Latin American and Caribbean countries without attaching any political conditions. The Chinese Government will work within its ability and gradually increase its assistance to Latin American and Caribbean countries to meet their needs.

(13) Multilateral Cooperation

The Chinese Government is ready to strengthen consultation and coordination with Latin American and Caribbean countries in multilateral trade and financial institutions and regimes, with a view to promoting South-South cooperation, bringing about a more just and equitable multilateral trading regime and ensuring a bigger say and greater role in decision-making for developing countries in international trade and financial affairs.

(14) Chamber-of-Commerce Cooperation

The Chinese side will deepen its cooperation with chambers of commerce of Latin America and the Caribbean and push forward exchanges between business communities of the two sides through the China-Latin America Entrepreneur Summit, China-Caribbean Entrepreneurs Meeting and other mechanisms, in an effort to achieve win-win results.

3. In the Cultural and Social Aspects

(1) Cultural and Sports Exchanges

The Chinese Government will work actively to follow up on cultural cooperation agreements and relevant implementation programs signed with Latin American and Caribbean countries, maintain regular exchange of visits between cultural authorities of the two sides, and strengthen interaction and cooperation between cultural and art institutions and professionals of the two sides. To meet the needs for cultural exchange and market demand, the two sides will provide guidance for and push forward a variety of cultural exchange programs among various communities of the two sides.

The Chinese side will keep the momentum of exchanges between the sports authorities and national Olympic committees, and encourage direct contacts between sports associations of the two sides. Guidance and encouragement will also be given to bilateral sports exchanges in various forms.

(2) Cooperation in Science, Technology and Education

The Chinese side is ready to enhance scientific and technological exchanges with Latin American and Caribbean countries through the mixed committee on bilateral science and technology cooperation and high-level coordinating mechanism. The Chinese side will also strengthen cooperation with Latin America and the Caribbean in aeronautics and astronautics, bio-fuel, resources and environment technology, marine technology and other areas of shared interest. The Chinese side will promote wider application of Chinese technologies on energy-conservation, digital medical treatment, small hydropower and other results of scientific research and advanced applied techniques in Latin America and the Caribbean. The Chinese side will provide Latin American and Caribbean countries with technical training, services and demonstration, and step up cooperation and exchanges on the educational front with Latin American and Caribbean countries through bilateral and multilateral cooperation mechanisms. The Chinese side will work for the conclusion of the agreement on mutual recognition of diplomas and academic degrees, and increase the number of Chinese government scholarships for Latin American and Caribbean countries.

(3) Cooperation in Medical and Health Care

The Chinese Government will vigorously promote exchanges and cooperation in the medical and health care sector with Latin American and Caribbean countries, and share experience and carry out cooperation in such areas as disease control, response to public health emergencies, and control of HIV/AIDS and bird flu. The Chinese Government will continue to send medical contingents equipped with necessary medicines and medical equipments to relevant countries to help improve local medical facilities and train local medical professionals.

(4) Consular Cooperation and Personnel Exchanges

The Chinese Government will develop and deepen consular relations with Latin American and Caribbean countries, and strengthen and expand exchanges and

cooperation between the consular departments of the two sides. The Chinese Government will carry out bilateral or multilateral friendly discussions with Latin American and Caribbean countries on consular issues of shared interest to address each other's concerns through the establishment of a consular consultation mechanism. The Chinese Government will take effective measures to promote and safeguard regular personnel exchanges between the two sides, facilitate normal trade, investment and business activities and uphold the lawful rights and interests of people of the two sides.

(5) Media Cooperation

The Chinese Government encourages and actively promotes exchanges and cooperation between the media of the two sides at multiple levels and in various forms to increase mutual understanding and ensure comprehensive and unbiased reports of each other. It will work to increase communication and cooperation between government information departments of the two sides and provide convenience for media interaction and cooperation between the two sides.

(6) People-to-People Exchanges

The Chinese Government encourages exchanges between non-governmental organizations and academic institutions of the two sides and gives full play to the role of the mechanism for people-to-people friendly interaction in advancing friendly relations between China and Latin American and Caribbean countries. It will strengthen interaction with youth organizations and institutions of Latin American and Caribbean countries, and deepen friendly cooperation with women's organizations at the national, regional and non-governmental levels in Latin American and Caribbean countries, so as to build up mutual understanding and mutual trust and work together for gender equality and the advancement of women.

(7) Cooperation in Environmental Protection

The Chinese side will strengthen exchanges with Latin American and Caribbean countries in laws, regulations and policies related to environmental protection and promote cooperation in personnel training, education and capacity building in the fields of biodiversity conservation, as well as prevention and treatment of pollution and desertification.

(8) Cooperation in Combating Climate Change

The Chinese Government highly values its cooperation with Latin American and Caribbean countries in combating climate change and is ready to develop and consolidate bilateral cooperation under the United Nations Framework Convention on Climate Change and other relevant mechanisms. It will actively promote consultation and communication between the two sides on combating climate change and cooperation in related projects.

(9) Cooperation in Human Resources and Social Security

The Chinese side will strengthen exchanges and cooperation with Latin American and Caribbean countries in employment promotion, establishment of good labor relations, improvement of the social security system, human resources development and reform of the civil service system. It will, through the signing and implementation of memoranda of understanding on bilateral cooperation, deepen and expand bilateral exchanges in social aspects, and enhance coordination and cooperation between the two sides in international organizations such as the International Labor Organization.

(10) Disaster Reduction, Disaster Relief and Humanitarian Assistance

The Chinese Government will enhance information sharing, experience exchanges and technological cooperation in disaster reduction and relief with Latin American and Caribbean countries and facilitate the establishment of regular bilateral and multilateral meeting mechanisms between relevant departments of the two sides. It will continue to respond positively to the need for urgent humanitarian assistance of Latin American and Caribbean countries. It will encourage non-governmental organizations such as the Red Cross Society of China to conduct exchanges and cooperation with relevant Latin American and Caribbean organizations in this regard.

(11) Cooperation in Poverty Alleviation

The Chinese Government will strengthen exchanges and cooperation with Latin American and Caribbean countries in reducing poverty and narrowing the gap between the rich and the poor, and will encourage poverty alleviation institutions of the two sides to establish broad cooperative relations to share information and conduct joint research. More training programs designed for poverty alleviation personnel in Latin American and Caribbean countries will be launched, while more interaction on poverty reduction with inter-state or regional organizations in Latin America and the Caribbean will be strengthened. The two sides will also enhance exchange of visits and mutual participation in conferences and for a on poverty alleviation held by the other side.

4. On Peace, Security and Judicial Affairs

(1) Military Exchanges and Cooperation

The Chinese side will actively carry out military exchanges and defense dialogue and cooperation with Latin American and Caribbean countries. Mutual visits by defense and military officials of the two sides as well as personnel exchanges will be enhanced. Professional exchanges in military training, personnel training and peacekeeping will be deepened. Practical cooperation in the non-traditional security field will be expanded. The Chinese side will, as its ability permits, continue to provide assistance for the development of the army in Latin American and Caribbean countries.

(2) Cooperation in Judicial and Police Affairs

The Chinese side will steadily expand its cooperation with Latin American and Caribbean countries in judicial affairs, judicial assistance in criminal and civil matters and extradition in particular. Cooperation in information sharing, penalty enforcement and legal services will be strengthened. Concerted efforts in law enforcement involving the interior and police departments of relevant countries will be stepped up to jointly combat transnational organized crimes including drug crimes and economic crimes. Intelligence and technological exchanges will be strengthened, with bilateral and multilateral exchange mechanisms put in place, so as to share information on illegal immigration and improve the capacity for its prevention.

(3) Non-traditional Security Issues

The Chinese Government will further its exchanges and cooperation with Latin American and Caribbean countries on non-traditional security issues by increasing information sharing and personnel exchanges and explore effective ways to deepen cooperation on non-traditional security issues such as combating terrorism, so as to jointly improve the capacity to respond to non-traditional security threats.

V. China's Relations with Latin American and Caribbean Regional Organizations

The Chinese Government appreciates the important role of Latin American and Caribbean regional and sub-regional organizations in safeguarding peace and stability in the region, and promoting regional solidarity, development and integration. It supports these organizations in exerting their influence in regional and international affairs. The Chinese side will continue to strengthen communication, consultation and cooperation with relevant organizations in various fields.

Appendix B

"A New Framework for Japan-CARICOM Cooperation for the Twenty-First Century"

Ministry of Foreign Affairs, Japan, November 8, 2000, accessed November 20, 2010, http://www.mofa.go.jp/region/latin/latin_e/caricom0011.html

The Minister for Foreign Affairs of Japan and the Ministers responsible for Foreign Affairs of the Member States of the Caribbean Community (hereinafter referred to as "CARICOM"), i.e. Antigua and Barbuda, the Commonwealth of The Bahamas, Barbados, Belize, the Commonwealth of Dominica, Grenada, the Co-operative Republic of Guyana, the Republic of Haiti, Jamaica, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, the Republic of Suriname and the Republic of Trinidad and Tobago, meeting in Tokyo on November 8, 2000, discussed a framework for future cooperation between Japan and the CARICOM Member Countries and developed "A New Framework for Japan-CARICOM Cooperation for the Twenty-first Century."

1. Partnership for Stability and Development

In light of the deepening interdependence in international relations and the consequences of globalization, the Ministers renewed their determination to further strengthen relationship between Japan and the CARICOM Member Countries, while the CARICOM states are also seeking to further enhance their relations with other Asian and Pacific countries. The Ministers resolved to make every effort to further develop Japan-CARICOM relations under a framework of "Partnership for Stability and Development" with particular emphasis on:

1. cooperation for the economic and social development of the CARICOM Member Countries,
2. cooperation for integration into the global economy; active economic interaction and exchanges between Japan and the CARICOM Member Countries, involving their respective private sectors, and
3. cooperation in international fora such as the United Nations and the World Trade Organization.

1-1 Cooperation for Economic and Social Development

The Ministers took note of the economic, social and environmental vulnerability of the Caribbean states and the variety of opportunities and challenges brought by a rapid process of globalization. They reaffirmed their common view that development cooperation should be further promoted to support the efforts of the CARICOM Member Countries to pursue sustainable economic and social development, centering on poverty reduction and other areas as follows:

Good Governance

In view of the fact that political stability is a prerequisite for the smooth implementation of development programmes, the Ministers will promote domestically and internationally the elaboration of processes built on the principles of democracy, justice and respect for human rights. The Ministers recognize that the international community needs to provide assistance in the capacity building of states while respecting their sovereignty. They will also cooperate in building of capacity of judicial institutions in the Region, including human resource development, taking into account progress made in the establishment of the Caribbean Court of Justice.

Poverty Reduction

Trade liberalization and globalization of economies have exposed the widening gaps of income within countries and between countries and are contributing to the increase in the population of the poor. In light of this, the Ministers resolved to cooperate in the creation of job opportunities for the socially disadvantaged, including women, to increase access to primary health care services, basic education, potable water, and to improve the capacity for the prevention and treatment of HIV/AIDS and other infectious diseases.

Environment and Disaster Prevention

The preservation of the environment and the mitigation of natural disasters are of vital importance to the sustainable development of the Caribbean countries, as they are to Japan. With respect to the environment, the Ministers expressed their determination to cooperate in the prevention of marine pollution, management and treatment of waste disposal and other measures to prevent environmental degradation. They also decided to promote cooperation in human resource development, improvement of regulatory systems and enhancement of administrative capabilities in this regard. As regards natural disasters, the Ministers decided to promote cooperation for the provision of adequate resources to cope with natural disasters and to establish machinery for preventative action and rehabilitation. It was also decided that international cooperation should be promoted to strengthen the institutional capacity of the regional and national agencies concerned with disaster prevention, emergency response and management.

Development of Small and Medium Enterprises

Recognizing that the development of small, medium and micro-enterprises contributes to a more diversified industrial structure and to the promotion of rural development and poverty reduction, the Ministers decided to cooperate in vocational training and other human resource development programmes in such areas as marketing, the development of manufacturing skills, standards and quality control, entrepreneurship, business accounting and other management skills.

1-2 Cooperation for Integration into the Global Economy

The Ministers shared the view that the expansion of trade in goods and services, increased inflows of foreign investment, and the greater access to information and communications technology are of vital importance for ensuring sustainable growth of the Caribbean economies and their integration into the global economy. They

therefore reaffirmed the need to encourage interaction and exchanges between Japan and the CARICOM countries involving their private sectors and to intensify cooperation to support infrastructure and human resource development, especially in the following areas:

Tourism, Fisheries and Agriculture

Both sides will explore the possibility of convening, as soon as possible, an appropriate forum involving both Japanese and CARICOM tourism industries, in collaboration with the Caribbean Tourism Organization, for the purpose of promoting interaction and exchange in tourism and identifying possible areas of cooperation for tourism development, including cooperation by the private sector, in the Caribbean Region. They will pursue closer cooperation in the area of infrastructure development, the provision of equipment, human resource development and technical assistance with a view to further strengthening the fishing industries in the CARICOM Member Countries. They will also pursue the possibility for collaboration in agriculture.

Trade and Investment Promotion

Both sides will continue to pursue contacts at public and private sector levels with a view to stimulating trade and investment between Japan and the CARICOM Member Countries. With this in mind, they decided to organize a Caribbean Trade and Tourism Fair in Japan not later than 2002.

Information and Communications Technology

Both sides will pursue cooperation in human resource development in the area of information and communications technology, thereby supporting the efforts by the CARICOM countries to achieve the active introduction and wider diffusion of information and communications technology throughout the Region. In this regard, they decided to organize a regional seminar at an early date with a view to strengthening Japan-CARICOM cooperation in the promotion of the use of information and communications technology.

1-2 Cooperation in International Fora

Recognizing the importance of enhancing mutual understanding and strengthening cooperation in international fora between Japan and the CARICOM Member Countries, the Ministers discussed current international issues of common concern. In so doing, they emphasized the necessity of an early achievement of the United Nations reform such as the Security Council reform including the expansion of both permanent and non-permanent membership. They underlined the importance of multilateral trade negotiations under the auspices of the World Trade Organization, and further expressed the need to address the special circumstances of small and vulnerable states and to intensify efforts to implement debt relief initiatives. They also stressed the importance of global environmental issues including climate change, transnational organized crimes and international tax issues. The Ministers resolved to further encourage multilateral dialogue on these issues.

2. Promotion of Mutual Understanding through Dialogues and Exchanges between Japan and CARICOM

The Ministers shared the view that the foundation of relationship between Japan and the CARICOM Member Countries should be further consolidated through the promotion of broad-based exchanges of peoples involving the private sector, civil society and youth, as well as the promotion of cultural exchanges to enhance the mutual understanding of both peoples.

2-1 Enhancing Cultural Exchanges

Recognizing the importance of cultural interaction between Japan and CARICOM, the Ministers expressed the need to encourage the introduction of the Caribbean culture to Japan and the Japanese culture to the Caribbean. They affirmed their intention to closely cooperate in promoting and implementing cultural activities. The Ministers of the CARICOM Member States welcomed the proposal of the Government of Japan to explore the possibility of supporting the efforts by the CARICOM Member States to preserve the cultural heritage of the Region.

2-2 Promoting Exchanges of Peoples at Various Levels

The Ministers recognized the importance of promoting exchanges involving the private sector, civil society, and youth. In light of this, the Ministers of the CARICOM Member States welcomed the proposal of the Government of Japan to invite from CARICOM countries in 2001, a group of youth who are expected to play a leading role in the field of information and communications technology in their respective countries.

3. Framework and Mechanisms for Dialogue and Communication between Japan and CARICOM

The Ministers decided to establish the following mechanisms for promoting dialogues and communication between Japan and the CARICOM Member Countries:

The next Japan-CARICOM Ministerial Conference will be held at a date of mutual convenience in 2003 or soon thereafter. The Japan-CARICOM Consultation Meeting at senior officials level will be held annually in the intervals between the Ministerial Conferences. For purposes of follow-up, technical meetings on cooperation projects will be held as necessary.

The Japanese side proposed the establishment of a Japan-CARICOM friendship and cooperation fund to support friendship and cooperation projects/programmes. The CARICOM side welcomed this Japanese initiative. Both sides will consult on this matter in due course.

As a supplement to official communication through diplomatic channels, an e-mail network will be established as soon as possible among the Foreign Ministries of Japan and the CARICOM countries as well as the CARICOM Secretariat. To

establish the network, preparatory work will be commenced through the CARICOM Secretariat.

Tokyo, November 8th, 2000

Minister for Foreign Affairs of Japan

Chairman of the Council for Foreign and Community Relations of the Caribbean Community

Appendix C

Japan's CARICOM Policy

excerpted from "Press Release
Japan – Caribbean Community (CARICOM) Summit Meeting
~Japan's CARICOM Policy~",
MOFA, Japan, July 28, 2014, accessed July 29, 2014,
<http://www.mofa.go.jp/files/000047229.pdf>.

- First Pillar: Cooperation towards sustainable development including overcoming vulnerabilities particular to small island states;
- Second Pillar: Deepening and expanding bonds founded on exchanges and friendship;
- Third Pillar: Cooperation in addressing challenges of the international community.

First Pillar: Cooperation towards sustainable development including overcoming vulnerabilities particular to small island states.

- Japan will actively engage in international discussions concerning vulnerabilities particular to small island states, including those at the International Conference on Small Island Developing States (SIDS) and at the UN Climate Summit along with CARICOM Member States and other small island states.
- Japan has extended cooperation towards overcoming vulnerabilities particular to CARICOM Member States utilizing Japanese technologies and expertise nurtured through its similar experience, in the fields of disaster risk reduction, counter measure against environment, climate change, energy, waste management and fisheries amongst others. The total amount of our grant aid to CARICOM Member States, not including Haiti, for this fiscal year is expected to increase six-fold compared to the annual levels of the past three years. With regards to Haiti, we are carrying out assistance towards post-earthquake reconstruction and stabilization. We will continue to enhance our assistance to these states.
- Considering the "vulnerabilities particular to small island states" of CARICOM Member States, Japan recognizes the importance of assisting them from perspectives other than those based on per-capita income. For future cooperation, we will first conduct field surveys: possible areas of assistance, for example, include disaster risk reduction and environment, with concrete arrangements of cooperation to be considered based on the survey results.

Second Pillar: Deepening and expanding fraternal bonds of cooperation and friendship

- CARICOM Member States boast a proud heritage in academia, literature, the arts, music and sports as exemplified amongst others by three Nobel laureates. Japan looks to dramatically expand the reach of our exchanges,

already elevated through the Japan-CARICOM Friendship Year 2014, to further foster mutual understanding and respect.

- More than 300 participants from the CARICOM Member States have engaged in English language education in Japan. Japanese language education has likewise taken root in the University of the West Indies. Japan will promote Japanese language education through strengthening cooperation with the Japan Foundation and through the utilization of tools such as Information and Communication Technologies (ICT).
- We will also promote tourism between Japan and CARICOM. CARICOM Member States will be participating in the “Tourism EXPO JAPAN” to be held in September 2014 utilizing the Japan-CARICOM Friendship Fund.
- We wish the best for the athletes of CARICOM Member States at the 2020 Olympics and Paralympics Games in Tokyo. We look to work with the CARICOM Member States in fostering friendship and mutual understanding towards 2020 and spread the value of sports and the Olympic and Paralympic Movement through the international cooperation scheme “Sport for Tomorrow”, amongst others.

Third Pillar: Cooperation in addressing challenges of the international community

- Japan, from the policy of “Proactive Contributor to Peace” based on the principle of international cooperation, will engage more proactively in strengthening our UN diplomacy, urging disarmament and non-proliferation, promoting international peace cooperation, addressing development issues and challenges of global concern, ensuring human security, amongst others. Japan places importance in our policy dialogues with CARICOM Member States which share fundamental values and looks to strengthen its diplomatic structure.
- Japan will strengthen dialogue and cooperation with CARICOM Member States concerning various challenges faced by the international community, such as: United Nations reform including concrete progress on UN Security Council Reform; cooperation on climate change towards an agreement on a new, fair and effective international framework with the participation of all countries; achievement of the Millennium Development Goals and formulation of a post-2015 development agenda; and disaster risk reduction. Japan will work with the CARICOM Member States in promoting the three principles of the rule of law at sea (①making and clarifying claims based on international law, ②not using force or coercion, ③ seeking to settle disputes by peaceful means.) in the international community.

Appendix D

Statement from Ministry of Foreign Affairs, Taiwan

“In order to uphold our national interests and dignity, the government of the Republic of China has decided to sever diplomatic relations with Grenada as of today.” January 28, 2005.¹

The Ministry of Foreign Affairs of the Republic of China hereby solemnly makes the following statement: The government of the Republic of China regrets that the government of Grenada, being lured through financial incentives from the People’s Republic of China, has decided to establish diplomatic relations with the People’s Republic of China. In order to uphold our national interests and dignity, the government of the Republic of China has decided to sever diplomatic relations with Grenada as of today. Since the establishment of diplomatic relations between the Republic of China and Grenada on July 20, 1989, the Republic of China has actively assisted Grenada in various infrastructure and development projects that have benefited the general welfare of that country. The successive governments and people of Grenada have found the assistance provided by the Republic of China to be satisfactory. In addition, both have worked closely together in international cooperation. When Grenada was severely devastated by Hurricane Ivan on September 7, 2004, the Ministry of Foreign Affairs of the Republic of China provided immediate humanitarian aid. The Minister of Foreign Affairs also led a delegation to disaster-struck areas, provided US\$200,000 in supplies to Grenada and turned a US\$1.5 million fund for infrastructure projects into a disaster-relief fund that was endowed without any preconditions. Furthermore, this ministry granted a substantial part of a US\$ 8 million package for damage reconstruction work in Grenada. Nevertheless, the incumbent Prime Minister Keith Mitchell, lacking foresight, incorrectly believes that by his leaning towards the People’s Republic of China, Taiwan can be pressured into significantly increasing the financial assistance we provide to Grenada, pay that country’s national debt on its behalf and increase the Five-year Cooperation Plan to as high as US\$245 million. Despite the fact that the government of the Republic of China considered Grenada’s requests to be insatiable and beyond our capacity, we still made our best efforts to assist the government of Grenada by way of the Financial Bail-out Package, the Stadium Expansion Project and other major projects. Regrettably, Prime Minister Mitchell still found our assistance unsatisfactory. The Ministry is fully aware that Prime Minister Mitchell has been in contact with China and has been lured by Beijing. We have done everything possible to dissuade Prime Minister Mitchell from such behavior, but he has continued to act against our advice. He visited Beijing to negotiate issues concerning the establishment of diplomatic ties with China, and even sent a letter to our government stating that the government of Grenada intended only to retain informal relations with us. As a result, the Ministry recalled our ambassador to Grenada on December 22 last year and expressed our most serious protest to Prime Minister Mitchell. In Beijing, the Foreign Minister of Grenada,

¹ Accessed June 23, 2014,
http://www.mofa.gov.tw/EnMobile/News_Content.aspx?s=5DF19A0B8D18E2DB

Elvin Nimrod, signed a joint communiqué with the Foreign Minister of People's Republic of China, Li Zhaoxing, announcing the formal establishment of diplomatic relations. On January 27 the government of Grenada formally notified the ROC Embassy of the decision to withdraw its diplomatic recognition of the Republic of China. In order to safeguard our national interests and dignity, our government has decided to sever diplomatic relations with Grenada. The government of the Republic of China regrets Prime Minister Mitchell's lack of foresight. We have stated sincerely our intention of not participating in a meaningless game of "dollar diplomacy" with China, and will never let Grenada waver between the two sides of the Strait in order to seek profits. The government of the Republic of China expresses its serious protest against, and condemns, the People's Republic of China for its use of "dollar diplomacy" to drive us out of the international community. The Republic of China conducts cooperation projects with friendly allies based on a spirit of mutual economic prosperity. In the future, we will continue to expand our international presence based on established policies and goals, and protect the highest interests and welfare of our people with firm resolve and pragmatism.

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