

The current situation is not entirely surprising since it reflects longer historical difficulties that have plagued hemispheric integration. The initiatives of the 1960s and 1970s produced very mixed results, and all integrationist efforts suffered a serious setback when the region was wrecked by the debt crisis in the 1980s, a period appropriately termed the "lost decade" in the region. The debt crisis however, also stimulated consideration of a neo-liberal agenda in the Caribbean and Latin America- indeed, it could be suggested that the debt crisis made that neo-liberal agenda economically essential and politically feasible. The result has been a radical reduction in the long-established role of the state in the region, including widespread privatization of formerly state-owned enterprises, even in areas as petrol, which had traditionally been considered of strategic national significance. Liberalization of trade and investment has considerably stimulated private sector activity by providing more assured market access within the region. In the case of Mexico and Canada the primary objective was to enhance and secure market access in the United States. The end of the Soviet Union, the electoral defeat of the Sandinistas in Nicaragua in 1990, a Central American peace accord, and the increased power of regional trading groups in Asia and Europe provided additional incentives for Caribbean and Latin American countries to strengthen their own regional ties.

### **The Integrationist Agenda**

One of the strongest institutional forces working for integration over the past several decades has been the Inter-American Development Bank. The IDB was established in 1959 with that specific mandate and in 1994, when the bank's shareholders increased its capital by \$40 billion, they reaffirmed that objective. Enrique Iglesias, President of the IDB, contends that this commitment to Caribbean and Latin American integration has several motivations. One is the historical legacy - at least in Iberian America - of a common political, cultural and economic heritage, although it is more difficult to fit the British, Dutch and French Caribbean into that historical pattern.