



Robert Schuman

Caricom: Coming of Age?

Wendy C. Grenade



Jean Monnet/Robert Schuman Paper Series

Vol. 7 No. 4

April 2007

Published with the support of the EU Commission

The Jean Monnet/Robert Schuman Paper Series

The Jean Monnet/Robert Schuman Paper Series is produced by the Jean Monnet Chair of the University of Miami, in cooperation with the Miami-Florida European Union Center of Excellence, a partnership with Florida International University (FIU).

These monographic papers analyze ongoing developments within the European Union as well as recent trends which influence the EU's relationship with the rest of the world. Broad themes include, but are not limited to:

- ◆ EU Enlargement
- ◆ The Evolution of the Constitutional Process
- ◆ The EU as a Global Player
- ◆ Comparative Regionalisms
- ◆ The Trans-Atlantic Agenda
- ◆ EU-Latin American Relations
- ◆ Economic issues
- ◆ Governance
- ◆ The EU and its Citizens
- ◆ EU Law

As the process of European integration evolves further, the Jean Monnet/Robert Schuman Papers is intended to provide current analyses on a wide range of issues relevant to the EU. The overall purpose of the monographic papers is to contribute to a better understanding of the unique nature of the EU and the significance of its role in the world.

Miami - Florida European Union Center
University of Miami
1000 Memorial Drive
101 Ferré Building
Coral Gables, FL 33124-2231
Phone: 305-284-3266
Fax: (305) 284 4406
E-Mail: jroy@miami.edu
Web: www.miami.edu/eucenter

Jean Monnet Chair Staff:

Joaquín Roy (Director)

Astrid Boening (Assistant Editor)

Eloisa Vladescu (Research Assistant)

María Lorca (Research Assistant)

Miami-Florida European Union Center

Nicol Rae (Co-Director), FIU

CARICOM COMING OF AGE?

Wendy C. Grenade ♦

Introduction

The contemporary global political economy is characterised by synergies and dichotomies between globalism and regionalisms. While this is not new, it has taken on added currency in recent years with the intensification of globalization and trade liberalization. As Hettne and Söderbaum contend, regional integration is "...a complex process of change simultaneously involving state as well as non-state actors and occurring as a result of global, regional, national and local level forces." For them, regions are viewed as "emerging phenomenon, ambiguously both forming part of and driving, as well as reacting against and modifying the global order."¹ The European Union (EU) is the most advanced and sophisticated regional project, and provides a useful reference point, as a model of governance beyond the sovereign state. This paper argues, however, that the motivation for regionalism in the North is different from that in the South. As Hettne et al remind us, core regions are coherent, politically strong, well organized at the supranational level, not only economically growing but leading in technological innovation. Core regions are 'policy-makers' which organize for the sake of being better able to control the rest of the world, the world outside of their own region and compete among themselves in exercising this influence. Peripheral regions are 'policy-takers' since they are politically more turbulent and economically more stagnant. Consequently they have to organize in order to stop the threat of marginalization. At the same time their regional arrangements are fragile and ineffective.²

Therefore, for the developing world, regional integration is both necessary and problematic. While this is not new, global forces have generated renewed urgency for integration in the South. Within this context the paper examines the Caribbean Community (CARICOM). As the Caribbean seeks to navigate the global environment regional integration continues to be a necessary imperative. As such there have been concrete steps toward deeper integration, for example, the establishment of the Caribbean Court of Justice (CCJ) and the launch of the Caribbean Single Market (CSM) in 2005 and 2006 respectively. Yet, despite those visible attempts to deepen integration, the emerging institutional design still caters for a minimalist³ form of integration. The paper argues that after thirty-four years, the Caribbean is coming of age, but with inherent deficiencies.

The paper is structured in three parts. Following this introduction the first section examines some theoretical imperatives. Second, it analyses the current state of Caribbean

♦ Dr. Grenade is lecturer of Political Science and Political Economy at the University of the West Indies, Cave Hill Campus, Barbados. She holds a Ph. D. and a Masters in International Studies from the University of Miami, and a Masters in Human Resource Management at the University of Westminster, London. She was Adjunct Professor at Florida Atlantic University and Research Fellow at the Miami-Florida European Union Centre of Excellence. Dr. Grenade was previously attached to the Grenada Diplomatic Service with postings in Washington, D.C. and London. Her research interests include comparative regionalisms, with a special interest in the Caribbean Community (CARICOM); CARICOM-EU relations; governance and democratization. Her publications include a number of articles on Caribbean integration and CARICOM-EU relations in the post Lomé era.

¹Björn, Hettne and Fredrik Söderbaum. "Theorising the Rise of Regionness." In *New Regionalisms in the Global Political Economy*, eds. Shaun Breslin et al. 33-47. (London and New York: Routledge 2002) 33.

² Björn Hettne et al. eds. *Comparing Regionalisms: Implications for Global Development*. (New York: Palgrave, 2001) 5.

³ Term adapted from Selwyn Ryan who refers to 'minimalist' and 'maximalist' in the context of the reform of the Westminster system in the Caribbean. See Selwyn Ryan *Winner Takes All: The Westminster Experience in the Caribbean*. (St. Augustine, Trinidad and Tobago: UWI Press, 1999).

integration, mindful of the significance of the EU model as a frame of reference. The final section offers conclusions and suggestions for further research.

Theoretical Imperatives

There is an ongoing debate as to what is 'regionalism' and 'regionalization'. The New Regionalism Theory (NRT) distinguishes between these two concepts. On the one hand, 'regionalism' represents the body of ideas, values and concrete objectives that are aimed at creating, maintaining or modifying the provision of security and wealth, peace and development within a region. On the other hand, 'regionalization' denotes the empirical process which can be defined as a process of change from relative heterogeneity and lack of cooperation towards increased cooperation, integration, convergence, coherence and identity in a variety of fields such as culture, security, economic development and politics within a given geographic space.⁴

Regional Integration and Development

Scholars in the developing world have often stressed the relationship between integration and development. As Axline⁵ indicates, while classical theories have been successfully applied to Western Europe, in the case of the developing world, an understanding of regional integration requires a different theoretical approach born out of an understanding of the world's political economy. In this context, regional integration is viewed as 'collective self reliance' which provides member countries with a stronger platform with which to interact with the global economy and pursue relations with other groups and countries. This perspective underscores the point that regional integration is not an end in itself but can be evaluated in terms of its contribution to development.

With the emergence of the NRT the concept of 'development regionalism' has gained potency. There are seven main arguments for development regionalism. First, is the *sufficient size argument*. That is, regionalism is imperative, particularly in the case of micro-states which either have to cooperate to solve common problems or become client states of the 'core countries'. Second, the NRT argues that *self-reliance* is rarely viable on the national level. However, it may yet be a feasible development strategy at the regional level, if it is defined as coordination of production, improvement of infrastructure and making use of complementarities.

Third, NRT holds that economic policies may be more stable and consistent if underpinned by regional arrangements which cannot be broken by a participant country without some kind of sanctions from the others. This refers to the *credibility argument*. Fourth, *collective bargaining* on the regional level could improve the economic position of marginalized countries in the world system, or protect the structural position and market access of successful export countries. Fifth, regionalism can counter the disruptions caused by globalization and uneven development, reinforcing societal viability by including social security issues and an element of redistribution in the regionalist project. Thus the *social stability* argument refers to the allocation of regional funds to support less developed economies within the regional movement.

Sixth, regional *environmental security* complexes constitute imperatives for regional cooperation. Finally, successful regional conflict resolution could eliminate distorted investment patterns, making resources locked in the 'security fund' (military expenditures) available for

⁴ Michael Schultz, et al. (eds.) *Regionalization in a Globalizing World*. (London and New York: Zed Books, 2000) 5.

⁵ See Andrew W. Axline. "Underdevelopment, Dependence and Integration. The Politics of Regionalism in the Third World." *International Organization* 31 (Winter 1977): 83-105.

more productive use (the peace dividend argument). As such, regionalism can become a factor counteracting hegemony and preventing non-democratic trends in the periphery.⁶

Against this background, the large question is, what type of regional projects are emerging in the South in the contemporary era and to what extent are they modeled after the EU? The following section uses the case of the CARICOM to discuss these questions.

The Case of the Caribbean⁷

Background

Any discussion of Caribbean integration, must take into account the historical legacy of the region. The Caribbean territories began their association with modern society as “the pawn of European power politics” or in other words as the “appendage” or “satellite” of European imperialism.⁸ As European imperial power waned and the Cold War began the United States claimed the Caribbean region within its special sphere of influence. The Manifest Destiny of the United States was to dominate the Western Hemisphere. Three distinct historical legacies can be identified: economic dependence, an adversarial political culture and social relations based on class and race. The historical development of the region has produced a civilization of a special type. The region is simultaneously characterized by unity and diversity. Its people share a common history, a wide culture of music, sport, art, and popular life-style. Yet it is an area characterized by “instability; political and economic fragmentation; constitutional diversity; economic, psychological, cultural and in some cases political dependence; large-scale unemployment; racial tension; potential religious conflicts and the restlessness of youth...”⁹ In this milieu regional integration becomes both necessary and problematic.

A major challenge is in the area of intra-regional trade. Given historical factors, Caribbean economies trade more with Europe and the United States than with one another. For example, CARICOM’s intra-regional exports, as a percentage of total exports – which is an index of integration – for the years 1975, 1980, 1985, 1990 and 2000 was 8.54 percent; 8.92 percent, 12.99 percent; 12.37 percent and 15.7 percent respectively. When compared to other regions this is relatively minuscule. For example, intra-regional exports as a total percentage of total exports in the NAFTA region climbed from around 30 percent in 1982 to 58 percent in 2002.¹⁰

Uneven development is another factor. Trinidad and Tobago is the dominant exporting country in the CARICOM region. Between 1981 and 2001 that country exported 56.7 percent of total intra-regional exports. Other major exporters were the Organization of Eastern Caribbean States (OECS)¹¹ with 14.1 percent; Barbados with 12.2 percent; Jamaica with 10.4 percent and Guyana with 4.2 percent. During the same period, Jamaica was the dominant importing country in terms of intra-regional trade, with approximately 20.9 percent. The OECS contributed 29.9 percent of total intra-regional imports; Barbados 17.8 percent; Trinidad and Tobago, 16 percent

⁶Ibid. 36-37.

⁷ For purposes of this paper the Caribbean refers to the fifteen member states of the Caribbean Community: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad & Tobago.

⁸ Eric E. Williams From: *Columbus to Castro: the history of the Caribbean*, 1492-1969. (London: André Deutsch Ltd., 1970) 69.

⁹ Ibid, 503.

¹⁰ Pastor, Robert, A. “North America: Three Nations, a Partnership or a Community.” Paper presented at the Conference *The European Union and Regional Integration: Comparative Perspectives and Lessons for the Americas*. Miami, April 8 2005, 5.

¹¹ The OECS comprises Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & The Grenadines.

and Guyana, 11.3 percent.¹² What this suggests is that intra-CARICOM trade centers largely around Trinidad and Tobago and Jamaica which are the two largest economies. It is necessary to note that given small size the CARICOM region has relatively limited capacity to exploit economies of scale. This is a major challenge for regional integration. Yet, its very small size makes integration a necessity, as argued by proponents of the NRT. Thus the Caribbean's history and geography are simultaneously incentives and disincentives to integration.

The Early Federal Experiment

Although there were very early attempts at integration,¹³ the West Indian Federation (1958-62) among ten former British colonies is usually cited as one of the key moments in the process of Caribbean integration. This early experiment was part of a wider British project which was aimed to curtail the costs of empire for a weakened post-war Britain while seeking to minimize the impact of decolonization on the small island economies unable to survive on their own. However, a convergence of factors led to the early demise of the Federation in 1962. Writers have cited many political, economic, socio-cultural and geographic factors for the short-lived federal venture.¹⁴ One such factor was the position of the Jamaica Labour Party which led to a referendum and that country pulling out of the Federation.

There was also lack of any great commitment by local politicians to cede power to the center. In essence, there was unwillingness of insular political leaders "to have the spotlight shifted from them to the federal leaders."¹⁵ Instead what emerged in the twentieth century was a fierce sense of nationalism where political leaders had a desire for independence and not to belong to a supranational organization. This was influenced by developments in the post emancipation period which saw the rise of nationalist movements in the Caribbean. The early demise of the Federation has left a psychological scar which has contributed to the relatively slow pace of integration.

CARICOM: Stepping into or sliding out of the Future?

At the end of 2006 Edward Seaga, the former prime minister of Jamaica, commented on what he referred to as "CARICOM sliding out of the future."¹⁶ According to Seaga, at the present level, the Caribbean Community (CARICOM)¹⁷ functions in "pieces and patches" without any overriding authoritative machinery. He observed that all major decisions are made in the "round-about process of agreement", first at the level of the cabinets of member governments, then regional Heads of Government meetings. Seaga noted that while participating governments are willing to meet at the level of Heads of Government and arrive at a consensus on issues, they are not willing to cede absolute authority on vital issues which will affect their home base. Seaga observed that CARICOM's answer to the lack of authoritative leadership is the [proposed]

¹² Caribbean Community Secretariat. *CARICOM Our Community*. Kingston, Jamaica: Ian Randle Publishers, 2005, 115-116

¹³For example the 1833-1958 Windward Island Federation (Grenada, SVG, St. Lucia and Tobago) and the 1871-1956 Leeward Island Federation (Antigua & Barbuda, Montserrat, St. Kitts/Nevis/Anguilla; Dominica)

¹⁴ Lewis, Gordon K. *The Growth of the Modern West Indies*. New York: Monthly Review Press, 1968; Williams, 1970.

¹⁵ Williams, 1970, 513.

¹⁶ Edward Seaga. "CARICOM Sliding out of the future." *Jamaica Gleaner*. December 31, 2006. (<http://www.jamaica-gleaner.com/gleaner/20061231/lead/lead8.html>) accessed January 19, 2007.

¹⁷ Four member states signed the initial Treaty of Chaguaramas which established CARICOM in 1973: Barbados, Guyana, Jamaica and Trinidad and Tobago. In 1974 CARICOM widened to include thirteen states: Antigua and Barbuda, Belize, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. The Commonwealth of the Bahamas became the thirteenth member state in 1983, Suriname, the fourteenth in 1995 and Haiti, the fifteenth in 2002.

establishment of a CARICOM Commission with super powerful public officials appointed to take decisions in prescribed matters “as if they were a single regional CARICOM Cabinet overriding the national executive of member countries.”¹⁸ He cautioned, however, that anyone who believes that this would work does not understand the psyche of Caribbean leaders nor, indeed, the people. Seaga continued to make the point that those who argue for this structure point to the functioning, workable example of the EU. They considered that the success of the EU means that CARICOM can work in that way. But, in Seaga’s view, the EU is a relatively homogeneous group of nations with all members having broadly similar levels of development. Wide dissimilarities are ruled out in the membership process for admission. Member countries have to ensure that they meet the minimum criteria for membership. He compared CARICOM today to the early demise of the West Indian Federation in 1962 and cautioned that CARICOM is likely to face “a slide, not a climb, in the future.”¹⁹

To what extent does Seaga’s pessimism reflect CARICOM’s reality? CARICOM’s Secretary-General, Edwin Carrington, shares a different view. He points out that the recently launched Caribbean Single Market (CSM)²⁰ is the “most ambitious undertaking” that CARICOM has ever attempted. Carrington acknowledges that the challenge to sustain Caribbean development remains as formidable as ever. However, he contends that CARICOM is “not lying down in the face of those challenges. [Instead] the Caribbean is putting its house in order even as it reaches out to strengthen its ties with its traditional partners and to develop stronger links with the new ones...”²¹

The above represent two extreme views. This paper seeks to offer a balanced account of the state of Caribbean integration. To do so, this section looks at the three goals of CARICOM as outlined in the 1973 Treaty of Chaguaramas: economic integration; functional cooperation and foreign policy coordination.

Economic Integration

Economic integration is problematic for CARICOM. The 1973 Treaty of Chaguaramas provided for a common market which never materialized within the first thirty years of CARICOM. Cognizant of global imperatives, CARICOM Heads of Government through the 1989 Grand Anse Declaration decided on a Caribbean Single Market and Economy (CSME) ‘in the shortest possible time’. After several setbacks the Caribbean Single Market (CSM) was launched in 2006 and the single economy is scheduled to come on stream in 2015. Some of the key elements of the CSME include:

- ◆ The free movement of goods and services (currently over 95 percent of goods move freely across the region);
- ◆ The right of establishment, to permit the establishment of CARICOM-owned businesses in any member state without restrictions and on the same terms as national enterprises;
- ◆ A common external tariff, which is a rate of duty applied by all member states of the single market on entry of a product from a country, which is not a member of the single market;
- ◆ Free circulation – which refers to the free movement among member states of goods imported from extra-regional sources. This would require collection of duties only at

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ On January 30, 2006 six CARICOM member states – Jamaica, Barbados, Belize, Guyana, Suriname and Trinidad and Tobago signed the formal declaration signalling the launch of the CARICOM Single Market (CSM). In June of that same year, other member states, with the exception of Haiti, Montserrat and The Commonwealth of The Bahamas, became members of the CSM.

²¹ CARICOM Secretariat. Keynote Address by His Excellency Edwin W. Carrington, Secretary-General, Caribbean Community, at the 30th Annual Miami Conference on the Caribbean Basin, 4-6 December, 2006, Miami, Florida.

first point of entry into the single market and the establishment of arrangements for sharing of customs revenue collected from these goods among the countries to which they are consigned (this aspect is still to be developed);

- ◆ A common trade policy which refers to agreement among the members on matters related to internal and international trade and a coordinated external trade policy negotiated on a joint basis;
- ◆ Free movement of labor which involves the removal of work permits,²² hassle-free travel, providing for the transfer of social security benefits, harmonizing social services, such as education and health and establishing common standards and measures for accreditation and equivalency of qualifications and skills. In the first phase the free movement of persons is restricted to the following categories: university graduates, media workers, sports persons, musicians, artistes, managers, supervisors and other service providers. [Teachers and nurses were added to the list in 2006].
- ◆ Harmonization of laws which include the harmonization of company, intellectual property and other laws;
- ◆ Economic policy measures to include coordinating and converging macro-economic policies and performances; harmonizing foreign investment policy and adopting measures to acquire, develop and transfer appropriate technology;
- ◆ Monetary policy measures which involves coordinating exchange rate and interests rate policies as well as the commercial banking market; and
- ◆ Fiscal policy measures to include coordinating indirect taxes and national budget deficits.²³

Since the CSM is in its infancy it is too early to assess its viability. However while it has the potential to benefit the region in the long term, there are some initial challenges. For example the smaller economies which comprise the Organization of Eastern Caribbean States (OECS) delayed entry into the CSM on the question of development fund. Chapter seven of the Revised Treaty of Chaguaramas makes provision for disadvantaged countries, regions and sectors. Article 142 (1) states:

The provisions of this Chapter shall have effect for the purpose of establishing a regime for disadvantaged countries, regions and sectors within the framework of the Treaty as well as a special regime for the Less Developed Countries in order to enhance their prospects for successful competition within the Community, and redress, to the extent possible, any negative impact of the establishment of the CSME.²⁴

The NRT does argue that social stability is a key aspect of development regionalism. It advances the idea that development regionalism includes the allocation of regional funds to support less developed economies within the regional movement. However, unlike the EU, CARICOM is a grouping of small developing countries and although the Revised Treaty provides for a development fund, the pressing question is, who would fund the development fund? To date Trinidad and Tobago and Barbados have made modest commitments to the fund and the Caribbean Development Bank is working out modalities for its implementation. But this is a troublesome issue for CARICOM.

The Girvan Report – Toward a Single Economic Space and Development Vision

²² A CARICOM passport has been designed and Suriname was the first member state to issue one in January 2005. Caribbean Community Secretariat. *CARICOM Our Community*. Kingston, (Jamaica: Ian Randle Publishers, 2005) 245.

²⁴“Revised Treaty of Chaguaramas Establishing the Caribbean Community Including the CARICOM Single Market & Economy” (Georgetown, Guyana: CARICOM Secretariat) 93.

In terms of the way forward, at its Eighteenth Inter-Sessional Meeting held in February 2007, CARICOM Heads of Government adopted a paper entitled “Towards a Single Economy and a Single Development Vision” as a framework for the further elaboration of the single economy, with the understanding that refinements will have to be done in time for final sign off at the Regular Meeting of the Conference in July 2007. It was agreed, however, that the Single Vision would be used as the basis for a comprehensive development plan.²⁵ The ‘Girvan Report’, as it is called, recommends a single development vision for sustainable development which should be holistic; encompassing development in all its dimensions – economic, social, environmental and governance dimensions.²⁶ This is a step in the right direction, since as the NRT purports, regionalism in the South must be concerned with development. The Report suggests sequencing of the CSME as follows:

Phase I (2005-mid 2008) consolidation of the single market and initiation of the single economy.
Phase II (2009-2015) consolidation and completion of the single economy. This phase will include –

- implementation of common policies in energy related industries, agriculture, sustainable tourism and agro-tourism, transport and small and medium enterprises;
- Harmonization of taxation systems, incentives, and financial and regulatory environment;
- Harmonization of fiscal and monetary policies;
- Implementation of Regional Competition Policy and Regional Intellectual Property Regime;
- Implementation of CARICOM Monetary Union²⁷

This is ambitious, particularly monetary union, given the vast differences in the various currencies within the CARICOM region (See Table 1.).

Table 1: CARICOM Currencies

Country	Currency	Equivalency to the US\$1
The Bahamas	Bahamian dollar	Bah\$1
Barbados	Barbadian dollar	Bar\$2
Belize	Belizean dollar	BZ\$2
Guyana	Guyana dollar	G\$195.34*
Haiti	Gourde	G41*
Jamaica	Jamaican dollar	J\$58.24*
Suriname	Suriname Guilder	SF\$2,540**
Trinidad and Tobago	Trinidad and Tobago dollar	TT\$6.2**
The OECS	East Caribbean dollar	EC\$2.7

*Floating (2003)

**Floating (2002)

Source: Caricom Secretariat, 2005, 405

²⁵ CARICOM Secretariat, Press Release 48/2007 “Communiqué Issued at the Conclusion of the Eighteenth Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM), 12-14 February 2007, Kingstown, St. Vincent and the Grenadines.

²⁶ “Towards a Single Economy and Single Development Vision”, Report by Norman Girvan, University of the West Indies in collaboration with the CARICOM Secretariat and the special Task Force on the Single Economy, October 25, 2006, 8

²⁷ Ibid, 47.

As is the case in the EU, monetary union takes time, given currency differentials. Also, a country's currency is an important aspect of its sovereignty. Currently of the EU-15 Britain, Denmark and Sweden are still not members of the euro zone. CARICOM will do well to draw lessons from the EU in this regard.

Despite limitations, the Girvan report notes that the expected benefits of the CSME include "greater efficiency in both the private and public sectors, higher levels of domestic and foreign investment, increased employment, and growth in intra-regional trade and of extra-regional exports."²⁸

However it points to three caveats:

1. The CSME cannot be 'all things to all men'
2. [CARICOM] should be careful not to expect or promise more from the CSME than it can realistically deliver, so as not to create disappointment at a later stage
3. Most of the development effort of member states will continue to be made nationally and sub-regionally which is where much of CSME implementation will take place. The CSME will not substitute for national strategies rather it will complement them.²⁹

The Report observes a major challenge which relates to the disconnect between the people and the regional project. It refers to an 'information deficit' among the citizens of the Community. The Report notes that some citizens are cynical about the slow pace of implementation [of the CSME], while others are apprehensive about the possible adverse effects of increased competition for jobs and markets. The Report goes on to state that the people of the Community need to be assured that the economic benefits of integration will be broadly spread across and within countries, as well as across social groups. They also need to be assured that integration will make a difference to 'quality of life' issues such as crime, health and education.³⁰ In the case of the EU similar concerns have been raised. Yet despite concerns Prime Minister of Barbados, Owen Arthur indicated that:

The creation of a Caribbean Single Market and Economy is a historic necessity which must be brought to full fruition, no matter how arduous the task may at times appear, how negligible the immediate returns, or how vast the pitfalls and obstacles that threaten to ensnarl it. It offers the societies of the region, individually and collectively, the only realistic and viable option by which to achieve sustainable development, and in the process the prospect of erasing the two great economic deficits which confront the region at the start of this new century.³¹

However, some commentators question the viability of a single market and economy without steps toward greater polity unity. Prime Minister Gonsalves poses a critical question: "Does not the single economy require the creation of an appropriate supra-national entity to which there ought to be a transfer of a measure of sovereignty, in its pooling, similar, though not necessarily identical, to that of fashioning the European Union?"³² Gonsalves further elaborates:

The course we have taken to view CARICOM as a community of independent sovereign states, that is, if we proceed without a supranational authority to which some measure of sovereignty is transferred to direct the operation we can still succeed but it will take much longer and there will be greater pain and frustration. We have chosen to proceed in the most difficult way to a single market and economy. We ought to do it

²⁸ Ibid, 6.

²⁹ Ibid, 8

³⁰ Ibid, 6-7.

³¹ Owen Arthur. "Implementation of the CARICOM Single Market and Economy, and its Implications for US-CARICOM Economic relations." Feature Address to the American Business and Consulting Group Special Symposium, Brooklyn, New York, April 2, 2004. Prime Minister Arthur has lead responsibility for the CSME in the CARICOM Quasi Cabinet.

³² Ralph Gonsalves is the current Prime Minister of St. Vincent and the Grenadines.

the way the Europeans have done it, to transfer some measure of sovereignty to a supranational entity through a single law in the independent states and have that particular supranational entity provide directives to drive the CSME. Instead, what we are seeking to do is to see if whilst we are being a community of independent states that we can have a measure of supranationality without in fact creating a central supranational authority...³³

Havelock Brewster, a leading Caribbean scholar, also questions whether a Single Market and Economy is realistic without some measure of political unity. He also cites the EU model as a reference point for CARICOM.³⁴

Therefore, a weakness of the CSME relates to the institutional arrangements which should be in place to facilitate deeper economic integration. The establishment of the Caribbean Court of Justice (CCJ) in 2005 as a dispute settlement mechanism is a step in the right direction. However more needs to be done. Recognizing this deficiency, in 2003, through the Rose Hall Declaration, CARICOM Heads of Government took the initiative to develop a system of 'mature regionalism' in which critical policy decisions will have the force of law throughout the region as a result of the operation of domestic legislation and the revision of the Treaty of Chaguaramas and the authority of the CCJ in its original jurisdiction, taking into account the constitutional provisions of member states. Since 2003 a number of committees have been set up to advance the Rose Hall Declaration, which decided on the need for an Executive Commission to address the "implementation paralysis" within CARICOM.³⁵

Currently the Report of the Technical Working Group (TWG) on Governance on 'Managing Mature Regionalism, is high on CARICOM's agenda. The Report indicates that "A critical element in the effort to advance the integration process is the need to devise suitable structures of regional governance to manage an integrated economic space. This must be based on a pragmatic approach to regional decision-making, since the promotion of the goals of economic integration presupposes an increasing degree of political consensus aimed at facilitating the achievement of agreed objectives."³⁶ The Report recommends a CARICOM Commission comprising three members and a President to "exercise full executive responsibility for the implementation of decisions relating to the CSME and any other areas of the integration process as the Conference of Heads of Government may from time to time determine and to initiate proposals for Community action in such areas."³⁷ The TWG also recommends the abolition of the Community Council. Instead it proposes that the various sectoral ministerial councils should be directed by the Heads of Government to exercise, to the maximum, their decision-making responsibilities. It also recommends that the Commission will encompass the structure of the CARICOM Secretariat.

The TWA notes that:

...the Caribbean Community has not yet achieved the level of integration experienced by the European Union. Nevertheless, we believe that some of the principles and practices involved in the operation of the latter are quite relevant to Caribbean current and future integration requirements and could, therefore, be adapted in an effort to improve the effectiveness of governance in the Caribbean Community. In particular, consideration should be given to the adoption of a system that differentiates

³³ Ralph Gonsalves, interview by author, St. Vincent and the Grenadines, July 25, 2004.

³⁴ Brewster, Havelock, E. "The Caribbean Single Market and Economy: Is It Realistic Without Commitment to Political Unity?" Georgetown: CARICOM Secretariat 2003.

³⁵ West Indian Commission. *Time for Action - The Report of the West Indian Commission*. Black Rock, Barbados: West Indian Commission, 1992.

³⁶ CARICOM Secretariat, "Managing Mature Regionalism Report of the Technical Working Group on Governance appointed by CARICOM Heads of Government October, 2006.

³⁷ Ibid, 2.

leally among specific kinds of Community decision-making: viz. regulations, directives, decisions, and recommendations and opinions.³⁸

The TWG recommends that it is useful to apply the principle of ‘proportionality’ utilised by the EU. This stipulates that the content of and the institutional arrangements devised for Community action shall not exceed what is necessary to achieve the objectives of the Revised Treaty. The group also recommends that this should be supported by the principle of ‘subsidiarity’ which is also utilised by the EU. This principle asserts that regional action would not be pursued in cases where action by individual member states is sufficient to achieve the specified goals of the Community and these states demonstrate a commitment to pursue such action.³⁹ Nonetheless the TWG recommends that CARICOM continues to be a community of sovereign states, which reinforces the inter-governmental nature of the regional project. It does, however, propose the passing of a Single Caribbean Act by the parliaments of member states which will permit the reception of Community Law in the jurisdictions of member states.⁴⁰ It also recommends the strengthening of the Assembly of Caribbean Community Parliamentarians to address the democratic deficiencies in CARICOM and automaticity of financing to improve the financial arrangements of CARICOM, as is the case in the EU..

The Conference of Heads of Government considered the Report of the TWG at its recent Inter-sessional meeting in February, 2007 and agreed that member states should consider the policy issues and recommendations contained in the report and the wide-ranging consultations should be held with other stakeholders including the parliamentary Opposition and Civil Society before the submissions of their positions to the Secretary-General.⁴¹ Though different in content to some degree, this report is akin to the 1992 *Time for Action* which recommended elements of the EU model for CARICOM. The question is, would the report be implemented? As *Time for Action* noted, CARICOM had become associated with “inordinate delay and indecisiveness, with bureaucracy, with meetings which generate rhetoric and paper but spur little action that makes a difference.”⁴² The challenge for CARICOM, in the economic realm, is to shift from integration on paper to action on the ground. This will require serious re-design of the institutional structure, decision-making procedures and culture which underpins integration.

Functional Cooperation

It is widely accepted that CARICOM has done best in the area of functional cooperation, particularly in the areas of health, education, sports and culture. Particularly in the area of health, the Pan Caribbean Partnership against HIV/AIDS has been instrumental in the fight against the pandemic. The Caribbean is currently hosting the 2007 Cricket World Cup (CWC). This has brought to the fore the question of security. A common CARICOM visa has been issued and there is a regional approach to managing the event. According to Barbados’ deputy prime minister, who chairs the CWC security committee:

Sometimes you need catalysts to bring about transformation in society. There is no doubt in my mind that the challenges of trying to keep the region secure during Cricket World Cup will come to be regarded as one of the major catalysts in the integration movement of the region.⁴³

³⁸ Ibid, 12

³⁹ Ibid, 14

⁴⁰ Ibid, 6

⁴¹ Ibid.

⁴² Time for Action, 1992, 56

⁴³ Mia Mottley, Deputy Prime Minister of Barbados, *Barbados Nation* Sunday March 4, 2007 ‘A stop closer to oneness’

CARICOM Heads of Government have gone a step further and have recently recognised security as the fourth pillar of the Community.⁴⁴ This is timely given the non-traditional security threats which plague the region, such as the illicit drug trade, violence and criminality and the HIV/AIDS pandemic. It is necessary to note that the discourse on security in the Caribbean is framed within the alternative paradigm which seeks to broaden the definition of security beyond the military sphere.⁴⁵ As Griffith observes, security is multi-dimensional and has never been viewed merely as protection from military threats. He defines security as protection and preservation of a people's freedom from external military attack and coercion, from internal subversion and from the erosion of cherished political, economic and social values. Within this framework, security becomes critical to survival, not only for the viability of the state but also for socio-economic development. Griffith has used the case of illicit drug trafficking to illustrate how non-traditional security threats can undermine development.⁴⁶ As the Girvan Report notes functional cooperation in non-economic spheres needs to be recognised as an integral part of the CSME.

Foreign Policy Coordination

On the question of foreign policy coordination, there has been mixed results. CARICOM played a leading role in initiating the negotiations for the Lomé Conventions. It also benefited from collective diplomacy in the General Agreements on Tariffs and Trade/World Trade Organization (GATT/WTO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Conference on the Law of the Sea (UNCLOS) negotiations as well as in various commissions and joint councils with Canada, Cuba, Japan, Mexico, the United States, the Organization of American States (OAS), the G3 (Columbia, Venezuela and Mexico), among others. In addition, by trading each others' support, the CARICOM countries succeeded in getting their nations elected to key international positions, such as Commonwealth Secretary-General and ACP Secretary-General. CARICOM has also been successful in assisting with territorial disputes in the region.⁴⁷ Currently CARICOM has a collective cooperative relationship with Cuba, despite pressures from the United States. According to Barbados' foreign minister:

We embrace Cuba as a bona fide sister-state in the Caribbean region and are committed to a policy of constructive engagement with its government and people. We do not believe that efforts to isolate Cuba, through exclusion from participation in hemispheric bodies like the OAS or the emerging Free Trade Area of the Americas (FTAA) or measures that create greater hardship for the Cuban people, such as a fifty-year long economic embargo, will foster change in Cuba.... We cannot accept "regime

⁴⁴ CARICOM Secretariat, Press Release 48/2007 "Communiqué Issued at the Conclusion of the Eighteenth Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM), 12-14 February 2007, Kingstown, St. Vincent and the Grenadines.

⁴⁵ See work by Barry Buzan and Ole Weaver (2004). *Regions and Powers: The Structure of International Security* (Cambridge Studies in International Relations; Barry Buzan, Ole Weaver and Jaap de Wilde, (1989) *Security : A New Framework for Analysis* (Boulder, CO: Lynne Rienner); Jessica Matthews "Redefining Security", *Foreign Affairs* 68 no. 2 (1989) 162-177; Richard Ullmann, "Redefining Security" *International Security* 8, No. 1 (1984); Ole Weaver (1995) "Securitization and Desecuritization" in *Security* Ronnie D. Lipschutz (New York: New York University Press).

⁴⁶See Ivelaw Griffith, Griffith, (ed.). *Caribbean Security in the Age of Terror: Challenge and Change*. Kingston and Miami: Ian Randle Publishers, 2004. "Security and Sovereignty in the Contemporary Caribbean: Probing Elements of the Local – Global Nexus" in Cynthia Barrow Giles and Don D. Marshall (eds.) *Living at the Borderlines: Issues in Caribbean Sovereignty and Development* Kingston: Ian Randle Publishers 2003, pp 209-225. See Kenneth O. Hall *Integrate or Perish: Perspectives of the Heads of Government of the Caribbean Community and Commonwealth Caribbean Countries 1963-2002* (Kingston, Jamaica: Ian Randle Publishers, 2003), xxii.

change” exogenously imposed upon the people of Cuba, to be, in any way, a viable option.⁴⁸

This spirit of solidarity with Cuba has underpinned CARICOM-Cuba relations. In this respect, CARICOM has spearheaded lobbying efforts for Cuba to be fully inserted into the hemispheric and wider international system. For example, CARICOM lobbied successfully for Cuba to be a founding member of the Association of Caribbean States (ACS). CARICOM was also at the forefront of the efforts which led to Cuba’s successful application for membership in the African Caribbean and Pacific (ACP) group in 1999. According to the CARICOM Secretariat CARICOM, strongly, though unsuccessfully promoted within the ACP and in negotiations with the EU, the admission of Cuba to the ACP-EU Partnership Agreement.⁴⁹

As such, Cuba is the only Caribbean country that does not enjoy a bilateral cooperation agreement with the EU since Cuba became a member of the ACP and a member of CARIFORUM in October 2001 without being a signatory to the Cotonou Agreement. Roy refers to this as an anomaly where Cuba belongs to an exclusive golf club without being able to play golf. However, Cuba is an observer within the Caribbean Regional Negotiating Machinery (CRNM) and an active participant in CARIFORUM.⁵⁰

Within this spirit of cooperation, in 1993 CARICOM and Cuba signed an agreement which established the CARICOM-Cuba Joint Commission. The objectives of which were to promote cooperative relations between the Caribbean Community and Cuba in economic, social, cultural and technological fields. In this regard it was agreed that the members of CARICOM and Cuba will seek a greater understanding of each others’ views and positions on issues which may arise in the various regional and international forums, in an effort to promote closer relations. It was further agreed that the Joint Commission will meet once a year alternately in a CARICOM member state and Cuba.⁵¹

CARICOM also had a generally collective stance with regard to the Haitian controversy in 2004. CARICOM deplored the removal of Aristide from office as setting “a dangerous precedent for democratically-elected governments anywhere and everywhere as it promotes the removal of duly-elected persons from office by the power of rebel forces...” CARICOM questioned whether Aristide’s resignation was truly voluntary, as it came after the capture of sections of Haiti by armed insurgents and the failure of the international community to provide the requisite support, despite appeals from CARICOM.⁵²

With respect to Venezuela, most CARICOM countries have engaged in cooperative arrangements with the Chavez administration. In a recent visit to St. Vincent and the Grenadines President Chavez called for Caribbean countries to join him in his fight against imperialism. He argued that the Caribbean should be ‘a sea of resistance to imperialism’.⁵³ Venezuela has given assistance to CARICOM countries particularly in the area of infrastructural development and energy through the *Petro Caribe* initiative. However, this has ignited tensions with Trinidad and Tobago which is a key CARICOM member and the region’s only energy producer. Guyana has decided to satisfy its energy needs from both Trinidad and Tobago and Venezuela. At the end of the recent Rio Conference Prime Minister Manning of Trinidad and Tobago indicated that his country and Venezuela need to work closer together to ensure energy security in the region.

⁴⁸ United Nations, “Statement by the Honorable Dame Billy A Miller, Senior Minister and Minister of Foreign Affairs and Foreign Trade of Barbados to the 59th Session of the United Nations General Assembly,” (New York, September 27 2004), 5-6.

⁴⁹ CARICOM, 2005, 31.

⁵⁰ Joaquín Roy “The European Union Perception of Cuba: From Frustration to Irritation.” *Jean Monnet/Robert Schuman Working Paper Series* Vol. 3 No. 2. (Miami, August, 2003) 8

⁵¹ CARICOM Secretariat, “Agreement Establishing the Caribbean Community-Cuba Joint Commission,” December 13 1993. (http://www.caricom.org/archives/agreement_caricom-cuba-jointcommission.htm) accessed April 27 2005.

⁵² *Jamaica Gleaner*, “This sets a dangerous precedent” March 1 2004.

⁵³ *Barbadian Nation* “Join me in Fight” 18 February, 2007.

Some observers have however cautioned against Caribbean countries' close association with Chavez. According to Ronald Sanders,

...President Chavez is a very volatile man whose policies toward a number of Caribbean countries should be analyzed beyond his anti-American rhetoric and the supposed largesse of his Petro Caribe initiative to supply oil to several countries... The Petro Caribe initiative is itself worrying. For, while it has the veneer of a good deal, all that it offers is deferred payment of a portion of the world price for Venezuelan oil. It may help the governments with immediate cash-flow problems but it is increasing their national debt and mortgaging the future of their countries to Venezuela... Caribbean countries have suffered for decades from the imposition of the will of the United States, it is right that they should try to resist it. But, they must also be careful of the ambitions of another potential [sub-hemispheric] hegemon."⁵⁴

Dominica's prime minister indicates, however, that "we shall make no apologies that President Chavez is our friend and the people of Venezuela are our friends."⁵⁵ Given the US preoccupation with the Middle East, and its benign neglect of the region, CARICOM has the political space to constructively engage Cuba and Venezuela.

Conclusions

In the contemporary global political economy, regional integration is an imperative for development. As proponents of the New Regionalism Theory (NRT) argue, however, the motivations for integration in the North are different from that in the South. While regional schemes such as the EU are consolidating their regional projects to better rule the world and compete for power in the Core, regional movements in the South are concerned with collective survival, resisting domination and strengthening their bargaining position in the global arena.

This paper used the case of CARICOM to address the questions: what types of regional projects are emerging in the South and to what extent are they modeled after the EU? It examined CARICOM along three dimensions: economic integration, functional cooperation and foreign policy coordination. However to understand the current state of Caribbean integration, the early federal experiment cannot be ignored. The Caribbean 'benefited' from British tutelage. In essence the British encouraged 'bureaucratic/ administration integration' and promoted low cost low risk integration.⁵⁶ To date, CARICOM is struggling to break away from that historical mole.

In terms of economic integration, as the case showed the Caribbean Single Market and Economy (CSME) is the pulse of Caribbean integration. Given its small size and the harsh realities of the global environment, CARICOM has an incentive to deepen economic integration, hence the CSME. As The Girvan Report shows CARICOM is attempting to move towards a single economy and development vision. This supports the NRT which argues that countries in the periphery have to by necessity pursue development regionalism: the sufficient size argument; the need for self-reliance; the question of credibility; to enhance collective bargaining; to foster social stability; to promote environmental sustainability and to encourage democracy. This focus on development is a positive step forward. Are there any reasons to worry? There always are. While it is generally understood that development regionalism is necessary, the challenge will be to put recommendations into action and to create the institutional framework and political culture necessary to support this type of integration.

Since CARICOM is a Community of sovereign states which function within an inter-governmental framework, implementation is difficult. This is one major difference between CARICOM and the EU. While the EU pursues inter-governmentalism and supranationalism,

⁵⁴ Ronald Sanders "A Devilish Problem: The Caribbean between Bush and Chavez" 22 February, 2007.

⁵⁵ *Barbadian Nation* "Join me in Fight" 18 February, 2007.

⁵⁶ Interview with Don Marshall, February 2007, Barbados

CARICOM is almost purely inter-governmental (except for the Caribbean Court of Justice which is in its infancy). Nonetheless, the 2006 report of the Technical Working Group on Governance, like the *Time for Action* report which preceded it fourteen years earlier, has proposed elements of the EU model for CARICOM. It recommends, for example, an Executive Commission; an enhanced role for the Assembly of Caribbean Community Parliamentarians, a Single Caribbean Act, the principles of proportionality and subsidiarity. If this report is adopted, it should help to reduce the ‘implementation paralysis’ which has slowed down the pace of Caribbean integration. It would also shift the emerging CARICOM model closer to aspects of the EU model.

Another challenge to the CSME relates to uneven development within CARICOM. Unlike the EU, which can financially afford structural and cohesion funds, it is problematic to meet the treaty provisions for a development fund, since CARICOM comprises relatively poor countries. Therefore, for CARICOM integration must by necessity go beyond the economic question. This again speaks to the differences between regional projects in the developed and developing worlds.

Another deficiency relates to the ‘information deficit’ and the disconnect between the ordinary people and the CSME. This is one similarity that CARICOM shares with the EU and it is one feature that CARICOM should not emulate from the EU. Steps should be put in place to improve the democratic character of the regional movement to ensure that people are put at the centre of integration to ensure participation and greater social cohesion and security. Further research is needed on the question of democracy and integration. Does popular consultation slow down the pace of integration? Does an elitist approach facilitate the advancement of integration?

It is noteworthy that security is now the fourth pillar of CARICOM. This is a step toward deeper regionalism. It is necessary to emphasize that in the case of the Caribbean security goes beyond the military sphere to include human, societal and environmental security. When compared to the EU, security generally relates to ‘high politics’ such as the role of NATO and the dynamics of the trans-Atlantic relationship. This again speaks to the differences between regionalisms in the developed and developing worlds. There is need for further research on the question of regionalism and security, particularly as it relates to the Global South.

With regard to functional cooperation, CARICOM has been relatively successful, particularly in the areas of health, education, disaster management, sports and culture. The EU has been instrumental in providing aid to CARICOM and to individual member states in many functional areas. Caribbean countries have also received financial bilateral assistance from individual EU member states; most notably the British. It is necessary to note that the European Partnership Agreements (EPA) which is being negotiated between the EU and CARIFORUM, makes provision for financial assistance to advance regional integration.

In terms of foreign policy CARICOM is engaged in controversial relationships, particularly with Cuba and Venezuela. This reflects two factors. First, given the Caribbean’s history of external domination – through slavery and colonialism – it has almost always adopted a foreign policy stance of Third World solidarity. Second, foreign policy in the Caribbean is for the most part linked to development needs. Therefore, by necessity it has to engage in diplomatic maneuvering for its survival. On the question of foreign policy CARICOM has had mixed results. There is need for further research on regionalism and foreign policy options in the developing world.

In summary, the case of CARICOM suggests that regional integration in the South is of a special type. It is riddled by historical ghosts. It is reactionary to external forces and must go beyond the economic dimension. Consequently foreign policy becomes a strong tool in the region’s collective bargaining with the rest of the world.

The case also suggests that regional projects cannot ignore the EU model of integration, since it represents some basic ingredients for success – common institutions, political leadership and vision, financial commitment to integration, among others. In the case of CARICOM the 1992 *Time for Action* proposed aspects of the EU model. This report was initially ignored and

later implemented in part. Currently, fourteen years on, another report is proposing similar recommendations along the lines of the EU. It is necessary to note that whereas the EU does provide a reference point for integration, it should not be mimicked. CARICOM has to find its own path, while drawing lessons from the EU. This paper argues that CARICOM has not yet come of age. However, it has not died in infancy either. It has moved beyond functional cooperation, but it is proceeding with the process of integration within a minimalist framework, given the problematic of political union. Time will tell to what extent CARICOM will step into or slide out of the future. I remain cautiously hopeful.