Deepening sub-regional governance amidst regional disintegration: the curious case of the Organisation of Eastern Caribbean States (OECS)

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Introduction

One of the most interesting – and challenging – elements of change in contemporary Latin America and the Caribbean is the pace of regional and hemispheric reconfigurations. In recent years, a number of new integration movements have manifested themselves, such as ALBA, UNASUR, and CELAC – and even extra-continental initiatives like the mooted Trans-Pacific Partnership (TPP) - with varying rationales, agendas and ideological underpinnings.

In the Caribbean specifically, the slow-motion collapse of the premier institution of regional governance, The Caribbean Community (CARICOM), has generally been viewed as heralding the effective failure of integration in a general sense. However, against this backdrop – which itself is driven by a widespread and complex political, fiscal and ideational crisis – the Organisation of Eastern Caribbean States (OECS) has purposively deepened its integration mechanisms, such that it is today one of relatively few integration movements globally to have created genuinely supranational institutions of governance.

The purpose of this paper, therefore, is to probe the case of the OECS, and question why and how the organisation has been able to advance integration within a context of broader regional disintegration. It addresses the institutional, agential and ideological elements of the organisation’s relative success, and seeks to draw some broader lessons about governance, regional integration and contemporary reconfigurations in Latin America and the Caribbean. Such an agenda, moreover, feeds into broader debates within international studies in general, and global governance in particular. As Thomas Weiss and Rorden Wilkinson (2014: 207) have recently put it, contemporary studies of global governance should identify and explain the structure of global authority accounting not just for grand patterns of command and control but also for how regional, national, and local systems intersect with or push against that structure.
This study contributes, therefore, to such an agenda by shining a light on what is probably one of the smallest integration movements in the world. By doing so, we hope to tease out a range of implications for regional integration and global governance more broadly.

The paper unfolds in three parts. We begin by explaining the nature of ‘dis’-integration in the Caribbean region as a whole, reflecting on the political, economic, institutional, and ideational drivers which have brought the traditional integration process – as embodied within CARICOM – to a very troubling impasse. Then, we move onto a discussion of the way in which, amidst such a broader crisis, the OECS has actually managed to deepen its own sub-regional integration agenda, building genuinely supra-national institutions of governance. Finally, we conclude by reflecting on both the prospects for the nature of Caribbean integration going forward, as well as the wider theoretical implications of the foregoing analysis.

**Explaining Caribbean Regional Dis-Integration**

Over the years, a number of thinkers, writers and diplomatic actors have posed variants of the ‘Whither CARICOM?’ question. This undoubtedly stems, as I have argued elsewhere (Bishop 2014), from a normative commitment to improving the fortunes of a regional integration process which has suffered continual crises of momentum and institutional innovation since its establishment in the 1970s. But it also reflects a deeper recognition of the fact that Caribbean development, in a broad sense, depends on a degree of unity of both purpose and collective endeavour if the collection of small islands and territories that comprise much of the independent, and generally – but not exclusively – Anglophone parts of the region, are to chart a successful course through the choppy waters of globalisation (Payne and Sutton 2007).

However, there is something of a bitter irony in the fact that it is these very same process, reflected globally, regionally and hemispherically, which have, in my view, come to make deeper integration increasingly difficult. So, the platitudinous rhetoric – calling disingenuously for deeper and more effective integration - in which Caribbean leaders continually shroud themselves at regional meetings, is belied by the insularity of their subsequence actions when they return home to stymie, and even wind back, genuine innovations in the integration process (Bishop and Payne 2010). Nonetheless, even were the requisite political will available to achieve deeper integration, it is the case that today there are a range of structural processes underway which are increasingly rendering any kind of ambitious regional agenda moot in both theory and practice.

*The Rise and Decline of Caribbean Integration*

The story of integration in the region begins in 1958 with the establishment of the West Indies Federation, which was conceived as the vehicle through which most of the territories of the Anglophone Caribbean would be collectively decolonised. After just four years, as the bigger players (initially Jamaica, and
then Barbados, Guyana and Trinidad and Tobago) withdrew from the project, it collapsed and set the pattern for insularity and fragmentation that has plagued the region ever since. This episode has been discussed at length elsewhere (see, for example Mordecai 1968; Payne 2008; Gilbert-Roberts 2012) so does not require another attempt at revisionism here.

However, there are a number of key analytical points to emphasise. One is that the collapse of the Federation, as Alleyne (2007: 2) puts it, still ‘haunts the political landscape’ of the Caribbean. As many of the independent territories of the region have struggled to adapt to the postcolonial settlement and, in many cases, have experienced economic vulnerability and stagnation, the Federation remains an omnipresent reminder of what could have been. In addition, and crucially, the decolonisation of the different territories as sovereign units meant that sovereignty and statehood were overwhelmingly bound up with the nation and (aside from Guyana) the island territory. This has provided clearly fixed, identifiable and highly insular boundaries to where the nation begins and ends.

Key political actors have, therefore, been unable to think of sovereignty in anything other than national terms, and, practically, this has made them extremely unwilling to pool it collectively in supranational regional institutions (Bishop and Payne 2010). This is problematic for a number of reasons. It prevents the creation of genuinely innovative regional governance mechanisms with the power to move the integration process forward independent of, not only states in general, but their heads of government in particular. These actors are also able to effectively hold their populations to ransom by resisting any perceived dilution of their power. Moreover, there are a couple of ironies at play here. One is that, for many Caribbean states, sovereignty actually counts for very little in real-world terms. It actually buys them very little genuine autonomy of action and it is continually and relentlessly transgressed by more powerful states and other transnational forces. Another is that – arguably, but nonetheless quite plausibly – Caribbean sovereignty would actually be amplified and augmented in net terms were the countries of the region to pool it more systematically in powerful regional institutions.

Yet this has never happened in the Caribbean. The pattern of integration has consequently been stymied by the contradictions and compromises that are inherent within the settlement handed down by the collapse of the Federation in 1962. The Caribbean Free Trade Association (CARIFTA) which emerged in 1968 after the prompting of William Demas (1965), an important Trinidadian intellectual, later merged into CARICOM which was established in 1973. The remit of CARICOM was essentially threefold: the deepening of economic integration, special treatment and assistance for the smaller so-called Less-Developed Countries (LDCs), and functional co-operation to incorporate new areas of integration (for a more thorough treatment of the different issues presented here, see Bishop and Payne 2010). However, barely a few years separated the optimistic establishment of CARICOM from the reality of pessimism and crisis that Payne (1985) diagnosed in the mid-1980s.

More broadly, deeper integration has never really occurred, and when it has done it has come too late and with too little commitment to completion. The CSME
process, which was officially instituted with the Grand Anse Declaration in 1989, took until 2006 – a gap of 17 years – to initially come into force. The purpose of the CSME is threefold: the deepening of economic integration through the creation of a single market and, eventually, economy; the widening of CARICOM to take on new members; and the creation of new trading links with non-traditional partners. The latter two of these objectives have been less important in some ways. They have also been generally unsuccessful. CARICOM has widened to incorporate Suriname and Haiti, but the Dominican Republic has, for example, been continually – and, at times, rather rudely – rebuffed (Bishop, Girvan et al. 2011). The development of new trading links, moreover, is something which has also been stubbornly difficult to engender.

It is, rather, the deepening aspect which is the central element of the CSME. This was initially supposed to take place in a number of stages, and be complete by 2015. At the time of writing – early 2013 – and after significant delays in implementation, the Heads of Government have decided to officially ‘pause’ the process. This has been widely interpreted as, if not the death knell, at least an implicit recognition that the CSME has, to all intents and purposes, been kicked into the long grass. It is hard to see how it will ever be resuscitated: in part on account of the fiscal challenges facing many Caribbean governments; and also because, if it cannot be completed in the quarter of a century which has already passed since 1989, it is inconceivable that any amount of extra time will make any difference when – and if – the region emerges from the economic doldrums. The simple fact is that the litany of problems is just too long and too intractable. Little agreement has been reached on such relatively straightforward issues as free movement of persons (with only the highly skilled so far being allowed to freely migrate to work within the region), contingent rights and regional accreditation. Consequently the far more contentious issues, such as harmonization of legislation, a single currency, and the full acceptance of the Caribbean Court of Justice (CCJ) - to which just three member states, Barbados, Guyana and Belize, have acceded in its appellate function - seem well beyond the realms of possibility. Indeed, there is one example which illustrates and summarises these frustrations perfectly: the so-called 'Single Domestic Space'. This was an initiative which accompanied the Cricket World Cup in 2007. It allowed for free movement around the region, a single visa for visitors, and it was underpinned by huge investments in technology, training and other infrastructure. However, rather than continue the experiment for a year or two to gauge the longer-term impact – and to permit Caribbean people to enjoy the kind of free movement that Europeans take for granted – it was wound up almost as soon as the World Cup ended. In a sense, the region took a huge and expensive step forward, and then an even bigger leap backwards.

Furthermore, as Norman Girvan (2011) has argued, the Economic Partnership Agreement (EPA) which has been signed between CARIFORUM (meaning CARICOM plus the Dominican Republic) and the European Union (EU) has, in any case, sapped much of the remaining momentum and incentive for CSME implementation (see also Bishop, Heron et al. 2013). Indeed, there is something of an irony in the fact that Caribbean countries have committed to liberalise ‘substantially all trade’ with a trading bloc of 500 million people in the EU, but
have consistently resisted the incorporation of the much smaller Dominican Republic fully into the CARICOM family due to fears on the part of sectional interests in the regional business community regarding the country’s competitiveness, and worries about giving the political initiative to a potential non-Anglophone hegemon. This is doubly ironic given that the country has the potential both to resurrect the integration process and drive it forward, as well as to bring the Caribbean closer to its Hispanicophone neighbours (one of the major stated objectives of the CSME).

The most recent high-point of the integration process – at least rhetorically – was the Rose Hall Declaration which emerged from the CARICOM Heads of Government summit in 2003. Under the leadership of PJ Patterson, then Prime Minister of Jamaica, the leaders agreed finally to the need for institutional innovation in CARICOM and, crucially, the creation of a Commission – similar to the EU Commission – with supranational authority and the capacity to drive the implementation of key decisions. For Anthony Payne and Paul Sutton (2007: 24), this represented ‘a momentous and potentially seminal decision’. Vaughan Lewis, an eminent regional academic and former Prime Minister of St Lucia, was the man charged with developing the technical proposal for institutional innovation in the machinery of CARICOM. However, by the time he reported (Lewis 2006), a number of key leaders had left office - amongst them Patterson himself - and the pendulum had swung back full circle, with the jealous guarding of national sovereignty being once again the order of the day. Since then, both CARICOM and the CSME process have stumbled on with little forward momentum and, as I discuss in the following section, they have done so amidst a mounting ‘crisis of development’ which, Payne (2009: 137) suggests, ‘is perhaps the gravest [the Caribbean] has faced in the post-independence era’. The ‘pause’ in the CSME is only the most visible aspect of this. The commitment to the regional integration process has waned markedly in recent years, and the horizons of ambition have been lowered significantly. Moreover, other related processes, such as the implementation of the EPA, have also fallen well behind track and few regional observers believe that the agreement – outside, perhaps, of those countries such as Trinidad and Tobago, Barbados or, perhaps, Guyana which have a degree of capacity – will be implemented in any meaningful way.

The Structural Challenge Facing CARICOM

At the global level, there are myriad processes of concern, all of which are interlinked. One is the enduring depression in which the EU, in particular, still finds itself. At the most basic level, this is placing an unprecedented squeeze on resources, with the EU budget for 2013-2020 facing a real terms cut for the first time in the institution’s history. This in turn implies a reduction in the capital available for development financing in general. The more problematic issue, though, is represented by the European response to both the crisis itself and the broader structural changes which have been occurring in the global political economy since the early 2000s; notably the dramatic ‘rise of the BRICS’, the continued downgrading and even dismantling of many of the remaining ideological and institutional underpinnings of the post-war period of ‘embedded liberalism’ (Ruggie 1982), and the consequent reinforcement of a genuinely
neoliberal order (see Cerny 2010). In the Caribbean, this is often thought of in terms of the end of preferences and the move to reciprocity, both of which, of course, are key issues. Yet the implications of these changes run far deeper and are considerably more fundamental. The EU has now intertwined its ‘development’ and ‘commercial’ agendas to such an extent that they are essentially indistinguishable (Heron 2011; Siles-Brügge 2011; Heron and Siles-Brügge 2012). What this means is that, not only is future finance dependent on the CARICOM acquiescing fully to the reciprocity agenda, but that this will be policed aggressively by the EU, with aid only forthcoming for trade, and Caribbean countries – as well as the wider African, Caribbean and Pacific (ACP) group – will increasingly find themselves on the end of much the same assertive agenda as the bigger and more powerful developing countries whose markets the EU is attempting to open. We only have to consider the threats which have been levelled at Jamaica, for example, on account of its tardy implementation of the EPA to get a revealing glimpse of this brave new world.

Another threat to the financing picture is that the Caribbean itself, despite pronounced levels of vulnerability (see Bishop 2012), actually contains within it many countries with medium, high, and very-high levels of GDP per capita and human development. Consequently, EU actors themselves – as well as other major donors – are finding it difficult to justify spending money in the Caribbean, when there exist apparently more needy places elsewhere in the world. And, to compound this, CARICOM itself is heavily dependent on donor financing for many of its initiatives and projects. Yet many donors regularly complain about their frustration with the organisation’s record at completing projects in a timely fashion, or seeing them followed through and implemented (Bishop, Girvan et al. 2011). So, to summarise, there are a number of concurrent threats to the financial picture. European financing is likely to diminish in general, it will also be dependent on the behaviour of the Caribbean in its engagements with Brussels, and the EU is likely to take a more uncompromising and intransigent stance to perceived indiscretions in future. The Caribbean itself is no longer a prime destination for donor financing anyway, and donors themselves are generally unhappy with how much of the money they do invest in regional institutions is spent. With little prospect of regional governments stepping up to meet the funding gap, CARICOM itself has suggested that it could face financial collapse as soon as 2017 (Wilkinson 2012).

This brings us to the hemispheric problématique. The main issue here is that there are now an increasing number of poles of integration, all evolving at a different pace and with differences of emphasis, and all providing the potential to undermine the CARICOM process itself. This, of course, is nothing new in many ways, with the (now defunct) Free Trade Area of the Americas (FTAA) as well as the North American Free Trade Area (NAFTA) long having been cited as alternative integration pathways in the Americas. What is different today, though, is the fact that many of the newer arrangements are both attracting Caribbean members and they are potentially usurping CARICOM functions. The most recent addition to the ‘spaghetti bowl’ of overlapping institutions is CELAC, the Community of Latin American and Caribbean States. All of the independent members of CARICOM have joined CELAC and, since its inauguration in 2011,
there has been much discussion within the region about its potentially becoming the future driver of a more intense process of hemispheric integration (for more on this, see chapter 6 in this volume by Mark Kirton). CELAC in turn follows hard on the heels of the establishment of UNASUR (the Union of South American Nations) in 2008, which has a mandate to physically bring the countries of the region closer together through infrastructural development (and of which both Guyana and Suriname are members). And, on an even bigger scale, the US is presently negotiating the Trans-Pacific Partnership (TPP) with a diverse coalition of the willing, including Australia, Japan, Mexico, Canada, Peru, Chile, Singapore and others. If, as is expected, an agreement eventually materialises, it will create an enormous free-trade area from which the Caribbean will either be excluded or compelled to join and acquiesce to terms which are significantly WTO-plus and potentially even EPA-plus. It is, in sum, hard to overstate the structural upheaval that this could potentially presage in the wider hemisphere if it becomes a reality. Finally, the organisation which poses the most immediate challenge for the Caribbean specifically is the Bolivarian Alliance for the Americas (ALBA). Since the death of President Hugo Chavez of Venezuela, there has been much debate regarding the extent to which both ALBA and the Petrocaribe initiative will outlive him. Up to now, fourteen members of CARICOM have participated in Petrocaribe, such that it ‘has now become the largest single source of concessionary financial assistance to CARICOM countries, exceeding the traditional bilateral and multilateral sources’ (Girvan 2011: 65). Moreover, three Caribbean countries - Antigua-Barbuda, Dominica and St Vincent and the Grenadines – have forged even deeper links with the Bolivarian Republic as members of ALBA, and this has necessarily created a (limited, but nevertheless discernible) degree of ideological differentiation within CARICOM. At a more prosaic level, it has also made common CARICOM policies – for example on energy, or the creation of shared positions on foreign policy issues – more difficult to achieve. At the very least it shows that a commitment to Caribbean integration (as traditionally conceived) does not trump the perceived material needs of specific member states.

This in turn brings us to the regional aspect of the problem, which itself is characterised by three main dimensions. First, there is the perennial problem of sovereignty; Caribbean governments – or, to be more accurately, their leaders – are unprepared to, as they interpret it, dilute their sovereignty, and this has effectively neutered CARICOM (again, for more on this issue, see Bishop and Payne 2010). The lack of institutional innovation within the organisation has always been a problem. However it is today rapidly becoming clear that, not only are political elites effectively holding the Caribbean people to ransom by refusing, as PJ Patterson (2003) put it at the Rose Hall meeting, to ‘cross the Rubicon’, but also that their intransigence on the sovereignty question has led to CARICOM itself becoming institutionally emasculated, stunted and plunged into a state of long-term decay.

The second issue is the broader pattern of fragmentation which can be discerned in region. This manifests itself in a number of ways: developmentally, in the increasing divergence between the richer countries like Trinidad and Barbados on the one hand, and the poorer Eastern Caribbean islands (and Haiti, and even
Jamaica) on the other; geopolitically, in the sense that Guyana and Suriname have a destiny which is inexorably bringing them closer to Latin America, just as Jamaica and the Bahamas find themselves perennially under the influence of Washington; and, crucially, through intensified fragmentation within countries, in which certain professional groups and classes are linked into global networks through work, travel and communications, and the wider mass of people whose living standards are stagnating and for whom heightened levels of human insecurity are a daily reality. It is hardly surprising that commitment to regional integration is dwindling, if we consider that, for the former group, who are usually highly skilled, can travel the region freely and work anywhere (and often in well-remunerated employment for regional institutions), CARICOM appears to be working pretty well. Yet for the significantly larger latter group, who cannot travel as freely, who are unable to work wherever they wish, and whose traditional livelihoods in, for example, agriculture, have disappeared due to the trade agreements negotiated by the former - often leaving viable opportunities only in the grey, or even overtly criminal, economy (see Bishop 2013) – there appears little to be gained from an integration process which has manifestly not been designed with them in mind.

The third issue is reflected in the EPA process, which itself is already being called into question as many Caribbean states – as I have already noted – have neither the inclination nor the capacity to fully implement the agreement. In a sense, the EPA has already served its purpose from the European perspective of driving a wedge between the ACP as a whole (as well as between the member states within the different regions) and reducing its collective bargaining power (Hurt 2012). This has in turn resolved – for the EU at least - the thorny nexus of problems encapsulated within its post-colonial and post-Uruguay Round settlement, consequently freeing it up to get on with the business of negotiating far more strategically important ‘commercial’ bilateral trade agreements with big emerging economies (Heron and Siles-Brügge 2012). For the Caribbean, the EPA has in many ways superseded the CSME process, and certainly would do so were it to be implemented in full (again, see Girvan 2011). Yet the latter has now been paused, and it is actually unlikely that either will be wholly implemented; it also takes quite a leap of faith to expect huge benefits to accrue from the EPA outside of the handful of Caribbean countries with competitive goods and services to sell.

**Sub-Regional Deepening in the OECS**

It is amidst this protracted crisis in the broader regional integration panorama that the deepening which has recently occurred in the OECS appears so remarkable. In June 2010, the grouping - which comprises Antigua-Barbuda, Dominica, Grenada, St Lucia, St Vincent and the Grenadines, and St Kitts-Nevis – signed the Revised Treaty of Basseterre (OECS 2010) which established the OECS Economic Union. Somewhat remarkably, this envisions the kind of deepening which CARICOM has been unable to achieve. The Treaty makes provision for the establishment of an OECS Commission which is blessed with supranational authority and legislative competence in five areas: the common market and customs union, monetary policy, trade policy, maritime jurisdiction and
boundaries, and civil aviation. Moreover, since August 2011, all citizens of OECS countries, regardless of their skills and qualifications, have been able to move freely and work in other member states. It is expected that, over time, a sub-regional Assembly of Parliamentarians – comprising, initially, national politicians - will also become influential in policymaking, with decisions increasingly taken, and institutions created, at the OECS level.

It is this process of purposeful deepening in the OECS which, in fact, offers a plausible – if, perhaps, somewhat unanticipated - alternative site for generating forward momentum in Caribbean integration in the future. There are a number of reasons why CARICOM, in contrast to the EU, has been unable to successfully deepen, widen and create supranational institutions of governance (see Bishop and Payne 2010: 16-18). These include, but are not limited to: an evident lack of financial resources and no country willing to underwrite the project (à la Germany); an inability to comprehend the essentially diffuse and potentially positive-sum nature of sovereignty, and an unwillingness to enter into ‘sovereignty bargains’ in order to achieve aggregate gains in this regard; the lack of a (small) core membership early on which sets the rules and norms of the organisation, which themselves imply a continual forward process (in the EU’s famous ‘ever-closer union’) and which underpin the gradual, but continual, process of widening and deepening; and a mixture of intergovernmental and supranational institutions which mediate between national and community interests. None of these conditions exist in CARICOM.

However, three of them are certainly present, to some extent at least, in the OECS. It has a small core membership which has determined the rules of the organisation; these have already led to the creation of an impressive array of institutions, and, crucially, an ongoing and positive process of deepening which has its own forward momentum; and this has resulted in the establishment of both inter-governmental and, as discussed earlier, an OECS Commission, in which sovereignty has been pooled and which enjoys genuinely supranational powers and a mandate to take the initiative in certain distinct areas of policy.

The point, therefore, is not that the OECS is a panacea for Caribbean integration. It is rather that the foundational structures are – in my view, at least – potentially more conducive to infusing the wider regional process with new energy and impetus. The three conditions noted above which are present in both the EU and the OECS, do not, cannot or will not exist in CARICOM. Yet it would only take one major country – Barbados or Trinidad and Tobago being the most obvious candidates – to apply to join the OECS, and their importance would be immediately obvious. The new member would, firstly, be forced to join the club in its present form and on the basis of rules, norms and a community ethos which is committed to ongoing integration. Secondly, it would be, by definition, part of a bargain in which some measure of sovereignty has been pooled in an integration process which has gone far deeper than CARICOM. And, thirdly, the new member would consequently have to consent to the supranational power of the OECS Commission. It barely needs saying that such an eventuality would also unleash an uncontrollable chain of events which could render the CARICOM
process defunct while simultaneously intensifying the broader integration process through the framework of the OECS.

Conclusion

More research needs to be undertaken to ascertain the broader implications of this novel process of change, along with the broader drivers of its development. It is unclear, for example, beyond the structural reasons, why leaders in the OECS countries have been happy to pool sovereignty at the sub-regional, as opposed to regional, level. However, what can be said for certain for now is that the OECS has at least begun to insulate itself against the worst fallout from the broader process of regional disintegration which appears to be underway. It is one of the first regional organisations globally to have created genuinely supranational institutions of governance. It is perhaps too early to say for sure whether such sub-regional deepening will continue, or whether it is likely to be stymied in some way or another, but this curious case of integration carries with it many lessons for our understanding of how groups of states choose to govern themselves at the supranational level.

References


