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INTEGRATION IS A BARGAIN - Part III WHAT INTEGRATION IS FEASIBLE NOW?

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In earlier articles on the advent of the Caribbean Single Market and Economy (CSME), we have been asking whether the CSME remains relevant in light of wider integration initiatives in this Hemisphere. Also is our integration effort being driven by objectives set by ourselves, or is its direction becoming more and more determined by external events?

Already one of the initiatives which our Governments have defined as being integral to a successful single market and economy – free movement of people – has been redefined to first concern not Caribbean nationals, but persons coming to the Region for Cricket World Cup (CWC). What is now being referred to as a Single Domestic Space will not be restricted to freedom of movement for Caribbean persons with particular skills – but will be open to anyone wishing to see cricket across the Region as a whole.

Will this factor of external motivation and objectives, as against domestic motivation and objectives, increasingly become the driving force of our integration movement? And will the institutions that we create, and successfully work, be the result of such external motivation – as in the case of the Ministerial Committee on Security established to ensure proper and timely arrangements for the implementation of the single Domestic Space? Will such trends determine the implementation of the Single Economy?

It is interesting that in all the preparations for the CWC-type free movement through the Region as a whole, little has been heard of a word that has bedeviled the discussion on regional integration since 1968 – the word sovereignty. It is amazing how easily we have ceded our sovereignty to a collective decision-making body, in order to ensure that, for the CWC, what we want is effectively done, and to the satisfaction of the (external) market that we wish to serve.

Asking all these questions about the implications of the decision on free movement for CWC, reinforces an observation that is becoming increasingly obvious and on which we have already remarked. This is that the drivers of the integration movement today, unlike the first phase of integration in the 1970's and 1980's are not governments but the private sector (and note that those driving the CWC arrangements are a kind of private sector).

The structural adjustment of our economies has forced many elements of the private sector to seek international competitiveness and to respond to the demands of the global market, even when operating within the Caribbean. This is most prevalent, at present, in the financial sectors of banking and insurance and related services; but we can also see sectors like construction (for example the cement industry) struggling to ensure that their productivity levels are at international standards.

In addition, the private sector is becoming aware that even as we speak of a CARICOM Single Market and Economy, the economies of scale necessary for international effectiveness are driving them towards investment, and participation, in economies in the Caribbean beyond the CARICOM geographic space. They are eyeing non-English speaking economies in the Caribbean Basin, countries like the Dominican Republic, Costa Rica and even non-independent jurisdictions like the Netherlands Antilles.

We can see that it is these kinds of - largely external - pressures that have forced a certain consistency, and determination on the part of CARICOM Governments to implement the CWC decisions required, sometimes in the face of fierce opposition from local groupings and institutions. And in that regard, the private sector, regional or external, requires of Governments that what is implemented must have a consistency across the regional spaces, so that, for them, the conditions of investment and activity are uniform.

All this is another way of saying that, not having finalized the institutional arrangements for a Single Economy over the years since the initial commitment in 1989 (the Grande Anse Declaration), CARICOM Governments are faced with a new extra-regional environment of liberalization and globalization that is requiring a certain uniformity of laws and practices among regions.

The speed with which the Central American countries and in particular the Dominican Republic (a member of our Caribbean Forum with the European Union) have moved to accede to the offer of a Free Trade Area with the United States (in default of the FTAA) gives food for thought. For these are precisely areas which, as we have observed, CARICOM investors – particularly from cash-rich Trinidad and Tobago, wish to relate to.

We will have to come to terms with these external pressures inducing new directions of integration, even as we are pleading with the European Union to settle on an Economic Partnership Agreement (EPA) – of which they insist the Dominican Republic must be a part – on terms specific to CARICOM. And even as, we can be sure, the European Union will want to settle some form of EPA with the Central Americans in due course.

As we have had to come to terms with the relationship between cricket and tourism, will it be long before we feel constrained to deal with the relationship between air transport and tourism in a framework that recognizes a wider, liberalized Caribbean space (even stretching into Florida in an economic sense), rather than continuing to force a regional airline solution within the framework of our CARICOM?

All these processes, and Government decisions related to them, tend to be taking place behind the backs of the citizens, so to speak. It is revealing how little important stakeholders on whom Cricket World Cup would impact, have claimed to know about what was agreed between CARICOM governments and the international cricket authorities.

This raises the question of the institutional arrangements for public accountability in CARICOM, and their relationship to the institutions Governance of the Caribbean Community which Governments will soon be considering; and as the new forms of integration press themselves upon us. *Parts I and II of this article were published in The Sunday Guardian, 3rd September and 1st October 2006 respectively.*

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