



The World Today

Sir John Compton And Caribbean Integration: Part 2

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Shortly after his resumption of office in December 2006, after an absence of ten years, Sir John attended a meeting of CARICOM Heads of Government, preoccupied with the issue of how the Community could adjust to the ending of the Lome-Cotonou trade and aid agreement.

More specifically, the issue was the virtual insistence of the European Union that a new agreement should be established on the basis of reciprocity of (no barriers to) access of European exports and CARICOM exports to each others' markets.

This was a new Caribbean-European environment for him, though one he would have anticipated before he left office in 1996. For as we have seen, he had to come to terms with the ending of the protection of the banana trade. This trade had virtually underpinned, through the many years of his rule as Head of Government, the economic viability of St Lucia.

Sir John will have found that the period of CARICOM's coming to terms with the new stance that it needed to take in respect of the changes in the Britain's attitude to its former colonies, had been prolonged. This will have surely reminded him of the extensive time taken to arrange a new regime for the Caribbean banana trade, a regime still under challenge at the WTO ten years after it had originally appeared to be settled.

But the implementation of the decision, to which Sir John had been a party in 1989, to transform the Caribbean Common Market Single Market and Economy (CSME) had also been a prolonged affair. The 1989 decision had contained the pledge to bring the CSME into existence by 1992, this no doubt intended, at the time, to parallel the 1986 decision of the European Community to establish the European Union by that same year.

Sir John was to find that the establishment CSME (indeed the CSM without the E) was just formally implemented when he attended his first Heads of Government meeting in early 2007, after returning to office. In a sense for him, time would have stood relatively still.

That first meeting which he attended will also have given him an additional sense of déjà vu. For the Community was in a raging discussion of an issue which had preoccupied him for many years – the fate of LIAT. For, thirty-three years before, Sir John had led negotiations (including with the Government of Venezuela) which, after the failure of the British company Court Line (that owned both the airline and hotels in St Lucia) had led to the reconstitution of the airline as LIAT (1974).

Now, in 2007, the fate of air transportation in the Eastern Caribbean would seem to be at the same point that it had threatened to be in 1974. In that perspective the long life of the Common Market and Community had not permitted a strengthening of the basis of a crucial aspect of Caribbean integration and development.

Indeed, to the contrary, he found that there was not only no unanimity of view on the direction of air transportation, but that the member-states of the Community had ceased to have a collective view of it. Even within the Eastern Caribbean-OECS arenas, the sense of a collective an integrationist approach to this matter had disappeared, with his own country, St Lucia, playing a minimal, if any, part in the attempt at reinvigoration of the airline.

What had changed, and what had not changed, to apparently loosen practical commitment to what was critical to the Community's process of development through integration in the intervening years?

The fact of the matter is that, we can see in retrospect, the Grande Anse Declaration of 1989 on the establishment of a CSME, and the decisions taken in 1992 (subsequent to the submission of the Report of the West Indian Commission led by Sir Shridath Ramphal) to actively move towards it, had changed the basis of CARICOM as it had originally been conceived.

These changes corresponded to both new policy directions taken within the Caribbean nations themselves, and new directions in which the international economy was being taken.

Sir John's CARICOM (or as we may put it the CARICOM of Williams- Burnham- Barrow) had been constructed on an agreement that the development of industries within the states would take place on the basis of the mutual grant of protection for the goods which each country wished to produce and export within the Region. This was the so-called "industrialization through import- substitution" policy extended to the region as a whole.

But with the recession experienced by the larger countries of Jamaica, Guyana and then Trinidad and Tobago, in particular, in the 1980's, the requirements of the structural adjustment policies recommended by the IMF and World Bank in exchange for financial assistance, undercut this basic agreement. The new policies required the removal of tariff

protection, and the opening of Caribbean countries to the “winds of competition” from all countries – developed as well as developing.

This meant in turn that the degree of discretion which Governments had had in determining the character and the content of manufacturing industries they wanted to establish was substantially diminished. The establishment of industries was to be a function of market forces, and the terms of their establishment could not be decided by Governments, but by international (not even regional) competition

What followed from the decision to accept these policies at the national level was transference of them to the regional (CARICOM) level. We were no longer to have regional development through protected integration, but development through what came to be called “open regionalism”. Our production and exports must be internationally competitive.

The decisions on these policies were taken by CARICOM Heads in July and October 1992, with Sir John leading the St Lucia delegation, but with OECS delegations complaining that they would leave their “lesser developed countries” dangerously exposed.

But there was no sympathy for such views. The winds of structural adjustment, we were told, were sweeping the whole Hemisphere, and structural adjustment and open regionalism were to be the new order of the day.

Paradoxically, the decisions were taken at the same time that the Governments received the Report entitled “Time for Action” by the West Indian Commission, which broadly accepted the view that CARICOM had to respond to the new global economic environment of liberalization of trade policies and practices. Europe, moving to its Single Market had accepted it, and had decided, in doing so, that new institutional arrangements would have to be put in place in the Union to permit more effective decision-making and implementation of their decisions.

Ramphal’s West Indian Commission made a similar recommendation, particularly in the light of one of its mandates: that more effective ways needed to be found to facilitate the speedier implementation of decisions of CARICOM and its member-states, both within the Community and in relation to the rapidly changing external policies of global states - in particular the European Union which wanted to change CARICOM’s relationship with their grouping.

Heads of Government, in October of 1992, rejected the institutional proposals made by the West Indian Commission. Complaints continued about slow implementation of decisions, leading to a decision, in 2006, of the Heads to review the original recommendations.

So on his return, Sir John Compton found the same difficulties of collective decision-making and implementation vis-à-vis the LIAT issue, and other issues, that he had left in 1996.

But the rest of the world had moved on. Europe had enlarged, and its new member states had little sympathy for CARICOM member states demands for special treatment as negotiations proceeded for a new CARICOM-EU Economic Partnership Agreement.

And since 1992, the United States had moved on – forming NAFTA with Mexico in 1994, to the disadvantage of our (particularly Jamaica's) industrial exports; and proposing a Free Trade Area of the America (FTAA), giving us a new difficulty to which we would now be spending time making up our minds about. In effect, by 2007 Sir John Compton found a completely new world challenging our integration movement. But he found that we were seeking to cope with the instruments of the world before the era of “globalization”.

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