

Caribbean Integration and the Global Economic Crisis

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Introduction

My intention in this paper is to use the concept of the "imagined community" to assess the region's response to the current economic crisis and in particular to provide a framework with which to evaluate the likelihood that the West Indies will, for self-protection, deepen Caribbean integration.

In his review of developments during 2009, Sir K. Dwight Venner, the Governor of the Eastern Caribbean Central Bank, detailed how the sub-region was buffeted by the global economic downturn. The Organization of Eastern Caribbean States (OECS) experienced a 7.4 percent contraction in growth, the collapse of the British American and CLICO insurance companies, a run on the Bank of Antigua subsequent to the arrest of Allen Stanford, and actions undertaken by the G20 grouping of countries to curb offshore financial centers. Governor Venner reported that in response to these developments an Economic Union Task Force was established to craft a new sub-regional economic treaty, to achieve "a full and complete Economic Union." He added, "the critical lesson learnt in 2009 was the power of

collective action.”¹ Thus, not for the first time, the response in the region to economic pressure was to try to deepen regional integration.

Imagined Community

Benedict Anderson’s conception of a nation as an “imagined community” has become, as Richard Haesly writes, “the touchstone in recent work on national identity for understanding the complex process whereby individuals become attached so passionately to their nation.”² Nationhood, according to Benedict Anderson, is based on a population’s belief that “regardless of the actual inequality and exploitation that may prevail,“...a “deep horizontal comradeship” exists. The sense of community upon which the nation is constructed is necessarily imagined. The sense of community is typically built on shared myths, the historical validity of which is of little consequence. Anderson writes, “communities are to be distinguished not by their falsity/genuineness, but by the style in which they are imagined.” Further, since nations are built on specific myths that are not shared by other communities, nationalism

¹ Sir K. Dwight Venner, “The 2009 Eastern Caribbean Currency Union Economic Review,” 28 January, 2010, http://www.eccb-centralbank.org/PDF/2009_ECCU_review.PDF

² Richard Haesly, “Making the ‘Imagine Community’ Real: A Critical Reconstruction of Benedict Anderson’s Concept of ‘Imagined Communities,’” Paper prepared for delivery at the 46th annual International Studies Association Meeting, March 1-5, 2005, Honolulu, Hawaii, p. 3-4

is inherently self-limiting. As Anderson puts it, nationalists do not "dream of a day when all the members of the human race will join their nation..."³

Building on Anderson's framework, Haelsy has shown that the concept of the imagined community can be used to study cases where the development of a nationalist sensibility is weak or incomplete. In contrasting the stronger nationalism of Scotland with that of Wales, he underscores the fact that "some national myths are successful while others are not." He argues that there are "myriad pathways whereby nations (whether they are independent nation states or not) may successfully instill a meaningful sense of an imagined community." But, as he concludes, "these various paths may or may not always be successful." Because this is so, he writes, "one must analyze the boundaries on the imagination process almost as much - and for some cases, more fruitfully, even more often than - one looks at the imagination process itself."⁴

West Indian Nationalism

The question that arises in considering the prospects for Caribbean integration is the extent to which an imagined community is present in the region and whether the

³ Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London and New York: Verso, 2006 (first published, 1983), 6-7/

⁴ Richard Haesly, "Making the 'Imagined Community' Real, p. 9, 32.

bonds that are present are sufficient to facilitate regional integration.

In this regard, Eric D. Duke provides evidence that at least an embryonic pan-regionalist sentiment has indeed long been present in the West Indies. According to Duke, "the various efforts to create some form of a 'united West Indies,' be it federation, confederation or closer union, represent one of the longest and most sustained national-building ideas in the British Caribbean, even preceding the 1930s labor uprisings, conventionally thought to be the source of Caribbean nationalism." Duke writes that "throughout this long history of federation, the idea for such a configuration was frequently a popular solution to a range of problems and desires put forth by disparate and often competing groups..." As such, he writes, "federation became a cornerstone of burgeoning West Indian nationalist movements."⁵

Though it is true that Duke has provided a valuable service in underlining regional integration's authentic indigenous roots, the fact remains that Caribbean nationhood has never become a preoccupation for the people of the region. Gordon K. Lewis captured the problem well

⁵ Eric D. Duke, "The Diasporic Dimensions of British Caribbean Federation in the Early Twentieth Century," *New West Indian Guide*, Vol. 83, nos. 3&4, p. 220-1, 223.

when he wrote that in the region "...there has always been a sense of common history but little sense of common destiny."⁶ Regionalism's fragile hold on the aspirations of the Caribbean people is described this way by Sir Shridath Ramphal: "the natural state of ...our Caribbean is fragmentation; without constant effort, without unrelenting perseverance and discipline, in suppressing instincts born of tradition and environment, it is to our natural state of disunity that we shall return."⁷

Ramphal believes that though the sense of community in the West Indies is fragile it nevertheless does exist. Alongside the always-present tendency towards fragmentation, he writes, "there is another side that is unifying; and it too is part of our natural state and our heritage...We know in our minds that in an ultimate sense we need each other for survival on any tolerable basis. And we know it more and more as the world turns around us and changes our prospects." Perhaps more a hope than a statement of fact, he concludes "we know that our oneness must overcome our separateness."⁸

Cast in Anderson's terms, the people of the region share a common identity, but an imagined community is

⁶ Gordon K. Lewis, *The Growth of the Modern West Indies* (New York and London: Monthly Review Press, 1968) p. 371.

⁷ Sir Shridath Ramphal, "Rough Handling Federation," p. 4

⁸ *Ibid.*, p. 5

present only in an attenuated form. Tendencies towards regional cohesion are present; but so too are pressures propelling insularity and divisiveness.

Pressures and Counter-Pressures

The region is not alone of course in confronting both centripetal and centrifugal forces. Such conflicting pressures are always present. Successful nation-building requires that the first is strong enough to overcome the second. In a recent paper Vaughan Lewis fruitfully identifies critical differences in that regard between the region's failed Federation (1958-1962) and the success in nation-building that occurred in both India and Indonesia. Lewis writes that in those countries there "was the development of non-state political institutions devoted well before independence, to the articulation of unified political party arrangements or national liberation fronts, across the geographic territories ready to assume office as majority national governments, irrespective of considerations of linguistic, religious or cultural differences and other potential splittest tendencies."⁹

Such integrative non-government activities were, however, all but absent in the years preceding the

⁹ Vaughan A. Lewis, "The Federation of the West Indies: Its Life and End - A Comment." Prepared for a Panel Discussion sponsored by the Barbados Historical and Archaeological Society, University of the West Indies, Cave Hill, Barbados, November 25, 2008.

establishment of the West Indies Federation. John Mordecai notes that in those years "the Eastern Caribbean and Jamaica had no direct steamship communication, did not read each other's newspapers, and at the level of the man on the street were hardly aware of each other's existence, except on the cricket field." Mordecai furthermore is dismissive of the political parties created for the Federation elections, assessing both the West Indies Federal Labour Party and the Democratic Labour Party of the Federation as "contrived in expediency - both lacking distinct foundations in doctrine, traditional themes and standards around which leaders of the territorial parties ...could rally."¹⁰ Thus, as Lewis concludes, there was "no solidarist political glue binding the national parties to each other in a federal structure. So there was little basis for the progressive articulation of inter-island political solidarity..."¹¹

After Federation

After the Federation's collapse in 1962, an impetus toward regional cohesion manifested itself almost immediately. Starting with the 1965 signing of the Caribbean Free Trade Area (CARIFTA) involving Antigua,

¹⁰ John Mordecai, *The West Indies: The Federal Negotiations* (London: George Allen and Unwin Ltd. 1968), p. 85-6, 30

¹¹ Vaughn A. Lewis, "The Federation of the West Indies: Its Life and End - a Comment," p. 7.

Barbados and (then) British Guiana, regional integration has deepened and widened in a series of agreements that have extended over the years since then. Most significant in this regard was the Treaty of Chaguaramus in 1973 which established the Caribbean Community and Common Market (CARICOM) and the 2000 Revised Treaty of the same name whose stated objective is to bring into existence a CARICOM Single Market and Economy (CSME).

At the sub-regional level, the tendency towards cohesion resulted in the establishment of the OECS in 1981. Under that structure seven very small member states are provided with joint diplomatic representation. In addition, the Eastern Caribbean Central Bank supervises and sets policy for the EC dollar. Recently the OECS has set out to deepen its integrative function. In December 2009 the members of the organization initialed a draft of a new treaty which, as described by the organization, will establish an "Economic Union...as a single financial and economic space."¹²

But over and against these accomplishments, at the CARICOM level there has been a very serious gap between promise and implementation in the integration process. This shortfall exists because no mechanism exists in CARICOM to

¹² Organisation of Eastern Caribbean States, "Draft of the New Treaty," <http://www.oecs.org>, p. 5.

ensure implementation of agreements. Writing in 2003, Havelock Brewster reported that though the CSME agreement was then fourteen years old, to date "very little had advanced to the stage of implementation." The core of the problem, Brewster writes, "...resides in the fact that the Treaty of Chaguaramas is based on the intergovernmental mode of cooperation and thus its provisions are subject...to the discretions of national sovereignty." The result is that, as Brewster writes "any decision...proceeds at such a very slow pace and indeed may even be subverted altogether in the end."¹³

With this the case, CARICOM has been unable to deliver on its promise of promoting regional economic development. Faced with the loss of market protection for the region's staples, bananas and sugar, it has not fostered the development of alternative market niches. Thus Mauricio Mesquita Moreira and Eduardo Mendoza argue that "overall, it can be argued that more than three decades of regional integration have not done much to change a regional division of labor that dates back from colonial times."¹⁴

¹³ Havelock Brewster, *Mature Regionalism and the Role Hall Declaration on Regional Governance*, "Delivered at the CARICOM 30th Anniversary Conference on Regional Governance and Integrated Development University of the West Indies, Mona Campus October 2003 p. 2

¹⁴ Mauricio Mequitea Moreira and Eduorado Mendoza, "Regional Integration: What is in it for Caricom?" INTAL-ITD Working Paper, No. 29, 2007, p.

In fact in recent years the nations of the region have lost ground relative other comparable nations. As indicated in Table 1, between 1992 and 2007 nine of the eleven

Table 1

Human Development Index Ranking of Caribbean Countries,
1992 and 2007

Country	1992 Rank	2007 Rank	Change
Antigua and Barbuda	53	47	+6
Barbados	20	37	-17
Belize	73	93	-20
Dominica	52	73	-21
Grenada	54	74	-20
Guyana	92	114	-22
Jamaica	63	100	-37
St. Kitts and Nevis	68	62	+6
St. Lucia	65	69	+4
St. Vincent and the Grenadines	66	91	-25
Trinidad and Tobago	30	64	-34

Source: United Nations Development Programme, *Human Development Report, 1992* (New York: Oxford University Press, 1992), Table 1; United National Development Programme, *Human Development Report, 2009* (New York: Palgrave Macmillan. 2009) Table G

countries of the English-speaking Caribbean experienced a decline in their ranking in the Human Development Index prepared by the United Nations Development Programme.

Furthermore these declines were very substantial, ranging from the loss of 17 places by Barbados to declines of 34

and 37 places respectively for Trinidad and Tobago and Jamaica. Notwithstanding the gains achieved by Antigua and Barbuda and St. Lucia then, taken as a whole this indicator suggests that the region has not adapted well to the new era of global market integration.

Another way of looking at national achievement is to examine the emigration rate. In doing so it is assumed that opportunities to lead a satisfactory life are inversely

Table 2
Emigration Rates (%): West Indies and Central America,
2000-2002

West Indies		Central America	
Country	Rate	Country	Rate
Antigua	45.3	Costa Rica	2.6
Barbados	29.8	El Salvador	14.3
Belize	16.5	Guatemala	4.9
Dominica	38.3	Honduras	5.3
Grenada	40.3	Mexico	9.0
Guyana	33.5	Nicaragua	2.9
Jamaica	26.7	Panama	5.7
St. Kitts and Nevis	44.3		
St. Lucia	24.1		
St. Vincent and the Grenadines	34.4		
Trinidad and Tobago	20.2		

Source: United Nations Development Programme, *Human Development Report, 2009*, Table A.

related to the outflow of people. Thus if two regions were equally proximate to a country that absorbs immigrants in large numbers, but one region possesses a substantially higher emigration rate than the other, it is reasonable to infer that the conditions of life are relatively unattractive for the people who reside in the country with the high exodus rate.

Such a comparison is provided in Table 2. In this table the emigration rate is calculated as the stock of emigrants from a country expressed as a percentage of the residents in the country plus its émigré population. In its most recent issue of the Human Development Report these data are provided for the years 2000-2002.

The fact is that emigration rates from the region are among the highest in the world.¹⁵ More to the point, as indicated in Table 2, the region's emigration rate is substantially higher than that of the small Central American countries which, like those in the Caribbean, experience a population outflow to North America. The emigration rate for the CARICOM country with the lowest outflow, Belize (16.5), exceeds the Central America country

¹⁵ Small countries like those in the Caribbean tend to have high migration rates. Nevertheless the region's emigration rate is far higher than the mean, 18.4, for 48 countries nations whose populations are less than 1.5 million, a mean which includes the West Indies. United Nations Development Programme, *Human Development Report, 2009* (New York: Palgrave Macmillan, 2009) p. 25

with the highest rate (El Salvador (14.3)). Even more stark is the fact that while the unweighted mean emigration rate from CARICOM stands at 32.1, for the Central American countries that statistic is 7.6.

The region has long been complacent about its very high emigration rate. It has explained it away by referring to a presumed regional culture of migration and it is assumed that not much can be done about it. But overlooked is the fact emigration rates on the order of magnitude that exist in the region possess the potential to eviscerate a society. When upwards of one-third of a nation's population choose not to live within its border the social fabric necessarily must be weakened. It may not be too much to say that the drugs and gang-related violence that has come to prevail in much of the region represents the price that it is paying as out-migration robs society of much needed human capital.¹⁶

What To Do

It is against this background that Peter Laurie, a now retired Barbados diplomat, declares the death of Caricom specifically and of regional integration more generally. Laurie writes "CARICOM has exhausted itself. Caribbean

¹⁶ See for example Dorn Townsend, *No Other Life: Gangs, Guns and Governance in Trinidad and Tobago* (Geneva: Small Arms Survey, Graduate Institute of International and Development Studies, 2009).

regionalism is not so much in retreat as it is irrelevant...In a globalised world economy, we're all better off fending for ourselves...World events have simply overtaken CARICOM. It's dead. The question is whether anyone will have the decency to bury the corpse."¹⁷

Laurie's comments reflect, though in an exaggerated form, the widespread pessimism present in the region concerning the integration process. Thus Ralph Gonsalves, the Prime Minister of St. Vincent and the Grenadines and a long-time supporter of the process, is reported as saying that while "the quest for a deeper union in Caricom...must continue," he nevertheless concedes that "the promise of a Caricom-wide Single Market and Economy (CSME) is unlikely to be fulfilled, either (by 2015) or in a manner sufficiently advantageous to the OECS."¹⁸ Similarly in response to the announcement by the government of Barbados of a crack-down on undocumented Caribbean immigrants in that country, Normal Girvan a proponent of integration from the early days of the New World movement concedes that "the principle of free movement throughout that Community that

¹⁷ Peter Laurie, "On the Other Hand - Bye, Caricom & WI Cricket," The Nation (Barbados), October 25, 2009.
<http://www.nationnews.com/comments/guestcolumnists/Peter-Laurie-Oct-25-copy-for-web>

¹⁸ Quoted in Rickey Singh, "Economic Union and PM Gonsalves," Trinidad and Tobago Express, July 15, 2009.
<http://www.trinidadexpress.com/index.pl/print?id=161504488>.

is enshrined in the Revised Treaty [of Chaguaramus] is unrealistic, and Vaughan Lewis concludes "below the surface, so to speak, there is a sense that the basis on which the gains from integration that were expected to be derived, is not being sustained."¹⁹

But the fact that Laurie is accurately reflecting the region's frustration with the integration project does not mean that his go-it-alone conclusion is sound. It is almost certainly not the case that individual West Indian nations will fare better in isolation from each other than in concert. The arguments that support integration are sound, no matter that deep integration has not been achieved. Economies of scale and administration, enhanced market opportunities, and greater bargaining power are all potential gains associated with integration. Indeed, some of those gains can be observed in the functioning of the OECS and could be greatly enhanced if the kind of functional integration present in that grouping were extended to the larger territories.

But for such an extension to occur it will be necessary for the people and decision makers to see in each

¹⁹ Norman Girvan, "Caribbean Xenophobia: Where Will it End,?" <http://www.normangirvan.info>; Vaughan A. Lewis, "Political Integration in the Caribbean: A Policy Approach," Prepared as a Background Paper for a Study on Growth and Development Strategy in the Caribbean by the Caribbean Development Bank, p. 13.

other more of an imagined community than is currently the case. For what is at stake is not just the advances that are available with integration. There are costs as well - in particular at least a partial loss of sovereignty. Deeper integration does mean a ceding of decision-making to a supra-national entity. Trust is required for that to occur. Those who are giving up authority will do so only if they believe that their authority is being placed in safe and reliable hands. Only a member of a shared "community" will be so entrusted. To date that level of shared community has not been adequate to the task.

For that reason Laurie, while otherwise not offering a promising alternative, does make a good point when he identifies as a mistake CARICOM's according membership status to countries that do not have a deep historical affiliation to the bulk of its participants. Laurie singles out Haiti and the Bahamas as nations that fit awkwardly in the organization, and the same may be said of Suriname. Similarly, the fact that the Dominican Republic was a party to the the Economic Partnership Agreement with the European Union did not help the cause of solidarity. It is a nation without close ties to the English-speaking Caribbean. More difficult to assess is the situation with regard to Jamaica, a nation that has long resisted closer integration

and threatens to continue to do so in the future, but one that is authentically part of the family. It would be unfortunate, but it might well be the case, that Jamaica will choose to separate itself if the rest of the region seeks deeper integration.

Because there have been many disappointments associated with integration, it is not possible to predict with conviction that recent initiatives will prove to be any more successful than the failed efforts in the past. But iff Laurie is wrong and integration is needed to reverse the region's decline, the fact that, in response to the economic crisis, the countries of the OECS and Trinidad and Tobago have entered into discussions about an economic union to be followed by political integration is to be welcomed. So too is the OECS treaty of economic union. These developments were applauded by David Jessop, the Director of the Caribbean Council who argued that by "first bringing together a potentially viable sub-regional group" and then linking with Trinidad, the OECS "...may be constructing the foundations for an alternative future approach to regional economic integration."²⁰

The idea of regional integration simply will not go away. Different schemes to achieve that objective appear

²⁰ David Jessop, "The View from Europe," January 15, 2009 (sic) www.caribbean-council.org

with virtual automaticity in the wake of previous failures. That alone is suggestive of the fact that an imagined community really is present in the region. To date the impetus to nation-building that it provides has not been strong enough to overcome the power of insularity. And in indeed it may never achieve such a level. Yet the pressures imposed on the region by the global economic crisis have increased the incentive to move to integration. If this enhanced incentive is married to an increase in the depth of community cohesion, a depth more present in the OECS than in the presently constituted CARICOM, regional integration might yet be deepened and a real start to the building of a West Indian nation initiated.