

# Caribbean Regional Integration

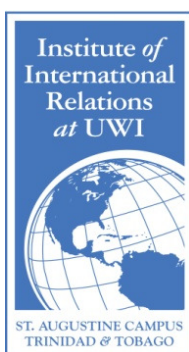
A Report by the UWI Institute of International Relations (IIR)

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## ACRONYMS

ACCP	Assembly of Caribbean Community Parliamentarians
ACS	Association of Caribbean States
ALBA	Bolivarian Alliance for the Americas
BLP	Barbados Labour Party
BRICS	Brazil, Russia, India, China, South Africa
CAPE	Caribbean Advanced Proficiency Examinations
CARDI	Caribbean Agriculture Research and Development Institute
CARICAD	Caribbean Centre for Development Administration
CARICOM	The Caribbean Community
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CARIFTA	Caribbean Free Trade Association
CARIPASS	CARICOM Travel Pass
CASSOS	Caribbean Aviation Safety and Security Oversight System
CBSI	Caribbean Basin Security Initiative
CCCC	Caribbean Community Climate Change Centre
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CEDA	Caribbean Export Development Agency
CEHI	Caribbean Environment Health Institute
CET	Common External Tariff
CFC	Caribbean Food Corporation
CFNI	Caribbean Food and Nutrition Institute
CIDA	Canadian International Development Agency
CLDF	CARICOM Legislative Drafting Facility
CLE	Council of Legal Education
CMI	Caribbean Meteorological Institute
CMO	Caribbean Meteorological Organisation
COFAP	Council for Finance and Planning
COFCOR	Council for Foreign and Community Relations
COHSOD	Council for Human and Social Development
COTA	Caribbean Organisation of Tax Administrators
CREDP	Renewable Energy Development Programme
CRFM	Caribbean Regional Fisheries Mechanism
CRITI	Caribbean Regional Information and Translation Institute
CRNM	CARICOM Regional Negotiating Machinery (now OTN)
CROSQ	Caribbean Regional Organisation for Standards and Quality
CSME	Caribbean Single Market and Economy
CSO	Civil Society Organisation
CTO	Caribbean Tourism Organisation
CTU	Caribbean Telecommunications Union
CXC	Caribbean Examinations Council
DFID	(UK) Department for International Development

DOC	DFID Drivers of Change
DR	Dominican Republic
EC	Eastern Caribbean
ECCB	Eastern Caribbean Central Bank
EDF	European Development Fund
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
HoG	Heads of Government
ICT4D	Information and Communication Technology for Development
ICTs	Information and Communication Technology
IDB	Inter-American Development Bank
IIR	The (UWI) Institute of International Relations
IMF	International Monetary Fund
IMPACS	Implementation Agency for Crime and Security (CARICOM)
JLP	Jamaica Labour Party
LDC	Less-Developed Country
MACC	Mainstreaming Adaptation to Climate Change
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organisation
OAS	Organisation of American States
OECS	Organisation of Eastern Caribbean States
OTN	Office of Trade Negotiations of CARICOM
PANCAP	Pan- Caribbean Partnership against HIV/AIDS
RSS	Regional Security System
SALISES	Sir Arthur Lewis Institute of Social and Economic Studies
SIDS	Small Island Developing States
TASU	Technical Action Services Unit
TEI	Trade and Economic Integration
UK	United Kingdom
UNASUR	Unión de Naciones Suramericanas/ Union of South American Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USA	United States of America
USAID	United States Agency for International Development
UWI	University of the West Indies
WI	West Indies
WTO	World Trade Organisation

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## EXECUTIVE SUMMARY

The purpose of this study is to analyse the Caribbean regional integration process, to help identify options for moving it forward. This in turn will help to inform future strategic engagement by different stakeholders with a view to facilitating and assisting in the development of the regional integration agenda, by:

1. Identifying the key issues, areas and actors within the regional integration process on which stakeholders can focus to drive real change; and
2. Identifying and assessing if (and how) various stakeholders (such as development partners, regional institutions, the private sector and civil society) can effectively support the regional integration process.

In order to achieve this agenda the team from the Institute of International Relations (IIR) at the University of the West Indies (UWI) solicited the opinions of a wide range of regional stakeholders on the current state of Caribbean regional integration, along with their recommendations for measures which could help to solve some of the problems affecting it. Approximately one hundred in-depth interviews were conducted in January 2011 of present and former political leaders, diplomats (both Caribbean and foreign), practising politicians, officials in development partner institutions and donor agencies, technocrats, private sector organisations, civil society, military officers, business personnel, academics, journalists and concerned citizens. The interviews were in-depth and comprehensive. This research was followed up by numerous informal conversations, as well as a workshop at IIR which took place in February 2011, with around 40 other stakeholders taking part in a critical and wide-ranging discussion on the interim draft report.

This study is very much 'for' the Caribbean region. The role of the funding agency was restricted to commissioning and funding the research, as well as being one of the many respondents. The methodological design and the research itself, although based on the DFID 'Drivers of Change' (DOC) methodology, was the product of the research team based at IIR. For the record, it should be pointed out that no pressure was brought to bear, at any point, on the team's independent judgement. Accordingly, it should be emphasised that the report is not intended to provide support for the policy or position of DFID (or any other agency) with regard to their assistance to CARICOM or its member institutions, or any information which may be used in an inappropriate way. We have reported faithfully the views of the stakeholders that were interviewed, and we have analysed them dispassionately and critically in accordance with our methodology in order to provide the recommendations that form the core of the report's findings. Our hope is that the analysis will provide a snapshot of current views on integration; it will stimulate discussion, and help guide practical and workable solutions to this issue which most regional stakeholders agree is of critical importance.

A number of general findings emerged, which can be summarised in five main points.

1. There is perhaps little in this report which we did not already know regarding the problems facing the integration process. However what is new and important is that we now have a solid empirical basis to support the diagnosis and analysis that we advance here. In sum, stakeholders are deeply pessimistic about the future of, in particular, CARICOM integration, and see the region burdened by a lack of vision, weak implementation of decisions, mistrust, poor leadership and institutional decline. Yet most also consider this a matter of grave concern. Indeed, what is striking about the breadth and depth of frustration that is held by

the Caribbean stakeholder community is that this frustration is proportionally equal to the faith held by most in the imperative of integration. Almost without exception, stakeholders see integration as critical to the future development of the Caribbean.

2. It was felt that the most obvious manifestation of regional malaise is the apparent institutional stagnation within many of the organs of regional governance and, especially, CARICOM. Yet many interesting proposals were made about how to drive improvement forward, along with the vital roles that can be played by different stakeholders in achieving a more effective integration agenda. These ideas, in turn, have fed into our recommendations.
3. There was a real sense that the optimistic era of Caribbean integration may well have passed just at the time when it is most desperately needed. The difficulties facing the region are no longer simply about competing effectively in a globalising economy. Rather, they are 'existential threats' which bring into question the fundamental viability of Caribbean society itself. Climate change, transnational crime, the decline of regional industries, food security, governance challenges, international diplomacy and so on are problems which can only be effectively addressed by co-ordinated regional responses. Moreover, these problems are becoming increasingly acute in the immediate present; failure to act immediately, decisively and coherently at the regional level could quite conceivably herald the effective decline of Caribbean society as a 'perfect storm' of problems gathers on the horizon.<sup>1</sup>
4. The regional leadership is seen as critical to either the continued deterioration of the integration process, or its re-generation. There are some signs that this message is being heard, in light of the speeches made at the CARICOM Inter-sessional meeting in Grenada in February 2011, as well as the commitment to defer the decision on a new CARICOM Secretary General until a retreat has been held in Guyana specifically to discuss the future of integration in the Caribbean (sometime before July 2011). This report is therefore timely in terms of both its recommendations and the window of opportunity that has opened for the region – and especially the Heads of Government (HoG) – to seize the integration initiative. It cannot be stressed just how critical the present juncture is; this may well be the last chance to save the formal integration process in the Caribbean as we know it, to set the region on a new development path, and another opportunity might not present itself in the future.
5. Interviewees also recognised that the world has changed, and regional integration is no longer only about formal processes. Increasingly integration is taking place at different levels and often outside of the formal political institutions. Yet at the same time, it is clear that this process is uneven, fragmented, and not always conducive to the broader push towards bringing the region closer together politically.

A plethora of key recommendations came out of the study, which, after careful analysis, we have distilled into a menu of 20 critical measures. These comprise a broad package of recommendations, each requiring varying levels of commitment, political capital, finance and energy to be sunk into them. Some are more feasible than others, some can be implemented immediately and easily, while others need greater long-term commitment.

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<sup>1</sup> This claim is, perhaps, nothing new in many respects. In 1989 at the CARICOM Heads of Government conference in Grand Anse, Grenada, ANR Robinson argued that 'the Caribbean could be in danger of becoming a backwater, separated from the main current of advance into the twenty-first century'. Yet more than twenty years later, the challenges facing the Caribbean are more 'regional' in scope, they are considerably more acute, and the portents, without effective regional responses, are likely to be far more deleterious.

Some of the recommendations involve an institutional response (such as reform of CARICOM institutions) and others relate more to the agents who can effect such change (for example, the crucial role that can be played by the HoG). Only concerted action by different stakeholders – leaders, opposition parties, donors, civil society, private sector and so forth – can provide for the purposeful reshaping of regional institutions that is required to move the integration process forward.

Please see Section 4 of the report where we go into greater depth about the reasoning for these recommendations, and, moreover, how we consider that they could come about. Effective integration will also be considerably more likely the greater the number of them that are adopted and enacted. While a few of the recommendations alone will create some improvements in integration, the potential is there to create a truly virtuous dynamic of integration if the stakeholder community seizes the moment to adopt many – or most - of them, thus securing the region’s future for many years to come. The alternative is the submission of the Caribbean to the many existential threats with which it is currently, precariously, faced and the beginning of an era which is catastrophic for the development of the region.

### ***Recommendations for the political leadership***

It is clear that the HoG recognise the gravity of the situation facing the Caribbean, and, moreover, in light of the planned retreat to take place in mid-2011, that they are compelled to act accordingly. The key recommendations are to:

1. Settle the question of the CARICOM Secretary General by offering the position to someone with gravitas and vision, and who commands the respect of both the HoG and the wider region.
2. Empower that person to undertake a wide-ranging review and root-and-branch reform of both the institutions and the purpose of CARICOM, as well as the broader range of regional commitments, particularly under the CSME.<sup>2</sup>
3. Immediately suspend the creation of new regional commitments until such a review is completed, and the least problematic outstanding commitments are implemented, thus displaying commitment to CARICOM and the CSME, and immediate and tangible benefits to the wider Caribbean population.
4. Empower CARICOM as a genuinely implementative organ, giving it the legal space to drive the implementation of decisions agreed by regional leaders.
5. Seek to solve the tension between national sovereignty and regional autonomy by taking some courageous, small, experimental steps. First, establish a single ‘CARICOM’ embassy in a country where the region has either no representation or limited representation. Second, pool sovereignty in a single, clearly-defined area of policy where regional interests clearly converge. To reiterate: the longer such meaningful reform waits, the greater the political,

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<sup>2</sup> It is often the case that people do not distinguish between the different components of the network of integration institutions and actors that comprise the ‘CARICOM’ edifice. In this report we have attempted to be clearer about this wherever there could be ambiguity, distinguishing three primary elements: 1) the Heads of Government and the various ministerial-level meetings which have decision-making power such as COTED; 2) the CARICOM Secretariat itself; and, 3) the wider network of sub-CARICOM agencies and institutions such as the CCJ, CROSQ, CRITI etc.

social and financial costs of inaction, and the more diminished becomes the real value of 'sovereignty' to individual Caribbean countries faced with existential threats.

6. Establish a convention similar to the European notion of an *Acquis Communautaire*, which is the idea that, once committed to forward implementation, the accumulation of treaties and agreements taken at the regional level cannot be undone. Leaders should also strive to make the fact, if not the detail, of regional integration an issue of bi-partisan consensus domestically.
7. Arrange a high-level meeting with officials in Santo Domingo with a view to solving the conundrum of the Dominican Republic conclusively, clearly and quickly.

#### ***Recommendations for regional institutions***

8. CARICOM, as noted above, needs to reorient its role towards becoming an implementative institution, and it needs to be granted the political and legal space – as well as the machinery and quality of leadership, through the new Secretary General - to be able to do this.
9. Space should be made for greater popular participation in regional fora. Whether through a revival of the Assembly of Caribbean Community Parliamentarians (ACCP) which is expanded to formally include civil society voices – or some other measure - greater participation is crucial.
10. Effective communication must come to the centre of everything that regional institutions do, along with the establishment of a Caribbean Broadcasting Corporation with the kind of public service remit – and comprehensive coverage across the internet, radio and airwaves – that characterises the BBC.<sup>3</sup>
11. Create an accountability mechanism of some kind for everyday citizens, in conjunction with civil society.
12. Beyond communications, a dramatic effort in upgrading the existing regional infrastructure, as well as reducing transaction costs, needs to be at the forefront of the Caribbean agenda. Central to this is the notion of sectoral development; particularly in the exploitation of regional resources to encourage food security as a key economic and social imperative.
13. UWI should rapidly reconsider its role as a regional university in terms of its purpose, its spread across the region, the nature of the research that it conducts – and how that research benefits the wider objectives of Caribbean progress – along with the practical and technical assistance it can offer to regional co-ordination.

#### ***Recommendations for civil society***

14. Civil society should embed the decisions reached in the 2002 *Liliendaal Statement of Principles*<sup>4</sup> as expressed in the forthcoming Regional Strategic Framework prepared by CPDC.

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<sup>3</sup> The decision taken by the UK Foreign and Commonwealth Office in early 2011 to scale back BBC World Service operations in the Caribbean has generated much comment regarding the desperate need for a more effective regional media. See <http://www.normangirvan.info/switch-to-a-regional-radio-service-the-guardian/>

<sup>4</sup> See *Liliendaal Statement of Principles on Forward Together*, at: [http://www.caricom.org/jsp/communications/meetings\\_statements/liliendaal\\_statement.jsp?menu=communications](http://www.caricom.org/jsp/communications/meetings_statements/liliendaal_statement.jsp?menu=communications)



This in turn should facilitate a) a clear map of the concrete spaces for regional engagement, b) a collective coming together of regional CSOs and NGOs around some common agreed regionalist themes, and c) a coherent view of what regional integration means from a civil society perspective, along with some core demands to be made of other stakeholders.

15. Civil society can therefore influence the integration process by a) providing a vision for Caribbean integration, b) interpreting and explaining that vision, c) policy advocacy to move policies which chime with that vision up the agenda, d) publicising and providing its considerable technical expertise, and e) taking on board responsibility for 'integration watch' activities, perhaps in conjunction with a UWI research centre.
16. Some key themes around which civil society can coalesce are a) democratisation of, and expansion of representation within, formal Caribbean regional institutions, b) informing the agenda of political parties – and especially opposition parties – to achieve a bipartisan consensus on regional issues, c) driving the agendas related to agreed but unimplemented measures, and d) the establishment of civil society fora for the transmission of communications between the domestic, civil, and regional levels.

#### ***Recommendations for the private sector***

17. The private sector can have a more significant impact on regional integration than is presently the case by: a) developing clusters of Caribbean industries with complementary interests, particularly in offensive extra-regional export industries, b) pressuring stakeholders to develop infrastructure and policy frameworks for industries which 'fit' the productive capabilities of different countries in the region (especially, for example, in agriculture and food security), c) pushing for – and helping to develop – upgraded regional infrastructure, particularly in communications and transport, and d) pushing for the full implementation of the CSME and the EPA, such that the offensive interests of Caribbean businesses can be realised in a timely fashion..

#### ***Recommendations for development partners***

18. Participate in a mapping of the extant regional institutions, initiatives and programmes (including other donor programmes with a regional focus), and then fund the anchoring of national-level actions on those initiatives, particularly in terms of longer-term financing to sustain work (for detailed suggestions, again, see section 4).
19. Support with the financing of tangible institutions, and in particular a) the establishment of an enhanced CARICOM implementation machinery (as suggested in recommendation no. 8) along with improved units in the member states, and b) the establishment of a Caribbean Broadcasting Corporation.
20. Facilitate research, whether academic or otherwise. In particular, the following: a) feasibility studies in terms of cross-border projects; b) analyses of the effectiveness of either existing or proposed regional institutions, including the counterfactual opportunity costs of *not* having them, c) support for the various civil society activities (such as 'integration watch', contact points) outlined in recommendations no. 15 and 16; and d) development of research clusters which bring together academics, policymakers, technocrats, scientists etc. both within and outside the region geared towards theorising workable, practical policy innovations to cope with the issues that are afflicting the region today: debt burdens, climate change, transnational crime, food security, sunrise industries and so on.

## METHODOLOGY

The study employs the DFID *Drivers of Change* (DOC) approach. This is a way of understanding how different actors and institutions can either block or facilitate change in a given development situation. It is

an approach for understanding the forces that bring about change and the key policy and institutional drivers for poverty reduction ... the dimensions of which include structure, agents and institutions.<sup>5</sup>

The methodology seeks to map the actors and institutions which can facilitate—or impede—effective change in the processes of regional integration.

In reality, actors and institutions can play a simultaneously positive and negative role. For example, although external donors can play an important role in support of regional integration by financing key regional institutions, they can also support projects which undermine the integration process.

The key focus of our methodology, however, is to identify where, on the one hand, such blockages to integration might be, and, on the other, to find out where the potential exists for overcoming them. So, a major part of the research relates to the identification of the institutions and actors – CARICOM and its various organs, the OECS, donors and development partners, national governments, political leaders, journalists, academics, private sector, civil society etc. – and a mapping of the ways in which they inhibit regional integration, along with their potential for moving the process forward. This in turn shaped the questions that we asked respondents, and has consequently allowed us to identify a range of plausible recommendations about how to improve regional integration in the Caribbean.

In sum, actors are embedded within institutions. It is the interaction between the two which produces integration (or retards it). As such, our work is focused upon uncovering the areas where pressure could be brought to bear by different stakeholders to effect institutional change, and, also, which institutions can provide the space for actors to drive integration processes forward.

### ***Research Design***

The team of researchers from IIR conducted 103 in-depth, semi-structured interviews with stakeholders from across the region in January 2011. Extensive time was given over to identifying and contacting respondents throughout November and December 2010, in order to gain a wide cross-section of interviewees. The interviews were conducted in seven Caribbean countries: Barbados, Dominican Republic, Guyana, Jamaica, St Lucia, Suriname and Trinidad and Tobago.<sup>6</sup>

As noted above, it was critical that we spoke to people from across the stakeholder community. With this in mind we interviewed the following:

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<sup>5</sup> See DFID (2004) *Drivers of Change Public Information Note*, London: Department for International Development: <http://www.gsdr.org/docs/open/DOC59.pdf>; also a recent discussion of the utilisation of the methodology can be found at Robinson, M. (2005) *Lessons learned on the use of Power and Drivers of Change analyses in development cooperation*, Paris: OECD Publishing: <http://www.gsdr.org/docs/open/DOC82.pdf>.

<sup>6</sup> Please note that because of funding constraints, it was not possible to undertake field research in Haiti or the other Eastern Caribbean countries, although it should also be noted that many of the regional institutions for the Eastern Caribbean (such as the OECS Secretariat) are based in St Lucia. Of course, had resources allowed, further research in these countries would have added an interesting dimension and further depth to the research.

1. Political leaders (former and serving) and ministers, Caribbean diplomats and senior officials, as well as opposition and government politicians and parties;
2. Development partners, donors and multilateral institutions (including the ACS, EU Delegations, UNDP, UNICEF, DFID, CIDA, USAID, IDB, OAS, World Bank);
3. Regional institutions (various officials at CARICOM, its sub-institutions and other regional bodies, including the CSME Unit, CDB, CTO, OTN, CARICAD, CRITI, CDEMA, WINAD, as well as the OECS Secretariat);
4. Diplomatic missions (from the UK, Australia, USA, Canada, Spain);
5. Public sector representatives (technocrats in government ministries, defence forces, immigration and other agencies, central banks, public sector commissions and so forth);
6. Private sector representatives (including representatives from chambers of commerce, manufacturers' associations, major regional firms and commercial institutions, vendors etc.);
7. Academia (academics from the three UWI campuses and University of Guyana);
8. Civil society representatives (activists, broader NGO groupings including major international NGOs, journalists and other concerned citizens).

For obvious reasons we assured the anonymity of all of our respondents in order that they could speak freely and that this report could gauge the genuine feelings of the region. In addition, this group of interviewees clearly does not provide a fully comprehensive sample. For example, we would have liked (and tried) to speak to the Chinese and Brazilian missions in some countries, as well as more of the CARICOM sub-organs. However, given resource constraints, along with the fact that not all solicited requests were responded to, it was not possible to interview absolutely everyone.

All research necessarily involves such compromises, and the numerous interviews that we did do nevertheless provide a robust sample on which to base the analysis. Moreover, where we did not succeed to include every voice, we have attempted to make provision for those institutions and actors to take part in the revisions of the report by soliciting their opinions and feedback during the initial dissemination stage. We engaged in a multitude of private, informal conversations, as well as hosting a workshop at IIR, in February 2011, which facilitated the involvement of approximately 40 stakeholders to discuss, to critique and to suggest improvements to the interim report. Almost without exception, everyone who was consulted supported our six broad findings described in the executive summary.

It should also be noted that, given the fundamental purpose of the report – to stimulate debate and action – those whose opinions were not solicited can freely engage in the post-publication debate which we hope it will help to stimulate.

Each interviewee was asked a series of semi-structured interview questions which were consciously designed to allow him or her to expand freely on what he or she considers to be of importance. Specifically, using the DOC methodology, we sought to identify the key institutions and actors which could drive change. With this in mind, the questions were structured into four sections:

1. Questions relating to situational analysis (exploring the major challenges in integration and the opportunities for overcoming them);
2. Questions relating to options for change (exploring the stake that different actors and institutions have in regional integration, the national-regional dynamics, and, within these contexts, who the actors and institutions are with the capacity to impede and effect change);
3. Questions relating to the role of donors (discovering the areas where donor interests and those of other stakeholders diverge, and identifying ways to better align them);
4. Questions relating to recommendations (finding concrete recommendations for all actors and institutions to better support regional integration processes).

The research questions were designed in order to complement the structure of the final report which comprises four main sections, each linked explicitly to the series of questions above. Moreover, the questions fed into the two overriding strategic objectives of the research which were noted earlier.

## 1. CONTEXT

### 1a – Overview of Regional Integration Processes

Regional integration has been a theme in the English-speaking Caribbean from colonial times. In the post-colonial era, a number of distinct phases can be identified in the evolution of regionalism:<sup>7</sup>

- Decolonisation and Federation - The West Indies Federation lasted from 1958-1962 and was supposed to see most of the English-speaking Caribbean accede to independence as a single federated state. However, in-fighting, British ambivalence, and the desire for national independence on the part of the larger countries (particularly Jamaica and Trinidad and Tobago) meant that it was short-lived.
- CARIFTA — The Caribbean Free Trade Association (1965-1973) was a free trade arrangement which liberalised trade in manufactured goods, provided for managed trade in agricultural goods; and contained special arrangements for the Less Developed Countries (LDCs, the smaller countries of the Eastern Caribbean).
- The Caribbean Community and Common Market (CARICOM) 1973-1989, which replaced CARIFTA in 1973 with the signing of the Treaty of Chaguaramas. CARICOM was a stronger form of integration with three ‘pillars’ of economic integration (a common market in goods), functional cooperation (education, health and several other areas), and foreign policy co-ordination. The CARICOM customs union was never completed and in the 1980s intra-regional trade languished.

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<sup>7</sup> See the following: Bishop, M. L., and Payne, A., (2010) *Caribbean Regional Governance and the Sovereignty/Statehood Problem*, Waterloo, Ontario, Canada: Centre for International Governance Innovation (CIGI) Caribbean Paper No. 8. Available at: <http://www.cigionline.org>; Payne, A., and Sutton, P. (2007) *Repositioning the Caribbean within Globalisation*, Waterloo, Ontario, Canada: Centre for International Governance Innovation (CIGI) Caribbean Paper No. 1. Available at: <http://www.cigionline.org>; and Payne, A. (2008) *The Political History of CARICOM*, Kingston, Jamaica: Ian Randle.

- In 1989 CARICOM Heads of Government (HoG) declared their intention to create a Single Market and Economy (CSME). The legal basis was laid with the signing of The Revised Treaty of Chaguaramas in 2001.<sup>8</sup> New organs of governance were set up and the Caribbean Court of Justice was created. Security was added as the fourth pillar of integration in 2007. The CARICOM Single Market was officially inaugurated in 2006 and the Single Economy is scheduled for completion in 2015.
- Given the length of time it has taken to implement the CSME, it has become clear - and is widely recognised - that CARICOM suffers from an 'implementation deficit' and since 1992 several solutions have been proposed and adopted. However these have all been constrained in their effectiveness by retention of inter-governmentalism as the preferred mode of integration and unwillingness to cede partial national authority to a central body with supranational powers. The West Indian Commission, reporting in 1992, called for the establishment of a permanent CARICOM Commission with executive authority to implement Community decisions.<sup>9</sup> However this was rejected by the leaders in preference for setting up a CARICOM quasi-Cabinet with allocation of portfolio responsibilities among the different Heads of Government together with a Bureau of Heads to facilitate implementation.
- Recognition that this was not working effectively led to the Rose Hall Declaration of 2003. The HoG agreed in principle that CARICOM decisions should have legal effect in member states, and a permanent Commission would be established to oversee implementation as well as a method of automatic financing of regional institutions. Eight years later, after one report by a Prime Ministerial Subcommittee and another by a high-level Technical Working Group, the HoG have yet to reach agreement on the implementation of these reforms of Community governance.<sup>10</sup> The latest initiative – in 2010 - is the establishment of a Committee of Ambassadors to facilitate implementation.

CARICOM currently has 15 member states, including the independent countries of the Commonwealth Caribbean (Antigua-Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Trinidad & Tobago, St Kitts-Nevis, St Lucia, St Vincent and the Grenadines) as well as Haiti, Montserrat and Suriname. The Bahamas and Montserrat are not members of the CSME. Haiti has acceded but its CSME obligations have been waived for several years following the January 2010 earthquake. There are also five Associate Members which are Overseas Territories of the United Kingdom: Anguilla, Bermuda, British Virgin Islands, Cayman Islands, and Turks and Caicos Islands.

The Caribbean Court of Justice (CCJ) was established in 2001 with exclusive jurisdiction for applying and interpreting the Revised Treaty of Chaguaramas. Hence it is the arbitration court for disputes arising under the CSME. The CCJ was also meant to serve as the final court of appeal in civil and criminal cases for the region (as opposed to the Privy Council in London). However, while all 12 CSME member countries have signed on to the CCJ in its original (CSME) jurisdiction, only three countries so far have accepted the CCJ as their final court of appeal (Barbados, Belize and Guyana). It

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<sup>8</sup> CARICOM. (2001) *Revised Treaty of Chaguaramas*, available at: [http://www.caricom.org/jsp/community/revised\\_treaty-text.pdf](http://www.caricom.org/jsp/community/revised_treaty-text.pdf).

<sup>9</sup> West Indian Commission. (1992) *Time for Action: Report of the West Indian Commission*, Bridgetown, Barbados: West Indian Commission.

<sup>10</sup> Lewis, V. A. (2006) *Managing Mature Regionalism: Regional Governance in the Caribbean Community*, St Augustine, Trinidad: Report of the Technical Working Group on Governance Appointed by CARICOM Heads of Government. Available at: [http://www.caricom.org/jsp/community/twg\\_governance\\_report.pdf](http://www.caricom.org/jsp/community/twg_governance_report.pdf).

has recently been indicated that Grenada will soon accede to the appellate jurisdiction of the CCJ too.

Both Caribbean stakeholders and the wider development community have acknowledged regional integration as a key mechanism in advancing the region's development. As a collection of small states, regional integration in the Caribbean is seen as an important means of improving efficiency and generating economies of scale as well as strengthening the region's negotiating power in relations with other states. The development community has come behind the region's own integration agenda, with the aim of supporting sustainable development and poverty reduction in the Caribbean.

At the sub-regional level, integration is more advanced through the Organisation of Eastern Caribbean States (OECS), whose members share common institutions and a common currency; collaborate in many functional areas and policies; and have recently formed an Economic Union (see section 1f for further details).

### 1b - Current Trends – Challenges, Issues and Opportunities

Although both the institutional framework and the integration agenda exist, progress in terms of integration has been slow. This is particularly so in the case of the CSME which is many years behind schedule. There exist a range of challenges, including:

- The high degree of economic differentiation among member states, which enormously complicates the task of finding common ground on intra-regional and external policies. The 'income gap' among CARICOM members is 29:1 (in the EU it is 17:1).<sup>11</sup> While the smaller countries depend mainly on tourism and international financial services, the larger members have mineral/energy/agricultural commodities as a major export. Trinidad and Tobago, with its large energy exporting sector, dominates CARICOM economically and is the leading producer of manufactured and other goods traded intra-regionally.
- Transformation in the institutional culture and practice of CARICOM to reflect the fact that it is no longer an exclusively Anglophone club. CARICOM meetings and documentation have not yet provided effectively or comprehensively for the presence of Dutch and French speaking members, and the mooted membership of the Spanish-speaking Dominican Republic has been continually kicked into the long grass.
- Limited regional and national capacity to follow-up and implement CARICOM decisions and no legal capacity of enforcement.
- Apparent institutional stagnation within the CARICOM Secretariat, and possible fragmentation and incoherence in the system of complementary regional institutions and agencies.

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<sup>11</sup> In CARICOM in 2009, the Bahamas and Haiti had, respectively, GDP per capita (in current US Dollars) of \$20,889 and \$711. In the EU, Bulgaria has the lowest GDP per capita of \$6,210 and Luxembourg the highest at \$109,903 (data from *World Bank World Development Indicators* 2009). It should also be noted that the gap within the EU would be far narrower were it not for the recent process of enlargement which has brought in many countries which are considerably poorer than the original 'EU-15' members. In the context of our study this is important, because the EU was considerably more homogenous in income terms during the late 20<sup>th</sup> Century when serious advances in integration were made.

- Lack of unequivocal political commitment to regionalism among CARICOM's political leaders and lack of leadership on, or champions of, the regional project.
- Policy incoherence within and among member countries on key economic, social and foreign policy issues (e.g. on the questions of relations with Taiwan vs The People's Republic of China, Petrocaribe/ALBA, or effective responses to the global financial and economic crisis).
- Continued retention of the character of CARICOM as 'community of *Sovereign States*' and reluctance to pool sovereignty at the regional level by moving towards supranationality of the legal regime and governance arrangements.<sup>12</sup>
- 'Top-down', officially-driven nature of the process with weak levels of civil society and private sector engagement, influence and buy-in; i.e. a 'participation deficit'.
- Shifts in the regional, hemispheric and global contexts, including the proliferation of competing regional organisations such as ALBA and UNASUR.
- Preference erosion affecting traditional agricultural commodity exports (bananas and sugar) and the more recently established garment export sector.
- Decline of the traditional development models in the region, manifested in a marked slow-down in economic growth rates, rising fiscal deficits, high debt burdens and high rates of poverty and unemployment in some states.
- Emergence of new 'existential threats' to regional states in the form of climate change, the rising incidence and cost of natural disasters and the impact of proliferating transnational crime.<sup>13</sup>

The broad sense is of increasing challenges to regional development and the fundamental viability of Caribbean societies, while regional institutions are in stagnation and possibly even decline. This stems from several factors relating both to the institutions and the agents of integration. Donors and other stakeholders have invested significant time and resources in attempting to move the integration process forward; but there is growing frustration at the slow pace of change and, potentially, the relative decline of Caribbean regionalism in the broader hemispheric and global context.

It seems, however, that regional leaders are cognisant of the gravity of the situation, and have committed to a retreat some time before July 2011 in Guyana to discuss the regional integration problematic. It cannot be stressed enough just how high the stakes are, and that the outcome of this meeting is crucial.

The HoG are the agents with the power to take the most critical steps to re-energising the integration process and paving the way for institutional reforms. If some of the action we suggest in this study is taken, then it is conceivable that a brighter future for Caribbean integration may ensue, and regional solutions to some of the existential threats may be found. A virtuous circle, or 'snowball' dynamic of reform could result.

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<sup>12</sup> Again, for more on this debate – and particularly the sovereignty question – see Bishop and Payne, *Caribbean Regional Governance and the Sovereignty/Statehood Problem*.

<sup>13</sup> Girvan, N., (2010) *Are Caribbean Countries Facing Existential Threats?* At: <http://www.normangirvan.info/girvan-existential-threats/>

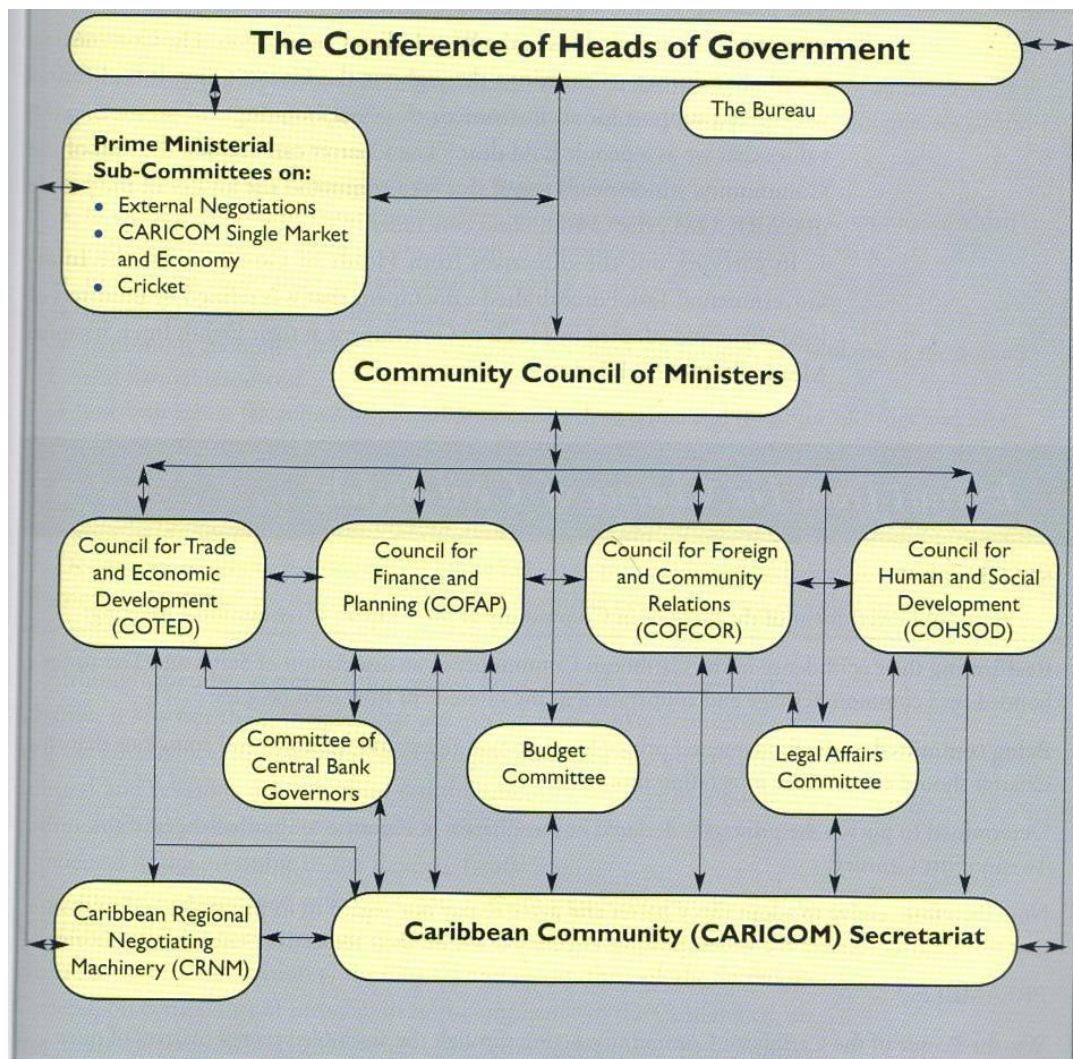


However, as alarmist as it sounds, the opposite is equally true. A failure to grasp the mantle decisively could be catastrophic, and enforce the trajectory of decline and fragmentation which is presently facing the region.

1c - Institutional Mapping: CARICOM Regional Integration Agenda

Although a plethora of institutions exist, CARICOM remains the primary ‘umbrella’ integration institution of this region. Yet at the same time, it is unclear whether recently-joined members are entirely satisfied with their membership, nor whether the commitment to deepening and widening that has been a hallmark of CARICOM is as strong as it once was. Much depends upon whether or not regional commitments are effectively and fully implemented, and, also, how for example the conundrum of Dominican Republic membership is resolved.

**Figure 1 – Organs and Bodies of the Caribbean Community**



Source: CARICOM (2009) *Our Caribbean Community* (Kingston, Jamaica: Ian Randle) p. 233

NB: Since this diagram was first produced, the CRNM has been brought fully into the CARICOM Secretariat as the Office of Trade Negotiations, or OTN.



Figure 1 shows the organs and bodies of CARICOM as established by the Revised Treaty. In the multi-tiered structure, the Conference of Heads of Government is served by the Community Council of Ministers, three Prime Ministerial Subcommittees and four Ministerial Councils which are in turn served by three specialised committees. The structure serves to support the four 'pillars' of CARICOM, which are Economic Integration, Functional Co-operation, Foreign Policy Co-ordination and Crime and Security.

#### 1d - CARICOM Institutional Mapping under the Four Pillars

##### *Economic integration*

The key bodies here are The Council for Trade and Economic Development (COTED) and the Council for Finance and Planning (COFAP); which have wide-ranging Treaty responsibilities for the monitoring and implementation of the Single Market and Economy. The Office of Trade Negotiations (OTN) is an important body responsible for the negotiation of bilateral trade agreements between the Community and extra-regional partners and the coordination of multilateral negotiations in the WTO.<sup>14</sup> The Committee of Central Bank Governors relates mainly to COFAP and is responsible for monetary policy cooperation and coordination. Other functional bodies in this pillar include: the Caribbean Organisation of Tax Administrators (COTA); Caribbean Regional Fisheries Mechanism (CRFM); Caribbean Regional Organisation for Standards and Quality (CROSQ); Caribbean Telecommunications Union (CTU), CARICOM Competition Commission; the CSME Unit; and the EPA Implementation Unit.

##### *Functional Cooperation*

Functional Cooperation is, arguably, the most successful aspect of CARICOM integration so far. The Community lists twelve areas of functional cooperation, shown in Figure 2.

#### **Figure 2 – 12 Areas of Functional Co-operation within CARICOM**

1. Education
2. Health
3. Environment and Sustainable Development
4. The Caribbean Sea
5. Disaster Preparedness
6. Labour
7. Culture
8. Youth
9. Sport
10. Gender and Development
11. Illicit Drugs – Traffic and Abuse
12. Information and Communication

*Source: CARICOM (2009) Our Caribbean Community (Kingston, Jamaica: Ian Randle) p.131*

<sup>14</sup> The OTN was formerly the Caribbean Regional Negotiating Machinery and led the controversial EPA negotiations with the EU. In 2009 the HoG took the decision to reduce the CRNM's relative independence and bring it fully into CARICOM as the OTN.

Notable examples of success are the Caribbean Examinations Council (CXC) in secondary education, the University of the West Indies (UWI) in tertiary education, and the Pan-Caribbean Partnership against HIV/AIDS in the area of health. Environment, natural disasters and research and development are other notable successes of functional cooperation. Hence there are the following institutions: Caribbean Agriculture Research and Development Institute (CARDI), Caribbean Centre for Development Administration (CARICAD), Caribbean Disaster Emergency Response Agency (CDEMA), Caribbean Environment Health Institute (CEHI), Caribbean Food and Nutrition Institute (CFNI), Caribbean Meteorological Institute (CMI), and the Caribbean Meteorological Organisation (CMO), the Council of Legal Education (CLE) and the Caribbean Community Climate Change Centre (CCCCC). Some economists are of the view that the potential benefits of functional cooperation for CARICOM are much greater than from economic integration, given the small size of the economies and the limited scope for growth of intra-regional trade.<sup>15</sup>

### *Foreign Policy Coordination*

The Council for Foreign and Community Relations (COFCOR) has responsibility for the coordination of the foreign policies of CARICOM states, as well as their political relations with third states and multilateral institutions. It attempts to ensure that common policies and positions are both consistent with the goals and objectives of CARICOM and are promoted and implemented effectively. Moreover, given the myriad other associations, institutions and organisations to which many CARICOM states either belong or have relations, COFCOR's role involves ensuring the compatibility and congruency between the agendas and commitments made by members and those of CARICOM. COFCOR has had some notable successes in adopting common positions in international fora including the United Nations and international and hemispheric conferences. In other instances, coordination has been difficult to due to perceived differences in interests and bargaining positions among member states. Examples of the latter are the issues of diplomatic relations with China and Taiwan, the terms of negotiation of the 'Shiprider' Agreement with the U.S., exemption of U.S. personnel from the jurisdiction of the International Criminal Court, and adoption of joint diplomatic missions in foreign capitals.

### *Crime and Security*

The lead institution in this pillar is the Council of Ministers responsible for National Security and Law Enforcement. Support institutions include: the Caribbean Aviation Safety and Security Oversight System (CASSOS); the CARICOM Implementing Agency for Crime and Security (IMPACS); and the Regional Security System (RSS). Crime and security are high-priority issues for the community not only in terms of the immediate territorial implications of island states and the porous borders of mainland members such as Belize, Guyana and Suriname, but also in the wider context of coordination and harmonisation of security activities focused towards regional development. A major issue relates to the definition of security in the region. In response to what has been perceived as the classical, externally-driven security agenda which centres on the preservation of territorial integrity and threats from international terrorism, as well as the cost of adjusting to such agendas (as in the case of post-9/11 airport security changes demanded by the US), CARICOM states have proposed a multi-dimensional definition that encompasses human security, including access to sustainable livelihoods, protection from transnational criminal networks and environmental security.

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<sup>15</sup> See Brewster, H. (2000) 'Identity, Space and the West Indian Union' in (eds) Hall, K and D. Benn, *Contending With Destiny: the Caribbean in the 21<sup>st</sup> Century* (Kingston, Jamaica: Ian Randle); Mesquita Moreira, M. and E. Mendoza. (2007) 'Regional Integration: What Is in It for CARICOM?' *Economia*, Fall, pp.97-142.

## 1e - Participation of Non-state actors

A major issue that the Caribbean region has grappled with is the participation of social partners, civil society and other non-state actors in the formal institutions and mechanisms of integration. It is felt that CARICOM is seen as distant from the 'man in the street' and that there is little awareness, let alone buy-in, of ordinary citizens or organisations outside of a limited circle of officials. This is true at both the national and regional levels, and something which some governments have attempted to address with, up to now, limited success.<sup>16</sup>

Regionally, the Revised Treaty itself does not establish any organs of popular participation or consultation in Community affairs. However, several initiatives have been taken to address this deficit, with varying results. One of the most significant was the Assembly of Caribbean Community Parliamentarians (ACCP), set up in 1994; a deliberative body whose powers were limited to posing questions to Community organs and passing resolutions which had no legal force. The limited scope of the ACCP's mandate eventually resulted in waning interest and the body has, to all intents and purposes, ceased functioning. Another important initiative was the CARICOM Charter for Civil Society. Approved by the HoG in 1997, the Charter sets out wide-ranging rights and responsibilities for Community citizens; including the right to participate in national and regional governance structures. However the Charter has yet to be incorporated into the juridical structure of the Community or into national laws. In the Liliendaal Declaration of 2002, the HoG and representatives of Civil Society agreed on a 'Statement of Principles on Forward Together' providing for institutionalised participation of Civil Society in the integration process by means of formal relationships between Civil Society, National Governments and CARICOM organs.<sup>17</sup>

Yet there remains a marked lack of confidence amongst regional Civil Society regarding how they are perceived by governments. A recent survey carried out by the Caribbean Policy Development Centre (CPDC) with support from the EU through the CARICOM Secretariat revealed widespread dissatisfaction among Civil Society representatives in fourteen member states with the failure of governments to follow through on the implementation of the Liliendaal Principles. In the survey, 24% of respondents stated that they viewed governments' perception of Civil Society's role in the Caribbean integration process as 'reluctant', and 40% considered it to be 'indifferent'. Only 36% per cent viewed governments as having a favourable perception of the role of Civil Society.<sup>18</sup> A Regional Strategic Framework to give effect to Liliendaal is now being prepared by CPDC for submission to the HoG.

With regard to the private sector, a CARICOM Business Council set up in 2007 to promote government-private sector dialogue has also had limited success. Thus, initiatives to broaden non-state participation in the integration process have also encountered an 'implementation deficit' and this has served to exacerbate, rather than attenuate, the prevailing lack of confidence in CARICOM institutions.

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<sup>16</sup> See Bishop, M, L. (forthcoming) 'Slaying the "Westmonster" in the Caribbean? Constitutional Reform in St Vincent and the Grenadines', *The British Journal of Politics and International Relations*.

<sup>17</sup> See See *Liliendaal Statement of Principles on Forward Together*, at:

[http://www.caricom.org/jsp/communications/meetings\\_statements/liliendaal\\_statement.jsp?menu=communications](http://www.caricom.org/jsp/communications/meetings_statements/liliendaal_statement.jsp?menu=communications)

<sup>18</sup> CARICOM Secretariat, *Background Document on the CARICOM Regional Civil Society Consultation, Port of Spain, Trinidad and Tobago, February 10-11, 2011*; p. 8 and Attachment III. NB: Suriname was the country which was not represented in the fourteen members.

## 1f - Assessment of Institutions and Organisations in Regional Integration

The strategic priorities of regional integration of the Caribbean are captured under the four pillars of the Community. In each of these areas significant work has been conducted and continues through programmes and projects of the Community, often in collaboration with various stakeholders at the national as well as regional and international levels. Under the economic integration pillar, there are two main priorities that can be highlighted; these are the CSME and the implementation of the Economic Partnership Agreement (EPA) between CARIFORUM and the European Union (EU).

The Single Market declaration which was signed in 2006 was intended to further the regional integration impetus and advance, through the establishment of a solid regional economic space, the sustainable development of the Caribbean in the current globalised world.

Under the CSME, key elements are: the free movement of goods and services through measures such as eliminating all barriers to intra-regional movement and harmonising standards to ensure acceptability of goods and services traded; the right of establishment of CARICOM businesses in any Member State without restrictions; the Common External Tariff (CET); the provision for sharing of collected customs revenue and external goods importation; free movement of capital; a common trade policy; the free movement of labour, providing for the transfer of social security benefits and establishing common standards and measures for accreditation and equivalency.

Combined with these are the required harmonisation of Legislation in related areas including company and intellectual property laws, along with harmonisation of economic, fiscal and monetary measures and policies essential to the functioning of the CSME. It has been suggested that in order to realise the objectives of the CSME, institutional structures and relationships would need to be adjusted and, where required, additional arrangements be implemented. The Community established the CSME Unit to provide further institutional strengthening to achieve implementation.<sup>19</sup>

A full audit of CSME compliance was undertaken by the CSME Unit of the CARICOM Secretariat in preparation for a Convocation of Social Partners on the CSME in October 2009. The following extracts are noteworthy:

All five Core Single Market Regimes are functioning....The legislative actions taken so far however do not mean that there is full legislative compliance by all the Member States. The CSM is accessible but not always at the level of effectiveness, in respect of the treatment to which CARICOM Nationals are entitled.

The required infrastructure is incomplete and several Member States do not seem to possess the requisite capacity to effectively utilize the extensive unrestricted intra-CSME preferences....Respondents expressed frustration about delay in the overall implementation process, about the limited ambition of some arrangements such as free movement and about perceived and real failure by Member States to comply with specific provisions of the Revised Treaty, but no condemnation of the entire Single Market Initiative.<sup>20</sup>

Based on the data provided, it is estimated that up to 2009 member states had complied with just 50% of the measures required to give full effect to the Single Market.<sup>21</sup> Doubts also persist about the

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<sup>19</sup> For further information please see the CSME website <http://www.csmeonline.org/>

<sup>20</sup> CARICOM Secretariat. Convocation on The Caricom Single Market And Economy (CSME); *Draft Summary Report of the Appraisal of the State of Implementation of the Single Market*. CSME (CONV)/2009/1/6. 6 October 2009, p. 3.

<sup>21</sup> Compliance instruments were collated under eight categories for all 12 member states. For more details see Girvan, N. (2009) 'Caribbean Community: The Elusive Quest for Economic Integration', in A. Downes (ed)

ability of intra-regional trade to drive economic growth in CARICOM economies. In the 2000s intra-regional trade was only 14.5% of CARICOM's total trade (in the 1970s it was 8.3%).<sup>22</sup> Most of the increase in trade since the 1990s comes about because of Trinidad and Tobago's exports of petroleum products and manufactured goods to the other countries, and is not attributable to the effects of economic integration. This is the source of some tension, in that T&T dominates the trading panorama - 86% of intra-regional exports came from that country in 2008 - and has a huge trade surplus with its CARICOM partners, amounting to over \$3 billion in 2008.<sup>23</sup>

With regard to the 'Single Economy' the principal measures contemplated by the Revised Treaty comprise establishment of (i) an institutional framework for macro-economic policy formulation, coordination and convergence; (ii) monetary cooperation/monetary union; (iii) fiscal policy coordination and harmonisation; (iv) financial policy coordination and harmonisation; (v) capital market integration; (vi) investment policy harmonisation; and (vii) reducing disparity and building cohesion.

However, very little progress has been made in any of these areas in terms of establishing the required legal and institutional framework, or even in terms of policy coordination and harmonisation by means of inter-governmental agreement. Notable examples are the failure to reach agreement on monetary union, on harmonisation of incentives, and on the CARICOM agreements on investment and on financial services. In noting the difficulties, the Secretariat's CSME 2009 audit on Single Economy implementation bemoans:

the prevalence of ad hoc mandates which tend to supersede planned initiatives; and generally 'the preference of member states for national solutions to meet challenges which could optimally be addressed at the regional level.'<sup>24</sup>

The observation hints at the underlying source of the difficulty; the wide differences in the circumstances of member states. The most visible example of this is the difference in exchange rates and exchange rate regimes, with some members maintaining fixed, and others floating, exchange rates. Parities to the US dollar vary from 2 (Barbados) to 200 (Guyana) and in some countries exchange rates can be particularly volatile. Fiscal deficits and debt burdens also vary widely among members.

Implementation difficulties, therefore, are due partly to (i) political resistance arising out of differences in national circumstances and interests, (ii) absence of supranationality in governance, and (iii) administrative and institutional deficiencies at the national level associated with small size and absence of critical mass of technical and professional personnel. In response to the third factor, donor support has been mobilised for capacity-building, but there is much to be done, particularly in terms of solving implementation deficits. Most recently the Secretariat's Technical Action Services Unit (TASU) has partnered with the United Nations Development Programme (UNDP) for capacity

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*Growth and Development Strategies for the Caribbean* (Barbados: Caribbean Development Bank) pp.199-218; Appendix 2.

<sup>22</sup> Norman Girvan, 'CARICOM's Elusive Quest', p, 201. The figures refer to averages for 2001-2007 and 1973-1979.

<sup>23</sup> Data from CARICOM Secretariat (2010) *CARICOM Trade and Investment Report 2010* (Kingston, Jamaica: Ian Randle), Tables 1.7 and 1.9, pp. 13 and 16.

<sup>24</sup> CARICOM Secretariat. *Report on the Implementation of the CARICOM Single Economy*. Document prepared for CSME Convocation. Georgetown: CARICOM Secretariat: CSME Convocation 2009/1/4: 26. October 6, p.26.

building within Member States for CSME implementation and participation through a needs-assessment project.<sup>25</sup>

While such donor support meets a strategic need, expectations of its impact should be qualified by awareness of the larger political and structural obstacles noted above. Moreover, it should also be noted that donor-region relations can also be fraught with tension and potential pitfalls in terms of what is politically appropriate and acceptable. Consequently, despite any frustrations donors might have with the pace of implementation, they can only properly influence element (iii) above, and not (i) or (ii). As such, donor influence can only explicitly impact upon one of the critical variables relating to effective implementation.

One issue that has particularly strained CSME credibility with ‘the man in street’ is the free movement of Community nationals. The Revised Treaty commits governments to free the movement of ‘skilled nationals’ and national legislation has been enacted in member states to give effect to this for five priority categories. Subsequent HoG decisions extended this to ten categories; however three of these have recently been put on hold, pending introduction of the Caribbean Vocational Qualification system for household domestics and artisans; and a general review of the schedule, which has not yet been completed. Up to the end of 2008, just 6,210 Certificates of Skills Recognition had been issued entitling holders to seek employment in other member states; but the number being utilised is not known.<sup>26</sup>

Major problems have emerged in the administration of the scheme; including standardised procedures among member states for the issuing of Certificates, the need for Contingent Rights regimes (especially as they relate to dependents), and the need for a regional registration and monitoring mechanism. The need for hassle-free travel throughout the region by Community nationals is also a major irritant. Governments have decided that an automatic six-month stay should be granted upon entry; but this is unevenly administered by national immigration authorities.

#### *Trade agreements and integration*

The CARIFORUM-EU EPA came provisionally into force in 2008 after a laborious negotiation process which was extremely controversial in the region. Put crudely, a divide existed between on the one hand proponents of the EPA who wished to aggressively pursue an offensive liberalisation strategy to access EU markets for services, and, on the other, critics from academia and civil society who argued that it was an imperfect instrument of development and gave away too much.<sup>27</sup> Amongst the

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<sup>25</sup> Strengthening the CARICOM/UNDP Partnership for Sustainable Development: Evaluation of TASU Interventions and Needs Assessment in Member States through funding from the United Nation Development Programme (UNDP).

<sup>26</sup> CARICOM Secretariat. Convocation on The Caricom Single Market And Economy (CSME); *Draft Summary Report of the Appraisal of the State of Implementation of the Single Market*. CSME (CONV)/2009/1/6. 6 October 2009, pp.59-60.

<sup>27</sup> For a review of the process see Bishop, M, L., Heron, T., and A. Payne (forthcoming) ‘Caribbean Development Alternatives and the EU-CARIFORUM Economic Partnership Agreement’, *Journal of International Relations and Development*; and Girvan, N (2009) ‘EPA Lessons and the Canadian EPA’, available at <http://www.normangirvan.info/wp-content/uploads/2009/05/girvan-guyana-presentation-22-may09.pdf>.

There has been a voluminous literature which has accompanied the EPA negotiations in the Caribbean, from both sides of the debate. See, for example, the following: Bernal, R. L. (2008) ‘Globalization: Everything But Alms, the EPA and Economic Development’, Kingston, Jamaica: The Grace Kennedy Foundation. Available at: [http://ctrc.sice.oas.org/trc/Articles/GRACE\\_Lecture-2008.pdf](http://ctrc.sice.oas.org/trc/Articles/GRACE_Lecture-2008.pdf); Brewster, H. “Five Development Issues in the EPA”, Paper presented to UNIFEM Expert Group meeting on Gender and the EPA; <http://www.normangirvan.info/wp-content/uploads/2009/03/hb-unifem-five-development-issues-of-the-epa.pdf>; Brewster, H., Girvan, N., and V. Lewis, ‘Renegotiate the EPA’, <http://www.normangirvan.info/wp->

major proponents of the EPA was the Caribbean Regional Negotiating Machinery (CRNM) which was established as a body with quasi-independence from the CARICOM Secretariat with a remit to lead trade negotiations. The CRNM experiment was the first time a regional Caribbean institution was given such a degree of freedom – although it ultimately came under the control of the HoG through the Prime Ministerial Subcommittee on External Trade Negotiations – but, with the fallout from the EPA process, it was, as noted earlier, formally incorporated into the CARICOM Secretariat as the Office of Trade Negotiations (OTN) in 2009. The new institution, which is currently undertaking bilateral trade negotiations with Canada, has a lower degree of autonomy vis-à-vis its precursor.

The CARICOM Secretariat also established the EPA Implementation Unit in 2009. Implementation arrangements at the national level vary, with some states setting up national implementation units, others adding the responsibility to existing units responsible for bilateral FTAs, and others assigning it to Ministries.<sup>28</sup> The task is to facilitate coordination of national and regional implementation and the incurring commitments and obligations. EPA implementation remains a challenge for CARICOM states, the smaller of which have just handful of people in their domestic implementation units (at most). This is particularly problematic since the ‘dynamic gains’ which are championed by EPA advocates rest largely on the first mover benefits which accrue from early implementation, and before the EU concludes similar bilateral agreements with competitors such as the Central American countries.<sup>29</sup>

Another challenge for member states is that of simultaneous implementation of EPA obligations and completing the CSME; as both arrangements involve an onerous programme of legislative, institutional and regulatory measures, either one of which, by itself, would strain the limited capacities of individual member states. This is also exacerbated by the fact that the region is currently also negotiating a bilateral FTA with Canada which is, firstly, likely to be EPA-plus, and, secondly, will also require significant implementation activity. At the same time, though, the EPA and the Canadian agreement do potentially set the space for implementation of policy regimes and disciplines which presently have no CARICOM equivalent, and which could be of significant regional benefit if ways are found to bring them together in a dynamic, complementary fashion.

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[content/uploads/2009/03/reneegotiate-the-epa-rev1.pdf](#), Lodge, J. (2010) ‘A Review of the Negotiations of, and Provisions in, the CARIFORUM-EC EPA’, *Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On*, Barbados, April 22-23; Hurt, S. R. (2010) ‘Understanding EU Development Policy: history, global context and self-interest?’ *Third World Quarterly*, 31(1), pp. 159-68; Humphrey, E. (2008) ‘CARIFORUM EPA Negotiations: Initial Reflections on the Outcome’, *Proceedings of the EU DG Trade-organised workshop on the CARIFORUM-EC EPA*, Brussels, 13 February 2008, at <http://trade.ec.europa.eu/doclib/html/137754.htm>; Heron, T. (2011) ‘Asymmetric Bargaining and Development Trade-Offs in the CARIFORUM-European Union Economic Partnership Agreement’, *Review of International Political Economy*; Girvan, N. (2009a) ‘Some Lessons of the CARIFORUM-EU EPA’, *Trade Negotiations Insights*, 8(8), pp. 8-9; Girvan, Norman (2009b) ‘Implications of the EPA for the CSME’, *Social and Economic Studies*, 58(2), pp. 91-128; Gill, Henry (2010) ‘CARIFORUM EPA Negotiations: Objectives, Political Oversight and Technical Preparations’, *Proceedings of the Conference on the CARIFORUM-EC EPA: One Year On*, Barbados, April 22-23; Kelsey, J. *Legal Analysis of Services and Investment in the CARIFORUM-EC EPA*, Geneva: South Centre Research Paper No. 31; July 2010; Stevens, Christopher (2009) *The CARIFORUM and Pacific ACP Agreements: Challenges Ahead?* London: Commonwealth Secretariat; and Stevens, Christopher (2008) ‘Economic Partnership Agreements: What Can We Learn?’ *New Political Economy*, 13(2), pp. 211-23.

<sup>28</sup> ‘Interview with Branford Isaacs, Head of the CARICOM EPA Implementation Unit’, *Trade Negotiations Insights*, 9(10), December 2010. Up to late 2010, Barbados and Antigua-Barbuda were the only countries setting up national EPA implementation units.

<sup>29</sup> Again, see Bishop, Heron and Payne, *Caribbean Development Alternatives*.

## *Security*

In July 2002 the HoG approved over one hundred recommendations for cooperative action submitted by The Regional Task Force on Crime and Security; security was formally adopted as the fourth pillar of CARICOM integration in 2007. Consequently the CARICOM Implementation Agency for Crime and Security (CARICOM IMPACS) was set up in 2007 with a remit to 'administer a collective response to the crime and security priorities of member states'.<sup>30</sup> The common security arrangements established for the Cricket World Cup in 2007 with free movement for CARICOM nationals and common CARICOM visas for non-nationals during the duration of the event were hailed as an outstanding example of successful cooperation; but there is great disappointment with the fact that these arrangements were 'sunset' limited (in other words they had very specific time bound existence) and have not been continued by governments. Of course, it is possible that were it not for the sunset clauses, the measures may not have been passed in the first place. Yet once they were successfully up and running, it seems a marked waste of resources to not continue them for the wider Caribbean population, even if only on an experimental basis, particularly given that initial implementation was expensive and took great effort.

The upcoming launch of CARIPASS, the CARICOM Travel Pass, which will be used within ten countries of the Community, is another measure towards standardised and harmonious border control facilities within CARICOM, including training, entry and exit procedures and travel documents.<sup>31</sup> CARIPASS is also envisaged to assist the region in transnational security challenges such as illegal migration and human trafficking.

## *Other Areas of Integration*

CARICOM also has established other projects directly related to the fulfilment or support of regional integration. Under such projects, the institution interacts with many of the informal institutions and organisations which are also involved in the regional integration process, including donor agencies and other stakeholders from private sector, national organisations and civil society groups. Some of these projects highlighted include Caribbean Renewable Energy Development Programme (CREDP), CARICOM Agribusiness Development Programme, Mainstreaming Adaptation to Climate Change (MACC), Pan-Caribbean Partnership against HIV/AIDS (PANCAP), UWI-CARICOM Information and Communication Technology for Development (ICT4D), CARICOM Legislative Drafting Facility (CLDF) and Promoting CARICOM/CARIFORUM Food Security. Of these, one which we will highlight in this preliminary analysis is ICT4D, a programme within the CARICOM Secretariat in the Directorate of Trade and Economic Integration (TEI). The programme has already facilitated a number of projects in member countries and continues in their efforts in its mandate to 'advance the development of the people of the Caribbean Community using Information and Communication Technologies (ICT) as a catalyst for the transformation of the Community into a knowledge-based society'.<sup>32</sup> Finally, as well as the sub-regional institution which covers the Eastern Caribbean states – the Organisation of Eastern Caribbean States (OECS) - there exist the full panoply of civil society, private sector and Diasporic organisations and institutions which interact with the regional integration process, whether formally or informally, and have a stake in its progress.

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<sup>30</sup> See CARICOM-IMPACS website, at <http://www.caricomimpacs.org/impacs/index.php>

<sup>31</sup> Participating countries will include Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

<sup>32</sup> See <http://www.caricomict4d.org/about-ict4d-left-side-menu-217.html>.



### *OECS Subregion*

The OECS has recently been successful in fashioning deeper integration. In June 2010 the Revised Treaty of Basseterre was signed to establish the OECS Economic Union and subsequently came into force in January 2011. It makes provision for the pooling of national sovereignty at the supranational level, with the OECS gaining legislative competence in five areas: the common market and customs union, monetary policy, trade policy, maritime jurisdiction and boundaries, civil aviation.<sup>33</sup> Over time, it is conceivable that further areas of competence will become the purview of the sub-region, rather than national governments. Issues which CARICOM has struggled to resolve have been resolved within the OECS; for example all people of the sub-region will be able to move and work freely in other member states by August 2011. In addition, it is expected that a regional Assembly of Parliamentarians (with, initially, national politicians operating at the OECS level) will also become influential in the organisation's policymaking.

The significance of these changes is that the OECS is now integrating at a considerably deeper level than CARICOM (which has, of course, historically always been the case). The difference, today, however, is that the OECS has now deepened its integration process in an explicitly supranational way. Were it to widen further – perhaps taking in Barbados or Trinidad and Tobago – it may be quite conceivable that it could become the default institution of regional governance in the Caribbean, hastening the further relative decline of CARICOM.

#### 1g - Other Regional Initiatives: Comparative Analysis of the EU

In recent years the world has witnessed a proliferation of regional integration mechanisms at all levels of political-economic interaction. These may take the shape of formal processes of ongoing political integration encompassing many states or looser bi- or pluri-lateral trade agreements with varying objectives, levels of institutionalisation, capacity, and political support. Moreover, this changes over time as some institutions become dated and others come into vogue. Nonetheless, increasingly there are significant numbers of overlapping institutions in the world, such that they have been likened to a 'spaghetti bowl', the implication being that their range and complexity – and concomitant lack of clarity and transparency – outweighs the positives of such agreements.

In the case of the Caribbean, just a cursory consideration of the institutions with which it is directly involved or indirectly related to/influenced by is instructive. These include: CARICOM and its related institutions including the CCJ, CSME and so on; CARIFORUM (which is independent CARICOM plus the Dominican Republic); OECS and its related institutions such as the Eastern Caribbean Central Bank (ECCB); the EU and EPA; UNASUR; ALBA; ACS; and OAS. This list also ignores the range of civil society, private sector institutions with a regional agenda, as well as the multilateral organisations which remain influential throughout the region, such as UNDP, IDB, World Bank, IMF and so on.

Yet, despite this, CARICOM still remains – for now at least - the default institution of regional governance, or, as we put it earlier, the 'umbrella' for specifically Caribbean integration. In terms of comparison, the EU provides the most obvious candidate since it is the most advanced and successful of all regional integration movements. Moreover, it has been the standard bearer for those processes around the world – such as the CSME – which have attempted to foster a single market based upon full liberalisation and economic integration. The CCJ, in this regard, performs the same regulatory function as the European Court of Justice (ECJ).

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<sup>33</sup> See the Revised Treaty of Basseterre establishing the OECS Economic Union: [http://www.oecs.org/doc-lib/doc\\_download/506-revised-treaty-of-basseterre-establishing-the-oecs-economic-union](http://www.oecs.org/doc-lib/doc_download/506-revised-treaty-of-basseterre-establishing-the-oecs-economic-union)

The latter has achieved, since the Treaty of Rome was signed in 1957, to simultaneously both 'deepen' and 'widen' its integration processes. This has been predicated, in turn, upon the distinction between its intergovernmental and supranational elements. In the case of the former, some – often controversial – policy areas such as foreign policy, security and defence remain the preserve of national governments, whereas others, such as external trade policy have been fully delegated to the European level.<sup>34</sup> This in turn means that the EU itself can itself instigate, direct and drive forward policy development in certain areas under its own remit which cannot be held hostage by the short-term, narrow sectional interests of member states and their leaders.

However, there are a number of reasons why Caribbean integration has struggled to enjoy the same kind of effective deepening and widening that characterises the EU.<sup>35</sup> These are:

- CARICOM leaders have, because of the historical attachment to national sovereignty in the region, been unwilling to relinquish and pool sovereignty at the regional level in order to create the necessary supranational institutions of regional governance even in light of the fact that the nominal value of such sovereignty has steadily diminished over time;
- The wide differences in size, levels of development, capacity, economic structure, foreign trade orientation among members;
- The EU emerged out of the Second World War, and there has been no comparable collective experience in the Caribbean in the recent past which can foster regional unity;
- The EU is plainly far better-resourced than CARICOM and can fund its regional institutions independently of external support. Moreover, the core members – and especially Germany – have traditionally played a stabilising role as net contributors, allowing others to free-ride under the understanding that collective stability would ensue. The more powerful Caribbean countries, and especially Trinidad and Tobago, have never wished to play the same role;
- This is particularly important given the importance of regional funding in the EU, which serves to overcome the economic and social divergence that can result from the application of single market principles. No Caribbean country has had the means or will to finance the kind of regional policy necessary to overcome fragmentation and divergence, or even to fund genuinely Caribbean-wide infrastructure;
- The EU began as a club of six members, and gradually deepened and widened simultaneously over a long period of time, allowing the early advocates to set the rules of the game, whereas CARICOM has always had fundamentally the same membership (with only Haiti and Suriname joining of late);
- Relatedly, the European project began with a focus on just a couple of issues – trading coal and steel – and only gradually took on more competencies, unlike CARICOM and the wider Caribbean apparatus which has had to deal with a multitude of strategic issues, at various different levels, simultaneously;

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<sup>34</sup> We should note, however, that in practice – and particularly since the signing of the Lisbon Treaty, these lines are becoming increasingly blurred as Brussels takes a more active co-coordinating role in areas which are supposed to be intergovernmental.

<sup>35</sup> See Bishop and Payne, *Caribbean Regional Governance*, pp.16-18 for more on this debate, particularly the sovereignty question.

- Consequently, there has always remained a tension between deepening and widening impulses within CARICOM, because, on the one hand, it has been viewed very much as an Anglophone club by the member states, and, on the other, the reality is that genuine deepening cannot go ahead (today) without the engagement of the wider non-Anglophone parts of the region;
- The gradual deepening and widening of the EU has allowed it to play a ‘beacon’ role, encouraging countries in its immediate neighbourhood to embed liberal democratic market systems in order to join over time. By contrast CARICOM has not been able to have the same effect and, arguably, is at risk from alternative ‘beacons’ – such as ALBA and UNASUR – in its neighbourhood; and
- Finally, the size of many European countries has meant that ‘Europe’ has tended to be removed from everyday politics, whereas in the Caribbean context, where societies are much smaller and resources considerably more limited, the national opportunity cost of regional policies is more immediately evident to local populations who might suffer it. The net benefits of deeper integration for the Caribbean as whole, then, have not been an easy sell for politicians.

## 2. OPTIONS FOR CHANGE

### 2a – Stakeholder Analysis of Regional Integration

One of the points consistently noted across all stakeholders was the vital nature of regional integration for the continued development of the region; based in part on the premise that these small states are too small to ‘go it alone’. This is particularly pressing given the existential threats that the region is currently facing. Nonetheless, there remains a significant degree of pessimism about the wider integration process.

1. For many stakeholders in the OECS the sense is that this grouping is becoming more important in many ways than the wider regional agenda, because of the faster pace of integration and better implementation than at the CARICOM/CSME level. Increasingly, there is a perception that they are now running almost as two independent systems; a situation which seems to be counterproductive with a multiplicity and, at times, duplication of institutional mandates, relations and relationships.
2. Many also feel that CARICOM is either stagnant or, at worst, is in decline. In part this perception stems from the shared belief that there is no common visible agenda in CARICOM, and if one does in fact exist then it is not disseminated and regional populations are not actively educated about it. Coupled with this, the positive features of CARICOM are also not visible or are not sufficiently well publicised to create a positive understanding of the integration movement.
3. In the non-English speaking countries of the Dominican Republic and Suriname, there is disenchantment with a process which implicitly considers them to be of secondary importance. A number of factors were attributed to this viewpoint including political, cultural and historical idiosyncrasies which have hindered efforts at creating closer ties. For Suriname, geographical distance (on the South American mainland) and strong ties with the Netherlands and the Dutch Caribbean, along with the fact that it is a relative newcomer to

CARICOM, has led many to feel that it exists at the margins of the integration movement.<sup>36</sup> Reasons for this include poor flow of information from the wider Anglophone parts of the region, late adoption of regional arrangements (Suriname is not, for example, a member of the CDB), disjunctures between legal systems and cultural approaches to regional issues.

4. Many in the Dominican Republic feel broadly the same way. Although the Dominican Republic is not a member of CARICOM, it is a member of CARIFORUM. However, the Dominican Republic has applied for CARICOM membership in the past, exploring the possibility as early as 1974, and there is great resentment within the country regarding the fact that CARICOM has continually rebuffed its advances.

In a more general sense, the main agendas and issues which exercise the minds of different stakeholders are outlined below. All of them, also, are characterised by tremendous challenges.

### **1. Infrastructure and Sectoral Development.**

- a. Transport is especially problematic since expensive sea and air transportation and the high cost of shipping not only limit the flow of intra-regional trade, but also intra-regional investment and interaction between Caribbean people. The opportunity cost of this is a net outflow of goods, people and finance to North America.
- b. Communications were also cited as a huge issue, whether in terms of poor infrastructure (low and unreliable bandwidth, dependence on external sources of capital investment etc.) or in terms of the poor dissemination of information across the region.
- c. Stakeholders wish to see greater emphasis on developing the present and future growth sectors of the Caribbean economy. Some want a more interventionist approach from regional governance institutions in terms of encouraging member states to take on specific roles relating to their productive capabilities. Others considered a more laissez-faire, facilitative approach – through concessions and tax breaks – would be more appropriate in generating the development of new ‘sunrise’ sectors. All agree that this fundamentally requires the development of a co-operative, rather than competitive, dynamic within the region. The agricultural sector was regularly cited as one where states (such as Guyana, Belize and perhaps the Eastern Caribbean) should benefit from the development of infrastructure to support intra-regional trade, thus reducing imports and sustaining food security objectives.

### **2. The political directorate.**

- a. At the political level, a number of specific criticisms were consistently made: lack of leadership on the part of politicians and the Heads of Government; excessively lengthy intervals between meetings of the HoG with no mediating institutions and a consequent loss of impetus; lack of continuity between administrations in member states, along with the undermining of previously taken regional commitments; lack of consensus and follow-through on commitments such as the CCJ; and a general perceived loss of momentum across the board.
- b. Institutional reform within CARICOM. There was general discord about the way in which the different CARICOM institutions function, from perceived inefficiencies within the institution itself, to a confused mandate and a lack of freedom to engage in a forward-thinking, proactive, implementative agenda.

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<sup>36</sup> Suriname joined CARICOM in July 1995 and was not party to the original *Treaty of Chaguaramas*.

**3. Implementation Deficit.** This occurs at two levels; from the regional to the national, where there is a lack of regional machinery and mandate to force implementation of decisions, and also at the national level specifically in terms of weak public sector capacity. It also manifests itself in the following ways, and in the following institutions:

- a. CCJ. With just three signatories to the appellate jurisdiction of the CCJ, the region is not developing its own legal frameworks and is beholden by Privy Council decisions, with transaction costs for Caribbean justice being considerably higher than would otherwise be the case.
- b. Lack of harmonisation of rules. The greatest concern was in the area of immigration policies and contingent rights, with much frustration at the uneven application of immigration rules, such as the mandatory six-month stay for Caribbean nationals. Similarly, during the Cricket World Cup, there was a programme whereby foreign tourists could make their way through the region on a single visa, but there was no similar provision made for Caribbean nationals who are effectively discriminated against in their own region.
- c. Monitoring and evaluation. There is a lack of focus on monitoring the effectiveness of systems along with little systematic evaluation of projects and programmes, or the opportunity cost of not having them, particularly at the implementation level.
- d. With specific reference to the Dominican Republic, many noted institutional inertia in terms of CARICOM compliance with provisions of existing agreements between the Dominican Republic and the wider region. Examples included remaining trade and tariff barriers (ten years after the DR-CARICOM trade agreement was signed), no meetings of the Joint Council for the past four years despite continued requests by the private sector from the Dominican Republic

**4. Regional disharmony and fragmentation.**

- a. The relationship between different populations is increasingly tense. One regional technocrat described it as an 'insular xenophobia' which sees certain sections of Caribbean society effectively discriminated against in other Caribbean countries.
- b. Lack of trust between different countries as well as between different Caribbean populations further exacerbates problems such as the implementation deficits. In relation to the Dominican Republic, there is a perception that CARICOM partners fear the country's competitiveness given the large scale industries which exist in the Dominican Republic. However, those in the Dominican Republic question why CARICOM countries are prepared to open up to the considerably larger EU through the EPA and yet continue to sustain barriers to engagement with them.
- c. Language and cultural differences provide barriers which limit the integration process in different ways. For example, translation of all related official documents into the official languages of English, Dutch, French and Spanish is required. Moreover, there are different systems of government, legal, judicial and parliamentary processes, the harmonisation of which is a daunting task. Few stakeholders are even aware of the existence of the Caribbean Regional Information and Translation Institute (CRITI), based in Suriname.
- d. Lack of finance. For example, there was not an effective regional response to Haiti and this was dominated by international organisations rather than regional ones, such as CDEMA. It is not clear how regional institutions fit into a context where extensive technical work is being undertaken in Geneva, New York and London.
- e. Few of the donors actually have a comprehensive regional focus and few of their programmes are explicitly aimed at furthering regional objectives. So, for example, the IDB works generally on a bilateral level and has regional programmes, although not a regional focus.

- f. Civil Society highlighted how, in spite of their desire to co-operate regionally, and do so through information dissemination, funding programmes and workshops, there is a sense that the regional NGO network is not sufficiently robust, developed, resourced or, most importantly, united.
- g. Alternative alliances. There is a sense that Guyana is perhaps looking beyond the Caribbean region as more interests emerge in South America, and it has greater numbers of inter-agency meetings with China, Japan and Brazil than CARICOM members. A similar picture emerges in the Dominican Republic vis-à-vis Latin America, given the country's relative frustration with CARICOM.

## 2b – National-Regional Dynamics in the Integration Process

Many of the issues identified in the (above) stakeholder analysis of regional integration were further highlighted in the discussion concerning the national and regional dynamics. In sum, the broad sense is that the governance arrangements which served the region well in the post-independence period have now reached the limit of their usefulness and are consequently in need of reform.

1. **CARICOM.** The grip maintained by the HoG and the CARICOM technocracy over the wider integration process is not sustainable over the medium to long term, and it is contributing to the atrophying of CARICOM as an institution. Much more needs to be done to reform the institutional arrangements to encompass the voice and influence of a wider range of stakeholders.
2. **Ineffective implementation and institutional strengthening.** Although there are numerous bodies charged with the task of monitoring regional agreements and implementing specific aspects of them (such as CDF, CROSO, CDEMA etc.) the overarching institutional machinery focused on implementation is lacking. This is particularly so in key areas where national governments need assistance in implementing regional agendas (such as procurement, competition, health and food safety, accreditation, national insurance benefits, and contingent rights).
3. **State agendas.** This dynamic is directly related to the particular policy/agenda focus of the individual governments, and the need to balance regional and national objectives. One example is the absorptive capacity of individual countries; something which is hindering movement on free movement of persons.
4. **Regional identity.** Discrimination against, and stereotyping of, citizens from different countries is perpetuating the lack of buy-in to a broader Caribbean identity. Related to this is the issue of free movement of persons, competition for scarce human resources, and fears about labour markets (such as inflows of excess numbers of unskilled migrants, or outflows of skilled persons). Conversely, however, at the personal level, Caribbean peoples maintain strong cross-regional links, particularly in terms of family. The key question relates to how this can be better harnessed to achieve regional goals, whether through sport, culture, or the creation of Caribbean media content by the region, for regional consumption.
5. **Coherence.** There is often a lack of coherence between national and regional policies. Real integration cannot occur until the synergies between the individual states are highlighted and developed, with transaction costs reduced by granting greater policy responsibility to the regional level. This will progress only when it coincides with local party political interests, with the 'regional question' being removed from partisan politics and a bi-partisan approach taken towards the fundamental elements of regional integration (if not the detail).

6. **Dominance of market-integration model** as epitomised by CSME. Some feel that the overemphasis on market integration over the past 20-30 years will not bear fruit post-global crisis. This is especially so since global trends towards neoliberal development approaches along with the signing of bilateral trade agreements such as the EPA have reduced the available policy tools which Caribbean actors can use to encourage the development of different regional sectors within member states.
7. **Lack of recognition of importance of regional institutions for member states.** What is often lacking is adequate support and resources to *sustain* work. Sometimes resources are only for finite periods, but the work is continuous and ongoing. Momentum can also be lost dependent upon political decisions, changes in government etc.

## 2c – Key Issues and Actors

Overall there is the view that the regional integration agenda is designed to assist and push the countries of the region to compete internationally and to further their development. In the following section we assess the different actors and institutions that stakeholders identify as being capable of either facilitating or impeding positive change. Clearly there will be some overlap; many actors can play a simultaneously positive and negative role.

### *Actors with the capacity and potential to facilitate positive change*

#### **1. Heads of Government and member states.**

- a. As we discuss extensively in the recommendations (section no. 4) just a number of changes made by the HoG could reap dramatic rewards in triggering the development of a range of integration processes.
- b. Governments are seen as key actors, since they are charged with responsibility to implement regional decisions. However, the acceleration of the process can only be achieved through adherence to commitments ensuring buy-in from both the public sector and the population through effectively sensitising them to the benefits.
- c. The Ministries of Foreign Affairs and Trade, especially, are identified as specific governmental actors to develop the framework for regional integration in which the private sector can develop linkages.
- d. The governmental critique which exists of CARICOM is, as one technocrat put it, a 'self-inflicted wound'. The implication being that governments should do considerably more to reform and re-energise CARICOM than simply criticise it.
- e. Politicians themselves have a vital role to play, particularly in ensuring a bipartisan consensus on regional issues at the national level. Opposition to regional objectives often has more to do with the nature of short-term domestic 'Westminster' politics than it does ideological conviction.<sup>37</sup> Regionally, more experienced leaders should strive to inculcate a broader sense of Caribbeanism to sustain the appetite for integration.

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<sup>37</sup> This is evidenced by the fact that Caribbean politicians consistently support – at least rhetorically – regional objectives when in government, and then denounce them when in opposition (sometimes even measures which they have campaigned in support of themselves). Consequently, a concerted effort – sustained by civil society pressure – to remove the fact, if not the detail, of regionalism from daily political debate should be relatively straightforward. Indeed, respondents noted that this is something which has happened with a significant degree of success in Grenada, where some measure of bipartisan consensus has developed. For more on this, see, again, Bishop and Payne, *Caribbean Regional Governance*, pp.12-14.

2. **CARICOM is central to any movement forwards in the regional integration agenda.** Although, as we noted earlier in the report, we should remain sensitive to the fact that it is a diffuse institution, and the three different elements that we identified – the Heads of Government, the Secretariat itself, and the wider network of formal and quasi-CARICOM institutions – may all rub in different directions depending on the context.
  - a. CARICOM leadership. We are at an important juncture with the move to a new Secretary General. There is widespread support for a radical, reforming, respected leader to be appointed, empowered with a mandate to engage in extensive reform of the CARICOM institutions.
  - b. Ensuring a level playing field in terms of doing business. Making labour markets more flexible and effective, tax and skills harmonisation, moving goods, services and people around more easily. In effect, this means completing the CARICOM Single Economy or, at least for the time being, picking the ‘low-hanging fruit’ that we identify in section 4.
  - c. Some CARICOM institutions have been very effective where they have an effective implementation mandate. CDEMA was cited a number of times as one which has been relatively successful in bringing together donor and stakeholder interests so that the Comprehensive Disaster Management strategy is the methodology through which disaster responses are framed. CARICAD has also played an important role in training immigration officers on the CSME principles and laws in the revised treaty etc. But this is an ongoing process, as different officers leave and new ones arrive, yet the funding is often for a shorter period of time and is insufficient to sustain training throughout the whole region. Although controversial, the CRNM was highly effective within its own remit. However, like many other institutions it suffers from a lack of capacity on the part of members to pay fees and contribute.
  - d. Regional institutions are also inhibited by a lack of buy-in from member states. For example, regional tourism institutions are seen to be reasonably effective, yet they also lack the agility necessary to promote the regional products in a timely fashion. They are also not helped by the lack of an integrated tourism strategy in the region, with destinations remaining competitors with each other.
  
3. **Sub-regional institutions.** As described in section no. 1, the OECS Economic Union serves as the signpost for the way forward for the wider regional integration effort. The OECS aims to be ‘CARICOM-Plus’ and it is quite conceivable that if CARICOM does not rise to meet this challenge that the OECS could become the principal driver of formal Caribbean integration.
  
4. **Caribbean Diasporas** tend to be quite well-integrated into the national activities of many member states and have proved to be an effective resource for further development. However, they are as yet not organised nor utilised to propel the regional integration effort further. There is a perception that Diasporic activities are too heavily-focused on simply remittances rather than a broader ‘leveraging’ of their potential.
  
5. **Leveraging academia and other research institutions** needs to be an important part of the integration effort. For example, technical research is vital in order to counter claims about the limited value of regional integration by analysing the opportunity cost of not having certain regional institutions. Presently, institutions such as, for example, CROSQ are seen by Ministers of Finance as simply a drain with little counterfactual appreciation of what would be the cost of not having them.



## 6. Private Sector.

- a. Private Sector Commissions can be leveraged much more extensively than is presently the case.
- b. It is argued that the Dominican Republic is much further ahead in terms of EPA implementation precisely because the private sector has taken an interest and pushed that process forward.
- c. At present it is not clear what the incentive is for the private sector to push for change. This can partly be explained by a lack of intra-regional trade and the defensive national – as opposed to offensive regional and international – interests held by many firms.
- d. Professional associations are considered good conduits for greater regional integration, such as associations of architects, artists, accountants, hoteliers. They all have much in common: working in a related geographical space and working as well with extra-regional institutions. The sector has the potential yet a truly effective role has, as yet, not been realised.

## 7. Civil Society. Civil society needs to play a more active role in developing an effective and positive critique of regional institutions in order to advocate for certain changes. It is hoped that the framework currently being developed by CPDC will go some way to resolving the issue.

- a. Holding leadership to account. A major problem in the Caribbean is that the gap between political and technocratic leadership is not clear, and legitimacy is often opaque. Associations of NGOs and the regional media can play an important role as a countervailing force.
- b. Institutional role. There needs to be a formal space created for a wide range of representatives from NGOs and grassroots organisations to take part in regional processes. EG: At the OAS civil society is able to influence the agenda before the general assembly moves forward in its deliberations.
- c. Expert role. Increasingly civil society can provide more expert input, particularly in terms of technical assistance and monitoring of agreements and implementation. This is particularly the case for those larger NGOs and organisations such as CPDC which have such technical capacity.
- d. Intellectual role. The Clement Payne Movement in Barbados, for example, has proposed a Constitutional Convention in 2016 to bring together regional stakeholders and try to create a Union of Caribbean States. The plan is to table the bill in Parliaments, encourage them to agree in principle, and begin a five-year process of consultation to eventually supersede existing regional arrangements. While this may not be successful, it is evocative of the intellectual capacity of civil society and, moreover, a symptom of the frustration of the wider stakeholder community with extant institutions and processes of integration in the region.
- e. Civil society, however, remains marginalised and relatively disunited. Notwithstanding capacity constraints and questions surrounding whose voices CSOs legitimately represent, there is a feeling that a bottom up approach – with greater involvement of civil society in policy design/development and implementation – could provide momentum and buy-in required for progress. Hence, at a recently held Consultation, Civil Society was challenged to organise independently of the CARICOM Secretariat and of donor agencies in order to impact national and regional decision-making.<sup>38</sup> For this to happen, there needs to be greater linkage between

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<sup>38</sup> 'Regional Civil Society challenged to organise', CARICOM Press Release 49/ 2011, 16 February 2011  
[http://www.caricom.org/jsp/pressreleases/pres49\\_11.jsp](http://www.caricom.org/jsp/pressreleases/pres49_11.jsp)

smaller, grassroots organisations, their national federations, and those groupings with a more regional and international focus.

#### **8. Development Partners.**

- a. Regional integration is seen by some development partners as a means to an end rather than an end in itself. If integration is not seen to be furthering the development ends that the Caribbean cares about, then ultimately development partners are all going to lose interest in achieving broader regional goals.
- b. There is an obvious aspect which relates to the lower transaction costs delivering aid to a single community rather than 15 separate countries. If the perception remains that the major institution is having difficulty in delivering results to its people, there may well reach a point where international agencies find it difficult to continue working with it. This is exacerbated by changes in leadership which have generally not witnessed pro-integration – and pro-reform – governments come to power in the region. There is a sense, even, that some donors will gradually become more interested in providing aid on an ‘as needed’ basis when a disaster hits than continuing extensive, yet often less effective programmes, when they consider that there exist more needy communities in some extremely troubled parts of the world.
- c. Similarly, one of the considerations recently has been ‘what do we mean by a regional programme?’ Is it something all members can access resources from, which may or may not be allied with regional institutions? Or might it be multi-country and supporting regional objectives? One development partner suggested that they have decided on the former option to reduce messiness of selecting countries etc. But, in future, moving forward, they ‘may decide to work with countries which have greater political will and implementation capacity to move things forward’.

#### *Actors with the capacity and potential to impede change*

Although the various actors in the region can effect change, they can also have a detrimental impact, as we outline here.

#### **1. Heads of Government and member states.**

- a. Lack of implementation of difficult decisions and renegeing on previous positions. For example, it was regularly noted that Basdeo Panday, when PM of T&T, fought hard for the CCJ to be based in Port-of-Spain. Once the decision was taken, and he was in opposition, he opposed T&T’s signing up to the appellate jurisdiction of the Court.
- b. Role of Heads of Government. The monopoly of the HoG over the integration process is seen to be increasingly illegitimate in an era where people demand greater pluralism and a wider range of voices to be heard in political processes.
- c. Perceived costs. Increasingly, as one regional technocrat put it, ‘national leaders do not see the value in integration; they see it as an ever more costly process with increasingly less return on their investment’. The irony, of course, is that much greater pooling of responsibility at the regional level could dramatically reduce transaction costs while simultaneously improving services, infrastructure, governance and the quality of life of Caribbean people.
- d. Training is an issue. The fact is that as national governments change with some frequency, many younger leaders do not actually understand a lot of regional mechanisms or the weight of accumulated history behind them. Some institutional mechanism should be found to prevent backsliding on decisions taken, along with greater sensitisation of political elites to the nature and importance of regional processes.

- e. Westminster Model politics which promote a divisive, confrontational and oppositional approach mean that leaders make promises regionally that they cannot be seen to promote when back home.<sup>39</sup> Over time this – and a lack of bipartisan consensus on regional issues – has allowed support for regionalism to wither.
- f. Party relations. Governments are too deaf to alternative, critical proposals from either opposition or subaltern forces like civil society ‘especially when they consider every critique as emanating from an opposition plot rather than an objective analysis’ (academic analyst).

## **2. CARICOM and its institutions.**

- a. Institutional infighting. The dominance of certain sections of the CARICOM Secretariat – and particular empires within it – has contributed to instances of institutional tension. Two examples cited were the fallout from the EPA negotiations and the movement of the CRNM into CARICOM as the OTN, and also the relative blunting of the role of IMPACS (which has a relatively ambiguous status and today still has no representation at the Ambassadorial level). Resolving problems such as these could form the core of a CARICOM reform agenda and restructuring.
- b. Communication. Ineffective lines of communication between CARICOM and member states, between CARICOM and development partners, and in terms of the sensitisation of the wider Caribbean population to the benefits of integration were regularly cited as problematic.
- c. Orientation. CARICOM as an institution has traditionally been too focused on creating policy and bureaucratisation rather than actually implementing policy, or driving forward the decisions that the Heads take. CARICOM generally leaves the national governments to implement, something which many are ill-equipped to do, whereas it should have a much more active role in management of the implementation process.
- d. Relatedly, the unresolved issue of the CCI is hugely detrimental to integration, given the important governance role it is supposed to play in advancing regionalism through competition, mediation and legislation.

## **3. Other Regional Institutions.**

- a. The OECS. As suggested earlier, the evolving role of the OECS is, at present, difficult to grasp. But there is a school of thought in the region which sees the institution as the future driver of the regional integration process, particularly if Barbados and/or T&T seek to join. This could conceivably put the OECS in the position of simultaneously advancing the regional agenda whilst undermining many of the CARICOM institutions.
- b. Extra-regional alternatives. For Suriname, like Guyana, Latin America is becoming increasingly important, with, especially, expected developments in infrastructure helping to facilitate the physical access of the South American subcontinent. There is a real sense that UNASUR could replace CARICOM as the regional integration choice of the South American members.
- c. Relatedly, the evolution of other hemispheric alternatives – ALBA, in particular – and their significance for Caribbean integration is, at present, unclear. Yet the sense is that some degree of fragmentation is inevitable without a concerted effort to halt the decline of Caribbean regionalism.

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<sup>39</sup> For more on this see Ryan, S (1999) *Winner Takes All: the Westminster Experience in the Caribbean*, St Augustine, Trinidad and Tobago: ISER Press.

#### **4. Private Sector.**

- a. Expansion outside of national boundaries – or the region – is inhibited by a lack of capital, lack of confidence, and, sometimes, family-owned ‘merchant’ nature of many Caribbean firms.
- b. Consequently the private sector is not realising its potential for driving the integration agenda, something it could do rapidly. Few companies are looking to expand within and beyond the region; not being subject to competitive pressures removes the incentive for innovation and new ideas.
- c. Dominance of private sectors of major CARICOM countries presents a problem (whether real or perceived) for other countries. The trade deficit between Jamaica and T&T is perhaps the most dramatic example of this.
- d. National and regional interests come into conflict: Many chambers of commerce are supportive of integration in general, but also attempt to defend themselves against products from larger member states.

#### **5. Civil Society.**

- a. There is still, according to one diplomat, ‘a tension between government and NGOs which have agendas and financing from suspect quarters’ but this tension is viewed as a good thing in terms of the technical capacity and expertise, as well as advocacy capacity that NGOs can utilise to add value to national and regional processes.
- b. Civil society is flexible. It ‘can be a blockage’ according to one donor, such as in terms of its generally antagonistic stance towards the EPA negotiations. But at the same time, once the EPA was signed, despite objections to many of the provisions themselves, civil society has tended to move on in a positive fashion and attempted to contribute to the implementation agenda.
- c. ‘Uncivil society’. The spread of transnational criminal networks can have simultaneously negative and positive effects in terms of integration. One development partner asked ‘what are the benefits of less-than-optimal integration for corruption, the underground economy etc?’ If we can understand the nexus between the two – ‘what I call disintegration’ – we can better target programmes to deal with them. They are very powerful in the Caribbean, ‘if not even more powerful than the formal processes’.

#### **6. Academia and Education.**

- a. Dominance of neoliberal approaches is seen by many as a major impediment to independent thought. This is further exacerbated by the tendency of many academics to spend too much time on external consultancies. Some respondents felt that this means that they assimilate the mores and agendas of donors. Even if this is not the case, there is a sense that academics do not devote enough time to theorising the regional problematic, developing genuine policy innovations and practical solutions, or monitoring activities.
- b. UWI, especially, is seen by some respondents to have ‘failed’ the region. This critique has two main aspects. The first feeds into the previous comment; that UWI academics do not spend enough time thinking through and writing genuinely innovative research and policy ideas, with a focus on alleviating the region’s developmental, political and social problems. The second is that the campuses themselves have become ever-more mono-national, and the wider regional mandate of UWI is gradually being lost.
- c. Schools and educational institutions seem not to be actively breaking down barriers, and Caribbean youth remain insulated or oriented towards Canada, the US and the UK as overseas educational institutions regularly scout the region for students to

whom they can provide scholarships. UWI needs to do more in this regard, in order to try to keep the finest minds in the region.

- d. Surinamese respondents also indicated that there was a lack of educational integration. Different educational systems provide a real challenge with regard to regional issues including accreditation, standardisation of training and the free movement of persons.

#### **7. Development Partners.**

- a. Inadvertently some projects may have unanticipated side effects. So, one official of a development partner noted how the 'Compete Caribbean' project – by the IDB, DFID and CIDA - which seeks to improve private sector efficiencies is a great regional project, but is not 'integrative' in that it can pit the private sectors of different countries against each other.
- b. Donor countries are often guilty of a lack of joined-up policy, or, rather, domestic considerations impact negatively upon the agenda of their development arms. For example, DFID may support tourism development in a range of ways, but the environmental tax imposed by the UK on long-distance air passengers has impacted upon visitor numbers to the region.

### **3. THE ROLE OF DONORS IN CARIBBEAN REGIONAL INTEGRATION**

#### 3a – Review of Existing Donor Support

There are numerous donors and development partners involved, in different ways, and at different levels, in supporting Caribbean development. These range from the major multilateral institutions, including the World Bank, the IMF and various UN agencies, to institutions with a regional or hemispheric focus such as the CDB and the IADB, to key bilateral donor agencies of the developed countries such as DFID (UK), CIDA (Canada), USAID (United States) and the EU. Spain is also identified as an important development partner, particularly in those countries – such as the Dominican Republic – where there is a cultural affinity, and others, such as Jamaica and the Eastern Caribbean, where Spanish firms have significant tourism investments. Increasingly, it is also the case that China, Taiwan, Japan, Brazil, Venezuela, Cuba and some of Middle Eastern oil-rich countries with large sovereign wealth funds are developing bilateral relations with some Caribbean countries.

However, in terms of regional integration, specifically, most donors do not actually have an active agenda. Moreover, there is wide agreement amongst many stakeholders (both within the donor community and outside) that the motor for integration cannot and should not come from donors but from government or civil society. In addition, further to the Accra and Paris Declarations and EU Code of Conduct for International Cooperation, development partners should not duplicate efforts: where efforts are already underway through one development partner, others should support those rather than create parallel initiatives.

Although donors do often attempt to ensure that programmes have a regional focus, and, wherever possible, attempts are made to ensure that projects assist in achieving regional objectives, the regional integration process is rarely – if ever – the main driver of donor programmes. There are a number of implications of the way donor support plays out:

- 1. Resource constraints.** Donor funding has to be targeted, although there is a perception that too much funding is tied to short-term objectives, rather than longer-term ones, and, crucially, it often dries up just as projects are bearing fruit and money is most needed to embed and sustain progress. At the same time, it could be argued that more regionalisation

of donor projects could actually help to save money by cutting transaction costs (not to mention making interventions more effective).

2. **Regional co-ordination problems.** There is no effective regional co-ordination body, and as noted in section 2 of the report, the CARICOM Secretariat is widely perceived to have been unsuccessful as an effective co-ordinating body for regional projects.
3. **Fragmented nature of donor interests.** For example, USAID's main focus now is the CBSI and its principal regional application is bringing together the Dominican Republic and wider Caribbean solely in terms of their security interests. Not all donors share this agenda.
4. **Endurance of bilateral relationships.** The way donors work across the region depends very much on the specific needs of different Caribbean countries. So, where a donor may have extensive interests in poverty reduction in the poorer countries of the region, these programmes necessarily reproduce bilateral relationships.
5. **Sensitivity of the integration process.** Donors generally recognise that integration cannot be forced upon the Caribbean and they remain circumspect. The fallout of the EPA negotiations, and the funding of the CRNM by the EU, is perhaps emblematic. As one development partner suggested, 'there are pitfalls around us developing alliances even with institutions which work effectively regionally... it's a bit of a quagmire for us, honestly'.
6. **How far are donor interests driven by domestic considerations?** One official from a donor agency suggested that 'we as donors have a tendency of imposing our development paradigm even though the international priorities shift and swing'. So, for many years trade has been an international priority, driven by the establishment of the WTO and the Doha Development Agenda. This in turn shifts the structures of many donors' structures and policies, even though it may not be an appropriate focus for recipient countries. Another, recent example might be the shift towards security sector reforms where there is a presumption that because crime plays out on the streets of the UK (in the case of DFID) or the US (in the case of USAID) the problem can be solved in the region, which in turn shifts the whole alignment of that support.
7. **Where does money go?** Consultants often have to be imported from the donor countries and this, in turn, can cost as much as 75% of the total cost of the project. So, as one official put it, 'what real benefit is there, particularly when it often results in a critical report which offends the host nation?'
8. **Funds, especially from the EU, are notoriously difficult to access.** As one regional technocrat suggested, 'we should sit down as a region to compare what has actually been signed off in terms of EU pledges against what has actually been spent and lost from those pledges because of procedural technicalities'. Others lamented that it is difficult to fill in applications for EU funds without (expensive) outside consultancy help, and, in turn, the whole process from conceptualisation to receipt of money will take two years, by which time the priorities and needs may have changed.

There were also some robust defences made of donor activity. For example:

1. **Funds are actually becoming easier to access.** For example, the EU has made accessing money under the 10<sup>th</sup> EDF relatively more straightforward than in the past by shifting towards a project-based approach. However it is quite often a lack of government capacity which means that many of the opportunities available are not exploited to the full. In addition, Caribbean stakeholders should remember that large sums are involved (the EU, for example, disbursed €100m in the region in 2010) and, moreover, this is taxpayers' money for which there should properly be stringent accountability procedures.
2. **Relatedly, many programmes are never completed or implemented fully.** As such, it was argued that donors should actually be stricter with their review of the effective implementation of programs as a condition to provide further assistance.

3. **Lack of organisation or clear, co-ordinated ideas about what the region itself wants from donors.** As one technocrat suggested, ‘until we develop a forward-thinking approach, telling donors what we need, why we need it, and how it chimes with both their own pillars and interests – as well as our own, clearly-defined objectives, then they will continue to have a lack of faith in the region’. This is further exacerbated by a lack of regional unity on key issues (such as the question of the Dominican Republic, institutional reforms and so forth).
4. **Institutional Conflict.** Where funding is granted to seemingly non-political regional bodies, conflicts then emerge between such institutions and the CARICOM Secretariat which prefers to have all regional resources channelled through it. It was suggested that the Secretariat may sometimes work to stymie the relative independence of funding of other regional institutions. A number of them, such as IMPACS, CRNM, CCCCC and PANCAP were regularly cited as examples. In the case of IMPACS, it was set up as an implementation agency for the Cricket World Cup, yet there was no Assistant Secretary General created to sustain it politically. The result, today, is that there is confusion, and subsequently inertia, between the Secretariat and IMPACS regarding who should take the lead for policy, and who should lead on implementation.
5. **Importance of donor support.** Many also recognised that because of the waning of interest at the elite political level, the regional integration process – particularly in supporting various regional institutions – is highly dependent upon the support of development partners. This is something which is often not appreciated, and has permitted many Caribbean governments to accept the benefits of integration without paying the costs, or even understanding the opportunity costs.

### 3b – Aligning Donor and Stakeholder Interests

Many proposals were mooted in terms of how donor and stakeholder interests could be better aligned. Some of the most interesting are as follows.

1. **Complementarities.** Donors could become more sensitive to ways in which projects in different countries have co-operative (as opposed to competitive) possibilities, and should consequently attempt to fund complementary/non-repetitive projects across the region.
2. **Managing change.** Many of the institutions of regional governance are ineffective in many ways, and not simply because of institutional efficiencies. The global context is shifting and the region needs institutions to help it cope with existential threats. This is an area where donors can add value, particularly in terms of supporting the shift towards more rapid implementation.
3. **Establishment of Funds.** Europe has the EDF to help facilitate intra-regional development, but the Caribbean does not really have a similar institution as its own regional development fund, such as it is, is largely under-resourced. The Caribbean does have access to some resources under the Caribbean Regional Indicative Programme via the EU, but, again, these are limited. If donors were able to help set up and sustain, say, a Regional Infrastructure Fund this could support and sustain longer-term regional investments in vital infrastructure.
4. **Infrastructure.** There is little doubt that there is a huge potential for convergence in the region around infrastructural development, whether related to transport, health, education or other similarly important areas. There is presently a CARICOM Strategic Plan for Regional Development being finalised for submission to the HoG in July 2011 which concentrates on the provision of ‘Regional Public Goods’ but, as yet, it is unclear what or how extensive the recommendations will be.
5. **Expertise.** Donors can do much more to leverage the skills that exist outside of the region. For example, a number of private sector actors suggested that, although the region does not lack entrepreneurs, it does lack both financial capacity (as local banks are risk averse and will not lend without excessive collateral) and expertise. As such, donors could play a much more

active role in bringing together what one private sector representative described as ‘real bankers with real savvy and other technical people to put together some genuinely big infrastructure and other projects in the region’.

6. **Improving donor-stakeholder relations.** A number of regional professionals noted that in the recent past there were extensive regional meetings at the CARICOM Secretariat – along with observers such as UWI – where overlaps between institutions, countries and projects would be discovered. This is something which could happen more often to facilitate the streamlining of projects and more effective use of resources (as well as giving bilateral projects a clearer regional focus).
7. **Private sector relations.** It was suggested in many countries that donors should try to have more direct contact with the private sector instead of seeing the public sector as the standard first point of contact. A closer direct working relationship with the private sector in key areas, through the different private sector associations and bodies, could help to circumvent some institutional inertia and move projects forward. Again, infrastructure would be a critical area for support.
8. **Effective civil society support.** Some NGOs affirm that donors still try to impose agendas and projects, treating them as colonies rather than development partners. The requirements that many donor agencies impose mean that much of the funds get lost in the pockets of accountants, lawyers and specialists before they reach the local community. Requirements to access donor funds for NGOs need to be simplified and perhaps the donor agencies themselves could offer much more support to help civil society to work through the paperwork etc.

## 4. RECOMMENDATIONS

### 4a – Overview of Main Recommendations

Numerous recommendations were made about how the region could be brought together more closely, and the integration process re-energised. It should be noted that, together, all of these recommendations form a broad package of changes. It is critical to note that only concerted action on the part of different stakeholders – leaders, opposition parties, donors, civil society, private sector and so forth – can provide for the purposeful reshaping of regional institutions that is required to move the integration process forward.

In this sense, we argue that effective regional integration can only emerge out of a mixture of ‘agential’ and ‘institutional’ changes. The two, in this regard, impact upon each other. It is also important to note that the timeframe for action is varied. Some recommendations could (and should) be actioned immediately; this would allow stakeholders to pick much of the ‘low-hanging fruit’ and begin to build a wide, immediate consensus for integration. Other recommendations require longer-term planning and commitment to sustain them.

The recommendations can be taken in isolation, but will be more effective if a greater number of them are actioned as some kind of overarching programme. Simply put: all of these recommendations impact upon each other. So, for example, investment by development partners in research and co-ordination to facilitate civil society unity would afford more co-ordinated action on the part of civil society, which in turn could influence the HoG to move on the question of civil society representation in regional institutions. This in turn would increase the visibility of civil society regionally, helping to better inform Caribbean populations about regional integration, thus assisting in the development of a greater regional consciousness, and, consequently, more pressure for implementation of key decisions.



Only a few of the core recommendations would need to be actioned for a 'snowball' dynamic to emerge, and a virtuous circle of integration – across the plethora of integration areas noted below – to develop. This would halt the perceived stagnation of regional processes, and shift them onto a growth and development trajectory.

The alternative, however, is the potential end of the optimistic era of Caribbean integration and submission of the region to the many existential threats facing it. Indeed, it is not an exaggeration to suggest that Caribbean development as we know it is under threat unless bold, positive action is taken immediately.

#### 4b - Recommendations for the political leadership

It is clear that the HoG recognise the gravity of the situation facing the region, and, moreover, in light of the planned retreat to take place in mid-2011, that they are compelled to act accordingly. The HoG could undertake any or all of the following measures, some immediately; others over the longer term. As we move down the recommendations from 1-7 in this section, it is clear that they become increasingly difficult to action and require a longer timeframe for action. Some of them require a courageous leap on the part of the Heads and the spending of serious political and financial capital; but they have the power, more than any other actor to facilitate positive change and start the snowball rolling. The wider benefits, moreover, would more than offset the costs to individual countries. Equally, if the HoG do not grasp such an agenda, it is equally clear that they have greater potential than any other actor to impede change and hasten the terminal regional decline that we fear awaits the Caribbean.

- 1. Settle the question of the CARICOM Secretary General by offering the position to someone with gravitas, vision, and who commands the respect of both the HoG and the wider region.** As one experienced Caribbean diplomat suggested, 'it is an opportune time; we need a new leadership that is not only competent technically and administratively, but we also need a leader that has vision and prestige of his/her own that allows him or her to enjoy the trust and confidence of the Heads of Government to permit them to work together'. This is critical because the new Secretary General must be someone with the diplomatic skills to carry the CARICOM staff and engage in reform, to command the respect, support and unity of the Heads of Government, and to create the buy-in amongst the wider Caribbean population for the rejuvenation of the regional agenda. This person should be identified and in post by the end of 2011.
- 2. Empower that person to undertake a wide-ranging review and root-and-branch reform of both the institutions and the purpose of CARICOM,** as well as the broader range of regional commitments, particularly under the CSME. The new Secretary General must have a mandate for radical and reforming change to equip CARICOM and the wider region for the challenges of the 21<sup>st</sup> Century, not the challenges of the 1970s. Furthermore, CARICOM should be streamlined with a much reduced bureaucracy, and a core focus on policy design relating to certain issues, such as: implementation of key decisions, driving the agendas relating to food security, sectoral development, infrastructural upgrading and so forth.
- 3. Immediately suspend the creation of new regional commitments until such a review is completed,** and an identified number of outstanding commitments are implemented. Some examples might be: a greater number of signatories to the appellate jurisdiction of the CCJ, the automatic granting of six months leave to remain for CARICOM nationals in member states, and agreed categories of skills certificates. The CCJ, in particular, is crucial, as it

cannot be sustained on the basis of its original jurisdiction alone, and were it to deteriorate it would call into question the entire edifice of the CSME and, by extension, CARICOM. It is clear that not all countries wish to sign up immediately; but the comments by Prime Minister Thomas which suggest Grenada will soon sign on are heartening. If a handful of other members were to indicate that they, too, will sign up, the critical mass could be secured to achieve the future security of the institution. Similarly, by identifying which components of the CSME can be implemented easily, which are of benefit to all, and which can achieve buy-in from a wide range of stakeholders, this could be swiftly actioned, displaying immediate and tangible benefits to the wider region and, in particular, the 'man on the street' who will benefit.

4. **Empower CARICOM as a genuinely implementative organ**, giving it the legal space to drive the implementation of decisions (in just some areas if necessary) which are taken regionally by the HoG, in conjunction with nationally established implementation units. This would not require a diminution of national sovereignty (such as in the case of the EU Commission) since CARICOM would not necessarily require policy-setting powers. It would simply carry out and enforce the implementation of decisions agreed by regional leaders.
  
5. **Address and overcome the tension between national sovereignty and regional autonomy.** This can be achieved with a number of small steps which are based on the idea that pooling sovereignty at the regional level does *not* diminish domestic sovereignty, but rather increases the relative weight of the Caribbean as a unified group. In sum, sharing sovereignty buys the region considerably greater autonomy of action. We recognise that successive national leaders have been reticent to accept the establishment of a supranational CARICOM Commission (as laid out in *Time for Action* in 1992 and elaborated in various subsequent reports) and some remain uncomfortable with mooted alternatives, such as the proposal to base the CARICOM Ambassadors permanently in Georgetown. However, it is clear from our research that the Caribbean stakeholder community is growing increasingly and terminally frustrated at this lack of institutional development. Moreover, the longer meaningful reform waits, the greater the political, social and financial costs of inaction, and the more diminished becomes the real value of 'sovereignty' to individual Caribbean countries faced with existential threats. Two small steps which could be taken in an experimental fashion to highlight the cost savings and other benefits to accrue from greater co-operation could be as follows.
  - a. Establish one 'CARICOM' embassy in a country where the region has either no representation or limited representation (perhaps one of the 'BRICS' countries), staffed with a range of diplomatic officials and technical experts from across the Caribbean, to further the region's interests as one at much lower unit cost but simultaneously with greater critical mass.
  - b. Pool sovereignty at the regional level in just one issue-area where problems are fundamentally regional in nature, and in which an empowered regional institution can shoulder the burden of policy and action. There are two obvious candidates for this which could be actioned quickly: the CARICOM/CSME implementation agenda noted in recommendation no. 4 above, and also IMPACS which, as discussed elsewhere in the report, has not been given the kind of support it needs up until now to really seize the mantle of the Caribbean security agenda.

There are obvious barriers to this happening, and such measures do require a bold leap of faith on the part of the HoG. Yet both of these measures will dramatically cut costs and increase benefits to the wider region. If successful, over time the first will pave the way for the gradual consolidation of CARICOM diplomatic missions which are better-resourced, more effective, able to work on a wider range of issues, and which reduce pointless

duplication of diplomatic activity. The second will afford the gradual expansion of supranational institutions of governance at a pace with which member states are comfortable, and in clearly demarcated issue-areas in which Caribbean countries are ill-equipped to act alone, and which consequently require an effective supranational response.

6. **Consider the European notion of an *Acquis Communautaire***, which is the idea that, once committed, the accumulation of treaties and agreements within the EU cannot be revisited or undone. Something similar should be institutionalised in the Caribbean, to overcome backsliding, short-term politics and the implications of changes of government. In addition, leaders should strive to make regional integration an issue of bi-partisan consensus domestically, such that regional agreements do not fall unnecessarily prey to myopic national political considerations.
7. **Arrange a high-level meeting with officials in Santo Domingo** with a view to creating a degree of rapprochement with the Dominican Republic. As such, the Dominican Republic-CARICOM Joint Council should meet and plan a way of taking co-operation forward; be more proactive in the implementation of the Dominican Republic-CARICOM trade agreement; and consider ways of accepting the Dominican Republic more fully as a partner in all spheres.

#### 4c - Recommendations for regional institutions

There is little doubt that regional institutions – and in particular CARICOM itself – are in need of fundamental reform. Yet some, such as the OECS, have actually deepened their integration recently and a partial transfer of national sovereignty to the sub-regional level has taken place. In light of this, there is perhaps a real possibility that CARICOM itself might atrophy into the future, and the OECS may become the new driver of a more fragmented process of integration.

8. **CARICOM, as noted above, needs to reorient its role towards becoming an implementative institution**, in the following ways.
  - a. It must be granted the political and legal space – as well as the quality of leadership, through the new Secretary General - to be able to do this.
  - b. Once the Secretary General has reviewed the prevailing institutional set-up of CARICOM, resources should be directed towards enhancing the institutional machinery for implementation.
9. **Space should be made for greater popular participation in regional fora**, and, especially, CARICOM. Formal processes of regional integration must be broadened out beyond simply the purview of political leaders and technocrats in regional institutions. This can happen in the following ways (also considered in any institutional review of CARICOM).
  - a. A revival of the Assembly of Caribbean Community Parliamentarians (ACCP) as a consultative body, but which is expanded to incorporate civil society voices from across the region.
  - b. At the CARICOM level, there should be an active agenda which seeks to implement and incorporate the recommendations of the civil society participation framework which is currently being developed by CPDC and which we have discussed elsewhere in the report.
  - c. A tri-partite council could be established within CARICOM, encompassing states, the private sector and civil society/labour to interface with donors.
  - d. Greater recognition of the wide range of expert voices that exist within the region. In 2006 the Caribbean Connect Symposia brought together a wide range of around 300 technical experts, demonstrating clearly that the region has the breadth of

depth of human capital necessary to move regional processes forward and to participate in the institutions of regional governance.<sup>40</sup>

- 10. Create a Caribbean Broadcasting Commission with a public service remit.** Effective communication must come to the centre of everything that regional institutions do, to inform people of the benefits of integration, as well as to catalogue and interpret the contemporary Caribbean and bring people together. The withdrawal of the BBC from the region, along with the wider information deficit, means that the establishment of a Caribbean Broadcasting Corporation of some kind is critical. This would carry a number of benefits. First, it would most obviously fill the gap left by the BBC. Second, it would be a focal point for media – TV, radio and internet – from across the region, with a public service, rather than corporate, remit. Third, it would carry news and information about every Caribbean territory into the homes, schools and businesses of every other. Fourth, it would give Caribbean content producers of all kinds an outlet for their product and an incentive to produce writing, films, documentaries and other content with a Caribbean focus. Fifth, it would facilitate the creation of the content about the region, by the region, that is presently so sorely lacking, and allow for a gradual creation of trans-Caribbean knowledge production and sharing. Finally, this would gradually reduce Caribbean dependence upon external sources of media, and, in the medium term, increase and reinforce the sense of Caribbean identity, consequently reducing the antagonisms and mistrust that exist today, bringing the region closer together. In the current climate, it is clear that such an undertaking would require serious funding and buy-in from a wide section of stakeholders and donor support. However, with dramatically reduced transaction costs in media compared to the past, not least in terms of establishing virtual infrastructure, the opportunity has never been riper to establish a cost-effective, public Caribbean Broadcasting Corporation.
- 11. Create an accountability mechanism for everyday citizens.** People have no recourse or space for complaint when their rights as CARICOM citizens are not respected, or where poor implementation prevents them benefitting from regional agreements. Something as simple as a phone line, website or other national/regional forum with - eventually - institutionalised legal status could provide a focal point for grievances, and make clear, quickly, where the points of dissatisfaction of everyday people are, and where resources/improvements should be targeted.
- 12. Infrastructural development is critical,** and regional institutions must play a central role in encouraging it. Stakeholders unequivocally feel that a dramatic effort in upgrading the existing regional infrastructure, as well as reducing transaction costs, needs to be at the forefront of the Caribbean agenda. The report commissioned by the HoG on ‘Regional Public Goods’ will feed into this process, and the major areas for attention are as follows.

  - a. Transport is the major bugbear of the region. The transport of people and goods around the region are simply too high and finance and expertise needs to be directed towards new modes of transport, particularly sea-based. This should be the central focus of CARICOM and other regional institutions in the near future, in conjunction with the establishment of an infrastructural development fund.
  - b. Healthcare is lacking in the region and ways should be found to improve Caribbean healthcare by setting frameworks which can assist in accessing international markets for ‘health tourism’ which can, in turn, be to the benefit of the health infrastructure for local people.

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<sup>40</sup> See the preface to Girvan, N. (2006) *Towards a Single Economy and a Single Development Vision*: In Collaboration with the CARICOM Secretariat and the Special Task Force on the Single Economy. Available at: [http://www.caricom.org/jsp/single\\_market/single\\_economy\\_girvan.pdf](http://www.caricom.org/jsp/single_market/single_economy_girvan.pdf).

- c. Sectoral development is critical; specifically, much greater co-ordination is required at the regional level so that the distinct productive capabilities of different Caribbean states can be identified and better harnessed for the wider regional benefit. The most notable area for development is in sustainable agriculture. Food security and sovereignty are critical, and the region must devote resources to reducing food import bills. This requires investment in harnessing the huge productive capacity of Guyana, and, perhaps, providing a more obvious regional export market for the smaller Eastern Caribbean islands which have seen their historical agricultural export markets decline. This can, in turn, be supported by an intensified communications agenda (recommendation no. 10) which stresses the importance of food security to the wider region, and the infrastructural improvements, particularly in transport, noted here.

**13. UWI should rapidly reconsider its role as a regional university in a number of ways.**

- a. More must be done to ascertain exactly what the purpose of such an institution is in the Caribbean and how it can contribute to regional well-being of all kinds.
- b. The trend towards mono-national campuses at Mona, Cave Hill and St Augustine must be arrested and reversed, perhaps through the establishment and financing of a programme similar to the EU's 'ERASMUS' scheme, providing much greater financial support to students studying outside of their home country.
- c. Given the extant resource limitations in terms of effective policy conceptualisation and development at the national and regional level in the Caribbean, academics and intellectuals need be leveraged more effectively to conduct more effective policy-relevant research in the manner of the 'think tanks' that exist in Asia, North America and Europe.
- d. This work also has to be geared towards Caribbean considerations and not simply the agendas of donors and the sources of their finance.
- e. Some UWI institutions – such as the IIR itself – can play a crucial role in key activities, such as researching, co-ordinating and monitoring the civil society activism outlined in recommendations no. 13-15. This in turn would allow stakeholders to better bring pressure to bear on recalcitrant actors and institutions, so improving integration processes.

4d - Recommendations for civil society

**14. Civil society needs to think and act regionally.** No other sector of the stakeholder community has equivalent potential to bring serious pressure to bear on integration; yet it is far from fulfilling this potential. For this to happen civil society should embed the decisions reached in the 2002 *Liliendaal Statement of Principles*<sup>41</sup> as expressed in the forthcoming Regional Strategic Framework prepared by CPDC. This in turn should facilitate:

- a. A clear map of the specific civil society organisations which operate regionally, along with the concrete spaces for regional engagement.
- b. A collective coming together of regional CSOs and NGOs around some common agreed regionalist themes, and on which all can be united to some degree. Both of these tasks could be further facilitated by IIR or other similar institutions acting as 'contact points' in conjunction with CPDC.

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<sup>41</sup> See *Liliendaal Statement of Principles on Forward Together*, at: [http://www.caricom.org/jsp/communications/meetings\\_statements/liliendaal\\_statement.jsp?menu=communications](http://www.caricom.org/jsp/communications/meetings_statements/liliendaal_statement.jsp?menu=communications)

- c. The elaboration of a coherent view of what regional integration means, from a civil society perspective, and a core range of demands to be made of other regional stakeholders, and, in particular, the HoG, political parties (including oppositions) and regional institutions.

**15. Civil society can then influence the regional integration process in a variety of ways.**

- a. By providing a vision of what a more socially inclusive and united Caribbean region will look like. The Clement Payne Movement in Barbados is one organisation which has already undertaken much intellectual work in this area. By interpreting that vision, and therefore informing the wider Caribbean population of the benefits in order to promote the integration process and counter negative claims.
- b. By policy advocacy, so moving concrete, informed and considered policies up the regional political agenda, and bringing effective pressure to bear upon different stakeholders.
- c. By providing technical expertise, particularly in terms of analysis and implementation of regional decisions at the national level.
- d. By providing an 'integration watch' function in order to ascertain instances of non-implementation of key decisions, or non-acceptance of civil society prescriptions, and consequently provide the technical and advocacy support necessary to overcome these issues. This is something that can be undertaken by CPDC in conjunction with interested research institutes at UWI, such as IIR.

**16. Some key themes around which civil society should coalesce might be the following:**

- a. Democratisation of Caribbean regional institutions and representation for a wider range of voices beyond professional politicians and technocrats, perhaps through the re-invigoration of the ACCP as part of a wider CARICOM reform process (see recommendation no. 9).
- b. Informing the agenda of political parties, and, especially opposition parties; in particular pushing the idea that regional integration as a notion should be depoliticised and consequently become the produce of bi-partisan consensus within Caribbean countries.
- c. Driving the agendas relating to free movement of (skilled) Caribbean citizens, contingent rights and so on. This is a burning issue which is preventing implementation of the CSME.
- d. Establishing civil society forums whereby smaller organisations can have their voices better heard, with resources and ideas transmitting in both directions from the national to the regional level, permitting pressure to be brought to bear domestically and regionally in a concerted and co-ordinated fashion.

4e – Recommendations for the private sector

**17. The private sector needs to organise itself more effectively at the regional level** if it is to influence and improve the integration process. As it stands, unfortunately, regional integration does not figure highly on the agenda of many sections of the Caribbean private sector. This is partly because there are significant trade imbalances within the region, and many Caribbean firms and industries have defensive interests which run counter to an integrationist agenda, yet this is unsustainable into the longer term and coalitions of private sector organisations must come together to force the implementation issue. Moreover, subsidies to sunset sectors should be diminished, and support should be increasingly oriented towards sunrise sectors and innovation. Similarly to civil society, the private sector also has huge unfulfilled potential to influence regional integration, whether at the formal

level through bringing pressure to bear upon political actors, or through simply improving cross-regional business linkages. This can happen by:

- a. Developing clusters of Caribbean industries with complementary interests, and particularly offensive export interests outside of the region. This is particularly important given the emergence of the South American continental countries as increasingly significant potential trading partners; and especially so to Guyana and Suriname.
- b. Pressuring regional stakeholders – and particularly CARICOM - to develop regional Caribbean industries which ‘fit’ the productive capabilities of different countries; especially the development of regional food security through investment in the extensive arable land in Guyana and, perhaps, Belize and the Eastern Caribbean. As noted in recommendation no. 12, the food security agenda is one which CARICOM, national governments and the private sector – as well as donors - can all coalesce around and it should become a central feature of the region’s development thrust over the next decade. In this sense it is both a public imperative and a potential growth industry. This can also be sustained through benchmarking between regional business support organisations, in conjunction with sectoral agendas developed by regional and national private sector organisations and firms.
- c. Pushing for upgraded regional infrastructure, which is key to overcoming the insularity of many Caribbean industries and firms, and assuaging some of the imbalances that exist in the region and inhibit the integration impetus. This can happen if the private sector places itself at the forefront of a corporate approach for infrastructural development, particularly focused upon transport of goods and people. This would in turn require the drafting of a corporate agenda as well as proposed business models for a regional freight line, perhaps in the form of public-private partnerships.
- d. Forcing the full implementation of the CSME and bilateral trade agreements such as the EPA, such that the offensive interests of Caribbean businesses can be realised. Although some private sectors are reticent about continued liberalisation of markets where they have a degree of protection, they need to recognise that this is not sustainable in the longer term. The EPA is forcing the opening of Caribbean markets, and the sooner Caribbean business responds to this inevitability the better.

#### 4e - Recommendations for development partners

It was generally accepted that donors can have an effective role to play in integration, in the following ways.

#### **18. Participate in a mapping of the extant regional institutions, initiatives and programmes**

(including other donor programmes with a regional focus), and then fund the anchoring of national-level actions on those initiatives, particularly in terms of longer-term financing to sustain work. If donors make it clear that the majority of bi-lateral funding will be directed towards the remedying of deficiencies in the implementation of regional programmes, governments and politicians will then have an incentive to think and act regionally. It should be noted that, despite the political sensitivity of this issue, the vast majority of stakeholders consider that development partners should be unafraid of pushing regional agendas, particularly where they are supporting programmes and policies which have been agreed at the regional level, which have the support of the wider stakeholder community, and which are simply characterised by implementation deficits. Some specific areas of focus are:

- a. Food security. Again, an extensive mapping exercise is required to ascertain how this critical agenda could be driven forward along with the nature of the capabilities of

different regional stakeholders. Yet the benefits, across all areas of society – not to mention regional unity itself – could be enormous with the right kind of intervention.

- b. Private sector development. The COMPETE Caribbean project, funded by the UK and Canada through the IDB is seen as a good example of pushing development, and where possible it should be broadened out to the wider region. There is a perception that funding is not available – through the CDB – for private sector activity beyond low-level entrepreneurs. Donors could establish financing for those private sector institutions which seek to export or invest in sunrise sectors such as food security, sustainable energy etc.
- c. Infrastructure. It is unclear what the barriers are – beyond small size, islandness and a lack of public investment – to improved regional infrastructure in the Caribbean. But a mapping exercise which runs alongside the food security agenda above, and which feeds into the HoG report on Regional Public Goods would be welcome.
- d. Training of regional immigration officials. It was noted that, for example, the work that CARICAD does in terms of training in the CSME regulations – such as the mandatory six month stay for Caribbean nationals – is only useful insofar as immigration officers remain in post. This is one area where continued finance can support ongoing improvements, to the benefit of all.

**19. Support with the financing of tangible institutions.** In this regard three stand out:

- a. Improved national implementation units. There is a huge deficiency of capacity in terms of implementation of the CSME, EPA and other regional and bilateral agreements, particularly in many of the smaller countries, and support for capacity building is crucial. If the HoG come to support an agenda similar to that outlined in recommendation no. 4, above, then donors should certainly support an empowered regional implementation mechanism. Regardless of this agenda, much greater finance could be directed towards the national level to upgrade the extant implementation machineries that exist in Caribbean member countries.
- b. Infrastructural development fund. As noted earlier, an empowered regional fund which is able to solicit, direct and invest the kind of finance necessary for sustained upgrading of regional transport, communications and other kinds of infrastructure is critical. The CDB as well as the other, smaller funds that do exist in the region do not have the capacity to seize the agenda in the way that is required. Donors can add serious value here.
- c. The Caribbean Broadcasting Corporation (or some similar organisation) that was described in recommendation no. 10. Before the institutional memory of BBC Caribbean evaporates, perhaps DFID could play an important role in leveraging what remains of the organisation's physical and intellectual infrastructure, and expertise, to assist the development of a nascent Caribbean equivalent.

**20. Facilitate research and the marrying of policy development implementation.** There are a number of tangible projects which development partners could support almost immediately:

- a. Feasibility studies in terms of cross-border projects, particularly those relating to infrastructural development. This is something that the CARICOM Secretariat has been trying to do through the Strategic Plan for Regional Development, but far greater research needs to be undertaken which identifies the areas in which cross-border collaboration is most profitable, the type of projects required, along with identifying strategies for acquiring financing for them. This in turn could help the region's relatively cautious private sector see where gaps for export development and investment might be, whether within or outside of the region.



- b. Analyses of the effectiveness of regional institutions, undertaken by either professional business consultants, the academic community (or both) and CARICOM itself in terms of the review agenda noted in recommendation no. 2. There are few studies which systematically assess the effectiveness of different institutions of regional governance, particularly with regard to the 'counterfactual' elements, or opportunity costs of *not having* them. This in turn leads even political actors to be poorly-informed about the wider benefits of integration, viewing institutions solely as a drain on public expenditure. Effective research could address this issue, particularly where it demonstrates unequivocally the savings made, in concrete financial terms, to all stakeholders, from having regional institutions (as well as where resources could be pooled to make similar savings in future).
- c. Supporting the activities relating to civil society mapping, and the creation of a necessary contact point for effective co-ordination of regional CSO activity which were outlined in earlier recommendations. Regional academic institutions – such as IIR, SALISES and other UWI units and research centres – can undertake these activities in conjunction with the wider civil society community (and organisations such as CPDC).
- d. Make funds available – in the shape of small grants – to help develop research clusters comprising a mixture of academics and those working in the policy, advocacy, civil society and technical communities, both across and outside the region. The focus of such research activity should be directly linked to theorising workable, practical policy innovations to cope with the issues that are afflicting the region today: debt burdens, climate change, food security transnational crime, sunrise industries and so on. They must also be geared to developing cross-cutting research and policy linkages (not simply sustaining personal research agendas of academics and institutions). Evidently, UWI has an important role, both financial and technical, to play in supporting this agenda.

## 5. CONCLUSION

It is clear that there is a great deal of food for thought in this report for those who care about the regional integration process. We have stressed here at length the very difficult challenges that face the region and the dark clouds that are potentially amassing on the horizon. Yet, at the same time, the future is not irredeemably bleak.

We have outlined here – based on our extensive research and analysis – a package of 20 recommendations which we consider could dramatically change the future trajectory of the regional integration process, and consequently the development of the Caribbean, and even the region's fundamental viability.

Some of these recommendations are necessarily more difficult to implement than others. Some require courageous faith and action on the part of certain stakeholders, especially the HoG. Some require significant finance, others require political capital. Some are more likely to happen than others. Caribbean people might read this report and agree with our recommendations; others will fundamentally disagree and suggest their own.

Notwithstanding these issues, the key point to stress is that this report should provoke a debate within the Caribbean about its future. It is clear from our analysis that there is huge support throughout the region for the integration process, and this needs to be harnessed for the benefit of all. There are, moreover, numerous roles that different stakeholders can play in making this a reality.

But time is of the essence. The next step on the Caribbean integration journey is a crossroads; it is the retreat scheduled by the HoG for mid-2011 to discuss the subject. Between the publication of this report and that event, the stakeholder community needs to digest our recommendations, to debate them, and to develop their own strategies. It is only with such a vibrant discussion, and the forging of a degree of regional unity on the broad way forward, that the Caribbean will exit that crossroads in the right direction.

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