The University of the West Indies  
St. Augustine Campus  
Faculty of Humanities and Education  
CARIBBEAN STUDIES PROJECT  
HUMN 3099

COVER PAGE

STUDENT NAME:  _NIKIETA FRANCIS___________________________________
STUDENT ID NO.:  _813001034_____________________________________
DEGREE PROGRAM:  _BA FRENCH____________________________________
SUPERVISOR:  _Ms. LUEANDA FRANCIS-BLACKMAN________________________

TITLE OF THESIS:

_The potential Impact of Brexit on regional integration: the base of CARICOM
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The potential impact of Brexit on Regional Integration: the base of CARICOM

By Nikieta Francis
**Abstract**

The paper analyses how external factors can affect regional integration in order to determine the effects that Brexit (Britain’s exit from the European Union) can potentially have on regional integration within CARICOM (The Caribbean Community). This was done through the use of primary and secondary sources. It was found that internal and external factors both play a major role in increasing levels of regional cooperation and deepening regional integration. Additionally, regional integration is a necessity rather than an option for CARICOM. This therefore means that Brexit will not hinder the integration process within CARICOM as member states must remain integrated to maintain their economic and political strength in the international system. It has been discovered that Brexit will actually encourage increased regional cooperation and deepened regional integration.
Introduction

Regional integration, according to the European Union (EU) is defined as “the process of overcoming barriers that divide neighbouring countries, by common accord, and of jointly managing shared resources and assets. Essentially, it is a process by which groups of countries liberalise trade, creating a common market for goods, people, capital and services.”\(^1\)

CARICOM is an example of regional integration. However, according to Dr. Grenade, the success of regional integration depends on the ability of the Caribbean peoples to take advantage of the possibilities presented by regional cooperation.\(^2\) Therefore, regional cooperation is the driving force behind successful regional integration.

Contrary to what may be the popular view, the common past of colonialism and slavery, which the Caribbean share does not provide sufficient grounds for regional integration. There are certain fundamental issues that the Caribbean faces which acts as a barrier to the integration process. According to a report by the UWI institute of International Relations\(^3\), some of these issues include but are not limited to:

- The region’s small size and the varying degrees of sizes and development of countries in the region
- The unwillingness of states to relinquish their sovereignty, having to fight for their independence
- Caribbean economies depend on external support
- Caribbean countries are not able or willing to support regional economies in the capacity that for example the EU does
- CARICOM tries to juggle a variety of issues simultaneously

The focus of the paper is not to examine the limitations to Caribbean Integration, but rather to assess the potential impact of BREXIT on regional integration using CARICOM as a base. Seeing that the region already had its pre-existing limitations to regional integration,


BREXIT can either exacerbate these limitations, have no effect, or act as a catalyst for integration.

The relationship between the Caribbean and Britain dates back to the age of colonialism. Even after independence, the Commonwealth Caribbean maintained close ties with Britain and CARICOM continues to cooperate with the UK on numerous issues affecting the region, as well as acts as a link between CARICOM and the EU.

Hence, the aim and the research question are geared toward assessing how Britain’s decision to exit the European Union affects regional cooperation and by extension regional integration. The chapters were thus formulated along these lines. Chapter 1 discusses the history of Caribbean Integration and its necessity for the region. This will help determine whether an external factor namely that of Brexit can trump the need for regional integration, and in fact have a negative effect on the willingness of states to cooperate with each other. Chapter 2 discusses the internal struggles and achievements of CARICOM and how these may encourage or hinder regional cooperation and integration. This can help determine if internal issues rather than external factors have more of an influence on the success or failure of regional integration. If this were the case, then Brexit would have no real effect on regional cooperation in the Caribbean Community. Chapter 3 considers the history of the relationship between Britain and CARICOM, and how this history may possibly affect CARICOM’s decisions when it comes to regional integration, in light of Brexit. The final chapter draws conclusions on what could possibly be the impact of Brexit on CARICOM.
Rationale

I am researching this topic because it is a recent and unprecedented event that occurred which sparked my interest, being a student of International Relations. There are several reasons why I am interested in this topic. Firstly, the actions of the global West usually have adverse consequences on the developing countries which are associated with them. I would like to discover what type of effects Brexit can have on the member states of CARICOM. Additionally, most of the existing research has been centred around exploring the economic or political effects of Britain’s decision on CARICOM. My research would therefore aim to fill the gap in information by focusing on the impact of Brexit on regional cooperation and regional integration within CARICOM. Would other states pull out of CARICOM? Would there be a repeat of the seemingly failed West Indies Federation?
Methodology

Data was collected from various sources using a combination of methodologies. These were qualitative, empirical and oral. Several requests for interviews were sent out but feedback was received from only one source, which was Dr. Wendy Grenade, Lecturer in Political Science at the University of the West Indies, Cave Hill. The interview questions, as well as the interview responses from Dr. Grenade are place in the appendix. This interview formed a significant part of the analysis for this research.

Some of the data to be analysed was gathered from the CARICOM’s official website where opinions and contributions of leaders were recorded on the subject at hand. In addition, the symposium held at the UWI St. Augustine on July 2016 recorded experts’ view on the potential impact of Brexit on CARCOM. Since Brexit, is a recent event, many scholars gave their take on the subject, notwithstanding their views were largely theoretical.

In addition, several studies were analysed based on the how external powerful states as well as interdependence can possibly hamper regional integration in certain regions of the world. Such findings were then used to analyse the possible correlation to the Caribbean region. There were several journal articles used, such as the one found in the Caribbean Journal, written by Dr. Marcia Forbes, where she also recorded different scholars as well as her own views on how Britain’s actions can have serious ramifications for the Caribbean Community. Again, even though such sources were less reliable than actual studies carried out, they provided a range of views which could then be compared with other points of views and analysed.

Essentially data was obtained from both primary and secondary sources, some more reliable than others, compiled, compared and contrasted and used as the basis for analysis. The secondary data assisted in drawing conclusions as to the extent of the impact of Brexit on the Caribbean Community.
Literature Review

Brexit is a recent event. The impact of such an action on the part of Britain has been the topic of discussion over the last year. The potential impact of Brexit on CARICOM has also been subject to much debate. However, it is important to note that the large majority of studies focused on the potential impact on the economic and tourism sector, which are closely linked. There have also been studies on how an external hegemon can influence integration in the region making reference to a cross-section of regional blocs including CARICOM. However, less has been explicitly said about direct impact of Brexit on regional integration within CARICOM.

In Andres Malamud and Schmitter’s paper⁴, regional integration is defined as the process of ‘how and why nation states voluntarily mingle, merge and mix with their neighbours so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves provided that they do so by creating common and permanent institutions capable of making decisions binding on all members.” Wolfgang Zank⁵ stated that interdependence can hamper regional integration because if one member drops out, it can lead to conflict and the dissolution of the union. This was the case with the West Indian Federation. While he argues that the exit of Britain from the EU may pose problems for integration in the geographical dimension, it is uncertain as to whether Britain’s actions would weaken cooperation within the EU.

Further, studies have shown that an external state can both benefit and hamper regional integration. Xing and Shengjun⁶, who looked at the East Asian bloc noted that the shift in the power base of the new US hegemony from hegemonic order stability to hegemonic market economies is one of the main factors in the East Asian financial crisis in 1997. Thus, the influence of a hegemon actually hampered economic integration in this region. Even though in this instance, the influence of the US had a negative impact on integration, Xing and Shengjeun also stated that “It is legitimate to ask: can East Asian regionalism be realised

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without the US?” “It is the largest export market for the key countries in the region.” On the other hand, they also stated that the US would therefore need to get involved to ensure China is a responsible regional player as well as to protect its own interests. Nevertheless, apart from the economic influences, the “US strategic position in East Asia is still an unknown factor.” However, the authors also identified certain internal contradictions in the East Asian integration process, which had nothing to do with an external power. That is the fact that there is stratification within the region itself. There are the “giants”, namely China and Japan, then there are the well-advanced economies such as South Korea and Singapore, and of course, the poorest countries such as Cambodia or Laos, whose culture, social structure and political instability makes regional integration a very difficult task. In essence, although regional integration in East Asia may be influenced by external powers, internal factors play a greater role.

Draper and Nene, a Senior Research Fellow at the South African Institute of International Affairs, had a slightly different take. He argued that an external state could indirectly hamper regional integration. They studied the model of African integration, which was based upon a European foundation, encouraged by European donor agencies to the region, and suggested that this factor constitutes “a strong limit to the success of economic integration” at both the political and institutional level. At the political level, the underlying rationale lies in the liberal peace theory - closer economic integration restrains members from acting hostile toward each other, according to Nene. At the institutional level, African regional economic communities (RECs) tend to mimic the European Union forms, especially concerning customs unions. The authors also postulated that the presence of a functioning system of economic integration does not necessarily suggest regional cooperation that is, the absence of conflict. Because the African context is fundamentally different to that of Europeans, following a Eurocentric model can actually act as a hindrance to integration in the region. Malamud outlines yet another way that an external power can hamper regional integration by stating, “External paymasters may further hinder integration as their contribution goes to

member countries rather than to the bloc, which therefore remains indebted to extra-regional powers.”

In regards to interdependence, Aris and Webber\textsuperscript{11} have noted that the more interdependent states are in a region, the higher the rate of regional cooperation and therefore regional integration. If interdependence diminishes, so will states’ readiness to cooperate. Robert Keohane has suggested that “institutionalized cooperation will survive even with the decline of the hegemon that played a crucial part in its initiation.”\textsuperscript{12} Malamud\textsuperscript{13} had a similar argument, which is the demand for integration increases as higher levels of regional interdependence are reached. Malamud gives the example of the Common Market of the South (Mercosur), as a region where increasing interdependence has proven to be efficient in fostering regional integration.

Concerning Britain and CARICOM, firstly, in terms of the economic impact, the main theory is that Brexit will have a negative impact on the economics of the Caribbean region. According to Sir Ronald Sanders\textsuperscript{14}, CARICOM will have no formal trade agreement with Britain since trade agreements with the country were negotiated under the EU. However, he also noted that the Commonwealth Caribbean had preferential treatment within the EU because of Britain as most of their exports went to the British market. Now that Britain is no longer a member of the union, arrangements with the EU are uncertain. Dr. Roger Hosein\textsuperscript{15} also believed that Brexit presents a lost opportunity for CARICOM to use Britain as a gateway to the EU. He also identified the possible fall in FDI and remittances from the UK to the Caribbean, similar to what Dr. Marcia Forbes highlighted in her article. The tourism sector will also suffer as vacationing in the Caribbean will become more expensive due to the devalued pound\textsuperscript{16}. In a First-Citizens study, TrevisGangya\textsuperscript{17}, Analyst 1, noted a similar effect of Brexit on the tourism sector and uncertainty for trading arrangements with both the EU


\textsuperscript{13}See footnote 5.


\textsuperscript{15}Hosein, Roger, Dr. "Brexit and CARICOM." \textit{UWI Today [St. Augustine]} 7 Aug. 2016: 9. Print.


and the UK. He as well pointed out a possible positive effect, that is, those importing goods from the UK would end up paying less due to the depreciated sterling. Dr. Hosein outlined the possible positive effect that more skilled jobs will become available to CARICOM nationals in the UK as they erect barriers and rules on the movement of EU members. Mr. Golding, a panellist at the UWI symposium on July 2016 had a slightly different view stating “the British economy will take some blows, possibly even go into recession but I don't think it is contagious.”

On the other hand, some scholars focused on areas other than the economic impact. Dr. Wendy Grenade noted a link between economic integration and regionalization- “…the problematic of regionalization includes but transcends the economic realm” Uwi Vice Chancellor, Sir Hiliary Beckles thought that the effects of Brexit on CARICOM extended beyond the economic sphere - “Every aspect of Caribbean life will be adversely affected by this development; from trade relations to immigration, tourism to financial relations and cultural engagements to foreign policy.” He recommends that CARICOM use Brexit as an opportunity to “deepen and strengthen its internal operations and external relations to the wider world. It is a moment for CARICOM to come closer together rather than drift apart. The region should not be seen as mirroring this mentality of cultural and political insularity, but should reaffirm the importance of regionalism within the global context for the future.”

Professor Knight of International Relations at the University of Alberta, Canada, believes that Brexit can possibly affect regional integration in the Caribbean, triggering a domino effect or “copycat forces”. According to him, Brexit may inspire countries such a Trinidad and Tobago to leave CSME. Nonetheless, since it is a recent event, he notes that if there are severe consequences to Brexit, countries would be less willing to withdraw from trade blocs and there would be an increase in regional cooperation. If states do not see the benefits of

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21See footnote 12
integration, they would look for ways to get out. However, according to Trevis Gangya, regional integration is important in order to exploit future relations with Britain and the EU.

Additionally, unlike what previous scholars said, that external great powers may threaten regional integration, Grenade claims that “the external forces in the global political economy are pushing CARICOM toward deeper integration as the region seeks to reduce its marginalization and enhance its collective sovereignty in the international arena."24 In essence the challenges facing the Caribbean region such as small size and low levels of development have more of an influence on regional integration that the actions of an external power. Such challenges are likely to cause a deepening of regional integration in order to benefit their economy and to strengthen its bargaining position in the international system. She believes that development regionalism, which is “concerted efforts from a grouping of countries within a geographical region to increase the complementarity and capacity of the total regional economy”25 is what guides CARICOM to deepen its integration.

Dr. Grenade outlines three components of development regionalism, which are viable economy, collective bargaining and sufficient size argument. The first argues that self-reliance is difficult to achieve at the national level but is viable at the regional level. The second postulates that integration could improve the economic position of marginalized countries in the international arena in the face of hegemonic forces. The latter indicates that regional integration is crucial especially for microstates, which either must cooperate to solve common problems or become client states of hegemons. “Regionalism is not an end in itself but rather a means to an end.”26

Demas27 advocated the deepening of regional integration as imperative for overall Caribbean development while Girvan28 proposes the “simultaneous deepening and widening of Caribbean integration”, to counteract global forces. Dr. Grenade shows that the Caribbean Single Market Economy (CSME) and Caribbean Regional Negotiating Machinery (CRNM)

are tools of CARICOM to deepen “deepen economic integration” and to “devise collective negotiating strategies to cope with the global trade regime”\textsuperscript{29}

Chapter 1

The importance of Caribbean Integration

The focus of this chapter is to consider the history of regional integration within the Caribbean to determine whether Brexit is powerful enough to influence CARICOM’s member states willingness to cooperate. This chapter also emphasises the importance and the indispensability of regional integration for CARICOM.

Firstly, the word Caribbean in the term CARICOM encompasses those island that make up the Commonwealth Caribbean. These include Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago. Anguilla, Bermuda, British Virgin Islands, the Caiman Islands and the Turks and Caicos Islands are associated member states.

When analysing the history of CARICOM, many scholars usually start with the days of Federation. “Recent efforts at economic integration and general non-economic cooperation date from the collapse of the former West Indian Federation in 1962.”30 The end of Federation did not see an end in the desire and efforts for Caribbean integration as CARIFTA was later formed followed by CARICOM. Despite the increases in overall trade, there was ongoing conflict which made for not an end of CAFIFTA but rather a transitioning from CARIFTA to CARICOM. This was partly due to Michael Manley’s (leader of the PNP in Jamaica) charismatic ideas on integration that gave people a new outlook on the issue. CARICOM was founded on the same premise as CARIFTA which was to overcome constraints imposed upon the economies of territories due to their small size.31

One scholar, Williams Demas32 thought that Caribbean integration, especially economic integration was vital for the survival of Caribbean states seeing that they were already at a disadvantage due to their small size. “The smallness of the domestic market imposed sharp limits on the process of import substitution industrialization and thus removed the option of

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balanced growth, incorporating a roughly equal mixture of export stimulation and import substitution, a goal which could only be achieved by large continental countries”\textsuperscript{33}

Further, in the literature, many scholars pointed out the possible economic consequences that Brexit could have on CARICOM. Among these effects, the most serious concern was the uncertainty of markets that the region would face as there would now be no formal trade agreements between neither the EU nor Britain. This definitely presents a drawback for CARICOM. However, there seems to be a link between economic interdependence and regional integration. One scholar, Robert Keohane noted that as interdependence increased, so did regional integration. This proves to be true with Caribbean states, as they are economically interdependent on each other in the sense that they stand a better chance when negotiating trade deals and the like if they do it as a region rather than as individual small states. It is therefore paramount that CARICOM states remain integrated if they want to maintain some level of economic power on the world stage. Dr. Grenade’s conclusion that developmental regionalism\textsuperscript{34} guides small states to deepen levels of regional integration proves to be true. Self-reliance at the national level is not an option as integration could improve the economic position of marginalized small states. In the international arena small states only have two options according to Demas\textsuperscript{35}

1. Complete economic integration with a large country, like the arrangement that Puerto Rico has with the United States.
2. Integration with similar countries within the region

Demas preferred the latter and so the signatories of the Caribbean Free Trade Association (CARIFTA), which came into effect in August 1968, favoured Demas’ idea of a collective approach to import substitution.

It is likely that the small states would choose the latter in order to meet the hegemon on equal terms. Deepening and widening regional integration, as Sir Hilary Beckles recommended, in the face of Brexit seems to be the most logical decision for CARICOM to make. There would therefore be no “copycat forces” at work in the region as Professor


Knight predicted. CARCOM member states are not likely to mirror the actions of Britain in exiting their economic bloc.

“Economic integration, like federation had been advocated as a means to an end and not an end in itself.” This is similar to what Dr. Grenade stated – “Regionalism is not an end in itself but rather a means to an end.” If then economic integration and regional integration are both means to an end, it would suggest that the two are inseparable and necessary for small states’ survival.

Even though organizations have collapsed or been transformed, Caribbean countries always had a desire to integrate, realizing that their power is greater as a bloc than as an individual small state. The EU or Britain would more be willing to trade with a regional bloc of small states rather than Barbados alone for instance. Therefore, the small size of Caribbean countries, which presents one of the largest limiting factors, seem to act as a unifying force. Dr. Grenade’s conclusions therefore proves true that small states of CARICOM would band together to have a stronger say in the international arena as this is their only option to advance in the world. The need for regional integration is so strong that an external factor such as Brexit is not likely to hamper Caribbean integration.

Roosevel Skeritt at the 37th regular meeting of CARICOM Heads of Government stated:

“I’m not sure if it is by pure coincidence or divine intervention but it so happens that I also take the chair of CARICOM at a time when the world is still in a state of shock at Britain’s decision to leave the European Union after 43 years of membership. At a time when the rest of the world is moving towards regional integration in order to carve out an economic space in the global marketplace and to balance the might of the emerging superpowers Britain has chosen to retreat to insular nationalism.”

This seems to allude to the fact that Britain’s action was one of self-interest as it chose the course of action that will benefit them the most. In the case of CARICOM, they are likely to do the same, that is, choose what benefits them the most. What is in the Caribbean Community’s best interest is to remain integrated rather than to follow a policy of isolationism. According to Skeritt, “the circumstances in the EU are completely different to

38 Prime Minister of the Dominican Republic and Chairman of CARICOM
those in CARICOM.” The formation of CARICOM was due to a “long-standing aspiration of our peoples.” This is true as the Caribbean has always sought to integrate, whether because of necessity or neoliberal motives of cooperation and absolute gains. CARICOM will rather work “to make it more economically competitive, and to generate the resources to sustain togetherness”39

Dr. Ralph Gonsalves of St. Vincent and the Grenadines, at the meeting indicated that

“This Brexit contained within it opportunities and we must look for them rather than to bemoan what has happened. That is not going to get us anywhere.” We have to accelerate our work in the single market and economy and in the process we have to remember that we cannot accelerate this process in a way where we remain on unequally yoked.”

It can be concluded therefore that in order buffer the negative effects that Brexit may have on CARICOM the region must deepen its integration and cooperation.

Chapter 2

Internal struggles and achievements of CARICOM

This chapter will focus on the achievements and shortcomings of CARICOM and the implications for regional integration and thereby regional cooperation.

According to the Treaty Establishing the Caribbean Community\(^{40}\), the main objectives of CARICOM include:

1. Economic cooperation through the Caribbean Common Market
2. Coordination of foreign policy among independent member states
3. Functional or non-functional cooperation in areas such as health, education, sea and air transport, culture etc.

The two main purposes of the Community are “the economic development of each member country and of the region as a whole, and the enhancement of the effective sovereignty of Member States of the region and the self-determination of its people.”\(^{41}\)

This purpose has influenced the three main objectives of the Community.

Over the years, CARICOM has accomplished various feats, which seek to foster closer connections among the member states and encourage cooperation on decision making and economic policies. According to Rex Nettleford, these include but are not limited to:

- The setting up of a Standing Committee of Caribbean Statisticians “in recognition of the fact that without adequate and coordinated statistics, regional planning and economic policy the coordination is impossible.”\(^{42}\)
- Creation of regional projects. e.g. the building of the aluminium smelters in Trinidad, Guyana and Jamaica using regional resources
- Functional Cooperation in Health, Education, Meteorology, Labour and Agriculture
- A CARICOM passport for facilitation of travel by West Indians in the region

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- Cooperation with Latin America and other Third World countries. For instance they have relations with the EEC and OLADE
- Reorganisation of the West Indies Shipping Company.

Dr. Grenade has also noted that that the Caribbean Single Market Economy (CSME) and the Caribbean Regional Negotiating Machinery (CRNM) are tools of CARICOM to “deepen economic integration” and to “devise collective negotiating strategies to cope with the global trade regime.”

It has already been established in the previous chapter that economic integration and regional integration go together. Such accomplishments by CARICOM present initiatives to foster regional integration. However in her interview she said

“The jury is still out as to whether the CSME has strengthened integration. Functional cooperation efforts have definitely strengthened the process of integration. The CSME has potential but it is not fully understood or exploited. It has the potential to strengthen and deepen integration. As I said earlier, as Caricom nationals (individuals and firms) begin to exert their rights under the Revised Treaty of Chaguarmas, that will give meaning and life to the CSME. So there is promise.”

The measures that CARICOM has put in place have indeed helped to deepen the integration process. But, are these measures sufficient to counteract the impact of Brexit?

Additionally, it is also important to consider the weaknesses of CARICOM (in which one of the major issues is the position of the LDCs in the region). This can have a huge impact on its success or failure of the integration movement. Equally important in this discussion is the consideration of the structural weaknesses of CARICOM as this may influence the willingness of states to cooperate. This was the case with the East Asian territories whose internal struggles had a greater influence on regional integration than external factors. If this is the case with CARICOM, that is, a decrease in the willingness of states to integrate, it will be more as a result of structural weakness than as a result of the actions of a powerful state, which is in this case Brexit.

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Some of the weaknesses or challenges of CARICOM are as follows:\(^{45}\):

- No consensus on the meaning of development
- There is still the need for action on ownership and control of regional resources
- There has been little progress in cooperation for tourism.
- The Caribbean Court of Appeal has not yet been established to replace the Judicial Committee of the Privy Council
- There is still a problem with communication with and involvement of the People.
- Lack of progress in the coordination of Foreign Policy in certain matters

Further, there are two real deficiencies\(^{46}\) of the Caribbean Common Market

1. The rules of origin

In order for a product to qualify for free trade within the Common Market it must have 50% regional value added for MDCs and 40% for LDCs. However the Basic Materials List has modified the general rule by containing products that even if they are imported from outside the region are deemed to be of regional origin

2. The Right of Establishment and the Right to provide services

Nettleford describes article 35 of the Common Market Annex as “weak and meaningless” such that “the government of a Member State of the Common Market can effectively prevent nationals of other Member states from setting up economic enterprises, or buying land, or making direct and portfolio investments in its territory”\(^{47}\)

The disparity between the LDCs and MDCs is clear and in a sense seems to mirror the disparity between the global north and the global south. The entire Caribbean region already faces the obstacle of its small size and so for the smallest of the small the challenge is graver.

William Demasin his book “the Viability of the OECS States identified certain constraints faced by the LDCs or the Eastern Caribbean States within the CARICOM. These include:

a. “Very small size of markets for industrial production
b. Very limited range of natural resources

c. Economies of small scale and lack of critical mass in public administration and in economic and social overhead capital, leading to high per capita cost of both public administration and economic and social infrastructure

d. Inadequate levels and narrow range of trained human-resource skills

e. Grossly inadequate national savings-reflected in some cases in consumption levels that are higher than total production as measured by the GDP

f. Extreme external economic and financial dependence-including in some cases the receipt of grants-in-aid to balance the fiscal budget

g. Susceptibility to natural disasters(mainly hurricanes, floods and volcanic eruptions) which devastate the entire countries because of their very small size”

Swinburne Lestrade in CARICOM’s Lesser Developed Countries stated that “any movement for integration in the English-speaking Caribbean had to take account of the essential difference that existed in the level of economic underdevelopment among the territories and in particular the differential capacities of the territories to take advantage of the liberalization and integration mechanisms which would comprise the framework of the Grouping”

The unequal playing field between the LDCs and MDCs within the region seems to contradict the purpose and objective of CARICOM. If the LDCs are being treated unfairly within the bloc their reasons for integrating would mainly be because there is no other option available to them. It seems then, more like a forced integration rather than voluntary. Levels or regional cooperation may therefore tend to decrease. This may be the reason behind many of the aforementioned problems that the region faces. However these issues seem to be minor in comparison with the necessity for integration. Neither the external stimuli of Brexit nor the internal struggles faced seems to be sufficient enough a reason for “non-integration in the region”

Dr. Grenade noted in the interview that it is the convergence of internal and external factors that makes the ideal condition for regional integration. This is represented by the instinct of the Caribbean people to cooperate based on necessity in order to counteract any external force that may threaten regional integration.


Chapter 3

The history and relationship between CARICOM and Britain

Firstly, it is important to note the relationship between Britain and the Eastern Caribbean states within CARICOM, which is a very close one. “The continued closeness of our ties has above all been about the movement of people.”\textsuperscript{50} This was for labour in the UK in organisations such as the National Health Service and London Transport. “The contribution of the Commonwealth Caribbean to the development of post-war Britain has been so significant that it is a part of the collective story of Britain.”\textsuperscript{51} Such close ties are continuously evident today. For instance, Eastern Caribbean citizens serve in the UK armed forces. Many Britons migrate to the Eastern Caribbean or visit as tourists. There is a healthy symbiosis between the two. The UK recognises the vulnerability of the Eastern Caribbean States and aims to create a “successful and prosperous Caribbean”\textsuperscript{52} by implementing certain initiatives such as the 75 pound funding for development from the UK’s Department for International Development (DfID). The UK’s actions aim at providing practical support to encourage integration within the region. For instance the DfID has funded a programme to help reform the CARICOM Secretariat to ensure that it is indeed equipped to deal with the challenges it may face. In addition, the UK has encouraged the OECS member to implement the revised Treaty of Basseterre in order to deepen their integration.

Further, although the motive for the formation of the EU was economic integration while the motive for the CARICOM was regional cooperation, in her article, Tamara Brown-Onnis reiterated that the integration process in CARICOM is a direct reaction to that of the EU, even more so as they are politically and historically linked. Further, the influence of the UK has been paramount in the integration movements in the Caribbean. Attempts to foster deeper integration in CARICOM from the formation of CARIFTA through CARICOM and to the CSME can be linked in part to the UK deepening its own integration within the now EU. In 1961, the possibility that the UK would enter the EEC was the impetuous for Caribbean leaders forming CARIFTA. “The second application of the UK to the EEC in 1971 also provided stimulation for the signing of the Treaty of Chaguaramas establishing CARICOM.”


Additionally, funds obtained through trading agreements and aid influence directly the regional integration process in CARICOM. Trading with the EU has obliged CARICOM to form institutions such as the CRNM, in which states must cooperate with each other on trade arrangements, thereby increasing regional cooperation and deepening integration\textsuperscript{53}. The formation of the CSME has also encouraged regional cooperation. This is especially seen with the disadvantaged countries protocol. Under Protocol VII,

\begin{quote}
“Countries are identified as the LDCs and Member States requiring temporary or transitory support because of natural disasters, the adverse effect of the CSME, temporary low levels of economic development or high debt. Disadvantaged regions are regions within Member States which experience dislocation because of the CSME or which require temporary or transitory support.”\textsuperscript{54}
\end{quote}

The protocol encourages that research and development expertise as well as technical assistance be shared among tertiary institutions of MDCs and LDCs via the establishment of a Development Fund\textsuperscript{55}. This encourages MDCs and LDCs to cooperate with each other and therefore deepen their integration so that no state is marginalised.

The UK and CARICOM have cooperated on many issues over the years and have close ties due to a colonial past, the latter being a former colony of Britain and a member of the Commonwealth. The Secretary General for CARICOM stated “That kind of collaboration and type assistance is part of what makes for a strong UK/CARICOM partnership. It is the value of this historic relationship, we will follow in discussions in this 9th Forum to be able to strengthen the partnership and consolidate the friendly ties that have bound us for so long.”

CARICOM continues to work alongside Britain on key issues, which affect both Britain and the region. The UK and the Caribbean seeks to foster closer relations in a biannual Caribbean forum. The most recent was on the 29\textsuperscript{th} April 2016 in the Bahamas. The UK is also the largest bilateral donor to the Caribbean region.

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“This forum provides an excellent opportunity for CARICOM and the United Kingdom to engage in productive discussions to aid and deepen our relationship and heightening systematic levels of cooperation. It also provides the opportunity for us to arrive at a common standing on issues of mutual interest,” said LaRocque, Dominica’s National Ambassador. He noted that the significant UK-Caribbean partnership has afforded the opportunity to arrive at solutions to challenges that the regions mutually face as well as to support each other in achieving their goals.

During the summit several key issues were highlighted which made clear the closeness of the UK/CARICOM relations. Firstly, in terms of the economy, the UK offers assistance in developing strategies in banking relationships with international banks in order to improve trade within the region. They also played a role in the drive to reform the economic structure of CARICOM. There has been a renewal in the UK’s commitment to the region according to Prime Minister David Cameron. Rt. Hon. Philip Hammond, Secretary of State for Foreign and Commonwealth Affairs of the UK since July 2014 said that “the British Government wants to see the relationship continue to grow, working with the Caribbean, all members of the Caribbean, to build a more prosperous and secure future.”

Clearly, the relationship between the Caribbean and the UK dates back for centuries. Nevertheless, what are the implications of this relationship for regional integration in light of Brexit? Dr. Grenade has suggested that Brexit can psychologically affect CARICOM. The EU is considered a successful model of regional integration. Hence, Britain exiting will affect CARCOM psychologically due to the close ties between the two. “Therefore in the context of already faltering schemes in the Global South, Brexit can represent a symbolic blow to deeper integration.” She noted that Barbados even had a similar referendum on CARICOM as Britain did on the EU. Despite the psychological impact, it seems likely that CARICOM would continue to thrive as a regional bloc and deepen its integration among members. Even though Britain has exited the EU, it still encourages the growth and strengthening of CARICOM.

Chapter 4

The impact of Brexit on CARICOM

Since external factors play an important role in shaping CARICOM, Brexit will definitely affect the region. Dr. Grenade indicated that external factors can negatively and positively affect Caribbean Integration “…in a major way. The region was a pawn of European powers and now US and Chinese powers. On the economic front, global forces almost derailed CARICOM at its inception.” 58 She also stated that “On the political front, the Cold War environment influenced ideological pluralism in CARICOM. CARICOM Heads of Government did not meet for six years, from 1976-82. Leaders were divided along ideological lines when Jamaica, Guyana and Grenada opted for an alternative, non-capitalist path to development.” 59 Thus, external forces can negatively influence regional integration.

Nonetheless, global forces have always acted as an incentive for CARICOM to deepen integration. Specifically in terms of Brexit as an external factor, according to Dr. Grenade, it will take time for the actual effects on regional integration to be seen. “BREXIT may affect the region’s relations with Europe but not with itself.” 60 The major challenges that may come as a result of Brexit lies in the economic sphere such as:

- “Access to the wider European market, without Britain as an ‘advocate’
- The uncertainty of post Cotonou negotiations
- Renegotiating trade relations with Britain
- Building relations with non-traditional partners in European” 61

As outlined in the introduction, the aim of the paper was to find out whether Brexit would reduce levels of regional cooperation, have no effect at all on regional integration or act as a catalyst for deeper Caribbean integration. Based on the findings Brexit would have a positive effect on regional cooperation and indeed act as a catalyst for deeper integration. Britain leaving the EU does not affect CARICOM’s integration as Britain still remains a strong advocate of Caribbean integration movements.

Despite the formation of CARICOM and its main institutions being in part a result of the UK’s decision to join the then European Community, the UK’s decision to now leave the

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European Union, will in no great way hamper regional integration within CARICOM. If there is to be any consequence of Brexit on Caribbean integration, it would be a psychological impact due to the history of the close relations between the two and the fact that the UK’s integration into the EU is partially responsible for the regional integration in CARICOM. However, this psychological impact will not translate into any tangible effects on regional integration. The main reason for this is because of the necessity of regional cooperation for CARICOM, largely due to their small size. The need for integration in order to maintain a level of economic power on the world stage will trump the effects of Britain’s decision. In fact, there are signs which seem to indicate that CARICOM is prepared to take measures rather than deepen its integration and foster increased regional cooperation. Dr. Grenade in her interview stated that it is a combination of internal and external factors that create the ideal condition for the strengthening of regional integration.

“The convergence of external and internal factors (1) the historical and systemic forces that continue to bedevil the region through time that requires collective action on several fronts; and (2) the instinct of the peoples of the Caribbean community to cooperate, given a collective history of subjugation, resistance and overcoming.”

While there have been no concrete measures put in place to increase regional integration, seeing that Brexit is still a fairly recent event, CARICOM leaders’ and scholars’ ideas converge on the need for deepening regional integration in order to counteract any threats that Brexit may pose to the Caribbean Community.

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Conclusion

There is no direct impact of Brexit on regional integration within CAICOM. It is false to assume that Britain leaving the EU would automatically result in reduced levels of regional cooperation within the Caribbean Community. The issues of regional cooperation and regional integration are more complex. It is certain that external factors can hinder the regional integration process but it is also important to look at the internal struggles of the region and how those may also influence regional integration movements. For CARICOM, it has proven to be true that the internal realities of the region are more effective determinants of the success of regional integration. The main issue is the small size of CARICOM member states. Their small size increases their vulnerability in the international sphere and reduces their economic power. Due to this setback, willingness to cooperate will increase as they become increasingly interdependent on each other. CARICOM member states recognize the importance of regional cooperation and see it as necessary in order to solidify and increase their bargaining power. Brexit is more likely increase states willingness to cooperate and integrate with each in order to maintain their economic viability in the international arena.
Works Cited


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Appendix 1

Interview with Dr. Wendy Grenade

1. How would you describe regional cooperation among CARICOM members?

_In terms of regional governance, except for the CCJ, CARICOM is an inter-governmental arrangement. That means it is very prime ministerial, mirroring the political culture within member states. This contributes to the implementation paralysis as observed in the West Indian Commission’s Time For Action Report (1992). I have defined CARICOM’s approach to regionalism as a 4Ps framework: prime ministerial, paper-based, piece-meal and people-less._

_However, the CCJ has now added a supranational dimension to CARICOM. The Myrie case (2013) introduced the notion of direct effect. This is a fundamental shift in the regional integration process. I have often argued that, as was the case with European Integration, law will deepen integration beyond what politics and economics can do._

_With respect to its accomplishments, there is a mixed scorecard. The main goals of CARICOM are functional cooperation, foreign policy coordination, economic integration and security. CARICOM has done exceptionally well in the area of functional cooperation, particularly in the realm of education, health and disaster management (see Clive Thomas in Hall and Chuck A Sang 2008). There have been mixed outcomes in the realm of foreign policy coordination (see Grenade & Skeete 2015). Also refer to ShridathRamphal’s many works. There is much promise in the area of security cooperation. The work of IMPACS and the RSS must be applauded, despite challenges. Economic integration is most problematic. Why is this so? The very reasons that propel Caribbean countries to integrate are the factors that undermine regionalism: multiple vulnerabilities; small size and diseconomies of scale; competitor economies; undiversified economies; dependency etc._

_In summary though, governments sign and ratify treaties but people and firms operationalize regionalism. The success of the regional integration movement will depend on the ability of Caribbean people to take advantage of the possibilities that regionalism provides._
2. What is the major factor contributing to regional cooperation among CARICOM members?

The convergence of external and internal factors: (1) the historical and systemic forces that continue to bedevil the region through time that requires collective action on several fronts; and (2) the instinct of the peoples of the Caribbean community to cooperate, given a collective history of subjugation, resistance and overcoming.

3. Have external factors played a significant role in fostering Caribbean regional integration?

Yes indeed. In a major way. The region was a pawn of European powers and now US and Chinese powers. On the economic front, global forces almost derailed CARICOM at its inception. Giving an address to the Ninth Annual Meeting of the Board of Governors of the Caribbean Development Bank, this is what Dr. Kurleigh King (1979) had this to say:

“The ink was hardly dry on the signatures of the Treaty when the full force of the international economic crisis struck the bottom out of everything we had hoped to accomplish” (cited in Hall, 2003 p. 24).

This is what the World Bank Report (1981) said of the Caribbean:

“The past decade has been a difficult one for the nations of the Caribbean. Many are newly independent and most are small islands, with fragile economies. The problems of adjustment to being independent states in a world economy would have been immense even if the world economy of the 1970s had been as stable as that of the 1960s. [However] events since 1973 - uncertain prices for the few primary products that they export, declines in earnings from tourism, dwindling foreign investment, higher energy costs, global recession and hurricane-caused destruction – have served to exacerbate the situation” (pp 64-65).

On the political front, the Cold War environment influenced ideological pluralism in CARICOM. CARICOM Heads of Govt did not meet for six years, from 1976-82.
Leaders were divided along ideological lines when Jamaica, Guyana and Grenada opted for an alternative, non-capitalist path to development.

Yet global forces have always acted as an incentive for CARICOM to deepen integration. For example, the WTO rules based system, (e.g. the banana case); the post-Lomé challenge and now post Cotonou challenge; NAFTA parity; correspondent banking, climate change, global security etc.

4. How have Caribbean regional integration initiatives, especially the CSME, strengthened regional cooperation?

The jury is still out as to whether the CSME has strengthened integration. Functional cooperation efforts have definitely strengthened the process of integration. The CSME has potential but it is not fully understood or exploited. It has the potential to strengthen and deepen integration. As I said earlier, as Caricom nationals (individuals and firms) begin to exert their rights under the Revised Treaty of Chaguarmas, that will give meaning and life to the CSME. So there is promise.

5. Would BREXIT affect regional cooperation among CARICOM members in any way? Time will tell. It should be an incentive for deeper integration. The economic realm may be affected given new trade realities. We have to wait and see but it should not. BREXIT may affect the region’s relations with Europe but not with itself.

6. What’s the major challenge CARICOM member states face as a result of BREXIT?
   - Access to the wider European market, without Britain as an ‘advocate’
   - The uncertainty of post Cotonou negotiations
   - Renegotiating trade relations with Britain
   - Building relations with non-traditional partners in European