

FOUR QUESTIONS FOR REGIONAL INTEGRATION

Norman Girvan

Conference on Economic Growth and Transformation

In honour of Professor Al Francis

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It is with great pleasure that I join in saluting Professor Al Francis on this occasion. I may well be one of the people here who has known Al the longest, for I first met him at the ISER in the early 1960s. We shared a common interest in the problem of bauxite taxation and we have had many exchanges on this subject over the years. His quantitative analysis of the problem was a significant contribution to the field. As a candidate for the Chair in Applied Economics and then as incumbent in that post, he was a rallying point in the struggle for a relevant economics at the Department; a struggle in which George Beckford and I participated. As head of the Department he paid a heavy personal price in taking a stand against the egregious plagiarism by one of its members, especially as the victim of that act was actually the a person who had been a competitor with Al for the Chair.

Al served with distinction as head of research in the International Bauxite Association for many years. He has maintained his trademark low-key and modest manner in spite of his well-known academic and administrative abilities. His reputation for personal integrity is second to none. Both in his

work and his character, Al has set a personal example worthy of emulation by the younger generation—indeed for all of us.

During the last two years I have been involved in an exercise to help in the preparation of a Single Development Vision for the Caribbean Community and an implementation road map for the completion of the Single Economy. This panel provides an opportunity to reflect on some of the issues facing the CSME project. I have organised these reflections in the form of four questions/sets of issues:

1. What are the limitations of an economic integration project that relies mainly on the operation of market mechanisms to achieve its goals?
2. What are the limitations of an integration project that is concerned mainly with the economic aspect of integration?
3. What are the limitations of an integration project which attempts to achieve its objectives mainly through the inter-governmental mode of cooperation?
4. What are the limitations of an integration project that is undertaken mainly in response to external pressure?

Question 1. What are the limitations of an economic integration project that relies mainly on the operation of market mechanisms to achieve its goals?

The CSME was designed on the principle of 'Open Regionalism' where market integration would take place simultaneously with opening the economies to the Rest of the World. It is a fairly advanced form of integration in that free movement of goods and services is to be accompanied by free movement of factors of production and a common or at least harmonized policy environment. The creation of a single economic space is meant to serve as a basis for ramping up exports to extra-regional markets as a result of improvements in allocative efficiency due to integration of factor markets, formation of regional firms, and attraction of foreign investment. It is not generally appreciated that the appropriate measures of the impact and benefits of the CSME are the growth of intra-Caribbean investment and foreign investment, labour flows and service provision and ultimately of exports to extra-regional markets. To focus exclusively on intra-regional trade in goods runs the risk of missing the point.

From this point of view the CSME is very much still a work in progress. The legal and institutional framework has been established as a result of a long and somewhat cumbersome process. The customs union, free movement of goods, services, capital and certain categories of skilled labour exists in law but there are several exceptions and derogations, and many administrative issues to be resolved, before we can say that they are really in effect.

Anyone who has tried to move, work, or set up a business in another state

can tell you that what exists on paper is one thing and that what exists in practice is another; and that politicians say one thing while officials do their own thing. Let me refer here to some issues regarding the movement of labour, service providers and capital.

A decision has been taken to extend the five eligible categories of university graduates, artists, cultural workers, media workers and sportspersons to teachers, nurses, and domestic workers. In theory self-employed service providers are also eligible to seek work in all member states. The categories so entitled number in the hundreds of thousands in member states. However, there are major hurdles to be overcome: issues of certification of the eligible categories; issues of entitlement to and the availability of, housing, education, health and social benefits in receiving countries. There are concerns about security and drug trafficking and the spread of epidemic diseases such as HIV/AIDs. There is the matter of contingent rights of dependants. These issues need to be addressed as a matter of urgency and appropriate arrangements to be set in place if they are not to become a source of frustration and/or tension within the Community.

Free movement of capital

Turning to the movement of financial capital, this is entangled in the issue of monetary union and exchange rate regime. Barbados maintains restrictions on the outward movement of capital, which must also act as a deterrent to inward movement. Barbados is committed to removing these restrictions by the end of 2007; but it must be recognised that capital controls has been one

of the key instruments in the maintenance of that country's fixed exchange rate, which in turn is one of the foundations of the social contract, which in turn underlies the maintenance of Barbados's international competitiveness and its continuing ability to attract both domestic and foreign investment. To remove this element in the interest of free intra-regional movement will create an additional potential source of pressure on the exchange rate and increase the vulnerability of the economy to the effects of short-term capital movements or financial shocks. An additional burden of responsibility for exchange rate stability will be placed on fiscal and monetary management. This is already the case, of course, but it is a matter of degree. One might even question whether a fixed exchange rate regime is feasible in the absence of some degree of capital controls.

Another option for a country in Barbados's position is to explore the feasibility of freeing capital movement between itself and other members of the Community while maintaining capital such controls with the rest of the world. In theory this is what Barbados proposes to do. But practice this is going to be difficult for any one country to achieve because of the fungibility of financial capital. On the other hand it should be possible collectively in the context of a regional currency union with a regional monetary authority which administers capital controls between the Community and the rest of the world. Hence, the existence of a common regional currency would probably be the most important single step to give practical effect to the free intra-regional movement of capital. The case for capital controls in this context turns very much on the case for a fixed exchange rate regime for the region as a whole, or at least a managed adjustable exchange rate; that is, not leaving the exchange rate to the so-called free play of market forces,. A free

exchange rate exposes the economy to sudden destabilising movements of short-term capital that have little to do with underlying economic conditions and much to do with market psychology and the herd effect.

I am a firm believer in such a regime for the region. The experience of currency liberalisation in countries like Jamaica and Guyana has in my opinion been nothing less than disastrous. It is true of course that these disasters have as much or more to do with poor fiscal and monetary management prior to liberalisation as with liberalisation itself. The informal exchange market had become so huge that the authorities had no choice but to legalise it. However I wonder whether there are any economists prepared to argue that currency liberalisation in Jamaica and Guyana has had benign effects, in the form of the textbook neo-liberal expectations of increased capital inflows, increased international competitiveness, increased exports and higher growth; as distinct from merely bringing some order to the disorder that existed before. Liberalisation has made fiscal and monetary policy hostage to exchange rate policy and inflation policy. In fact, this is the case for economic policy as a whole. The authorities have seen further erosion of their already limited economic room to manoeuvre. Of course this is also the case for the countries with fixed regimes; but again this is a matter of degree. The question of freeing intra-regional capital movement therefore leads to the question of what kind of exchange regime is appropriate to the Caricom Single Economy.

I have digressed from the main point, which is about the free movement of capital. Regarding business enterprises, legal restrictions have in theory been removed, but private sector spokespersons complain noisily about

administrative and informal restrictions on the setting up of businesses in several countries. For example, Jamaican businesspersons complain about informal barriers in Trinidad and everybody complains about Barbados. There is still a perception that government agencies are more receptive to extra-regional investors than to our own people, a hang-over from the days of Industrialisation by Invitation, no doubt. Such formation of Pan-Caribbean firms as has taken place such as Grace Kennedy, RBTT and the like is said not to have been due to the removal of restrictions but to the normal processes of cross-border investment (although it might be the case that these firms are positioning themselves in anticipation of the completion of the CSME).

Completion of the Single Economy

I think we should say something too about the work to be done on the completion of the Single Economy. I do not want to sound unduly pessimistic but there is no point in pretending it will be easy, or simply a matter of political will. For example, the Financial Services Agreement and the Investment Agreement, which are meant to create a single financial and investment space, exist in draft form but are not yet in effect. There is still no agreement on the regional stock exchange. No progress has been made on the harmonisation of fiscal, monetary and exchange policies or the proposed monetary union. Technical work on the harmonisation of company taxation, company law, and the like is still in its infancy. Common policies and support measures for productive activity/production integration have yet to be identified. All these things are required to create the single economic space.

In my report on the Single Economy I proposed 2015 as the target date for all these things to be done, and the CSME completed, and this was approved by the Heads. The cynic would say, however, that it is easy for governments to agree to a target date that is both non-binding, and beyond the term of office of present administrations. A huge effort will be required to meet even this extended deadline. It seems unlikely that it can be met without incorporating a much greater degree of supranationality than presently exists in the Caricom arrangements. I come back to this later.

At the same time the question arises as to how much we can expect from an economic integration that relies primarily on market mechanisms, that is on Open Regionalism and a passive state. We have already seen where intra-regional trade in goods is highly concentrated, with T&T alone responsible for over 80 percent; and the other members, with the qualified exceptions of Guyana and Barbados, export little to regional markets and have limited prospects to do so. When account is taken of service exports the relative insignificance of the regional market to most member states is even more striking. To put it another way, Caricom economies are marginal to Caricom economies. It is even questionable how much of the growth of T&T's exports to the region is attributable to the existence of the Community. Two recent reports prepared by researchers at the IDB have concluded that the expansion of intra-regional trade resulting from the CSM has been very small and is likely to remain small in the future¹.

¹ Anneke Jessen et al. *Caricom Report No. 2*. IADB-INTAL, 2005; available at <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=806973>; and Mauricio Moreira and Eduardo Mendoza, *Regional Integration: What Is In There for Caricom?* IADB-ITD, Working Paper No. 29, 2007. Available at

Table I. Caricom intra-regional exports

	<i>US\$ Million</i>		<i>Percent Total</i>		<i>AAGR</i>
	1993	2003	1993	2003	%
OECS	72	85	12	6	1.6
The Bahamas
Barbados	71	103	11	7	3.7
Belize	5	18	1	1	13.9
Guyana	35	99	6	7	11.1
Haiti	0	0.2	0	0	..
Jamaica	62	63	10	4	0
Suriname	8	40	1	3	17.5
Trinidad & Tobago	370	1059	59	72	11.1
Total Caricom	624	1467	100	100	8.9
<i>Caricom ex. T&T</i>	254	408			4.9

Table 2. Share of Caricom market in total exports, 2003

	Intra-regional exports	
	% XG	% XGS
OECS	38.2	7.8
The Bahamas	0.4	0.1
Barbados	43.6	8.5
Belize	17.2	10.8
Guyana	18.8	13.9
Haiti	0.1	0.1
Jamaica	4.8	1.9
Suriname	6.3	5.7
Trinidad & Tobago	20.8	18.1

As far as allocative efficiency and attraction of foreign investment is concerned, the integrated regional economy will still be very small in international terms. Note that the aggregate population and GDP of the CSME participating countries is less than that of Cuba or the Dominican

http://www.iadb.org/intal/aplicaciones/uploads/publicaciones/i_INTALITD_WP_29_2007_MesquitaMoreira_Mendoza.pdf.

Republic and about one-quarter that of Venezuela's. The GDP of the Mercosur bloc is 58 times that of the CSME, NAFTA's economy is 394 times the CSME and the EU is 277 times. Although the largest countries in these groupings are several times the size of Caricom in terms of population and GDP and they have still found it necessary to become part of these larger groupings.

Table 3. Comparative size of regional groupings

	Pop.	GDP.	Ratio to CSME	
	(M)	\$B PPP	Pop	GDP
CARICOM	15	48		
CSME	6	39	1	1
Cuba	11	44	1.8	1.1
Dominican Republic	9	67	1.5	1.7
Venezuela	27	174	4.5	4.5
MERCOSUR	235	2251	39.2	57.7
NAFTA	441	15393	73.5	394.7
EU	459	10817	76.5	277.4
(1) Billions of current Euros 2005				

Note also that apart from T&T, manufacturing is insignificant in the Caricom economies and it is this sector that is normally expected to be the chief beneficiary of integrated markets. In fact of the ten largest Pan-Caribbean firms only one is primarily engaged in manufacturing while four are primarily engaged in financial services. (It is possible to entertain ideas of firms like these becoming global financial powerhouses but I rather doubt it. The much more likely scenario is for the most successful to be acquired by global firms and this is already happening. The idea that off-shore

financial centres in the Caribbean are actually exporting financial services in any way other than the semantic sense is, I would argue, mistaken.)

Note next that although the region continues to have vast agricultural potential that sector has been practically stagnant in the last two decades while regional food imports have sky-rocketed and there is no evidence of an impending rush of investment in agriculture to take advantage of the CSME. Finally note that the majority of Caricom economies derive the bulk of their export earnings from services, especially tourism and this sector will not derive significant stimulus from the CSME in and of itself.

All these factors point to the necessity for a more pro-active approach by governments in the identification and support of particular activities for extra-regional exports. In the Single Development Vision we have identified several such activities that we call drivers for regional economic growth and transformation. Let me say something about the concept of 'drivers' for it has been the source of some misunderstanding.

A driver is an industry, sector, or cluster of activities with the potential to drive economic growth in the Community as a whole by satisfying one or more of the following criteria

- (a) sustained growth of exports to international markets, or
- (b) significant growth in intra-regional exports, or
- (c) significant growth in supplies, at low real cost, of a key input that is important to the achievement of international competitiveness in other activities.

The Report identifies as the main drivers clusters of goods and services industries centred on

- (i) the energy sector;
- (ii) agriculture, forestry and fishing;
- (iii) manufacturing;
- (iv) sustainable tourism;
- (v) other export services.

It speaks of an enabling environment in foreign trade; human resource utilisation; fiscal and monetary policies, incentives; transport; investment; financial services and capital market integration and a regional quality infrastructure; among others. I want to make the point here that this agenda was not plucked from the air or handed down by foreign experts but was the result of a wide process of stakeholder consultation backed by technical studies. Time does not allow a more detailed discussion but you can get all the details from the Caricom website at

http://www.caricom.org/jsp/single_market/single_economy_girvan.pdf

The question that arises is what this implies about the role of market vs. state. The Report talks about the entrepreneurial state, a dynamic public-private sector partnership, and about common policies for the economic drivers and the enabling environment. What these policies will consist of will be defined by further stakeholder involvement backed by technical studies. My point is that the logic of this is to move economic integration

beyond reliance primarily on market mechanisms with a relatively passive state. On the other hand it falls short of the 'developmental state' because the degree of intervention is not yet clearly defined, is likely to be relatively limited, and a Caricom state does not now exist.

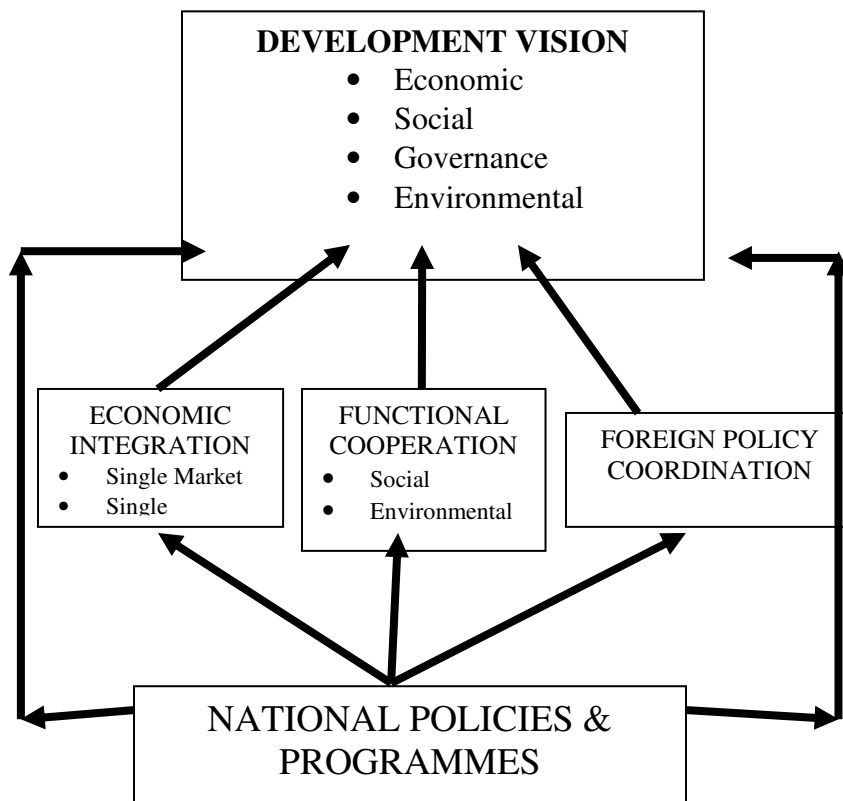
We may actually be inventing a hybrid, a kind of 'developmental regionalism' in which there is selective development of regional clusters by negotiation. Note however that developmental regionalism has implications for foreign trade agreements in the WTO, the EPA and bilateral trade agreements. To the extent that it involves selective tariff protection, subsidises of one kind or discrimination in favour of regional firms and the like, it involves departure from the evolving rules of the game in the multilateral trade environment. So the region will need to seek to maximise the policy space it secures for trade agreements while taking into account the parameters established by these agreements.

Of course, developmental regionalism of the kind we have been talking about will take time to implement and to bear fruit. Hence the sequencing of implementation needs to be crafted so as to give priority to measures and projects that have the prospect of yielding an early harvest, so to speak. One such measure is the accelerated implementation of administrative arrangements for the free movement of skill categories and service providers; and putting in place of the Financial Services and Investment Agreements. It also leads me to my second question.

Question 2. What are the limitations of an integration project that is concerned mainly with the economic aspect of integration?

Clearly there is a danger in over-selling the CSME as an economic panacea for the countries that participate in it, since on the most optimistic assumptions the benefits will take some time to realise and will be somewhat limited and skewed in the early years. This is the argument for the extra-market and the extra-economic aspects of integration to receive equal emphasis; that is for functional cooperation in areas that impact on the quality of life of people in the Community and where they can experience a tangible ‘value added’ from its existence.

Figure 1. The value added of regional integration



Functional cooperation may be defined as the sharing of services and the undertaking of joint activities in order to reduce costs and achieve synergies in specific activities. It can take place in the economic sphere such as research and development, innovation, training and manpower development, transport and telecommunications; where it enables the benefits of market integration to more fully realised by increasing labour productivity and firm-level competitiveness and system-wide competitiveness.

In social areas including health, education, security, disaster management, sports Caricom already has a well-established record of functional cooperation which in the opinion of many observers has registered greater success and benefits than market integration. Its parity of importance with market integration was recently confirmed by the Heads of Government in a declaration on Functional Cooperation, “A Community For all” and by their recent summit on Non-Communicable Diseases. Let me offer my opinion on two elements of possible functional cooperation that seem to me to have particular significance for the people of the region whose potential has yet to be tapped.

The first of these has to do with the *Caricom Charter for Civil Society*. To be truthful, I did not know of the existence of this document until a couple of years ago, although it was adopted by the Heads of Government of the Community as long ago as 1997. Surprisingly, at the time I became aware of

its existence I could not find the document on the Caricom website, and had to access it from an external source. My enquiries led to the information that it had been negotiated carefully over an extended period of time involving a wide variety of civil society stakeholders.

On my reading the Charter is a far-reaching document, in many respects even a revolutionary document. Its 27 Articles speak to human, civil, political, religious and cultural rights; the rights of indigenous peoples, women, children, and workers, the family and people with disabilities; rights to good governance, participation in the economy, health, education and basic necessities; environmental rights; the role of social partners and awareness and the responsibilities of the people. It provides for monitoring and implementation in great detail, based on the formation of national committees comprising representatives of the state, civil society and 'persons of eminent character', which are empowered to analyse implementation and to hear complaints and allegations of non-compliance from private citizens and to submit these to the Conference of Heads of Government through the Secretary General of the Community; and the submission of periodic reports by member states to the Secretary General.

However the Charter has no legal force and so far it appears that the national committees have not been set up and no national reports on implementation have been submitted. After the expenditure of a great deal of effort and resources on its preparation and adoption it seems to be all but forgotten. Yet a close reading of its provisions leads to the conclusion that if it were entrenched with the same legal force as the Revised Treaty of Chaguaramas it would in fact constitute a significant addition to the enforceable rights of

the citizens of the Community, over and above what they presently enjoy in their respective national jurisdictions. It would be quite a thing, for instance, if a citizen say of Jamaica could take the Government of Jamaica to the Caribbean Court of Justice over an alleged breach of their rights under the Charter. Given the wide-ranging nature of the rights contained, the potential impact of such a provision should by no means be underestimated.

I made sure to write the legalization of the Charter into the Single Development Vision and this was approved by the Heads of Government. One senses, however, that there is no great urgency on the matter. The legislative agenda of Caricom is of course, very crowded. Clearly, getting this in place is going to require significant pressure from civil society. My point is that it represents a potentially significant value added from the existence of the Community that does not rely on market forces and does not require a great deal of money for its implementation.

Another possible element of functional cooperation that occurs to one arises in the area of *security*. As one who comes from Jamaica and has been living in Trinidad for several years, two of the three regional countries with the biggest problem of criminal violence, one is keenly aware that it is at the top of concerns for the general population. The question therefore arises as to what if anything Caricom can do to make a difference. Indeed security as a general category is already a subject of functional cooperation and earlier this year the Heads decided to designate it separately as the fourth pillar of integration along with the CSME, functional cooperation, and foreign policy coordination. The logic of separating it from other kinds of functional

cooperation eludes me but at the time the Governments were very much in Cricket World Cup 2007 mode.

One has the impression however that much of the content of security cooperation is externally driven. It is not that the sharing of information on so-called persons of interest, alleged narco-traffickers etc. is not useful and important but there are other areas that are equally if not more important in addressing the problem of criminal violence that may be amenable to functional cooperation; for example a regional witness protection programme, cooperation in training and intelligence gathering, sharing of experience in securing community support, smuggling of illegal weapons, and especially the matter of improving the operation of the criminal justice system, which is virtually in a shambles in some of these countries. These areas do not command the same degree of attention from the metropolitan countries, which are mainly preoccupied with terrorism and narco-trafficking. We need to set our own agenda in this matter and here is another possible area where the Community could aim able to prove its worth to its Citizens.

I now want to turn to the third question.

Table 4. The CSME ‘Implementation Deficit’
Percent of required actions completed, Aug 05

Legal & Institutional Infrastructure	<u>83.9</u>
Single Market	<u>61.6</u>
- - <i>Free Movements of Goods</i>	80.0
- <i>Free Movement of Services</i>	79.2
- <i>Free Movement of Persons</i>	56.4
- <i>Free Movement of Capital</i>	55.6
- <i>Right of Establishment</i>	50.0
Single Economy	<u>8.9</u>
- <i>Common External Policy</i>	52.8
- <i>Harmonisation of Laws</i>	1.0
- <i>Sectoral Programmes & Enabling Environment</i>	0
- <i>Common Support Measures</i>	8.3
TOTAL	<u>50.3</u>

Source: author, based on data provided on Caricom website

Question 3. What are the limitations of an integration project which attempts to achieve its objectives mainly through the inter-governmental mode of cooperation?

This means that every single decision taken by the Heads of Government has to be implemented by means of national laws, regulations or some form of executive or administrative action. For example the process of amending the Treaty of Chaguaramas to provide a legal framework for the CSME took

around 10 years to complete. Each of nine Protocols of Amendment had to be negotiated, agreed among 12 governments, signed by the Heads, and ratified by national Parliaments. Then they had to be incorporated into the Revised Treaty and this had to be given provisional application and then final application. Even then this only provides a legal framework; the implementation requires a whole series of actions to be undertaken by member states. The CCS has identified some 70-odd action elements, the last time I did the sums, which was in 2005, just over one-half of these had been carried out by member states.

The glass may be half-full, but nearly 20 years after the Grand Anse Declaration, it is also half-empty. In the words of PM Arthur, who has responsibility for the CSME in the Caricom quasi-Cabinet, the Community has chosen the most difficult method to effect integration.

It is the opinion of virtually all informed observers that the present mechanisms of implementation are altogether too time consuming, make too many demands on the limited pool of technical and professional personnel and on legislative time; and are too expensive; and are altogether an inefficient and ineffective way to achieve what we want. I am pretty sure in my own mind that the target date of 2015 cannot be met using the current methods. As Brewster pointed out the EU faced the same dilemma in the 1970s and 1980s and only solved the problem by adopting limited supranationality in the form of the Single European Act and the establishment of Community Law that binds all member states. The TWG proposed changes in the form of a Single Caricom Act that would give teeth to Caricom decisions by making them legal binding in member states in

certain defined areas. The governments have taken a decision to this effect, but the devil is of course in the detail.

Unfortunately the issue has been confused in the public mind and in the governments with the issue of the appointment of Caricom Commissioners. To my mind it would be a waste of time and money to have Commissioners in the absence of a legal basis for the implementation of Caricom decisions within member states that does not rely on actions by national governments and legislatures. That is the essence of supranationality.

Now to the fourth question.

Question 4. What are the limitations of an integration project that is undertaken mainly in response to external pressure?

The fourth question is: what are the limitations of an integration process that is undertaken primarily in response to pressure from outside? The pressure comes from globalisation and the formation of regional blocs like the EU, NAFTA, and Mercosur; and the preference of these countries and groupings to negotiate trade agreements with the region as a whole rather than with 12 or 14 small and insignificant entities. There is an evident parallel with the defunct WI Federation, where a lot of the pressure came from the British government anxious to shed its colonial responsibilities. However, even the limited political involvement of the local population that was present in the WI Federation is missing; in the form of a Federal Parliament, Federal political parties and Federal Elections (not that these worked well, of course).

Integration has become a matter of economics, more correctly of business, and a matter for ministers, officials and businessmen. Political involvement, popular involvement, is missing. The late Lloyd Best used to say that the main problem with Caricom is the absence of regional politics. To put it another way, we are trying to build regional integration on the basis of national and insular politics. This is practically a contradiction in terms.

A lot of water has flowed under the bridge since the Federation, of course; and the memories have faded and with it some of the distrust. But in other ways the problem has become more complicated. A whole generation has grown up accustomed to sing the national anthem, recite the national pledge or prayer, salute the national flag and cheer the national team.

The one symbol of sporting integration we have, WI Cricket, is in a complete shambles. It has fallen prey to insular rivalry, the rampant commercialism that accompanies globalisation, greed—and I am not talking just about the players--and unbelievable managerial incompetence. It is about to fall into the hands of a foreign businessman virtually by default. This is not industrialisation by invitation, it is recolonisation by invitation. Far from being a force for regional integration WI Cricket it is well on the way to becoming another example of regional disintegration. WI Cricket needs to be fixed, not by changing the Captain or the Team or the Chairman or the Board, but by a complete overhaul of governance to give the WI public ownership of the team and to make its management publicly accountable; accompanied by a comprehensive grass roots bottom up long-term, development programme for young cricketers; as more and more

people are advocating. It may already be too late; we have perhaps one remaining window of opportunity in the form of the Patterson Committee and the Hunte Chairmanship. But I am not all optimistic.

The other alleged institutional force for integration, University of the West Indies, has become a loose confederation of semi-autonomous national entities struggling to survive in the face of foreign competition and globalised education. In the 1960s it was the wellspring and nucleus of a kind of regional political movement in the form of the new World Group and the Black Power movement, but all that stopped when people were detained and deported and declared persona non grata and so on. The UWI needs to retake its rightful role as a dynamic leader of the integration movement, providing intellectual, educational, moral--and yes--political leadership as the one institution that is uniquely positioned to put the region first before and above the insular. The Vice Chancellor cannot do this by himself; no General can fight a war successfully without the support of his Field Marshals, other officers and the foot soldiers.

What is needed is a regional ethos, a regional sprit, a regional consciousness and a regional commitment that permeates the very pores of the University community; a regional intellectual culture. There are UWI students of economics who know who is Adam Smith or Paul Samuelson but who have never heard of Alister McIntyre, Lloyd Best or George Beckford. This kind of ignorance would have been unthinkable a generation ago. Is this progress? What is the point of having a regional university if it is merely going to mimic the latest intellectual fads in the metropole? It would be cheaper for everybody to just close it and give all the students computers to

access their education from the Internet. I am not by any means suggesting that this is what the UWI is but there are some who seem to believe that this is what it should be.

To come back to the political deficit, Caricom tried with the Assembly of Caribbean Community Parliamentarians in the 1990s but it never had any real function or power, Jamaica never joined it, nobody paid it any mind, people stopped going to the meetings, and it is no longer in existence.

To address this deficit why don't we propose a system of directly elected delegates to some sort of regional assembly that has some clearly defined political function? They do not have to be elected on a party political basis in fact, it would be better for it not to be so. Instead they can represent sectors of the community or interest groups; a kind of regional Senate so to speak. It is important for such a body to have some real responsibility within the system of governance of the Community other than one that is merely deliberative or consultative. For example, it could scrutinise the budget of the Caricom secretariat and other Community institutions. It could monitor the progress of the implementation of the Charter of Civil Society, the CSME, the Single Development Vision, the regional development plan, and so on.

Another thing that needs to happen is the establishment and further strengthening of the network of regional civil society organizations including business, labour, environmental organizations, NGOs and the like. Curiously, with the possible exception of business, these do not seem to be as strong as they were, say, 10 years or so ago, when the Regional Economic

Conference was held. It would be interesting to find out the reasons for this. My point is that until we have the emergence of a genuine regional public, a regional media, regional peoples-based organisations and genuine regional public opinion then the integration movement will continue to have a fragile foundation and will probably be politically unsustainable.

There is a lot more that I could talk about regarding integration. There is the matter of the wide and growing income disparities within the Community and the economic, the social and political difficulties these pose for the integration movement, and how these will be handled. There is the matter of cooperation with the wider Caribbean: with Cuba, the DR, Puerto Rico, and Venezuela. Any one of these countries except PR has a population and/or GDP which is comparable to, or greater than, the whole of Caricom put together. Yet we behave as if we are doing them a favour to deal with them, or treat them as source of handouts to take the place of the Americans and the Europeans. Havelock Brewster calls this the 'begging bowl' syndrome and he is challenging us to get over it².

We seem to alternate between an inflated sense of our own importance in international affairs on the one hand, and a debilitating sense our own impotence to influence the world around us that is largely self-imposed on the other hand. I cannot for the life of me understand why Caricom countries are setting up separate missions in Beijing, Havana and all over Africa instead of joint missions; or have been unable to agree on a united regional policy towards cooperation with Venezuela, or to fully implement the

² Havelock Brewster, Understanding Development Challenges of the Caribbean. Prepared for an OAS/ World Bank Forum for Parliamentarians on 'Shaping A Trade Agenda To Promote Regional Integration And Competitiveness For CARICOM, St. Lucia, May 17, 2007. Correspondence to hrbrewster@aol.com

Caricom-Cuba trade and cooperation agreement that was signed over five years ago.

I think I have said enough; I suspect that I have long since used up my time. My answers to the four questions posed at the beginning should be pretty obvious. I have argued that economic integration should go beyond reliance on market mechanisms to development integration, that integration in the broader sense should go beyond the economic to address quality of life issues; and that the methods should go beyond inter-governmentalism to incorporate elements of supra-nationality and of popular political involvement.

Once again I thank the organisers and I thank you for your kind attention.

Mona, September 30, 2007,