

THE QUEST FOR AN OECS ECONOMIC UNION

by

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PRIME MINISTER OF ST. VINCENT AND THE GRENADINES



-Speech delivered on the Occasion of the Launch of the Public Consultations on the Draft OECS Union Treaty in St. Vincent and the Grenadines, at Peace Memorial Hall, Kingstown, on June 16, 2008

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{FORMAL GREETINGS!}

INTRODUCTION

I welcome on behalf of the Government and People of St. Vincent and the Grenadines everyone present here at the Peace Memorial Hall at this truly historic commencement of the public consultations in St. Vincent and the Grenadines on the Draft Economic Union Treaty fashioned by the member-countries of the Organisation of Eastern Caribbean States (OECS). I greet with especial warmth our brothers and sisters from across the Caribbean region including those from the OECS Secretariat, the OECS Economic Union Task Force, and other professionals associated with this mammoth exercise of Treaty-making. Our friends from other nations and international organisations, in solidarity with us, are sincerely and joyously welcomed. So, too, are the many thousands in the several OECS member-countries who are listening to these proceedings live on radio. And I am most pleased to note the turn-out by Vincentians of all walks of life who have come to be eye-witnesses and ear-witnesses to this event which holds great promise for our people's enhanced humanisation, living, and production.

Together we are uplifted today. It is an occasion to chant with real meaning and hopefulness Psalm 133:

“Behold, how good and how pleasant it is for brethren to dwell together in unity!

“Like the precious oil upon the head, that ran down upon the beard, upon Aaron’s beard, that ran down to the hem of his garments;

“As the dew of Hermon that descendeth on the mountains of Zion; for there hath Jehovah commanded the blessing, life for evermore.”

Unity of the peoples of the OECS member-countries is the metaphoric “precious oil” upon our heads and the energising “dew” that descends upon our region’s landscape, its mountains, valleys, and plains, and, yes, upon our seascape, too. This “unity” is an abundant blessing which our fathers and mothers have bequeathed to us and which destiny dictates we must embrace, always.

Our collective journey towards a deeper, more perfect union has taken us through much pain and joy, defeats and triumphs, setbacks and advances. Circumstances have made it now more propitious than ever to enlarge our possibilities, reduce our limitations, consolidate our strengths, and convert our negatives into enduring positives in this mighty quest for an economic union of the

OECS member-countries. This is a great cause; and great causes have never been won by doubtful men and women. We ought never to be doubtful about the bounty of history's bequests to us nor about the solemn realization that of all time only the future is ours to desecrate.

History, culture, demography, and geographic propinquity have pre-disposed our sub-region to a closer union. Contemporary economics, small size, trade liberalisation advanced telecommunications, and modern globalisation have induced us to strengthen ever more perfectly the ties that bind. Island chauvinism, a potential overreach by regional bureaucrats, and the petty politics of village states are the debilitating interlopers which threaten to undermine the efficacy of the proposed economic union enterprise and its necessary and consequentially altered political superstructure.

FUNCTIONAL COOPERATION TO ECONOMIC UNION

The case for a closer union of the member-countries of the OECS has always been unanswerably strong. The founding-fathers of the Treaty of Basseterre, which established the OECS in 1981, envisaged functional cooperation, and more, in eighteen specific areas, within the political economy and society. Indeed, through the OECS and other companion entities a veritable supranational institutional architecture has been built around a solid core including: the Eastern Caribbean Supreme Court system; the Eastern Caribbean

Central Bank; the Eastern Caribbean Telecommunications Authority; the Eastern Caribbean Civil Aviation Authority; and the OECS itself which oversees and implements sub-regional cooperation in health, education, the joint procurement of pharmaceuticals, sports, agriculture, tourism, external trade, the environment, maritime matters, and joint diplomatic representation in Ottawa, Brussels and Geneva.

Indeed, of the concentric circles of regional integration in the Caribbean, the OECS is the most tightly drawn; and there is undoubtedly a greater collegiality in decision-making and implementation in it than in the wider Caribbean Community (CARICOM). But there is inevitably much overlap in functional and economic cooperation between CARICOM and the OECS. Yet at the same time there is a marked difference, for the better, in the OECS in many joint cooperative areas, for example, in the judicial system, money and banking.

Obviously, the establishment of the CARICOM Single Market and its targeted evolution to a Single Economy have implications for the criss-crossing development of an OECS Economic Union. In turn, an OECS Economic Union will necessarily demand that an expressed special place be carved out for it within the Revised Treaty of Chaguaramas of CARICOM. In a sense, the quest for an OECS Economic Union is a recognition by the OECS member-countries that the "special and differential" position elaborated for them within the Revised Treaty of Chaguaramas is inadequate and that

the promise of a CARICOM-wide Single Economy is unlikely to be fulfilled either at all or in a manner sufficiently advantageous to them. Thus for example, we are unlikely to see in the foreseeable future the realisation of a common monetary policy or a common currency in CARICOM as there exists in the OECS member-Countries. Similarly, it is most doubtful that we would see in CARICOM an integrated judiciary as in the OECS or an enhanced institutionalised “supranationality” in political decision-making which is required to transform a ramshackle political-administrative apparatus in CARICOM into a purposive, matching vehicle correspondingly, for the Single Economy venture.

I am satisfied that the politics of a limited regional engagement in Jamaica shackled by the ghosts from the federal referendum, the politics of ethnicity in Trinidad and Tobago, and Guyana, a mistaken sense of “uniqueness, specialness, and separation” among the large sections of the Barbadian populace, the peculiar distinctiveness of Haiti and Surinam, and the cultivated aloofness from the regional enterprise by the Bahamas, are destined in the foreseeable future to keep CARICOM as a “community of sovereign states” in which several of its member-states jealously guard a vaunted and pristine sovereignty. Still, for historic and challenging contemporary reasons, the quest for a deeper union in CARICOM, too, must continue. We must strive ceaselessly for this also, without doubt.

Objectively, and immediately, the OECS member-countries ought additionally to elaborate further in theory and practice, very special political-economic and social relationships with Trinidad and Tobago, Guyana, and Barbados. It is self-evident, for example, that apart from the monetary union of the OECS-member-countries, their economies are more closely integrated with that of Trinidad and Tobago than with each other. Moreover, Grenada and St. Vincent and the Grenadines have especial family ties with Trinidad and Tobago. Barbados is a major hub for the OECS member-countries in several areas of activity; and they share a joint Regional Security System. Guyana represents the future for land, food, and water for the sub-region.

These reasons, and more, correctly prompt some leaders in the OECS, particularly from the Windward Islands, from time to time to propose closer political ties formally with Trinidad and Tobago especially, and to a lesser extent Barbados and Guyana. All these ideas or proposals possess validity in themselves but none undermines the on-going push towards a closer union of OECS member-countries. This is where we are at practically, now!

DRAFT OECS UNION TREATY

The Heads of Government of the independent member-countries of the OECS and Montserrat have decided on behalf of their respective populations to propose for their consideration the development of the OECS into an Economic Union. Anguilla and

the British Virgin Islands have expressed their willingness to remain associated with the OECS in its functional cooperativeness but they stand askance from the proposal for an Economic Union. This dual level of engagement or two-tiered OECS is permitted in the Draft Economic Union Treaty which encompasses the Functional and Governance. Arrangements separately from the Protocol of the Eastern Caribbean Economic Union. This Protocol facilitates the construction of a modern, many-sided, competitive post-colonial economy which is at once national, regional, and global.

The Draft of the proposed Treaty for the OECS to replace the existing Treaty of Basseterre has as one of its major purposes the establishment of an Economic Union as a single economic and financial space [Article 4.1 (e)]. It further proposes that the OECS be “an institutional forum to discuss and facilitate constitutional, political and economic changes which would be necessary for the successful participating of member-states in the regional and global economies. “[Article 4.1 (f)]. The Draft Treaty envisages 21 areas of joint policies and actions.

An Economic Union necessarily demands alterations in the governance structures in the OECS. Accordingly, Article 5 of the Draft Treaty provides for a general undertaking by member-countries to delegate legislative competence to the OECS in certain specified areas. Article 14.1 of the Draft Treaty details the five areas of legislative competence for the OECS, namely:

- (i) The Common Market including customs union;
- (ii) Monetary policy, the competence in this category to be exercised on the recommendation of the Monetary Council;
- (iii) Trade policy;
- (iv) Maritime jurisdiction and maritime boundaries;
- (v) Civil aviation, the competence in this category to be exercised on the recommendation of the Civil Aviation Regulatory Board of the Eastern Caribbean Civil Aviation Authority.

Article 14.2 of the Draft Treaty provides the OECS with an overriding legislative competence by delegation in relation to: (a) Common commercial policy; (b) environmental policy; and (c) immigration policy.

The suggested governance arrangements in the Draft Treaty centre on five institutions:

- (a) The Authority of Heads of Government of the member-countries of the OECS;
- (b) The Council of Ministers;
- (c) The OECS Assembly;
- (d) The Economic Affairs Council; and
- (e) The OECS Commission.

Together these institutions are designed to assist with relevant legislative work and effective administration or implementation. The Authority is the law-making and executive body but a vital legislative filter would be the OECS Assembly. And a suggested innovation is the OECS Commission which incorporates the OECS Secretariat as its administrative arm.

It is anticipated that in each member-country, a structure similar to the Regional Integration and Diaspora Unit (RIDU) of St. Vincent and the Grenadines would be set up to coordinate the Commission's work at the national level. Indeed, its Head ought properly to be the member-state's Commissioner to the OECS.

THE WAY FORWARD

These are among the central ideas or proposals upon which citizens of the OECS member-countries are being called upon to assess. The Draft OECS Economic Union Treaty does not require any amendment of the existing constitutions of the member-states but it would be enacted into domestic law as indeed was the Treaty of Basseterre and the Revised Treaty of Chaguaramas. Thus, though this exercise is supremely political, it is not and ought never to be partisanly political; it is a national and regional enterprise of a special kind, not a party political matter. Let us so treat it.

This does not mean that there may not be sharp differences between honest patriots on this or that provision in the Draft Treaty. Indeed, let all relevant ideas contend without bitterness, divisiveness, or a debilitating learned helplessness. Let us be worthy inheritors of our forebears who have toiled so selflessly in the vineyard of regional integration over the last 100 years. Here in St. Vincent and the Grenadines, every singly mass leader from George Augustus Mc Intosh to Ralph Everard Gonsalves has been steadfast in support of this noble, uplifting, and right cause. Personally, I recommit myself publicly to it unequivocally. I shall continue to be an evangelist to this great cause as I have been for the last 40 years of my short life, thus far.

Let the consultations begin!

Thank you!