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ECONOMIC INTEGRATION AND CARIBBEAN IDENTITY: CONVERGENCES AND DIVERGENCES*

Emilio Pantojas García

ABSTRACT

The literature on economic integration in the Caribbean and Latin America primarily focuses on economic, institutional and geopolitical issues. Regional economic exchanges (trade, investment), transportation, economic structures, political institutions, as well as geographical and demographic factors are high on the list of variables pondered when studying regional integration. Cultural and ideological issues are seldom considered central to the viability of regional integration. Three key factors that constitute the context upon which contradictory tendencies act simultaneously to foster and hinder Caribbean regional integration are discussed: geopolitical, economic and cultural-historical factors. These factors configure “dialectics of cooperation and competition” and account for both, the basis and fulcrum of regional integration and the basis and fulcrum of regional competition and, often, mistrust. A discussion of each of these factors suggests that how they are managed is crucial to the formation of a regional identity and the articulation of a political project of regional integration.

Keywords: economic cooperation, economic integration, identity, regional integration, trade agreements

RESUMEN

La literatura sobre integración económica del Caribe y América Latina tiene como eje primordial asuntos económicos, institucionales y geopolíticos. Temas de intercambio regional (inversión y comercio), transporte, estructuras económicas, instituciones políticas, así como factores geográficos y demográficos, son las variables principales en el estudio de la integración regional. Rara vez se consideran como factores centrales para la viabilidad de la integración asuntos culturales e ideológicos. Se discuten tres factores claves que constituyen el contexto en el cual tendencias contradictorias actúan simultáneamente para promover y obstaculizar la integración del Caribe: factores geopolíticos, económicos e histórico-culturales. Estos factores configuran la “dialéctica de cooperación y competencia” y constituyen simultáneamente la base y el fulcro de la integración, así como de la competencia y, a veces, la desconfianza regional. La discusión de estos tres factores sugiere que la manera en que se manejen éstos será crucial para la formación de una identidad regional y la articulación de un proyecto político de integración.

Palabras clave: cooperación económica, integración económica, identidad, integración regional, acuerdos comerciales

RÉSUMÉ

Les études réalisées sur l'intégration de la Caraïbe et de l'Amérique Latine portent leur attention sur les questions économiques, institutionnelles et géopolitiques. Des sujets d'échange régional (investissement et commerce), de transport, de structures économiques, d'institutions politiques, ainsi que des facteurs géographiques et démographiques, se sont là les variables principales de ces études. Les aspects culturels et idéologiques qui soutiennent la viabilité de l'intégration de la région sont rarement considérés comme des éléments principaux. Les débats sont portés sur trois facteurs essentiels : géopolitiques, économiques et historico-culturelles qui forment « la dialectique de coopération et de compétence ». Ils constituent le contexte dans lequel des tendances contradictoires fonctionnent de façon simultanée, dont l'objectif est de promouvoir et faire obstacle à l'intégration de la Caraïbe. Ils représentent la base et le point d'appui de l'intégration, ainsi que la compétence et, parfois, une manque de confiance dans la région. Ainsi, les débats de ces trois facteurs suggèrent que la manière de gérer sera cruciale pour la formation d'une identité régionale et la structure d'un projet politique d'intégration.

Mots-clés: coopération économique, intégration économique, intégration régionale, identité, accords commerciaux

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The Caribbean is an emotional federation.

Derek Walcott

The literature on economic integration in the Caribbean and Latin America traditionally and primarily focuses on economic, institutional and geopolitical issues. Regional economic exchanges (trade, investment), transportation, economic structures, political institutions, as well as geographical and demographic factors are high on the list of issues/variables pondered and discussed when speaking about regional integration. Cultural and ideological issues are seldom considered central to the viability of regional integration. The notion that forging a shared Caribbean identity is, or may be, a necessary precondition to articulate a political project of regional integration is rarely, and only recently, included in the agenda of regional bodies dealing with economic integration. It appears as if geography, the location on the rim of the Caribbean Sea or on the "Caribbean Basin," and

the shared historical traits of “plantation economies,” are assumed to constitute the basis of a shared identity.

This technocratic view of economic integration centers on geographic proximity, and assumes that economic exchanges and shared history naturally beget a “regional” identity. The geopolitics of WWII created a framework of international relations that divided the world into spheres of influence. The Eastern or Socialist bloc, the North Atlantic alliance between Europe and the United States are but two examples of this emerging view of the World. This geopolitical cum technocratic view of regions, in turn influenced post war reconstruction economics and became institutionalized with the creation of the Regional Science Association in 1954 (Isard et al. 1998). The new imaginary of the “regional sciences” focused on geography and economic, demographic, political and institutional linkages and interactions in defining the makeup of a region. Historical, cultural and ideological affinities were assumed in construing Europe, Latin America, Africa and Asia as regions. The regional science imaginary in turn constructed smaller, geographically and historically similar spaces, into subregions, such as Central America, the Andean region and the Caribbean.

The technocratic constructs called regions and subregions became new analytical units for reconstruction and development economics. Inspired by the success in coordinating the production, delivery and use of weapons on a massive scale during WW II, development and reconstruction economics advocated the creation of regional economic communities as a means of taking advantages of economies of scales and complementarities to further economic reconstruction and development. In 1957, following this new paradigm, the European Economic Community was created. And in 1960, the European Free Trade Association followed.¹

In Latin America, regional integration began with the Central American Common Market (CACM) and the Latin American Free Trade Association both founded in 1960 and the Andean Pact in 1969. In the Caribbean, the Caribbean Economic Community (CARICOM) was created in 1973, following the ill fated Caribbean Free Trade Association, created in 1968 (Samuel 1993:159).² Only recently and mostly due to the pressures of the World Trade Organization and the Free Trade Area of the Americas initiative, regional economic and trade agreements in the Western Hemisphere have become operational economic units. This is the case of the CARICOM single market and economy as well as MERCOSUR, and the CACM.

This essay examines three key factors that foster and hinder Caribbean regional integration: geopolitical, economic and cultural-historical factors. These factors constitute the context upon which contradictory

tendencies act simultaneously tending to convergence and divergence. They configure “dialectics of cooperation and competition” and account for both, the basis and fulcrum of regional integration and the basis and fulcrum of regional competition and, often, mistrust. This essay simply presents a general overview of the elements and factors that confront regional integration initiatives.

On Caribbean Identity(ies)

Much has been said and written about Caribbean identity and identities in the past two decades, with the emergence of cultural studies as a major academic field. The notion that the Caribbean shares a common cultural bond anchored in the plantation and slavery experience is a subject of much debate. The claims to a shared identity are founded on perceived cultural and anthropological affinities such as food, music and social institutions (family, kinship). In reality the concepts of Caribbean and “caribeñidad” (Caribbeanness) are problematic, as Antonio Benítez Rojo points out. As a region, the Caribbean assumes multiple identities embodied in the diversity of nouns used to refer to the region and to name its modern citizens: Antilles, West Indies, Caribbean, Antilleans, West Indians and Caribbean (*caribeños*).³ The name Antilles is derived from the mythical *Antilia*, the island of the seven cities linked to the myth or legend of Atlantis. The name West Indies comes from Columbus’ belief that he had discovered the outer realm of India. And the name Caribbean is said to originate with the Caribs, the indigenous population that most fiercely resisted European colonization.

Most certainly, the Caribbean archipelago and the continental lands that constitute the rim of the Caribbean Sea share a history marked by the political, economic, social and cultural dynamics of plantation economies. In this region, indigenous populations, the African Diaspora created by slavery, and European settlers provided the human basis upon which plantation economies built unique but analogous social, political and economic institutions and cultures. Antonio Benítez Rojo argues that Caribbean musical identity is a rhizome, a rootlike stem that spreads horizontally in various directions and unexpectedly producing a rhythmic complex that becomes genuinely Caribbean (Benítez Rojo 1997:11,23). He sees this complex set of “analogous differences” (*diferencias análogas*). That is, a set of similar rhythms with differences that stem from local differences. The same can be said for Caribbean identity and culture in general. Within distinct and conscious national and or subregional identities, there is a shared experience that can be said to be the basis of a Caribbean identity.

But there is not an identifiable single homogeneous Caribbean identity. Rather, there are shared regional customs, practices and beliefs characterized by “analogous differences”. All over the Caribbean local music is identified with the beat of Afroantillean drums and beats, Christian religions incorporate animistic and polytheistic traits from the African Diaspora and indigenous populations, food is prepared from similar ingredients, but all are articulated in different ways across countries and across language-defined regions. Thus, although the Pepperpot Soup of Jamaica is similar to the Puerto Rican and Dominican *sancocho*, there are differences from island to island. In religion, likewise, Cuban *santería* is different from Haitian *voodoo*. In both cases the historical, sociological and anthropological processes of their creation may be similar but they constitute distinct expressions of analogous (not identical) lived experiences.

If at the level of culture and aesthetics analogous differences produce a clearly identifiable regional complex, at the political and economic levels heterogeneity prevails over synthesis. The shared historical and cultural traits that produce a Caribbean *ethos* or distinctive cultural milieu do not extrapolate to the regional polity and economy. In this sense, the Caribbean does not constitute an integrated political and economic complex.

Politically the Caribbean is made up of independent countries, non independent territories (which may be regions or colonies/territories of their metropolis), and regions or provinces of independent countries (Venezuela, Colombia, Panama, Costa Rica). Some countries are republics (Santo Domingo), other are Westminster style democracies, while other and single party socialist states (Cuba).

Economically, the Caribbean includes oil producing countries (Trinidad and Tobago, Venezuela); industrialized economies (Jamaica, Puerto Rico, Dominican Republic); international service centers focused around tourism and offshore banking (The Bahamas, Cayman Islands).

And although there is a cultural affinity, as explained, there are important cultural distances due to language differences stemming from diverse colonial histories, English, Dutch, French and Spanish. Beyond these differences in official languages there are intraregional differences stemming from the local languages, pidgins, Creole and Papiamentu.

Clearly, the cultural affinities at the popular level have advanced in the beginning of the twenty first century, stimulated by increased inter-island migration, regional tourism, and the revolution in telecommunications centered on the Internet. However, at the political and economic levels, the Caribbean continues divided by economic competition and political rivalries. It seems that as Gordon K. Lewis suggested, “Regional identity [...] was frequently not so much an indigenous phenomenon on

native grounds as it was the effort of the outsider groups [...] to impose an abstract ideal upon an intractable insularity... (Lewis 1968:350). Hence, in the economic and political sense, the Caribbean does not constitute, at this point in history, an integrated complex. We cannot speak of a Caribbean economy or economic identity.

Historical Background

The first proposals for political and economic integration in the Caribbean date to the second half of the nineteenth century. In the British Caribbean the first mention of a West Indian Federation is found in 1860. In the Hispanic Caribbean, leaders of the Puerto Rican independence movement were calling for an Antillean Federation between Cuba, Puerto Rico and the Dominican Republic in 1867 (Lewis 1968:343; Rama 1980:18-19). The proposed Antillean Federation will include later Haiti and Jamaica, calling for the federation of the Greater Antilles. In 1882 a proposal presented to the British Prime Minister William Ewart Gladstone, would include the British West Indies, in an effort to deter the annexationist ambitions of the United States in the Caribbean (Rama 1980:4, 68-74).

It is precisely in the British Caribbean that the first concrete steps toward regional integration will take place. The creation of the Anglo-American Commission on the Caribbean in 1942 was aimed at coordinating American and British policies in the region during World War II. In 1946, the Commission was renamed the Caribbean Commission to include France and the Netherlands with the view of establishing a common regional policy. Although it did not achieve this immediate purpose, the Commission did much to advance a regional perspective in dealing with politico-economic issues and it served to train a cadre of Caribbean professionals that would eventually become political leaders and government officials in the independent and non independent countries and territories of the region (Taussig 1946, Williams 1955).

According to Gordon K. Lewis (1968:351), the 1958 project for a West Indian Federation traces its origins to the Caribbean Commission. However, it was precisely the perception of the project as an instrument of metropolitan control, what led to its demise. But according to Arthur Lewis, writing at the time of the final collapse of the Federation around 1965, the elements that conspired against it were not merely external. In a short book published by the Barbados Advocate entitled, *The Agony of the Eight*, the later knighted and Nobel Laureate, Sir Arthur Lewis describes in detail the feverish negotiations and profound political differences and mistrust that led to the collapse of the West Indian Federation. The sharp differences between Norman Manley of Jamaica and Eric

Williams of Trinidad were as much to blame, as distrust of Metropolitan interests or interventions. On September 1961, the people of Jamaica voted to leave the federation, reflecting the effects of political bickering and mistrust among West Indian leaders (A. Lewis n.d.:9). Shortly after that, in 1962, both Jamaica and Trinidad became independent and the Federation collapsed. Later attempts to revive a federation with the remaining British territories would also fail and Barbados will become independent in 1966.

Nonetheless, economic integration in the Caribbean advanced the most among the English-speaking countries. Attempts at economic integration in the British Caribbean began in 1968, after the failure of political integration through federation. Efforts of economic coordination among former British colonies and territories resulted in the creation of the Caribbean Free Trade Association (CARIFTA). Nearly 40 years hence, CARIFTA's successor, the Caribbean Community (CARICOM), is on its way to becoming a single market and economy (Girvan 2007). CARICOM is integrated by 14 independent countries and one British overseas territory. Another 5 associate members are also British overseas territories. Only two of the twenty CARICOM members are not former British colonies, Haiti and Surinam.

This significant advance of economic integration in the English-speaking Caribbean may be attributed to various factors. First, in spite of fragmentation and insularism, there was a tradition of regional associations such as trade unions and chambers of commerce. Second, the attempts at regional coordination by the various colonial powers articulated in the creation of the Anglo-American Commission first, and later in the Caribbean Commission, reinforced the drive for regional coordination within the British West Indies. Region-wide professional organizations and other region-wide institutions such as the University College of the West Indies emerged during the 1940s (Lewis 1968:346-349). A third factor that fostered advances in economic integration was the provision in the 1957 Treaty of Rome that allowed the concerting of economic agreements between the European Common Market and the former colonies and non-independent territories of its members. The view that regional integration was the optimal way for economic reconstruction and development that prevailed in post WWII Europe permeated the economic relations with the Caribbean and other colonial regions (Africa, the Pacific). In fact, the creation of CARICOM in 1973 coincides with the year when the United Kingdom entered the European Economic Community (EEC), as well as with the formation of a negotiating bloc (Africa, Caribbean, Pacific, ACP) among former European colonies that signed the Lomé Convention in 1975 (The Courier 1985:32).⁴

In the Hispanic Caribbean, the Antillean Federation was a project of the pro independence leadership of Puerto Rico, Cuba, and the Dominican Republic. The aggressive U.S. policy that culminated with the invasion of Cuba and Puerto Rico in 1898 and the “occupations” of Haiti in 1915 and the Dominican Republic in 1916 derailed any project of Antillean Federation.

In the last two decades of the twentieth century the drive for integration took a new turn. The 1978 “oil shock,” the fall in the prices of traditional exports (sugar, bananas) and the subsequent growth in the international debt placed the Caribbean at the Cold War’s politico-economic crossroads. The establishment of socialist regimes in Grenada and Nicaragua, coupled with the civil war in El Salvador, thrust the Caribbean and Central America in the midst of competing projects of regional cooperation and integration. The competing views on regional cooperation and integration were represented by the U.S. Caribbean Basin Initiative (CBI) and the Central American-based Regional Alternative for Central America and the Caribbean (RACAC) advanced by the Coordinadora Regional de Investigaciones Económicas y Sociales (CRIES) (ISS 1983; Irvin and Gorostiaga 1985).

The CBI enacted a system of bilateral economic preferences between the United States and Caribbean and Central American countries. While the RACAC, proposed a regional treaty based on policies consistent with a new international economic order (NIEO) that promoted balanced international trade and traditional regional integration measures such as a custom union and common market (Dietz and Pantojas-García 1994). By 1989 the Grenadian revolutionary government had been deposed and the Sandinista government would lose the elections, and the Central American peace process was underway, preventing other revolutionary regimes from taking power. By this time also, the Cold War was coming to an end with the collapse of the Berlin wall. The 1980s were declared the “lost decade” for development throughout Latin America and the Caribbean.

The 1990s heralded the triumph of trade fundamentalism, neoliberalism, as the dominant economic paradigm. The free trade paradigm became structured globally with the creation in 1995 of the World Trade Organization (WTO) which would promote and enforce trade liberalization policies on a global scale. In the Western Hemisphere the signing of the North American Free Trade Agreement (NAFTA) and the celebration of the first Summit of the Americas with the intention of creating a Free Trade Area of the Americas in 1994, redefined regional integration and cooperation views. The axis of regional integration shifted from coordination of production, duties and trade, to liberalization of trade

and investment. Free market competition replaced regional planning and coordination as the new means of integration.

The Neoliberal paradigm proposes dramatic changes in the institutional, juridical, political and economic frameworks of nations aimed at facilitating international trade and investment. Regional "free trade agreements" (FTAs) are promoted as supranational frameworks that regulate transnational economic activities. These FTAs are regulated by transnational bodies, such as the WTO, or a regional secretariat. The decisions of these multinational bodies may overrule decisions of national governments. This process of national deregulation and transnational re-regulation promotes the creation of new regional/supranational economic spaces that allow corporations to operate freely. The mobility of labor, however, continues to be legally restricted (Cf. Grinspun and Kreklewich 1994; Pantojas García and Dietz 1996).

After the first Summit of the Americas in 1994 and the announcement of a Free Trade Area of the Americas (FTAA) initiative, there was a rush throughout Latin America and the Caribbean to liberalize bilateral and regional trade. This resulted in the creation of MERCOSUR, and the acceleration of the integration processes in CARICOM and the CACM, as well as the signing of a regional free trade and economic cooperation agreement between the Dominican Republic and the CACM known as the DR-CAFTA (Cf. West Indian Commission 1994; Villasuzo and Trejos Solórzano 2000). In this context, Caribbean integration, whether through CARICOM or the DR-CAFTA, appears to be a defensive maneuver aimed at positioning the small economies of the Western Hemisphere to avoid some of the perceived negative consequences of FTAs.⁵

While at the economic level there were advances, at the political level attempts at Caribbean integration and cooperation have not advanced swiftly. The creation of the Association of Caribbean States (ACS) in 1994 was to be the basis for region-wide politico-economic cooperation. However, in 2000 one of its directors, economist Miguel Ceara Hatton spoke openly of the persistent fragmentation of the ACS into four camps: the Central American bloc, the CARICOM bloc, the Group of Three (Colombia, Venezuela and Mexico), and the Non Aligned Group, integrated by Cuba, the Dominican Republic, and Panama (Ceara Hatton 2000:20).

In spite of the initial enthusiasm for laying the groundwork for regional cooperation, the ACS has only modest achievements in specific areas such as regional transport, sustainable tourism, natural disasters and trade. The framework agreements and proposals in each of these areas have been superseded by intra bloc agreements such as the CARICOM single economy and the DR-CAFTA.

What are the factors that contribute to what can be termed the “dialectic” of Caribbean integration? What explains the fact that, as Derek Walcott remarks on the quote at the beginning of this essay, emotionally and culturally people born in the Caribbean express a unifying bond, while at the level of *realpolitik* there are what seem to be insurmountable chasms. The rest of this essay analyzes the geopolitical, economic, cultural and historical variables that explain these dynamics of convergence and divergence that historically have hampered regional integration at various levels. We shall attempt also to identify and present those “points of convergence” within the practices of Caribbean identity that could serve as the basis to build a project of regional integration. This is, however, a first and incomplete attempt in what needs to be a multidisciplinary and multinational effort.

Points of Divergence

GEOPOLITICS

Among the geopolitical variables or factors that divide the Caribbean one is the difference between island and continental economies. Many of the continental countries that border the rim of the Caribbean Basin define their identities not as Caribbean but as Andean (Venezuela and Colombia), Central American (Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua) or North American (Mexico). For these countries the Caribbean is but a region, often marginalized.

A corollary of the Caribbean identity of these continental countries is often enmeshed in territorial disputes such as Venezuela’s claims over the Essequibo region of Guyana and Aves Island, off Trinidad, and Guatemala’s and Honduras’s claims on Belize (Milefski 2004:82).

The disputes cited above are between Latin American countries and CARICOM, English speaking, countries. There is also a stark contrast between the militaristic traditions of Latin America and the role of “security forces” in the CARICOM countries, some of which only have a police force that may act as a sort of “national guard” in certain circumstances. Major police and military undertakings in Caribbean countries, such as the invasion of Grenada in 1983, or major operations on regional drug trafficking, are funded by the European Union, the United States or the British Commonwealth (Cf. Griffith 2004).

The geopolitical view of the Caribbean Basin as a strategic bastion to promote the interest of former and current colonial powers is another obstacle for regional integration. An example of this is the so called “banana wars.” North American fruit companies, such as United Fruit, used Caribbean Basin governments such as Guatemala, Honduras and Mexico, to complaint to the WTO’s Dispute Settlement Body about the

European Union's subsidies to Bananas from the Eastern Caribbean distributed principally by the British Geest Corporation. Banana growers from Latin American were pitted against Windward Islands growers by what was essentially a battle of transnational corporations for the European banana market. This contributed for the increasing mistrusts between CARICOM governments and Latin American Caribbean governments (Cf. Vázquez Vera 2002; WTO 2001).

In regional organizations, such as the ACS, the non independent territories of the Caribbean that acquire affiliate or observer status, are often perceived as doing the bid of their metropolis; be it France in the case of Martinique or Guadeloupe or the United States in the case of Puerto Rico.

The end of the Cold War transformed geopolitics in the twenty-first century. The Caribbean is not the fulcrum of East-West confrontation, as had been since the Cuban Revolution. The Bush Administration considers the Caribbean the "third border" of the United States and perceives it as a gateway for illegal drugs, undocumented migrants, and potentially terrorists. Rather than an arena for high politics, the Caribbean is seen now as a law enforcement problem (Pantojas-García 2006).

Caribbean countries are not seen as economic and political partners but as troubled neighbors that need assistance and policing. In this regard, much controversy has been created by U.S. initiatives to counter drug smuggling in the regions such as the Plan Colombia, which invest billions of dollars in Colombia's war against the drug cartels and against the leftist guerrillas known as FARC. Other controversy grounded in the new geopolitics of the region is the Shiprider agreements pursued by the United States government since 1996, giving the U.S. Coastguard the right to enter Caribbean territorial waters and intervene with non U.S. vessels thought to carry drugs (Blumenthal 2001; CHA 2007). The post Cold War official discourse "criminalizes" Caribbean migrants and brands countries that refuse to cooperate in the U.S. security initiatives in the region. In turn, this creates mistrust within the region and sharpens the xenophobic biases against migrant groups, for example Dominicans and Haitians in the Eastern Caribbean.

ECONOMICS

One of the most important and difficult problems that confronts any regional cooperation and integration project is the similarity of the Caribbean Basin economies. Tourism, agriculture and assembly manufacturing for export (*maquiladoras*) are axes of the region's economies. These axes have been greatly negatively affected by trade liberalization. For example, the apparel industry of the insular Caribbean was nega-

tively impacted by NAFTA. In the first two years of NAFTA, 1994-96, apparel exports from Mexico to the United States grew by 123 percent. Conversely, apparel exports from the insular Caribbean faltered, with the Dominican Republic and Jamaica growing by 12 and 11 percent respectively. This in contrast to the previous two years, when Mexican exports had grown 70 percent while Jamaica grew 54 percent and the Dominican Republic 29 percent.

The banana wars to which we referred previously are another example of the economic rivalries among Caribbean Basin economies small and large and the negative impact of trade liberalization. In the emerging economic order known as "globalization" the main economic actors are not countries but firms; especially large transnational corporations. Countries with similar natural endowments and labor pools compete to attract investment from transnational corporations. Bilateralism rather than regional cooperation or integration becomes ever more important.

Another factor that conspires against economic integration is the asymmetry of the economies of the Caribbean Basin. Small island economies, with high rates of industrial concentration depend on a few specialized activities. Trade liberalization increases the vulnerability of these sectors to international fluctuations and competition. Export manufacturing in the Caribbean has suffered greatly with the opening of China for trade and investment, especially assembly manufacturing in free trade zones. Sustainable development for small economies requires not only free trade but a flow of investment and technical assistance both at the level of production and at the level of managing in an open environment.⁶

Regional asymmetries and competition beget a deep mistrust between, for example, the Latin American and West Indian ruling elites, as this quote from an article of Sir Ronald Sanders (2005) in the *Jamaica Observer* eloquently shows:

Further, governments were not confident that the Dominican Republic would hold to CARICOM positions on regional and international issues. While the Dominican Republic was courting CARICOM, it was also flirting with the Central American group of countries.

What deeply troubled CARICOM governments then was the Dominican Republic's siding with Central American countries to distance themselves from CARICOM's relationship with Cuba because they thought that trade benefits from the United States, under the Caribbean Basin Initiative, would be threatened.

Thus, the Dominican Republic signs a free trade agreement with CARICOM that did not reflect the desire for integration but rather was coerced by external pressures from the United States and the European

Union, deepening mistrust within the region (Sanders 2005). Likewise, the special financial terms for oil imports provided by Venezuela to CARICOM members through Petro Caribe raised protests and complaints from Trinidad, an oil producing competitor of Venezuela (Culmer 2005).

CULTURAL AND HISTORICAL FACTORS

If it is true that the main economic actors of the new “global” order are large transnational corporations, those who articulate the economic, corporate, political, geopolitical, social and cultural interests are social actors: chambers of commerce, political parties, professional associations, etc. Whether they are called classes, elites, cliques, groups or social forces, these social actors operate in a context. This context, in turn, is defined in historical, cultural, linguistic and ethnic terms.

Caribbean identities often diverge in unexpected ways. Panamanians, for example, do not consider themselves, Central American, Dominicans refer to Haitians as “blacks” (*negros*), while the lighter-skin black Dominicans are referred to as Indians, and Puerto Ricans refer to migrants or visitors from the Eastern Caribbean as “those people from the islands” (*los de las islas*). There is also a history of mistrust among “West Indians” and “East Indians” (people of Indian descent) within the English speaking Caribbean, especially in Trinidad and Guyana. These ethnic and xenophobic prejudices, which should not be confused with national pride, hamper also the development of a Caribbean project of economic integration.

Differences in the size of the population, economic development and language add to the divergences. English, Spanish, French, Dutch, Papiamentu and Creole constitute important barriers to effective communication. But there are deeper differences. There is, for example, a militaristic tradition in the Latin American Caribbean (Cuba, Dominican Republic, Venezuela) that is absent in the rest of the Caribbean. This difference is heightened especially in territorial disputes, where Latin American republics are perceived as threatening and menacing to the territorial integrity of smaller non-Hispanic countries.

Thus far we have pointed out the most salient divergences that conspire against the formation of a Caribbean identity that could promote a political project of integration for the Greater Caribbean (the Caribbean, Central America and the continental rim of the Caribbean). This does not mean that developing a project of Caribbean integration grounded on shared identity traits would be impossible. It means that such a project will not grow spontaneously and that there are important obstacles that need to be surmounted in order to move towards cooperation and integration.

Convergences

GEOPOLITICS

If it is true that geopolitical factors pose important obstacles to Caribbean integration, it is also true that there is increasing awareness of the need to move towards regional cooperation. The inclusion of Haiti and the Dominican Republic with CARICOM through CARIFORUM in the European Union's negotiating group for an Economic Partnership Agreement (EPA), albeit conflictive, is an indication that geopolitics dictates a need for regional cooperation. The signing of free trade agreements between the Dominican Republic and CARICOM, as well as with the CACM in the DR-CAFTA, are further indication of the recognized need to overcome insularism through regional cooperation and, eventually, integration. There are also a number of treaties signed between the CACM and Panama, Chile and Mexico and negotiations for an FTA between CARICOM and Central America and Panama that evidence the drive towards regional cooperation.⁷

As in the past, geopolitics defines metropolitan interests and exercise pressure on regional politics and economics. But the pressure for regional cooperation and integration is not simply exogenous. Geographical proximity, a history of commercial and demographic exchanges (regional migrations), and the perceived threat of being marginalized from metropolitan trading blocs (NAFTA and the EU), have provided an incentive for endogenous regional initiatives. The Caribbean political and business elites are keenly aware that they need to join in the Neoliberal bandwagon or risk being marginalized. Of the 35 countries in the Western Hemisphere, 21 are small economies located in the Caribbean Basin.⁸ And the ruling groups in all of these countries have come to the conclusion that they need to enter into trading blocs to adapt to the trend of trade liberalization. Even socialist and insularist Cuba has move to create an alternative economic bloc, the ALBA (*Alternativa Bolivariana para las Américas*).

It could be argued that the geopolitics of smallness and the strife to position themselves as something other than metropolitan backyards, compelled Caribbean political and economic leaders to look to regional cooperation mechanisms. In this sense the creation of the ACS in 1994, was to provide an arena for building common ground, beyond immediate economic concerns. The ACS, however, has not fulfilled its promise and has limited its endeavors to specific areas such as transportation, sustainable tourism and natural disasters (ACS 1994, 1999).⁹

ECONOMICS

Within this contradictory spectrum, the threat of marginalization from trade blocs and initiatives has fostered a drive towards intra regional alliances. The larger economies of the region are promoting regional initiatives for economic cooperation. CARICOM, the CACM, and the DR-CAFTA have already been mentioned. Aside from those, there two new and complementary initiatives: Petro Caribe and the ALBA. Petro Caribe, offers to finance Caribbean oil imports at concessionary rates of one to two percent for 20 years. Complementing this specific initiative, Venezuela is to promote the ALBA, as an alternative to the Free Trade Area of the Americas, headed by the United States. The ALBA is a controversial economic cooperation initiative based on the principle of balanced or equitable trade and allows for barter agreements and subsidies to promote economic development. The ALBA has attracted few members or affiliates (Nicaragua, Dominica, Antigua, Cuba, Bolivia, Haiti and Venezuela), as it is ideologically identified with a political project dubbed twenty first century socialism.

Regional cooperation is also taking place at the level of the private sector. Regional transnational corporate groups are emerging and thriving throughout the region linked to business such as tourism and transportation. The TACA group in Central America and the Superclubs in the Caribbean are examples of this tendency.¹⁰

Trade liberalization and economic exchanges in the Caribbean are not limited to transnational corporations or regional government-promoted initiatives. There are transborder economic and social exchanges through out the region. Small merchants and enterprises move a region-wide network of trade in crafts and other goods. This trade is driven by individuals, often women that travel buying and selling throughout the region. This popular trade links are not new they date back to the smuggling traditions of Corsairs and Privateers. Today, however, traveling traders known as *higglers* or *madame Sara's* tour the Caribbean with bags full of commodities that could be considered technically as "contraband." From personal care goods and apparel to laptop computers and ipods, there is a renewed vigor to informal inter island trade in the Caribbean (Cf. Morales Carrión 1971; Quiñones 1997).

CULTURAL AND HISTORICAL FACTORS

It can be argued that the basis for the cultural industry that has flourished in the Caribbean is the afro-Antillean tradition. From salsa to reggae to the newfangled "reggaeton," music has been traditionally an integrationist force. Afro-Antillean tradition is, as it was said in the beginning, the rhizome that spreads horizontally in various directions

unexpectedly producing a Caribbean rhythmic complex. This common substratum of Caribbean popular culture provides the fulcrum of any project of Caribbean unity. The African Diaspora in the Caribbean provides the basis of a cultural industry that is thriving with the growth of tourism.

The zouk of the French Caribbean and the Calypso of “The Mighty Sparrow” from the English-speaking Caribbean may be hardly known in the Hispanic Caribbean but all of these rhythms find themselves labeled as Caribbean or Tropical music in the tourist capitals of the region: Nassau, Philipsburg, San Juan, or Charlotte Amalie, to mention only a few. The growth of tourism and regional migration has spread Caribbean cultures. Caribbean rhythms have traveled and continue to travel throughout the region following migration. Puerto Rican “bomba” is the Creole’s Caribbean belle dance and reggaeton is the “syncretic” product of Marleys reggae, rap and hip hop. Salsa, reggae, zouk and merengue meet and redefine themselves in this migratory path.

The mistrust of Hispanic, English-speaking, French and Dutch elites contrasts with the meeting of peoples and cultures through the migration experiences of the working classes. In Puerto Rico, for example, in the 1980s and 90s, before the emergence of reggaeton, Dominican merengue became the popular music of choice. Such was the influence of migrants from the neighboring country in popular culture.

In historical and cultural terms, a Caribbean identity can be conceived as a set of overlapping circles. The segment of the surface of each circle that overlaps (music, cuisine, religious beliefs, etc.) constitutes the building bloc of a Caribbean identity. It is argued, further, that this “cultural core” is provided by the Afro-Antillean Diaspora traditions. The shared, yet diverse, experience(s) of slavery and plantation are the basis of the cultural bond captured in Walcott’s affirmation, the driving force behind the “emotional federation.”

Conclusion

The push towards trade liberalization and economic openness has had and adverse impact on the small economies of the Caribbean. The threat of economic marginalization and decline, has rekindled the drive for regional integration. CARICOM and the CACM resurged as necessary institutions for economic development. The philosophical and institutional basis of the new integrationist doctrine, however, shifted from regional economic coordination and cooperation to regional liberalization of trade and investment and competition. The market, rather than governments drive the emerging process of regional integration. Integration is seen as the opening of a regional space for the competition

of private regional and transnational corporations, rather than cooperation and planning of common economic strategies.

The question that emerges is whether regional trade liberalization constitutes economic integration. Especially given the fact that the unrestricted mobility of goods, services, capital and technology is not matched by the mobility of peoples. Migration continues to be restricted by legal and political constraints. A further question arises as to whether Neoliberal models of economic integration, i.e. regional FTAs that configure trading blocs, promote integration or simply create supranational conditions for corporations take advantage of regional social disadvantages such as low wages, lax environmental rules, etc.

Clearly, neoliberalism questions traditional views of economic integration. Is regional integration desirable or sentimental utopia? Is it relevant in a globalized world where economic deregulation is the new dominant paradigm?

The proliferation of regional FTAs such as MERCOSUR, NAFTA, CARICOM, CACM, DR-CAFTA, etc, indicate that there are new modes of economic integration. The traditional geopolitical views about regional integration are obsolete. A paradigm shift is called for.

The analysis of the integration experience in the Caribbean suggests that the basis for achieving a durable and structurally deep regional integration go beyond traditional technocratic designs such as customs unions and free trade agreements. Regional economic agreements are important building blocs but regional integration may require the development of complex institutional and normative frameworks. That is, in a context of geopolitical, economic, historical and cultural heterogeneity, such as the Caribbean, regional integration may require the construction of a political project of integration that includes the construction of a shared regional identity.¹¹ Put another way, regional economic integration necessitates the construction of a shared political and cultural identity, as well as coherent institutional, normative and economic framework. Until these common regional frameworks are developed and aligned, integration will not materialize in the Greater Caribbean beyond the traditional cultural and linguistic regions.

Notes

- * This article is a revised version of a paper presented to the Second International Seminary of the Cátedra de Estudios del Caribe, University of Havana, Cuba, January, 5-8, 2006. A version in Spanish appeared in *Temas*, 52, septiembre-diciembre de 2007, pp. 4-17.

- ¹ The first regional economic community in post WW II Europe was the European Coal and Steel Community created by the Treaty of Paris in 1951, as a common market for coal and steel and integrated by France, Germany, Italy, Belgium, Luxembourg and the Netherlands. This was followed by the Treaty of Rome, signed by France, West Germany, Italy Belgium, the Netherlands and Luxembourg on March 1957, establishing the European Economic Community. These two are the precursors of the contemporary European Union. In 1960, the European Free Trade Association was created as a trade bloc as an alternative to the European Economic Community. For a comprehensive account of economic blocs and agreements in the post WWII world see Aponte García and Álvarez Swihart (2002).
- ² The dates of the creation of the pacts are drawn from the websites of the respective associations except for the Latin American Free Trade Association which became the Association for Latin American Integration (ALADI) in 1980. Cf. Asociación Latinoamericana de Libre Comercio, <http://www.canalsocial.net/GER/ficha_GER.asp?id=5175&cat=economia>; Secretariat for Central American Economic Integration, <<http://www.imf.org/external/np/sec/decdo/sieca.htm>>; Andean Community, <http://www.comunidadandina.org/ingles/quienes/brief.htm>; CARICOM, <http://www.caricom.org/jsp/community/community_index.jsp?menu=community>.
- ³ It is interesting to note that there is no gentilic noun for Caribbean in the Francophone or Anglophone Caribbean. As a rule, people from the English speaking Caribbean describe themselves first with the gentilic of their country of origin, Kittisian, St. Lucian, Trinidadian, etc., then as West Indian, but never or rarely as Antillean. In the Hispanic Caribbean, *caribeño* is used as the gentilic for Caribe (Caribbean). People from the Hispanic Caribbean describe themselves first national by national origin—Cuban, Dominican—then as Latin American, and then Antillean or Caribbean (*caribeños*).
- ⁴ The Caribbean group that is part of ACP is known as CARIFORUM and includes CARICOM members plus the Dominican Republic.
- ⁵ The Neoliberal project of trade liberalization anchors its view of economic growth on the Ricardian principle of “comparative advantages”. That is, international free trade—economic openness—is mutually beneficial to all countries those involved in international trade, as long as they produce and trade those goods for which they have a comparative advantage. These comparative advantages, originally thought to be provided by natural endowments (climate, soil, dexterity of people) today are also complemented by social factors

that affect cost such as low salaries, absence of trades unions, tax and duties exemptions and tolerance to lax corporate responsibility towards the environment and labor. In this sense, comparative advantages may amount to “social disadvantages” for the less developed countries.

- ⁶ At the 2001 CARICOM summit in Nassau, Bahamas, Mexican President Vicente Fox underscore the asymmetries by offering to double Mexico's technical aid to the Caribbean. In doing this, not only did he accentuate the technical differences between Mexico and the small economies of the Caribbean but also situated Mexico in the position of the economic “North” of the hemisphere.
- ⁷ See the list of Central American FTAs on the website of the Secretaría de Integración Económica Centroamericana (SIECA) <<http://www.sieca.org.gt/site/Enlaces.aspx?ID=003003>> (02/29/08). See also the CARICOM Secretariat website on negotiations for an FTA with Central America, <http://www.caricom.org/jsp/pressreleases/pres177_07.jsp>, and negotiations with the EU on an EPA <http://www.caricom.org/jsp/pressreleases/pres227_07.jsp> (02/29/08).
- ⁸ Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Dominica, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Dominican Republic, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, Surinam and Cuba.
- ⁹ The new Secretary General of ACS Luis Fernando Andrade Falla emphasized this focus on his inauguration. See the ACS website, <http://www.acs-aec.org/PressCenter/NewsReleases/2008/nr0092008_en.htm> (03/25/08).
- ¹⁰ The Taca Group <www.taca.com/esp/oabo/oabomai.asp> is based in El Salvador, and Super Clubs in Jamaica <superclubs.com/aboutus.asp>.
- ¹¹ The notion of “political project” is a construct defined as a set of political, social and economic principles, interests, preferences, values, and goals articulated by sociopolitical coalitions (social actors) that aspire and compete for shares of political power in a society. In this case it refers to regional or transnational groups (sociopolitical coalitions) competing for shares of regional power.

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