

Sub-Regional Governance – the OECS experience
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The countries of the OECS are now at the crossroad of their political and economic history as they grapple with fundamental developments in the domestic, regional and international environments.

The complex changes which are taking place in the structure of the international economy that are a result of major technological and institutional developments and the vulnerabilities felt by critical sectors within developed and developing countries have set the stage for a substantial reordering of the international system.

This reordering will have a significant impact on all the states in the international system and in particular the small and the vulnerable.

In order to successfully come to grips with these circumstances the role of the state and of institutions and groups within the geographic confines of nations and regions will have to be substantially redefined.

The concept of governance in its various manifestations will have to be appropriately fashioned to allow nations and regions to respond strategically to these new and complex circumstances.

The OECS countries recognised this need under different circumstances two decades ago when faced with the necessity to confront the fact of their existence in a fluid regional and international environment with very limited resources. The result of their contemplation and reflection was the Treaty of Basseterre 1981 which brought into being the Organisation of Eastern Caribbean States.

The preamble to the Treaty is very revealing of the sentiments and circumstances of the political leaders and their countries at that time. They affirmed their determination to achieve economic and social development for their peoples as enunciated in the Agreement establishing the East Caribbean Common Market. A critical assertion was that they were inspired by a common determination to strengthen the links between themselves by uniting their efforts and resources and establishing and strengthening common institutions which could serve to increase their bargaining power as regards third countries or groupings of countries. The final part of the preamble expresses a determination to satisfy the legitimate aspirations of their peoples for development and progress.

These sentiments were expressed when the progress in regional arrangements at the wider regional level seemed to have ground to a halt with the Heads of Government of CARICOM not having met for many years; there was political instability and ideological pluralism in attendance given the events in Grenada; and there was a major world recession following the oil crisis of 1979. The countries of the sub-region were also feeling the effects of several major hurricanes.

The prospects for these extremely small countries seemed quite dim and they felt rejected by the failure of the many efforts at political integration in which they were abandoned first by Jamaica and Trinidad and Tobago, and then Barbados.

The Treaty of Basseterre was the formal expression of arrangements which were in train for the mid 1960s as the countries of the Windward and Leeward islands drew closer together in critical functional areas while they decided on their constitutional future.

The arrangement in the interim, Associated Statehood with the United Kingdom, was a half-way house, giving the countries a chance to contemplate and reflect on future constitutional arrangements. While independence was the ultimate goal, the path to it offered two choices. Firstly, a joint declaration by all states which would have provided them with the opportunity to write their own constitution so to speak, or alternatively, singular independence which required negotiations with the British.

One can only speculate that the British had given a careful reading to Arthur Lewis' "The Agony of the Eight" in which he asserted that good governance superseded economic benefits in the integration of very small societies. The following quotation from the article is quite explicit:

"In a small island of 50,000 to 100,000 people, dominated by a single political party, it is very difficult to prevent political abuse. Everybody depends on the government for something, however small, so most are reluctant to offend it. The civil servants live in fear; the police avoid unpleasantness; the trade unions are tied to the party; the newspaper depends on the government for advertisements, and so on."

Independence constitutions of the individual countries have been very rigid and extremely difficult to amend and human rights have been carefully written into them. This however, could not and did not prevent abuses as the case of Grenada so dramatically and traumatically illustrated.

The Treaty of Basseterre was an attempt to put in place arrangements which spoke to an extremely high level of functional cooperation, the establishment of critical mass and the capacity to negotiate effectively with third parties in order to provide the citizens of these countries with a higher standard of living.

The purposes of the OECS as laid out in the Treaty give a clear indication as to the wide scope of its functions. Article 3 (i) states that the purposes are:-

- (a) to promote cooperation among the member states and at the regional and international levels having due regard to the Treaty establishing the Caribbean Community and the Charter of the United Nations.

- (b) To promote unity and solidarity among the member states and to defend their sovereignty, territorial integrity and independence.
- (c) To assist the member states in the realisation of their obligations to the international community with due regard to the role of international law as a standard of conduct in their relationships.
- (d) To seek to achieve the fullest possible harmonisation of foreign policy among the member states: to seek to adopt as far as possible common positions on international issues and to establish and maintain wherever possible, arrangements for joint overseas representation and/or common services.
- (e) To promote economic integration among member states through the provisions of the Agreement establishing the East Caribbean Common market.
- (f) To pursue the said purposes through its respective institutions by discussion of questions of common concern and by agreement and common action.

From the preamble and the purposes emerge a view of the undertaking which is wide in scope and detailed in its workings. There is a scope of governance which straddles both the national and the sub-regional. This is clearly confirmed by a review of Article 3(2) which identifies seventeen areas in which member states endeavour to coordinate, harmonise and pursue joint policies. For purposes of classification we have categorised them into five basic areas as follows:

- 1. Law and Order
- 2. Foreign Affairs
- 3. Public Administration
- 4. Management of human and natural resources
- 5. Economic cooperation

A detailed outline follows:

- 1. LAW AND ORDER
 - (a) The Judiciary
 - (b) Mutual Defence and Sovereignty
- 2. FOREIGN AFFAIRS
 - (a) External relations including overseas representation
 - (b) Trade agreements and external economic relations
 - (c) Financial and technical assistance from external sources
 - (d) International marketing of goods and services including tourism
 - (e) External transportation and communication including civil aviation
- 3. PUBLIC ADMINISTRATION

- (a) Public administration and management
- (b) Audit
- (c) Income tax administration
- (d) Customs and excise administration

4. MANAGEMENT OF HUMAN AND NATURAL RESOURCES

- (a) Tertiary education including university
- (b) Scientific technical and cultural cooperation
- (c) Matters related to the sea and its resources

5. ECONOMIC COOPERATION

- (a) Economic Integration
- (b) Currency and central banking
- (c) Statistics

While all of these provisions have not been implemented, a significant number of them have been instituted in areas which are fundamental to the formation of the state - The Judiciary, Mutual Defence and Security, Currency and Central Banking, Overseas Representation.

In fact it could be claimed that if all the provisions of the Treaty of Basseterre and the East Caribbean Common Market were implemented it would lead to the creation of a new state. As it is, the workings of the OECS resemble very much that of a confederation in practice.

This is a critical factor, given the definition of governance that we would ascribe to, which is: *“Governance is the exercise of political, economic and administrative authority in the management of a country’s affairs.”*

“Country” in the case of the OECS is defined as member states as well as the collective arrangement. In analysing this geographical domain it is critical to examine the main elements of government, that is, the legislative, the executive and the judiciary as well as the application of laws, regulations, policies, programmes and projects to the domain.

In the case of the legislature there is no sub-regional body to which legislators are elected. However, legislatures have been required to pass laws ceding sovereignty to regional institutions as well as passing uniform laws across the domain.

With respect to the executive, the OECS Authority is the main political decision making body as it comprises Heads of Government, that is, Prime Ministers and Chief Ministers. This body has real executive decisions to make such as the appointment of the Chief Justice,

responsibility for the financing of the Secretariat, appointment of foreign representatives, approval of policies and projects.

The Judiciary is an OECS responsibility with respect to the Court of appeal and the High Court while the magistracy is local.

With respect to the economic policies that apply across the OECS, the following can be stated:

- (a) Monetary policy is collective across the OECS
- (b) Fiscal policy is applied at the national level
- (c) Trade policy is undertaken nationally, sub-regionally, and regionally.

The OECS has a wide range of projects in solid waste management, natural resource management, education reform, procurement of pharmaceuticals.

In the regulatory sphere, there is the Directorate of Civil Aviation and the Eastern Caribbean Telecommunications Authority, ECTEL, and the Uniform Banking Act. From the above, it can be seen that there is a super structure of governmental functions at the OECS level which are critical to the governance of OECS member states. One can identify clear political structures and institutions at the OECS level which impact directly on the governance of these countries. At the higher level would be:

- (i) The OECS Authority of Heads of Government
- (ii) The Monetary Council of the Eastern Caribbean Central Bank
- (iii) The Council of Economic Ministers with responsibility for Trade and Development.

At another level there are the meetings of the sectoral ministries, for example Health, Education and Agriculture.

The OECS Authority can be considered to be a quasi Cabinet with portfolios being assigned to various heads of government.

The Monetary Council is a very interesting institution as monetary policy is a sub-regional as opposed to a national responsibility. The Council can set interest rates, change reserve requirements, declare the parity of the currency, and alter the backing of the currency. The large majority of members of the Council are also Ministers of Finance in their individual capacities and so in order to achieve monetary policy goals there has been a convergence of fiscal policy.

The Economic Affairs Committee deals with trade and development issues and attempts to bring together these policies into a coherent whole before the OECS interfaces with CARICOM and the rest of the world.

The OECS countries with the reality of having a monetary union and a common judiciary can claim to have achieved a very high level of integration and functional cooperation. The question then would be, how has this enhanced governance or the prospects for increased good governance? The answer lies in the increased capacity to fulfill the states' functions efficiently and effectively and the checks and balances and objectivity that counteract the dangers Lewis saw in small states outlined above.

There are a number of critical elements which have to be examined that range from:

- (a) the expectations and needs of domestic populations.
- (b) The capacity and objectivity of sub-regional/OECS arrangements
- (c) Regional and international obligations, standards, and surveillance arrangements.

There are broader and more fundamental issues which characterise good governance aside and apart from efficiency and effectiveness. The concept of good governance following the Commonwealth Secretariat is a concept which comprises the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences. They go on to say that good governance addresses the allocation and management of resources to respond to collective problems, it is characterised by PARTICIPATION, TRANSPARENCY, ACCOUNTABILITY, RULE OF LAW, EFFECTIVENESS AND EQUITY. Governance includes as its major actors, the state, the private sector and civil society.

The state functions to create a conducive, and legal environment. The private sector functions to create increased economic activity, jobs and income. Civil society facilitates political and social interaction, mobilising groups to participate in economic, social and political activities.

In the OECS there are four elements which have been identified as having an important influence on good governance.

1. Democracy
2. Fundamental rights and freedom
3. Rule of Law
4. Public sector management.

The OECS countries have practised liberal democracy since adult suffrage and subsequently independence. Elections have been free and fair and governments have changed with some frequency. Fundamental rights and freedoms have been enshrined in our constitution and have been respected in most cases.

The rule of law has been respected in our jurisdiction, but the efficiency of the administration of justice must be addressed with some urgency. Public sector management is the most critical area which will have a tremendous impact on growth and development, and by extension on good governance. A recent World Bank Report came up with the following conclusion. It

stated, "Given the enormous challenges faced by OECS countries, it is likely that without major reforms the public sector may not be able to:

1. Effectively represent national interests in the increasingly complex international arena.
2. Provide the proper guidance and environment or the service quality needed for private sector development.
3. Develop and implement enlightened domestic policies for different sectors.
4. Make optimal use of extremely limited resources to meet rising citizen expectations.
5. Respond effectively to the fast paced, less forgiving external environment.

The governments of the OECS have responded to domestic pressures in the areas of increased expectations and the need for transparency by increasing public expenditures and establishing fora for public interaction.

On the external front, the range of surveillance mechanisms is extremely widespread and are stretching the administrative and technical capacity of these states. There are IMF Article IV consultations, the FSF, the FATF, the OECD, Amnesty International, Green Peace, Transparency International, etc.

The nature of the environment in which the OECS currently finds itself will seriously challenge its capacity to manage not only its domestic arrangements but its regional and international relations. The capacity for economic development will depend on the presence or absence of good governance and good governance, will be affected by economic growth and development.

The possibilities for a successful achievement of the objectives of the Treaty of Basseterre and its aspirations for its people will depend on the political arrangements which can expand the range of choices and options that can be derived from such arrangements. Given the current challenges and the success of the institutional arrangements in place, it would not be surprising if the possibilities for good governance and development cannot be attained without the advent of new political forms. These will require three things which are the embodiment of governance, namely; political will, societal consensus and technical capacity in both the public and private sectors.