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**The Caribbean Regional Integration: What  
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At the time of the globalization of exchanges led by the World Trade Organization (WTO), the increasing formalization of free trade areas is expected on a regional scale. The paradox is only apparent because the free trade areas constitute as many "areas", of variable size, which will be integrated at the proper time in the multilateral dynamics of the exchanges.

From this prospect, the America-Caribbean sector, also includes many regional organizations with a vocation of economic integration: NAFTA, MERCOSUR, Andean Community, Central American Common Market, Group of Three, CARICOM, OECS as well as the recent Association of Caribbean States (ACS).

The Association of Caribbean States seems a space hinge between the NAFTA and the common markets of Latin America. For this reason, although proceeding from an internal will to the area, the ACS falls under the intention of the United States to create, by the year 2005, a free trade area on the scale of the western hemisphere in its totality, "from Terra del Fuego to Alaska": the Free Trade Area of the Americas (FTAA).

The Association of Caribbean States, which will be in the center point of this analysis, remains currently heteroclit perhaps even baroque gathering of States and territories. Its operational budget is quite modest with regards the ambitions it displays. Does it have to be considered so much as an additional association in the concert of the regional organizations orchestrated in increasing spheres in the Caribbean?

On the contrary, is it not likely to cooperate or integrate traditionally isolated countries like the Dominican Republic, the Republic of Haiti, Panama and especially Cuba?

Does it not offer a real insertion opportunity for the French

Departments of America (FDA) which were always excluded from the local organizations?

In this case, which role can France play through its FDA in the Caribbean-Latin American area?

### **The Caribbean basin: an area historically turned towards the regional cooperation**

Surely the geographical fragmentation of the Caribbean area is doubled by a dispersion of the political and economic forces. The small size of the Caribbean market, national interests as well as the similarity of the structures of production and thus a lack of complementarity, reinforce the logic of competitiveness between islands. In addition the exiguity of the territory, constitutes a severe handicap to economic integration. In fact, the prospects for intra-regional trade cooperation are truly restricted and do not constitute a real alternative to the economic development. North-American and European markets remain for the time being, vital outlets to exports of the islands of the area. As far as trade is concerned, the only immediate advantage of a larger regional consultation is the setting up of pressure groups, powerful enough, to maintain some privileges on the foreign markets; sugar and especially banana production are obvious examples. Though, the WTO decision for banana production seems irrevocable

Besides, the various Spanish, English, French, Dutch speaking groups have their own social, political, administrative, academic and indeed linguistics structures. This recess by "colonial" entity causes problem when regional cooperation on the scale of the Caribbean is to be dealt with. Thus, these groups are unequally members of the existing regional organizations (Table 1).

In spite of what has been previously stated, the progress carried out in the regional cooperation is noticeable and will continue in the future. Indeed, the Caribbean does not avoid the heavy world tendency of regrouping States and territories of a same geographical area. This purpose of economic integration goes beyond the cultural and political requirements.

Generally, "the secular dependence has constrained the micro-States

to be integrated or joined within the framework of inter-official organizations of cooperation" (Blerald, 1986: 30). In the case of Caribbean, aiming at regional integration will last but experience which has been gained over centuries is beneficial.

From this point of view, the Association of Caribbean States gathers, on paper, all countries of the Caribbean basin.

To seize the potential content of the Association of Caribbean States, some elements on the past experiments of cooperation and federation should be pointed out. The methods and the objectives of the former regroupings vary according to the groups of countries.

Thus the **English**, in order to reduce the costs of management and operation of their colonies, tried as early as the XVII<sup>th</sup> century to confederate the territories of Caribbean, from British Honduras to Guyana and from Jamaica to the Lesser Antilles. Until the early 60s these attempts at integration were driven by political union. Those unions were the Federation of the Windward (1674-1798), followed of a new Federation of the same islands from 1871 to 1956 then of the Federation of the Leeward and Barbados (1833-1885). The brief Federation of the West Indies from 1958 to 1962 can also be mentioned as well as its *alter ego* in the small islands: the Federation of the Lesser Antilles (1962-1965).

These experiments at political union were not realistic because too many physical and ideological constraints opposed them. Therefore, it is difficult to make an economically and geographically scattered space coherent.

The accession to independence of the majority of the islands and territories combined with the developmentalists theories of the politicians and the West-Indian economists generated new institutions aiming at economic integration and no longer politics. After various trials, two of them operate nowadays: the OECS since 1981 and the CARICOM since 1973 (Table 1). The latter gathers all English-speaking States except the dependent territories which are variously associated with it.

The **French Departments of America** (FDA), after a troubled history for several centuries, appear today in the form of a marginal group on the insular scene of the Caribbean. They constitute, since

their assimilation with the French metropolis (1946) and the European Union, the most integrated group of territories in a structured system. The corollary of this assimilation without restriction (or almost) was to isolate them from the rest of the Caribbean area in a significant way.

In the federation of the **Dutch West Indies**, the strong return of particularisms requires even more the existence of a solid economic basis to build a political federation particularly in an insular environment characterized by territorial fragmentation of the various entities making up the group. Thus, since the withdrawal of Aruba (1986), serious economic problems have challenged the legitimacy of its 200 year old political union. In the same way, Curacao and St Maarten seek to pull out because they no longer want to sustain the North islands (Saba, Statia and Bonaire), with economies in deficit.

At last, for the **Spanish-speaking community** of the Caribbean basin (Table 1), things are different because these countries have been independent for long. The experiment of regional integration is quite real for the countries of Central America (except for Panama) which have been gathered within the Central American Common Market (CACM) since 1960. The recent constitution (1992) of the Group of Three, which managed geographically the CACM, proves the will of Venezuela and Colombia<sup>1</sup> to turn more to "North " than "South" through the Andean Community<sup>2</sup>. Surely, the potentiality of the North-American market carries at the moment more economic outlets for Venezuela and Colombia than the Andean countries. Thus, these two countries prepare their future insertion in the FTAA or at the very least reinforce their capacity of negotiation for this integration.

In the same way, the Group of Three is moving closer towards the insular Caribbean. This move is in line with a similar point of view although of second importance: to widen their zone of influence, to increase their outlets for trade and to carry out possible investments in the zone and in particular in Dominican Republic and Republic of

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1. Mexico on its own signed in January 1991 an agreement to establish an economic free trade area with the members of the Central American Common Market

2. The difficulties of operation of the Andean Community but also of the Latino-American Association of Integration (ALADI) and of the Group of Rio corroborate the idea that the impulse for the creation of a free trade area between the Americas comes from " North ".

Haiti. Besides, Venezuela, Colombia and Mexico are members of the Caribbean Development Bank (CDB) and observer members of the CARICOM (Venezuela is likely to become adherent shortly).

It remains that Cuba, Panama and the Dominican Republic are not, for well known political reasons, integrated or associated with any of the regional organizations including the Spanish-speaking members.

Considering the previous elements, the Caribbean region could reasonably support a role of pivot and a geographical *continuum* between North America and Latin America. If an economic and political recentring is possible, the Caribbean may take advantage of it by the implementation of the Association of Caribbean States.

Table 1  
States and territories of Caribbean in the regional cooperation

	Independent States	Dependant Territories *	DOM **
<b>Economic Organizations of Regional Cooperation</b>			
ACS Association of Caribbean States	<ul style="list-style-type: none"> <li>• Members of CARICOM</li> <li>• Members of the Group of Three</li> <li>• Members of the Central American Common Market as well as Cuba, Panama Dominican Republic</li> </ul>	Anguilla, Bermuda British Virgin Islands Cayman Islands Montserrat Turks and Caicos Islands Puerto Rico US Virgin Islands Netherlands Antilles Aruba	Guadeloupe Martinique French Guiana
CARICOM Caribbean Community and Common Market	<ul style="list-style-type: none"> <li>• Members of OECS as well as Bahamas, Barbados Belize, Jamaica, Guyana Republic of Haiti, Suriname Trinidad &amp; Tobago</li> </ul>	Montserrat	Observer Members
OECS Organization of Eastern Caribbean States	Antigua & Barbuda, Dominica, Grenada St Kitts & Nevis, St Vincent & the Grenadines, St Lucia	Montserrat	None
Group of Three	Colombia, Mexico Venezuela	None	None
CACM Central American Common Market	Costa Rica, Guatemala Honduras, Nicaragua El Salvador	None	None

\* British Antilles ; Netherlands Antilles ; Aruba ; Puerto Rico ; US Virgin Islands

\*\* FDA = French Departments of America

### **The Association of Caribbean States: a new deal?**

The Association of Caribbean States was created in an economical and political environment through fast change for the States and territories of the Caribbean basin: ratification in 1994 of the North-American Free Trade Agreement (NAFTA), so that Mexico, which supplies a workforce five to six time less expensive than the United States, diverts partly the foreign investments and receives the subsidiaries of the transnational companies; implementation since 1995 of the World Trade Organization (WTO); questioning of the commercial protocols of the Lome Convention for sugar and banana; adhesion of two "heavy duties", the Republic of Haiti and the Dominican Republic, with this convention (Lome IV); enlargement of the European Union and emergence of the Eastern European countries; overall disappointing economic performances within CARICOM whereas at the same time Caribbean Basin Initiative benefits more to the United States exports towards the Caribbean than the other way around; significant regression of the intra-regional trade within the Common Market of Central America and the CARICOM; precarious return of the democracy in the Republic of Haiti; policy of opening in Cuba.

In this context the West Indian Commission recommended, as early as 1992, the creation of the Association of Caribbean States including the English-speaking and Spanish-speaking elements, as well as the continental States of the Caribbean Sea.

This way, the commission echoes the Enterprise for the Americas Initiative (EAI, ratified in June 1990) of president Bush who in particular proposed "the installation of a free trade commercial area between all the countries of America". Probably aware of the danger which the NAFTA represents right now (Chile, Jamaica and Trinidad-Tobago are candidates there), the conference of the heads of government of the CARICOM adopted as of October 1992 the proposal of the West Indian Commission. The things were specified a few months later, in May 1993, at the time of the second ministerial conference of the CARICOM and the Central America during which the Ministers for the two sub-regions declared in favour of the ACS.



The summit of October 1993 including the presidents of the Group of Three, the heads of State and government of the CARICOM and the president of Suriname confirmed the same proposals for the creation of the ACS.

The hesitant CARICOM, in spite of its contradictions and its low economic results, is starting a policy of opening of its community to non English-speaking members to give more economic and political weight to its decisions. This process of enlargement was started by the joining of Suriname in February 1995. It continued with the Republic of Haiti entering in July 1997, with a nation of almost 7 million inhabitants, which doubles the population of the CARICOM. The negotiations for a free trade agreement with the Dominican Republic fall under this same dynamics, although the acknowledged ambition of the Dominican Republic is to establish the link between the CARICOM and the Central American Common Market. Lastly, the CARICOM tends to move towards South America since talks relate to a protocol of free trade with the four countries of the Andean Community<sup>3</sup>, Venezuela being at the top of the list.

This expansionist policy indicates growing concerns of the CARICOM with regards the progress of the implementation of the Free Trade Area of Americas (FTAA, decided in Miami in December 1994 during the summit of the Americas) which is likely to sweep the last trade advantages it granted. Currently the CARICOM and even less the OECS are not in position to influence the methods of the future FTAA. All the more so since the multiplicity of the preparatory meetings penalizes the small States limited in their financial means and human resources. In parallel, the renewal of the Lome Convention, by the year 2000, is also source of negotiations and expenditure.

The Association of Caribbean States potentially gathers 25 countries "full members" and 12 dependent territories "associate members" (refer to table 1 and map 1), i.e. all the States and territories of the Caribbean Sea and Gulf of Mexico to which are added Guyana, Suriname and French Guiana. The United States is not a member of the Association and thus distance their "back-yard" with which they do not obviously share economic or political worries. Accordingly the

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<sup>3</sup>. Peru withdrew from this organization in April 1997.

economic weapon that represents the NAFTA and the future FTAA is far more powerful than the ACS.

Whether they are insular or continental, the members of the Association of Caribbean States differ greatly.

The area and the populations vary, from almost 2 million km<sup>2</sup> for Mexico with a population of 96 million inhabitants to 13 km<sup>2</sup> and 1 200 inhabitants for the territory of Saba. Between these two extremes, there are large countries (Colombia, Venezuela), intermediate countries (Guyana, Cuba, Guatemala, Honduras, Nicaragua, Suriname) more or less densely populated and finally small-sized countries with especially the archipelago of the Lesser Antilles which stretches on more than 1,000 km from Puerto Rico to Trinidad.

Ultimately, the ACS fits geographically in a square of approximately 4,000 km by 3,000 km, i.e. approximately 12 million km<sup>2</sup>. It gathered, in 1997, a population of 226 million individuals, which places it at the fourth world rank of the regional economic zones of the world (after the NAFTA, the European Union and the ASEAN; refer to table 2).

Its economic potential situates it at the fifth world rank with a total GNP of 600 billion dollars in 1997. But here again, the economic situations are not very homogeneous and their evolutions are not steady. For example Bahamas, Martinique or the Cayman Islands are infinitely more developed than the Republic of Haiti, Nicaragua or Honduras.

Geographical and economic fragmentation is added to the variety of political and cultural situations. There is a large dominating Spanish-speaking group (96%), an English-speaking group constituted of many countries and territories but numerically low and very minor French-speaking and Dutch-speaking groups. These various sets present a broad range of governmental institutions which goes from the republican presidentialist system to the various status of dependent territories (British Antilles and Netherlands Antilles) as well as the system of Westminster, the parliamentary republics, the military dictatorships and the overseas departments (French West Indies).

Table 2  
ACS compared to other economic zones in the world

	Members	Population 1997 million	Area km <sup>2</sup> million	Density h/km <sup>2</sup>	GNP 1997. \$ billion	GNP per capita 1997. \$
Association of Caribbean States	25+12	226	5	45	600	2,655
NAFTA (a)	3	394	20,3	19	8,125	20,625
MERCOSUR (b)	4	204	11,8	17	894	4,385
Group of Three (c)	3	156	3,8	41	458	2,935
Andean Community (d)	5	80	3,3	24	162	2,035
Central American Common Market (e)	5	31	0.4	77	39	1,255
CARICOM (f)	14	13	0.5	26	21	1,615
European Union (g)	15	374	3.1	121	8,025	21,455
Japon	1	126	0.4	315	4,995	39,685
ASEAN (h)	9	490	4	115	663	1,353

Sources: compilation of the author from INED (Institut National d'Études Démographiques, France), World Bank, Caribbean Development Bank, Inter-American Development Bank, Centraal Bureau voor de Statistiek.

(a) United States, Canada, Mexico

(b) Argentina, Brazil, Paraguay, Uruguay (associate members: Bolivia and Chile)

(c) Colombia, Mexico, Venezuela

(d) Bolivia, Colombia, Ecuador, Venezuela (Peru withdrew in April 1997)

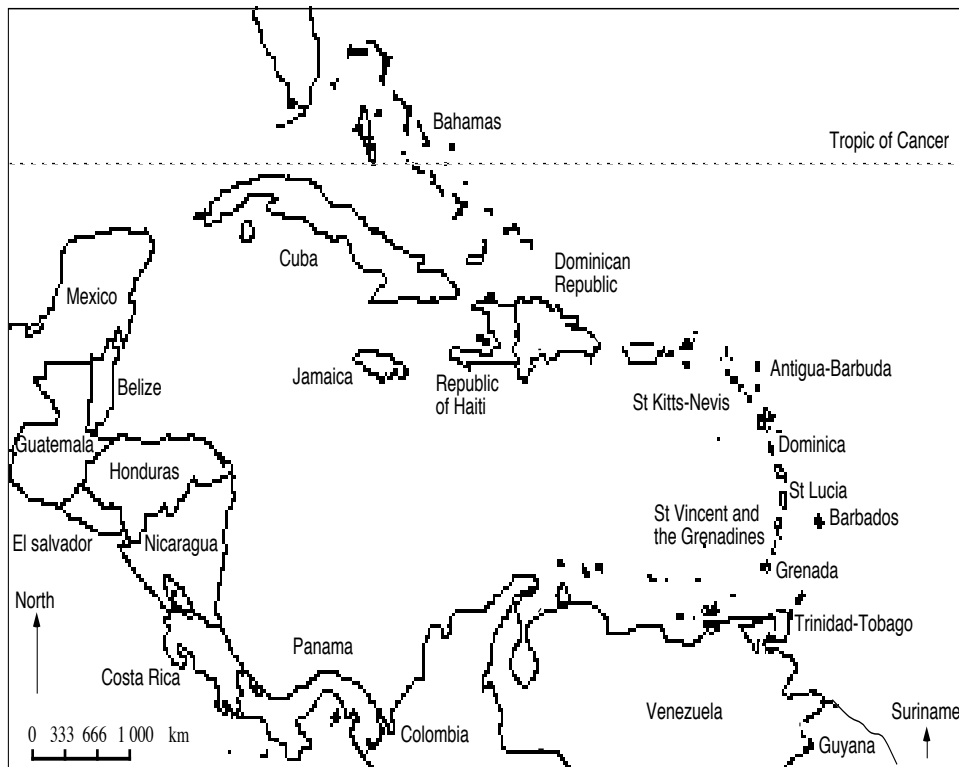
(e) Costa Rica, Guatemala, Honduras, Nicaragua, El Salvador

(f) Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Republic of Haiti, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago

(g) Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom

(h) Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam (Cambodia and Papua New Guinea observer members)

Map 1  
Independant States members of the ACS



### **The Objectives of the Association and its procedures**

In spite of these exceptional conditions of heterogeneity, the constitutive convention of the Association of Caribbean States was signed in Cartagena in July 1994. It became effective in August 1995. All the independent States are to this date members of the ACS<sup>4</sup>. The dependent territories attached to Great Britain, the United States and the Netherlands will be able to obtain, if they wish, the status of associate member. The Netherlands Antilles have applied. France signed the text as an associate member in respect of its departments of

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<sup>4</sup>. In addition, those countries are observer members: Argentina, Brazil, Canada, Chile, Ecuador, Egypt, India, Italy, the kingdom of Netherlands, the kingdom of Morocco, Peru, the Russian Federation and Spain.

America (Guadeloupe, Martinique, French Guiana). The absence of the US Virgin Islands and Puerto Rico at the inaugural summit of the Association, in Port-of-Spain in August 1995, clearly shows that the United States is reluctant to carry out any closer move with Cuba. For the rest, the United States do not seem to be more touched by the creation of the Association which will be used when needed as a take over position for their policy in the Region.

In its preamble and its thirty one articles, the convention that created the ACS states multiple objectives. Here are the major ones:

- to support by economic integration the liberalization of trade, investment and transportation,

- to reinforce the inter-Caribbean economic exchanges, which currently represent a low share of foreign trade of the countries in the area,

- to allow a better coordination of the national policies by acting on cooperation especially as regards tourism, transportation, natural and environmental protection and development of the halieutic potential.

Clearly, these good intentions, which seem quite theoretical and sometimes abstract, do not bring currently anything new when considering that the operational budget amounts to only 1.5 million US dollars for one biennial period. Mexico, Venezuela and Colombia, not surprisingly, each support about 15 % of the whole budget and Trinidad-Tobago approximately 7 %<sup>5</sup>. The Group of Three, in addition to its dominating economic weight in the area, is as priorly stated holding the best position to take benefit from the ACS. Its participation to a total value of 45% of the budget and the designation of Mr. Simon Molina Duarte, a venezuelian national, as secretary general<sup>6</sup> of the ACS confirms this leadership. Through great experience in the CARICOM, Trinidad is politically influent and shelters the Secretariat of the Association in Port-of-Spain.

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<sup>5</sup>. The participation of the other contributors, classified in four categories corresponding to decreasing percentages, does not exceed 3%.

<sup>6</sup>. The Secretary general is elected on the basis of rotation for a period of four years . She/He is the administrative person in charge of the Association.

In addition to the Secretariat, the other permanent organ of the Association of Caribbean States is the Council of Ministers. It includes the representatives of the Member States. Its role is to establish<sup>7</sup> policies and directions of the Association. The Council of Ministers of the ACS will resort, under the terms of the convention of Cartagena, to the procedure of the consensus for the decisions on substantial questions. This procedure should guarantee some flexibility of operation.

The second Council of Ministers<sup>8</sup> took place in Havana in December 1996. It highlights the political will of Cuba and President Castro to be involved in the ACS in order to give a new dimension to its foreign policy, to multiply the economic partners and "to legitimate" its government in relation to the United States. F Castro is indeed warmly acclaimed at each of his interventions at the ACS. It shows, if needed, that Cuba remains the symbol of resistance against the imperialism of the inescapable American neighbor.

For the concrete operations of cooperation, the Council of Ministers established special fund aiming at the financing of research and technical cooperation programs. This fund is made up of contributions provided on a purely voluntary basis by States Member, non members and other entities. A call to open contribution is requested from the two last categories of backers and especially from the traditional organizations of development in cooperation in the Caribbean: the European Union and bilateral assistance of its States Member, the USAID and the system of the United Nations. The rules of operation of this Fund were adopted during the Council of Ministers in Havana. The terms and the methods of contributions will be negotiated by the Secretary General.

To this date, the Association of Caribbean States has shown particularly active in the field of tourism which remains one of the

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<sup>7</sup>. With this intention, the Council of Ministers worked out the following special committees: development of trade and foreign relations; protection and preservation of the environment and the Caribbean sea; natural resources; science, technology, health, education and culture; budget and administration. All the special committees have been able to meet until now.

<sup>8</sup>. The first Council of Ministers was held in December 1995 in Guatemala and the latest was held in November 1997 in Colombia.

driving elements of the economic activity of the States and territories of the Caribbean basin. The creation of a regional fund for tourism development in the Caribbean (FORETUR) was also decided in 1995. This fund will have to obtain financing from international organizations or from private companies. It may not receive, for obvious reasons, contributions from the States Member of the ACS. Similarly, a scheme for education and vocational training in the field of tourism were adopted during the Council of Ministers in Havana.

Looking back over the past three years and in the absence of statistical data, it would be difficult to draw up an economic assessment of the Association of Caribbean States. On the other hand, the Association moves the right way, simply because it exists. For "it is unrealistic to believe that small countries can become competitive while remaining inside restrictive systems based on the non reciprocity" (Gonzales, 1997: 72). In fact, the advantages of the Lome Convention and Caribbean Basin Initiative are more and more restricted and will be reduced with the increasing liberalization of the world trade and the lowering of the advantages of Generalised System of Preferences (GPS). This report is all the more founded since the countries or groups of territories have narrow scale economies.

This applies especially to the French Departments of America (FDA). Since the middle of the Eighties, France multiplies the conferences, the reports of reflexion and the projects of development in order to integrate the FDA in their regional environment by the means of the financing of technical cooperation projects initiated from the three concerned departments. However it seems that the concretization of the Association of Caribbean States took somehow the French authorities by surprise. France must now lead operations of development and diplomatic actions no longer according to the dimension of the under area of the Lesser Antilles but to the scale of the Caribbean.

## **FDA in the Association of Caribbean States: a delicate and limited insertion**

Usually, speaking about the French Departments of America, the intense economic, social, cultural and political crisis which still affects them can be recalled. Actually, many elements which consolidate the FDA in a serious distress are: the structural reorganizations imposed by European integration and liberalization of the world trade exchange<sup>9</sup>; the increase in unemployment; growing social conflicts; the identity crisis of young people who are more and more marginalized facing the rising globalization of economy as well as political stagnation.

The strategies of development advocated by France and the European Union (in particular the POSEIDOM) have been able to this day to avoid social explosion, at the cost of massive financial transfers. But the multiple archaisms inherited from the past and the draw back from the regional scene do not allow the entrance of the FDA in the modernity within the Caribbean space.

With a population of 870,000 inhabitants, the French Departments of America only represent quite a small share of the 226 million people part of the Association. In addition, trade exchanges of the FDA with their partners in the area are very weak. Besides, French is spoken far too little in the neighbouring States to induce a valid factor of integration. Moreover, for statutory reasons related to their assimilation with the French metropolis, the departments of Guadeloupe, Martinique and French Guiana were always excluded from all the regional (CARICOM, OECS) and extra-regional (CBI, CARIBCAN) organizations. This statutory problem which has been highlighted for a long time to justify the isolation of the FDA, was not however a major obstacle to their taking part in the ACS. This participation falls under the desire which the FDA have expressed for several years to develop all kinds of exchanges with their West-Indian neighbours. For example, Guadeloupe and

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<sup>9</sup>. Considering the requirements of the "Fifteen" and of the WTO, the protocols which protect the markets of banana, sugar, rum as well as the tax relief related in particular to the law of tax exemption will not be continuously extended.



Martinique confirmed by multiplying actions in this direction and by organizing on these two islands alternate "Europe/Caribbean Contacts" with major topics regarding regional cooperation.

For the time being, although the general census of the possible fields of cooperation between the FDA and the members of the ACS (and more particularly the members of the OECS) was established and financial means were released, many obstacles remain. Some reasons of structural and cultural nature are related to this obstacles. The structural problems are mainly due to the insufficiency and high cost of transportation as well as administrative procedures, inherited from colonization, which differ between the French islands and the members of the OECS. The major cultural obstacle is the reciprocal ignorance of languages. In the case of the FDA this ignorance is coupled with a reflex, conditioned by centuries of dependence, and which consists in turning systematically towards the metropolis. Lastly, their economic integration in the European Union excludes them, for the moment, from clauses of economic integration planned by the ACS.

Indeed, the stake of the regional cooperation for the FDA is significant because while turning too resolutely to Europe, they are likely to let go the opportunity of their insertion in the Caribbean which is, essentially, their natural framework of opening up.

From this prospect, France has shown for about fifteen years a renewed interest for the Caribbean region. Its actions are based on a diplomatic device of fourteen embassies of France<sup>10</sup>, several consulates, Alliance françaises, commercial, financial and defense consultants, as well as the two missions of cooperation in St Lucia (since 1984) and the Republic of Haiti (since 1973). France takes part in some regional organizations: it is observer member of the OECS and member of the Caribbean Development Bank (CDB)<sup>11</sup>.

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<sup>10</sup>. Colombia, Costa Rica, Cuba, Guatemala, Republic of Haiti, Honduras, Mexico, Nicaragua, Dominican Republic, El Salvador, Saint Lucia, Suriname, Trinidad and Venezuela.

The embassy of Jamaica stopped operating in December 1996.

<sup>11</sup>. France is a non regional member as well as Canada, Germany, Italy and the United Kingdom.

It appears however that the Official Development Assistance (ODA)<sup>12</sup> emanating from the ministries for the Cooperation, the Foreign Affairs and National Education for the Lesser Antilles and the Republic of Haiti has shown a significant drop (French Direction of the Treasury, 1996) since 1990 in particular for the Lesser Antilles. Similarly, the interministerial conference on the regional cooperation<sup>13</sup> had allowed the appointment of an interdepartmental delegate for the development of the regional cooperation in the Caribbean. This delegate managed the Interministerial Fund of Cooperation (IFC)<sup>14</sup> provided with 15 million francs. However, since 1994 the Funds has been lowered to 7 million francs. The interministerial mission was dissolved in 1996 and with it the position of the delegate which, because of his exteriority to the region, was not too well accepted in the FDA. Currently the Prefect of Guadeloupe manages the fund. The role of Mrs. Michaux-Chevry, former Secretary of State for the Human Action and President of the regional council of Guadeloupe, is not irrelevant to her nomination.

Apparently, France seems to have lost, in spite of financial and diplomatic efforts, the individual initiative in the implementation of the processes of regional cooperation in the Caribbean. However it scored by centring its action of Official Development Assistance through multilateral organizations. France obviously prefers working in relation with these organizations and in particular the Lome Convention of the European Union. Unlike Great Britain and Germany which main concern are savings and management, and have therefore decreased their participation in the European Development Fund (EDF), France is involved for a total value of 25% of the 8th EDF (1996-2000). This position of leader among the fifteen countries

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<sup>12</sup>. This ODA is mainly supported by the Ministry of Cooperation through the French Assistance and Cooperation Fund (ACF). The ACF finances various projects which range from rural development to health and social facilities as well as teaching and training, institutional development and cultural actions. The budgets of the Ministry for Foreign Affairs and the Ministry of National Education are negligible when taking into consideration the budget of the Ministry of Cooperation.

<sup>13</sup>. This conference took place in Cayenne (French Guiana) in April 1990. It gathered a broad range of government agencies, high-ranking civil servants and the socio-professionals of the FDA.

<sup>14</sup>. This Funds aims at promoting the insertion of the FDA in their Caribbean environment by actions definitely involving one FDA and other States or territories of the area.

part of the European Union which finance the EDF, provides France with a political weight and credibility in the authorities of the Association of Caribbean States. The instruments of the Lome Convention are truly the first factors of exogenous development in the insular Caribbean<sup>15</sup> of which all the States are members except Cuba. More specifically, financial resources of the EDF allocated to the regional cooperation in the Caribbean have quickly increased for the past twenty years.

To strengthen its position, France deals with 10 % of the total budget of the ACS, which makes it the second financial backer, in relative value, after Colombia, Venezuela and Mexico.

France, after a difficult start, thus appears now well appreciated by the members of the Association of Caribbean States. Signatory in the capacity of "associate member in respect of Guadeloupe, French Guiana and Martinique", it concluded the agreement of association to the ACS. This text was signed on May 24, 1996 in Mexico City by the minister, Mr. Herve de Charette and by his Mexican counterpart, Mr. Angel Gurria. The presence of the French minister stresses the importance given by France in taking part within the Association. Besides, the Secretary General of the ACS, Mr. Duarte, visited France in June 1996 and was received by the French Minister for the Overseas Departments and Territories and various persons in charge of qualified technical administrations as regards maritime and air transport, environmental protection and natural disaster preparedness and relief.

However, to point out its will to leave them room for manoeuvre and initiative in the perspective of their insertion in the Caribbean area, France decided to entrust control of its delegations, to persons in charge of the French Departments of America. France also took into account the will of the three presidents of the region as to appoint one of them to supervise their delegation<sup>16</sup> during the Councils of

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<sup>15</sup>. Among the continental countries of the Caribbean only Guyana, Suriname and Belize are members of the Lome Convention. However the European Union carries out action of technical cooperation and assistance to the project with all the countries of Latin America.

<sup>16</sup>. Indeed the three Presidents of region have created a delegation of the FDA, chaired alternatively by one of them for two years, responsible of adopting provisions with regard to the ACS.

Ministers of the ACS. Similarly, France appoints consultants on site in the FDA, to attend meetings of the special committees, opened to any member of the ACS.

Indeed France succeeded in obtaining for the French language a status identical to English and Spanish, within the framework of the Convention of Cartagena. A project is being studied in Guadeloupe to design a programme of intensive and systematic teaching of French in the Caribbean area. The other possible fields of intervention of the FDA could be articulated around renewable energies, prevention of the natural risks, protection of the environment, specialized trainings and health.

Beyond these few "traditional" possibilities of cooperation, limits of an institutional nature always constitute a barrier to the whole insertion of the FDA in the Association. Thus, the convention of Cartagena stipulates that France takes part in the consensus and the votes, in the Council of Ministers, on the relevant questions but which do not concern the competence of the European Union. Decisions made by the ACS on questions depending on the competence of the European Union, thus do not apply to the FDA. There will be in particular no participation of the FDA in a free trade area as this would go against their membership in the customs area of the European Union.

## **Conclusion**

Success of the Association of Caribbean States will depend on the extent of cooperation and deepening of economic integration that will be reached in the coming years,

Aware of the potentiality of the NAFTA and the Free Trade Area of the Americas (FTAA), the project seems ambitious but also hypothetical.

Moreover, the world liberalization of exchanges will produce loss of interest to the possible trade preferences concluded within the ACS. Concerns are all the more legitimate since the Association does not plan in its convention to carry out a monetary union and even less political. It is true that, the US dollar has been the dominant "single"

currency of the area for a long time.

Anyway, the Association is the expression of the will of 25 countries, close to twice as much as the European Union, to manage their future and fight together in the vast arena of the world economy.

Cultural dimension will undoubtedly play a great role in the cohesion of the Association. From this point of view the FDA, already handicapped by their small economy, can hardly count on their influence or the size of their population to facilitate their insertion in an area which is besides quite heteroclite.

France remains at the time much more concerned by the completion of European construction and the role that it will play there than by the Caribbean region with limited economic and strategic interests.

However it can hope for an anchoring through its FDA, no matter how minor it is in this vast economic free trade area which will constitute Americas in the next few years. The stake is serious and France would like to take, as a European country, a "dominant" position in the Caribbean by occupying the vacant position left by the old colonial powers: the United Kingdom, the kingdom of the Netherlands and Spain

## **Acronyms and abbreviations**

ACF: French Assistance and Cooperation Fund

ACS: Association of Caribbean States

ASEAN: Association of South East Asian Nations

CACM: Central American Common Market

CARIBCAN: Canadian Economic and Trade Development Assistance Programme aimed at the Commonwealth Caribbean

CARICOM: Caribbean Community and Common Market

CBI: Caribbean Basin Initiative

CDB: Caribbean Development Bank

EAI: Enterprise for the Americas Initiative

EDF: European Development Fund

FDA: French Departments of America

FTTA: Free Trade Area of the Americas

GSP: Generalised System of Preferences

IFC: French Interministerial Fund of Cooperation

MERCOSUR: Southern Cone Common Market

NAFTA: North American Free Trade Agreement

ODA: Official Development Assistance

OECS: Organization of Eastern Caribbean States

POSEIDOM: Programme of Options Specific to the Remote and Insular Nature of the French Overseas Departments

USAID: US Agency for International Development

WTO: World Trade Organization

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