

Extended Statehood In The Caribbean ~ The French Départements D'Outre Mer. Guadeloupe And Martinique



Introduction

In 1946, the French Antilles inaugurated a heterodox process of 'decolonization through institutional assimilation'. A long historical movement, initiated during the early periods of colonization, made of rupture and discontinuities but sustained by a universalist ambition, found its ultimate consecration in the so-called *law of assimilation* of 19 March 1946. A new expression - Overseas Department (*Département d'outre mer, or DOM*) - enriched the juridical-political vocabulary, pointing out both the geographical and historical difference as well as the similarity of political and administrative structures with the Départements of the Metropole. Guadeloupe, Martinique, and Réunion located in the Indian Ocean, and French Guiana situated between Surinam and Brazil in northern South America, became part of the 'Four Oldest Colonies'. They were integrated within metropolitan France and have been regarded as European territories since 1957.

Départementalisation is another term used to refer to institutional assimilation, while highlighting the unfinished character of the assimilation process. That notion applies not only to institutions, but also to people, from a juridical and a cultural point of view. **[i]** From a historical perspective, the 1946 *départementalisation* thus achieves the synthesis contemplated by the reporter of the Constitution of the year III (1795), Boissy d'Anglas, **[ii]** stemming from a dual question: is it necessary to implant in the 'Oldest Colonies', independently from the locally expressed will, an administrative system identical to the current one of the mainland (assimilation of institutions)? Is it necessary to extend to the whole population of these colonies an identical system of values and juridical norms as of the mainland, thereby enlarging the circle of members of the 'motherland' (assimilation of people)? Such a colonial doctrine, which originated from the

concept of a unified French State, had the tendency to deny all public expression of identity other than its own, and to marginalise all the others for the benefit of citizen allegiance.

Nevertheless, such a claim that so closely associates legal assimilation and cultural assimilation, is a source of many paradoxes that anthropologists have researched for a long time. Supported by an assimilationist ideal in which deep traces of the Ancient Regime are still perceptible, and fed on a universalist claim that the revolutionary heritage continuously reinforced, the colonial project that ensued was no less than a 'tremendous difference-producing machine'.**[iii]** The bringing together of peoples from extremely diverse backgrounds to form societies - according to a historical trajectory of a most remarkable nature - was a strong factor in the creation of cultural and social spaces which kept the assimilationist dynamic at bay. It is then indisputable that the French colonial device and the French State had long been resistant to any form of cultural and political autonomy. Nonetheless, these forces emerged and did so without strict alignment to metropolitan norms.

Upon closer examination, the processes of the confinement and marginalisation of dominated groups in deliberately unequal frameworks contributed to the emergence of the true identities of these groups; groups for which social equality, inherent to citizenship, could only be achieved through the claim of cultural specificities such as displayed by the negritude of Aimee Cesar.**[iv]** Because of the lack of respect for cultural idiosyncrasies, Aimé Césaire's project tried to reconcile the equality claim with the claims of specificity. Historically, juridical assimilation was far from being a univocal process: the evocative power of this term, whether denouncing its illusive or hoaxing character, or viewed as some sort of logical result, true to the revolutionary ideal, only reflected the extreme complexity of the situation that it claims to designate. That process did not result exclusively from the pressures exerted by the colonial power in the name of the republican myth of emancipation; to a large extent, it benefited from the support of certain social and local categories, and sometimes corresponded to dynamics and demands emanating from the Antillean societies themselves. Today, this results in a 'total system', as Marcel Mauss**[v]** conceived this notion, which clearly interferes in all dimensions - political, economic, social and cultural - of the insular societies. From this point of view, this chapter deals with the following issues:

- 1) political status, central control and local autonomy;
- 2) citizenship, identity, culture and migration;
- 3) economics, employment and welfare;
- 4) education;
- 5) rule of law and democracy;
- 6) crime, international security and diplomacy.

Political Status, Central Control and Local Autonomy

As of 1946, Martinique and Guadeloupe were granted the administrative status of *Département*. All territorial institutions, whether *Municipalité*, *Département*, or *Région*, operate like their metropolitan equivalents. However, the identical nature of political and administrative structures between the overseas *Départements* and their metropolitan counterparts has resulted in creating a *mono-départemental* region[**vi**]: a super-positioning of the two administrative constituencies of the *Département* and the *Région*. The overseas *Départements* are subject to the same rules as their counterparts in mainland France. Nevertheless, in Martinique and Guadeloupe, the Council (of official representatives) of the *Département* maintains specific tax allotments as well as proposal and advisory powers 'adapting legislative and regulatory texts' (the 26 April, 1960 Decrees).[**vii**] By and large, the *Département* is an administrative management unit; its main area of competency lies in rural infrastructure, economic and social endeavors, harbors, middle schools, school transportation and social aid.

The *Région* has power to promote economic, social, cultural and scientific development, and to negotiate a six-year economic scheme ('*contrat de plan*'). It also has powers in matters of vocational training and apprenticeship as well as domestic transportation. Finally, it manages the secondary school system. The *Région's* major areas of action are in agriculture and rural infrastructure, transportation and communication, tourism, economic undertakings, education, and culture.

The political-administrative system is marked by complexity, due to many different levels of administration. This problem is far from been totally solved, despite the premise of 'blocs of competency' as decided by French legislators: each collective body - *Municipalité*, *Département*, *Région* - is assigned a certain number of areas of competency in which none of the other institutions may, in theory, interfere. In practice, however, the overlapping of competencies is reinforced by the coexistence of two locally

elected assemblies, the Regional Council[viii] and the General Council for one single territory, which makes for a conflicting situation and incites the territorial institutions, to compete among each other. Moreover, the social-cultural environment in Martinique induces institutions to confer upon themselves fields of competency, which they consider exclusively theirs.

Hence, not only are there heavy social demands for public intervention but also the small size of the territory puts these institutions at the centre of all debates and propels them to become involved in areas where they do not have recognized competence. Finally, legislative texts have not been able to eliminate situations of competing involvement. For example, the *Région* is an active participant in environment policies and in safeguarding heritage, while at the same time, the *Municipalité* and the *Département* have been assigned to enhance and safeguard heritage. The policy of housing is also shared between the *Région*, in charge of defining priorities concerning housing which may compete for State aid, and the *Département* and the *Municipalité* which also define their priorities in the area of housing and which have the power to set up local housing programs.

However, the law has instituted the principle of a total absence of horizontal supervision; that is to say, no institution may claim to exercise any hierarchical power over the other. But once again, this principle is watered down due to the role of the *Région* and the *Département* in the allocation of subsidies, which confers substantial powers upon the presidents of the regional and departmental councils. They are empowered to negotiate with the mayors whose capabilities depend on those subsidies.

The means of financing local institutions in Martinique and Guadeloupe (and the overseas *Départements* in general) differs from what prevails in mainland France. Without going into complex detail, the municipality budgets are for most part obtained by financial disbursements from the French State. Local institutions benefit from a specific system of substantial indirect taxation, the so called *octroi de mer*, which is a duty collected on imports and consumer goods, and a fuel tax. Nonetheless the finances of local institutions are fragile. The slower development pace in comparison with mainland France (which under all circumstances still remains the standard) encourages escalating expenditure. The DOM face a considerable lack of infrastructure such as roads, low-cost housing, schools, and cultural centers. Moreover, the rather weak economy and the high rate of

unemployment put weighty claims on local finances.

A review of municipal, departmental and regional finances reveals a double dependency on the State, firstly because of the weak financial autonomy of the *Collectivités territoriales*, and secondly because of the weight of indirect taxes based on consumption in the *Départements d'outre-mer*. The main source of revenue of the municipalities consists of the *octroi de mer* (customs duties), of which Euro 122.2 million, i.e. 22% of the total revenue, was collected in Guadeloupe in 2001. The local taxes reached Euro 111.3 million, i.e. Euro 216 per inhabitant as compared to Euro 381 in Metropolitan France. For both islands non-fiscal revenue plays an important compensating role and constitutes a great part of the financial resources of the departmental institutions; it amounted to 57% of the operating budget of the *Département* of Martinique in 2002. This revenue originates for the most part from contributions of the French State, as shown in the pie chart here below, representing the revenue of the *Département* of Martinique (IEDOM, 2004):

- State contribution to local government (37%)
- Local Tax (17%)
- Miscellaneous revenue (12%)
- Fuel tax (10%)
- Public loans (8%)
- Subsidies (6%)
- Budget surplus (6%)
- Social security (4%)

Table 1
Revenue of the Département Martinique (2002)

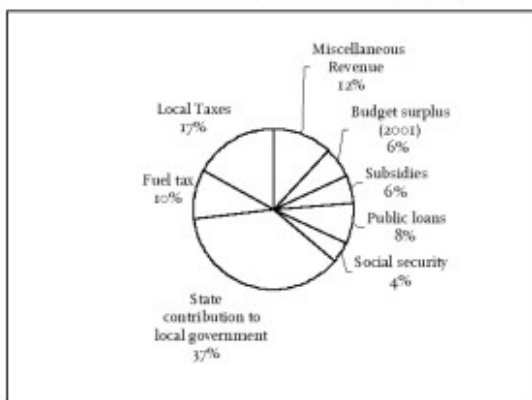


Table 1 - Revenue of the

Département Martinique (2002)

The State completes this administrative architecture. The French Antilles come directly under all the technical ministries in Paris, as do the other *Départements* or *Régions* in mainland France. But there is also a ministry - the Overseas Ministry - specifically in charge of the overseas Territories and *Départements*. As the offspring of the former Ministry of the Colonies, its role is to work with the other technical ministries in order to foster the specific interests of the overseas regions. Its budget is relatively small when compared to that of other ministries. Locally, the State is represented by the Prefect and by administrative agencies, which serve as an extension of the Parisian ministries. It should be noted that the Prefect, in addition to his functions of Prefect of the *Département* and of the *Région*, exercises competencies conferred upon the government in matters of domestic and external security. The French government appoints him and he exercises jurisdiction under the exclusive authority of the government. **[ix]** Despite growing local autonomy, a result of the decentralization program of 1982 **[x]**, the Prefect holds considerable prestige, especially through his significant role in mediating labor conflicts.

Historically, the French State has somehow modeled the insular societies and still has a substantial impact due to considerable public transfers. In 2002, these public transfers, including social transfers, reached Euro 1.3 billion for Martinique, and Euro 1.8 billion for Guadeloupe, which represents 3,347 Euro per inhabitant in the first case and 4,055 Euro per inhabitant for the second. **[xi]** The prefectorial institution reflects the weight exercised by the State. Altogether the State penetrates deeply the collective consciousness and through its presence continues to influence the Antillean imagination.

To complete this picture, the role played by European institutions must be included. Due to their status as DOM, Martinique and Guadeloupe are considered European territories, and as such, benefit generously from regional policies funded by European financial structures. However, this substantial European presence is offset by a low level of Antillean involvement in the operations of EU political institutions. The 'democratic deficit', so often mentioned by member states, expresses itself in the French Antilles with great indifference at the political level. For example, there was less than 20% participation in the 1994 European Parliamentary elections in Martinique; in 1999, the rate of participation

plunged to the historically low level of 12%, before climbing again to 18% in 2004. This compares rather poorly with the lowest participation rate in continental France, which was 43% in 2004. The electoral indifference with regards to the EU, despite Europe's active involvement in the operation of the islands' economies, can be explained by two factors. On the one hand, European citizenship remains abstract to Antilleans and is not able to supplant their allegiance to the French State. In other words, there is a very weak identification with the European environment, in particular from a cultural point of view. Hence the creation of the common market in the 1980s was met with distrust as in some circles Europe was considered to be a danger to Antillean interests. On the other hand, the process of economic and political integration into the EU has been coupled in recent years with a consolidation of ties within the Caribbean region. Thus the French West Indians seem to have multiple allegiances and attempt to proclaim themselves as being an integral part of the Caribbean area while at the same time their economic and political ties with the EU are in the process of being strengthened.

One of the main features of local government in Martinique and Guadeloupe resides in an increase in the levels of administration and local and central intervention. This has resulted in unstable collaboration, rivalry and conflict in implementing local policies, as well as a struggle for local leadership, which can be quite fierce at times. The French government recognized this competence problem and in the early 1980s attempts were made to implement a decentralization plan. Decentralization was not intended as a specific solution to the problems of the French West Indies or the overseas *Départements* in general. But given the persistence of *autonomism* and the notion of independence since the 1950s, the socialist government in France and its local allies, notably Aimé Césaire's Parti Progressiste Martiniquais (PPM), considered decentralization an answer to the appeal for change. Therefore the measures taken in metropolitan France were adapted to the exigencies of the overseas context to reinforce local government rule.

The consequences of this development were surprising. The accession to power of a socialist government in France combined with the success of autonomous/left-wing forces in Martinique and Guadeloupe altered the political landscape. The question of status, which was at the heart of the political debate since the 1950s, became secondary. The left-wing forces ceased to contest the juridical aspect of

départementalisation. Rather, during the first half of the 1980s they became increasingly concerned with combating underdevelopment within the framework established by the decentralization reforms.

This stage in the development of political life in Martinique and Guadeloupe can be qualified as a depolarization effort and signified a tendency to decrease tension between the centre and the periphery. Local forces that had in the past contested the role of the French State were obliged to ask for its help in implementing development policies. For example, the PPM that since 1958 had been the most vocal opponent of the status quo (even if it had accepted the logic of economic dependency) became the principal guarantor and supporter of decentralization. In fact, Aimé Césaire's party became the leading beneficiary of the very status quo it had fought in the past.

Thus the situation had changed considerably. Before, political life was organised around the divisions between right-wing parties, which favoured the process of *départementalisation*, and left-wing parties, which preferred political autonomy and independence movements. These divisions have certainly not disappeared. But the

French West Indies have witnessed the progressive 'territorialisation' of all the parties, including the right-wing in an attempt to keep their distance from mainland French political parties such as the UDF (*Union pour la Démocratie Française*) and the RPR (*Rassemblement pour la République*), and now the newly created UMP (*Union pour un Mouvement Populaire*) by asserting their local bases. With respect to the left-wing parties, whether it was the PPM or the Martinique Communist Party (PCM) or the Guadeloupe Communist Party (PCG), have since the 1950s claimed, if not independence, then at least autonomy from their mainland counterparts. In other words, the local political systems do possess their own internal dynamics; they are far from being simply a carbon copy of the mainland France models. Indeed, one of the main characteristics is excessive fragmentation due to the great numbers of political movements, some of which develop through fissiparous behavior. The political system is definitely witnessing a crisis in terms of representative democracy. Traditional political parties no longer seem able to respond satisfactorily to emerging aspirations, whereas other movements - literary, political or cultural - which are flourishing within 'civil society' don't seem to be able to take over, even if they seek to mobilize the population around issues that are currently *en vogue* such as environmental

protection and preservation of cultural traditions. Decentralization enabled creative potential to be unleashed and revealed the capacity of local leaders to implement local policies. However, it reinforced dependency since it never questioned the old egalitarian claim while local institutions had to face up to an increase in financial demands. The earlier depolarization efforts were followed at the end of the 1980s by a revival of status claims, and by tensions between the State and the heads of the *départementale* and *régional* executives. Negotiations concerning institutional changes followed. These negotiations led in December 2003 to the organization of a plebiscite on the creation in Guadeloupe and Martinique of a new local entity that would replace the *départements* and the *régions*.

The proposition to create a new *collectivité territoriale* was meant to simplify the institutional landscape by reducing the number of structures so as to redefine the State's role and to strengthen local powers. It met the zealous requests that have for years been addressed to the French Government and was backed by a strong majority of local representatives. The new *collectivité* would exert not only the competences devolved to the *département* and the *région*, but also competences transferred by the State, particularly in the fields of territorial development, urbanism, environment, land and sea transport, culture and regional cooperation. This reform would essentially have answered the local representatives' aims to employ wider responsibilities and so have better control over the institutional mechanisms of economic, social and cultural development. At the same time this reform was meant to respect the attachment of Martinicans and Guadeloupeans to social rights and their links to Europe.

The results of this election are interesting as they reveal the ambivalence of both the political elites and the citizenry. The massive victory of the 'no' option in Guadeloupe (72.9%) was a bitter failure for the President of the *Région*, Lucette Michaux-Chevry, a charismatic leader who was in favor of reform. **[xii]** It also expresses the will to preserve acquired rights. Though narrower in Martinique, the victory of the no option (50.4%) reveals an instinctive mistrust with regard to any change that may call into question the real or perceived advantages related to the *départementalisation*. The outcome of the plebiscite was a rejection of any institutional change that supposedly could have paved the way for more autonomy or even independence. Interestingly, three months after the plebiscite, the citizens of Martinique re-elected Alfred Marie-Jeanne, a supporter of

independence and president of the *Mouvement Indépendantiste Martiniquais* (MIM), as head of the regional executive. Such contrasting results show the ambivalence embedded in the behavior of the citizens of Martinique who attempt to reconcile their identity assertion with an allegiance to the French realm.

All in all, the political status of the French West Indies is characterised by a strong financial dependency on the Metropole and increasingly also on the EU. Moreover, institutional pluralism is ubiquitous as a consequence of the multiplicity of the local and State actors participating in the management of insular affairs. The strong presence of the State through public and social transfers, considerably limits local representatives freedom of action despite the decentralisation reforms of the 1980s. Not only is the politico-institutional status persistently contested, but there is also an imbalanced development model, which shows strong structural unemployment (more than 25% of the active population), coupled with endemic under-employment. Nonetheless the response of the central power - sometimes backed by its local supporters - is invariably an elaboration and implementation of public and institutional policies that are based on the principles of Republican equality. Through measures of 'positive discrimination' (affirmative action), structural local handicaps such as the small size of the market or the weakness of the production mechanism are taken into consideration.

From the 1960 *Loi de programme* to the 2003 *Loi de programme pour l'outre mer* (LOPOM) through to the 1986 *Loi de programme* and the *Loi d'orientation pour l'outre mer* (LOOM) of 13 December, 2000, the same logic is at work: a package of economic and social measures is presented as an answer to the malaise and local claims for improvement. These measures usually consist of injecting public funds in the insular economy and in different kinds of backing such as social transfers, tax exemptions or a moratorium or reduction of social charges. These measures have created a problem of fine-tuning the public policies led by the State with those of the *collectivités locales*. More often than not, the *collectivités locales* are condemned to 'socialize' the consequences of measures of which they have no control, particularly in the field of economic policy. One cannot but admit that this system is based on a kind of ambiguous consensus that guarantees its continuation. Strengthening local autonomy, as demanded by the representatives, is not necessarily compatible with maintaining social and public transfers that have increased dependency on the State. Pierre Mesmer, former *Ministre de l'*

Outremer, compared autonomy at the beginning of the 1970s with a 'divorce with alimony' - thus illustrating that the State continues, under all circumstances, to retain a leading role in the running of local affairs.

Citizenship, Identity, Culture and Migration

The English sociologist Thomas Marshall[xiii] distinguished three stages and three forms in the fulfillment of modern citizenship: assertion of civil rights during the 18th century (phase of construction of the Liberal State); conquest of political rights during the 19th century (recognition of Universal Suffrage); and the organization of the social rights during the 20th century (development of the Welfare State). If these three constituents of citizenship are universal, Marshall's chronology raises a problem when being applied to France, especially to its outermost territories[xiv].

The abolition of slavery in the French West Indies in 1848 signified indeed an acceleration of the historical process in which the three components of citizenship as highlighted by Marshall converged. Marshall's three stages crystallized in one essential date, 1848, which brought about universal equality since freedom came with the plenitude of civil and political rights, and was logically followed by the fulfillment of social rights in 1946. Moreover, contrary to the vision of a linear and finalized evolution as suggested by Marshall's theory, the experience of the French West Indies reveals that the authenticity of the citizen was from the beginning confronted with rival identifications which continue to this day to assert themselves.

At present, French citizens from Martinique and Guadeloupe benefit from all the rights inherent in French citizenship and from the inclusion of the two islands in the EU. The granting of civil and political rights since 1848 following the abolition of slavery thus enabled the newly liberated people, hitherto denied any political power, to participate in political activities. French West-Indians now take part in all local and national elections organised in France and each island sends six elected officials to the French Parliament (4 deputies and 2 senators). Regarding social rights, the situation proved to be more delicate. Social equality was gradually implemented from 1946 onwards and during this process contentious debates and social conflicts arose, which contradicted the idyllic vision of a harmonious development of citizenship and a progressive extension of its various - civil, political and social - dimensions.[xv]

Access to these rights did not go hand in hand with an alignment of cultural norms with the mainland. The process was complex for at least two reasons. Firstly, contacts between different cultures, including oppressive and unequal situations, do not automatically result in simply imitating or assimilating the traits of one group by another group and so modifying the behaviour of each. **[xvi]** Secondly, it seems that the construction of identity in Martinique and Guadeloupe was engineered by a superposition of subjective belongings. Without doubt, the *assimilationist* force of the State has been widely supported by its undeniable ability to tolerate an island space mediating a belonging in a broadened community through local attachments, which were being constantly reconsidered.

This mediation operated within the framework of the political-administrative system of *départementalisation*. Representatives of the 'island community', accessing the State controlled resources in a urgent quest for equality, explicated the specifics that are compatible with integration within the French national orbit. In their everyday operations and relations with central government officers, they brought into play a certain autonomisation of the political island space. **[xvii]** Against the history of disappointment and disillusionment generated by the failure of *départementalisation*, this autonomisation favored a revival of native and cultural forms. Michel Giraud emphasizes that the social over-enhancing of 'classic' French culture, going hand-in-hand with a reduction of West Indian culture, was intrinsically linked to the credibility of the assimilative ideology of which *départementalisation* was the major product. Once this credibility was achieved through the contradictions and troubles of *départementalisation*, the West Indian cultural situation could not help but be affected. **[xviii]** This evolution resulted in a politicization of West Indian identities that took its first impulse from the conflicts created around the experience of *départementalisation*. For a long time, differences were crystallized in three approaches: supporters of political and cultural assimilation and, therefore of an identity re-shaped by the French State; the protagonists of cultural autonomy within the French orbit coupled with a respectful acknowledgement of differences; and finally the supporters of a radical *otherness*. The first attitude clearly articulated a strong electoral theme, the access to all rights and claims inherent in French citizenship and a valorization of French culture. The second tried to reconcile as a matter of principle a discourse based on themes of lesser electoral efficiency, like respect for cultural identity, the need to question the model of development and to

reinforce the local powers on the one hand, and the logic of financial dependence on departmental institutions and the implementation of social programs, on the other. The third claimed independence. The weakening of the republican myth, associated with the rise of uncertainties linked to the construction of Europe, will most likely favor a redefinition of identity strategies.

Thus, the French West Indies exemplify to the extreme the classical tension between State universalism and local particularism or, if one prefers, between the search for an identity and the construction of a polity. In its process of imposing a unique allegiance, the French State relied on the republican myth, which was taken over by social groups, particularly the descendants of the slaves who form the majority of the population. The *universalisation* process that was engineered by the State nevertheless produced ambivalent results in so far as this process is accompanied by a reactivation of local culture and the development of local idiosyncrasies justifying specific claims.

The autonomist movement that asserted itself during the 1960s, even though its electoral basis remained limited, articulated claims of Martinique and Guadeloupe being separate national entities, of a political status based on local powers and financial and monetary autonomy, as well as respect for the *dignity* of the insular people. This development opened up potentially significant protest and facilitated also a multiplication of identity declarations through the 1970s in the cultural and political fields. Accelerated by the decentralization process of the 1980s, a true explosion of cultural activities and social expressions followed. Though the central powers had for a long time resisted every form of public expression of peripheral identity, from now on the existence of expressions of a different culture were acknowledged to such an extent that the French State financially participated in its development. Thanks to a loosening of tensions between central and insular powers, cultural initiatives and actions multiplied. However, the local assemblies acted often in an uncoordinated way and followed a process that emphasized collective teamwork rather than the development of clearly defined goals. **[xix]**

The new infatuation with the 'cultural thing' on the part of locally elected officials is full of ambiguities and paradoxes. These officials are more often than not permeated with a culture of automatic resistance to central power, but also quest for national (French) appraisal and national (French) gratefulness. **[xx]** At the same time, the elected members of the local assemblies try to outdo the State by deliberately distancing themselves from mainland France. In their relations with

metropolitan and European centers, these local political leaders conduct a permanent presentation of 'specificities' as real symbols of their identity. They use 'specificity' erratically in negotiations with central and/or European authorities. In other words, local communities increasingly use all sorts of identity declarations to garner support for local public policies. The struggle for territorial control in partnership with the State and the designation of local leadership rest largely on the appeal of the notion of 'dignity' and 'specificity'. These notions have become significant parts of the symbolic construction of a collective identity. Also, the educational system is forever the subject of debates concerning the inclusion of local 'specificity' to strengthen identity affirmation within the Guadeloupean and Martinican societies in their relations with metropolitan and European centers. In order to reinforce their legitimacy, some political leaders do not hesitate these days to embrace local identities while they claim at the same time to be part of political movements which are strongly marked by the tradition of assimilation. These cross-pressures put them at risk of moving away from the metropolitan parties. **[xxi]**

Each movement, in its own way, strives to mobilize support by identity construction-affirmation. 'Civil society' abounds with initiatives from groups or organizations whose strategies participate in the construction of collective identities. Whether they are movements engaged in defense of the environment or defense of the neighborhood, a retreat from specific micro-identities has taken place. These movements now often aim at participating in political forums during local elections. **[xxii]**

The phenomena of identity construction are also of concern to the West-Indian diaspora in Metropolitan France. In the 1960s and 1970s emigration to mainland France was quite strong. During the period of 1974-1982, departures amounted to 23,000 people or almost 3,000 people per year. This high rate of emigration enabled a large part of the natural population growth to be absorbed and explains the moderate increase in the population until 1982. From the 1980s, however, the French Antilles witnesses a contrary tendency. This development was a result of endemic unemployment in mainland France, but was also tied to the favorable civil service salaries in the overseas *Départements* in comparison with mainland France. Consequently, during the period 1982-1990, the net migratory balance was inverted to almost 1,900 arrivals per annum.

The demographic history of the *Départements* shows an impressive dynamic. One

out of four West Indians born in the region now resides in metropolitan France. In 1999, their number (212,000) almost equaled the total population of Martinique (239,000) or Guadeloupe (229,000) in 1954. The population drain appears all the more remarkable when one bears in mind that mostly young and active people migrated. Out of every 100 West Indians who left their *Département* of origin to settle in metropolitan France in 1990, 75% were under 40 years old, and almost 65% were between 15 and 39. Almost half of the Martinicans aged between 30 and 40 years had settled in metropolitan France. **[xxiii]**

At present a large West Indian community exists in mainland France whose numbers are difficult to calculate due to poor census methods and the intermingling of generations: many people of Martinican or Guadeloupean descent living in mainland France were born there. We can roughly estimate that 500,000 West Indians and Guianans, across all generations, presently live in Metropolitan France, the large majority being made up of the Martinicans and Guadeloupeans (337,000 as of March 1999). Martinicans and Guadeloupeans living in France work for the most part in the public sector, in particular the post office and within the hospital system. In the West Indian diaspora in France a double affiliation, Antillean and French, is evident. Reports from the 1999 census tend to show stabilization, even a debit balance of migratory movements towards the mainland. This stabilization seems to be caused by a return of migrants of the second or even third generation. In the diaspora the French Antilles are internalized as an obligatory frame of reference, a myth sustained by the hope - especially for the West Indians of the first generation - of a hypothetical return to the home country. This framework integrates references borrowed from French society and emerges as a space of intense identity re-compositions. Consequently, the fact that Guadeloupean and Martinican migrants have been excluded from mainstream French society in spite of their citizenship has encouraged them to develop a strong consciousness of community identity and to mobilize a symbolic identity in order to enhance and defend their fundamental rights, especially the right to social promotion. **[xxiv]**

In other words, ethnic identity and its cultural attributes represent important political resources, since the 'community' emphasizes specific problems while celebrating differences within French society at the same time. West Indian emigrants are progressively changing in attitude and behavior within the metropolitan society. Whereas the pioneers - the immediate post-war emigrants,

a minority coming from the middle classes and brought up with an ardent admiration for the Republics school system - aimed at integrating into the mainstream rather than singling themselves out, the West Indians who settled later in metropolitan France tended to voice a variety of specific demands. They condemn discrimination and their low presence in the political and cultural arenas as well as the cost of air transport between the West Indies and continental France. Hence they show a noticeable tendency to organize themselves into 'demand groups', or join political parties, trade unions and associations that are keen to defend their interests.

On the islands themselves, strong tensions sometimes occur between the local population and 'foreigners'. These tensions particularly concern the Haitians who are rejected in Guadeloupe, and the Saint-Lucians in Martinique. In 2000, it was estimated that 22,000 migrants were present legally in Guadeloupe and 10,000 illegally (half of them solely in the *commune* of Saint-Martin).[xxv]

The number of documented Haitians in Guadeloupe amounted to 9,935 in the survey of 1999. Apart from the undocumented migrants whose number is difficult to establish, the migratory flow remains low, also when including the population of metropolitan origin. The example of Martinique (see Table 2) shows that in 1999 11% of the people residing on the island originated from outside, most of which came from metropolitan France.

Table 2
Foreigners residing in Martinique in 1999

Country of origin	Number	%
Haiti	1,032	28.8
St Lucia	949	26.4
EU	531	14.8
Other American countries	434	12.1
Dominican Republic	76	2.1
Brazil	58	1.6
Indian Ocean islands	32	0.9
Suriname	8	0.3
Guyana	7	0.2
Others	499	12.8

Source: INSEE

Table 2 - Foreigners residing in Martinique in 1999

Emigrants represent less than 1% of the total population of Martinique. The Haitians are the most numerous, but they are ten times less in Martinique than in Guadeloupe. They are followed by Saint-Lucians, and by citizens of EU member countries, other than France. Most Martinicans aver that the presence of the

latter, which are benefiting from the principle of free movement within the EU, does not pose any problems because of their small number. That is not necessarily the same for the migrants coming from continental France. As a matter of fact, in view of high unemployment figures, some political movements and trade unions have tried to make the distinction between 'Martinicans' and 'non natives', particularly with regards to competition for jobs in the public service. Demands in favor of 'west indianization' of posts tend to amplify after economic downturns, based on an 'affirmative action' policy for Martinicans. More recently, similar demands have been made to secure jobs in the private sector.

Economics, Employment and Welfare

The economic model, prevalent in the French West Indies, operates on the basis of blending economic growth and development. Frequently, official reports underline the drawbacks of a model that does not enable the islands to achieve self-sustained development despite considerable economic growth. Some elementary statistics placed in their proper perspective reveal that the process of *départementalisation* from its inception to the present day has been instrumental to the political elite in attaining economic resources from the mainland in order to attain a high level of development. [xxvi]

The increase of GDP and revenues is assured by the mainland and, increasingly also by the EU (EU). Hence, there is a significant difference in economic conditions with the independent states of the Caribbean. These states do, indeed, benefit from foreign financial contributions in the form of aid, including aid from the EU under the Lomé Conventions (Cotonou Agreement, as of June 2000). But their situation cannot be compared to that of the French Antilles which are directly integrated into French and European frameworks, and which therefore benefit from significant public funds, an important factor in financing the local economy. The funds derived from the mainland and the EU constitutes one of the major driving forces of an economic growth rate that is often higher than in the mainland during identical reference periods. Such funds usually benefit households (civil servant salaries, social benefits, tax breaks) and, to a lesser extent businesses (grants, public contracts, tax incentives). With respect to civil servant salaries, it should be noted that since the 1950s these remunerations are 40% higher than those received in mainland France (including the institutions of the *Municipalité, Région* and *Département*) and related public administrative bodies. In other words, all civil servants enjoy advantageous benefits,

independent of employment by the State public service or the *collectivités territoriales* or by the public hospital. Also the location of origin, West Indian or Metropolitan, does not make a difference in civil servant salary level.

Table 3
State accounts for the Département Guadeloupe 2001-2003 (million Euro)

Local revenue of the State	2001	2002	2003	Local expenditure of	2001	2002	2003
Tax revenue	458,50	432,85	466,00	Operating cost	857,36	857,98	883,95
Including:				Including:			
Direct Taxes	268,70	232,89	282,52	Agriculture	27,54	28,98	24,95
VAT	163,84	178,03	182,38	Education	50,76	45,94	52,77
Indirect Taxes	22,96	23,71	25,08	Domestic	75,09	81,32	88,09
Non-tax income	80,80	42,55	46,14	Labour	23,83	27,32	28,71
Integrated Revenue	1,10	3,29	167,31*	Local wages	658,87	653,13	623,08
Special accounts				Other ministries	72,28	71,39	65,85
Loans, advances				Investment	638,08	570,70	678,98
Fund transfer	268,85	254,90	291,37	Including:			
				Agriculture	10,82	17,96	18,03
				Education	0,45	1,28	0,32
				Domestic	76,12	88,03	106,39
				OGM	37,04	40,84	36,17
				Urbanism and	1,95	2,37	1,59
				Housing	1,95	2,37	1,59
				Other ministries	14,63	21,32	14,50
				Special accounts			
				Loans, advances	251,09	261,98	273,87
				Other	1,97	2,38	8,25
Total income	773,87	733,35	873,64	Total expenditure	1244,87	1282,24	1344,64
Deficit balance	470,90	558,89	470,80				

Table 3 - State accounts for the Département Guadeloupe 2001-2003 (million Euro)

Table 3 illustrates the total expenditures of the State in the *Département* Guadeloupe for the years 2001 - 2003. It appears that the deficit balance which corresponds to the State transfers to the *Département* varies from year to year, from Euro 470 millions in 2001 to Euro 558 millions in 2002. A similar observation can be established for Martinique: the debit balance was Euro 492 million in 2001 and Euro 423 millions in 2002.

A more precise picture of the total amount of social and public transfers in the two *Départements* requires that the balance payment of social transfers must be added to these figures (see tables 4 and 5). For example, in 2003 the total amount of social and public transfers in Guadeloupe was Euro 1160, 5 millions, Euro 470.5 millions brought in by the State, and Euro 1161,1 millions provided by the Social Bodies, and Euro 28,6 millions coming from other transfers (Banana subsidies).

Table 4
Balance payment of public transfers in favor of Martinique 2000-2002 (million Euro)

State	2000	2001	2002
Revenue (3)	812	840	815
Expenditure (2)	1319	1314	1276
Balance (3)-(2)	507	492	423
Social Bodies			
Revenue (1)	770	725	696
Expenditure (4)	1494	1591	1716
Balance (4)-(1)	724	866	1020
Other transfers (Banana subsidies)	105	66	84
Net balance of transfers	1336	1426	1527

Source: TESOM

Table 5
Balance payment of public transfers in favor of Guadeloupe 2001-2003 (million Euro)

State	2001	2002	2003
Revenue (3)	776.0	731.4	873.6
Expenditure (2)	1245.9	1292.2	1344.4
Balance (3)-(2)	471	538.9	470.8
Social Bodies			
Revenue (1)	690.5	599.4	711.7
Expenditure (4)	1724.8	1748.8	1872.8
Balance (4)-(1)	1034.3	1149.4	1161.1
Other transfers (Banana subsidies)	21.7	17.3	28.6
Net balance of transfers	1527.0	1775.6	1660.5

Table 4 - Balance payment of public transfers in favor of Martinique 2000 -2002 (million Euro) Table 5 - Balance payment of public transfers in favor of Guadeloupe 2001-2003 (million Euro)

In addition, the increasingly important role played by another protagonist - the EU - should not be ignored. Martinique and Guadeloupe are 'Outermost Regions' (*ultra peripheral* regions) of the EU, which means that European legislation and policies may be adapted to their specific characteristics. In addition, their banana, sugar and rum markets benefit from protective measures against international competition. In particular, the DOM benefit from significant structural funds whose aim is to promote development and economic adjustment. The aid allocated by the EU amounted to a total of 1.2 billion French Francs between 1989 and 1993. These development funds were doubled and reached 2.5 billion French Francs by the year 2000. The new Structural Fund for the years 2000 - 2006 allocated Euro 805.5 millions to Guadeloupe and Euro 674 millions to Martinique. These substantial increases are supported by identical and complementary efforts of the State, territorial institutions and local actors, in particular through the State-Région five-year economic scheme and the 'Single Planning Document' (SPD).**[xxvii]** The following pie charts represent the financing of the 'Single Planning Document' for Guadeloupe and Martinique and the respective contribution of the participating institutions.

Table 6

The financing of the 'Single Programming Document', Guadeloupe 2000-2006

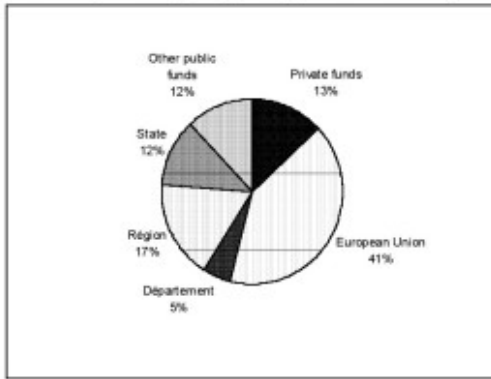


Table 6 - The financing of the 'Single Programming Document', Guadeloupe 2000-2006

To these funds must be added the European funds contributed by the programme INTEREG[xxviii] III-b, which aims for a better integration of Guadeloupe and Martinique (as well as French Guiana) in the Caribbean region. For the period 2000-2006, these funds amount to Euro 24 million for the Antilles and Guiana, of which 12 million comes from the EU's European Regional Development Fund (ERDF).

It would be difficult to total together all these diverse funds that cover policy areas as disparate as sustainable development and maintaining the *collectivités territoriales*, in order to calculate the amount of State and EU public and social transfers towards the French West Indies, and so establish a ratio per inhabitant. Nevertheless, one thing is sure, these transfers play a fundamental role in the insular economies. For example, one estimate suggests that net public transfers of the French state to Martinique amount to roughly one quarter of its total GDP.

Table 7

The financing of the Single Programming document, Martinique 2000-2006

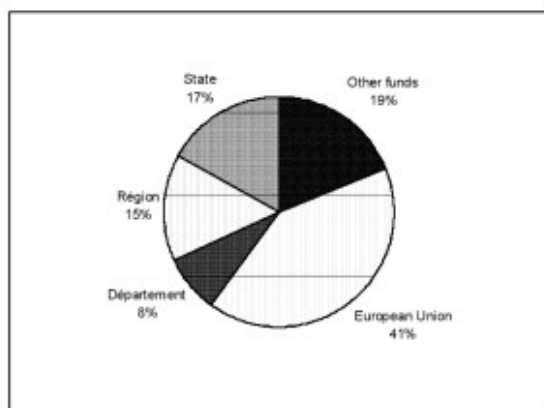


Table 7 - The financing of the Single Programming document, Martinique 2000-2006

As a result of the process of institutional assimilation, an economic development model has emerged that makes Martinique and Guadeloupe stand out against the other territories in the region. The French Antilles present a most notable economic development index within the Caribbean. This singular characteristic requires some explanation. The transformation of the French Caribbean islands into French *Départements* in 1946 raised enormous expectations with regards to social and economic development. Founded in the universalistic ideals that characterised the French State, economic and social 'assimilation' of the 'Four Oldest Colonies' with mainland France became a notion that matched perfectly the local ambitions to bring an end to underdevelopment that contradicted the Republican ideal of equality. With the benefit of hindsight, it may seem foolish today to try to solve the intractable set of social and economic problems that beset the former colonies merely by applying a few Keynesian principles that were thought at that time to have universal value. Increased public spending, development of infrastructure and a system of financial incentives were the measures put in place to achieve an objective that hardly has changed: matching the standard of development present in mainland France. Each and every attempt was inspired by the inescapable, but flawed logic that matching economic conditions could be achieved with the help of massive injections of public funds into the island economies.

This was the case in re-building traditional agricultural sectors like sugar cane and bananas during the period 1946-1960, or in establishing an administrative

apparatus modeled on the system in mainland France in 1961, or in creating economic and local authority structures with direct funding from the ministries in Paris. This strategy had crucial repercussions as it undoubtedly fuelled remarkable levels of economic and social development in Guadeloupe and Martinique, which together demonstrate a showcase for France and Europe in the Caribbean.

However, the economic output needs to be qualified, taking into account the persisting structural imbalances that have marked this development model. As generous as it may seem, this determined approach presented several unexpected and perverse effects. The priority given to the 'catching up' objective resulted in relatively high economic growth from 1946, which at times was even higher than in mainland France - an average of 4% per annum between 1975 and 1994[xxix] - but this was highly dependent on public fund transfers and entailed a deterioration in local production capabilities.

Unemployment is now a serious problem on both islands; it affects more than 25% of the working population and is reinforced by other forms of under-utilization of the available labor force. Unemployment is endemic and many people do not bother to seek employment; they depend on social allowances.

The importance of the *Revenu Minimum d'Insertion* (Minimum Integration Income) (RMI) in the two islands is obvious. The number of beneficiaries in 2002 in Guadeloupe was 29,764 and in Martinique 31,436. Ever since its creation in 1989 the RMI has become a means of subsistence for a growing part of the Martinican and Guadeloupean population. The number of direct beneficiaries in the overseas Departments, including the French West Indies, represented 15% of the population as compared to 3.1% in metropolitan France.[xxx] Designed to supplement the deficiencies of the welfare system, the RMI offers certain groups that face financial difficulty the opportunity to benefit from specific integration measures. But the actual result has been that the RMI supports a sector of the population that suffers from endemic labor market exclusion.

Those benefiting from this allowance are mainly young people: 52% are younger than 35 years and 24% are between 35 and 44 years of age.[xxxi] These figures demonstrate the difficulties that young people, who are particularly affected by long-term unemployment, encounter when trying to get into the job market. The failure of numerous political measures to enhance employment, some of which

have been specially designated for the overseas Departments, have demonstrated the limitations of positive action in the face of an economy that is unable to accommodate a young population.**[xxxii]** The plans designed for them allow at best a respite of some months or some years before they fall back onto the guaranteed RMI. Eventually this allowance is the only income for a majority of young beneficiaries who have never worked, or have only done so for a brief period, and who are unable to obtain regular employment.**[xxxiii]** Wanting to escape this vicious cycle is therefore not a realistic option.

For the DOM, the drawbacks of such a development model are offset by a generous welfare system. One of the objectives of the process of *départementalisation* was to enable the former colonies to benefit from all rights inherent in French citizenship, in particular with regards to social provisions. In 1996, fifty years after the law of assimilation was enacted, social equality of the DOM with mainland France was proclaimed. Now the population receives all the social provisions that are in force in France. As of the early 1990s, the departmental funds for social aid began once more to rise following a slump that had coincided with the period of decentralization.**[xxxiv]** This evolution - a dramatic rise in social aid granted by the *Département* after a respite in the 1980s - reveals the universalistic pretensions of the system of social security. Since 2000, Universal Medical Coverage (CMU) is included.**[xxxv]** It appears that in the DOM the number of beneficiaries of the social services - particularly the RMI and the CMU - is proportionally much higher than in metropolitan France: in 2002, 26% of the Martinican population and 23.8% of the Guadeloupean population benefited from the CMU, compared to 7.5% for the population of continental France.

Table 8
Implementation of Medical Coverage in the French Antilles and French Guiana
2004

Universal Medical Coverage	French Antilles & French Guiana	Guadeloupe	Martinique	French Guiana
Basic coverage	165 575	59 465	80 264	25 846
Complementary Coverage	241 494	103 288	100 677	37 529
% of people covered	24.3%	23.8%	26.0%	21.8%

Source: Direction de la Santé et de déléguement social de la Martinique, service des études statistiques

Table 8 - Implementation of Medical Coverage in the French Antilles and French Guiana 2004

Education

Long before Martinique and Guadeloupe became full-fledged *Départments* of France, education was considered a priority. But there remained much to accomplish. In 1900 for example, Martinique counted approximately 13,000 children (6,830 boys and 5,158 girls) in primary school out of a total of 62,000 school-aged children. The level of exclusion was much higher in the countryside, due to children working on the plantations, with nearly three-quarters remaining illiterate or uneducated. **[xxxvi]** While secondary education was a luxury that only a few children from privileged families could afford.

In 1946, at the time when the *départementalisation* process was launched, the public primary school sector included 40,018 pupils against 2,090 in the private school system; secondary schools had 3,962 students enrolled and 721 were enlisted in vocational education programmes. **[xxxvii]** In 1971, 25 years later, primary school enrolment had doubled, reaching 88,024 pupils; secondary school figures remained stable at 3,150. However, in the first cycle of general education and in specialized education middle schools the number enrolled jumped to 24,307, and enrollment for vocational education tripled (2,400). In 1971, almost 700 Martinican students were registered with mainland French universities and 327 at the faculty in Martinique. **[xxxviii]**

The Martinican and Guadeloupean public enjoys a relatively high level of education. The educational infrastructure established over the past few decades has enabled substantial improvement to occur. The rate of enrollment in primary schools is 100%; while enrollment has constantly increased in secondary schools and jumped from 17% in the 1960s to over 46% in the 1990s. The proportion of young people enrolled in school at age 16 in Martinique as well as Guadeloupe is higher than in mainland France. **[xxxix]**

Without any doubt, these results are in line with the expectations of a major part of the population that perceives education in terms of cultural capital and social progress. These results also reflect the objectives set by the State to make education one of its main priorities within the framework of *départementalisation*. The ambition of creating a tertiary sector within the Martinican and Guadeloupean economy has encouraged these efforts. This sector includes a vast potential for human resources, compensating for the low level of natural and material resources. The progress in education reflects par excellence the ideology of an egalitarian Republic which aimed to close the gap that existed with the mainland and has thus fostered claims in favor of an increased

intervention by the French central government and amplification of the flow of public fund transfers.

However, this irenic vision must be tempered in view of the large proportion of youths who have completed their studies and subsequently face enormous difficulties once they find themselves ready to enter the job market. The low rate of first employment demonstrates the setbacks that are prevalent in the labor market. Such imbalances can be traced back to the confines of the French Antilles status as overseas *Département*, which is principally based on an artificial economic growth generated by public and social fund transfers.

The Rule of the Law and Democracy

Formally integrated within the French and European orbit, the French West Indies are subject to the principles of the rule of law: government authority is exercised in accordance with written laws, which are adopted through an established procedure. Individuals and government are subject to law, and all individuals have equal rights without distinction in regard to social stature, religion, political opinions, and so forth. This equality principle is especially significant in countries where the colonial past still holds a strong grip on the collective consciousness. Here the formal dimension of the rule of law is confronted with the conditions under which citizenship was granted. The historical short cut with regards to the successive components of citizenship - civil, political and social - continues to affect the relationship of the overseas citizens under the law and with the State. It affects also the capacity of the French republican universalism to call into question local allegiances or to reduce the institutional specificities inherited from colonialism.

The implementation of the *départementalisation* process resulted, at least in the beginning, in a complex combination of old and new structures which were partially reinterpreted. The colonial past continued to prey on the collective imagination in the context of a growing centralization and standardization in the DOM.**[x1]** These local predispositions gave rise to demands that specificities be respected, that internal autonomy be reinforced and that law enforcement be adapted to the local situation. In a more general way, the deepening of institutional assimilation did not entail the disappearance of traditional forms of allegiance to organizations and informal practices that coexisted with legal norms emanating from the central government.**[xli]** The citizenship allegiance that was created with the *départementalisation* process, became adapted to these pre-

existing residual and unofficial organizations and informal practices, which demonstrates the limits of State penetration into an external and distant outermost region where cultural difference is regularly emphasized. The operation of the local political administrative system in Martinique highlights the phenomena of the transgression of civil servants rules. For instance, the Prefect tends to interiorize the norms of the island society and adapts them to local contingencies. Despite the persistence of centralization, the Prefect sometimes becomes an advocate of local interests. The insular society thus avenges itself of State imposed centralization and standardization. In other words, *le mort saisit le vif*.**[xlii]** The combination of these elements demonstrates that the assimilationist claims collide with local aspirations whereas the republican universalism continues to serve as the foundation of equality. In such a context, tensions between the universalism proclaimed by the State and a locally fostered identity, may become acute. In other words, the *départementalisation* of Guadeloupe and Martinique did not completely overrule the allegiance to a dual system of universal and particularistic norms.

As for democracy in the DOM, a crisis of the representative institutions is apparent. This is indicated by: a profusion of candidates on all the ballots, an erosion of the traditional political forces, the rise of peripheral competing forces and, with the exception of the municipal elections of 2001, a decline in participation.**[xliii]** The rates of abstention in the first round of the presidential election in 2002 speak for themselves: 65.9% in Guadeloupe and 64.6% in Martinique. This crisis apparent in representative democracy, combined with the process of Antillean political movements distancing themselves from their counterparts and traditional allies on the mainland, has altered the political realm. The process of territorialisation of the political forces, which was initiated in the late 1950s by the left and recently accelerated, now affects all political movements, regardless of their political label or persuasion. These phenomena - a crisis in representative democracy, a distancing from metropolitan political life, and the rise of identity assertions - are mutually consolidating.

Crime and Diplomacy

The French Antilles are not immune to an alarming tendency evident in the whole of the Caribbean region, which is the dramatic and regular increase in crime and the feeling of insecurity that has emerged over the last few years. Certainly, the statistics must be used with caution since insecurity is one concept that is rather

predisposed to manipulation. Nevertheless, the statistics reveal a quantitative and qualitative evolution of crime in Guadeloupe and Martinique.

The evolution of public highway crimes (armed robbery, robbery with violence, burglary, car theft, theft from vehicles, and criminal destruction and damage) has developed since 1998, as table 9 shows.

Table 9
Evolution of public highway crime

	1998	1999	Evolution	2000	Evolution	2001	Evolution	2002	Evolution	Evolution 1998-2002
Guadeloupe	13.630	14.523	6,55 %	15.228	4,85 %	15.353	0,82 %	16.287	+ 6,08%	+19,49 %
Martinique	11.303	12.186	7,81 %	13.286	9,01 %	14.197	6,8 %	12.943	- 8,83 %	+4,33 %

Source: José Balarelli. *Actes présentés au nom de la commission des Lois constitutionnelles, de législation, du suffrage universel, du Règlement et d'administration générale sur le projet de loi de finances pour 2004*, adopté par l'Assemblée nationale, tome VII. Départements et régions d'outre-mer, Journal officiel, documents parlementaires (Sénat).

Table 9 - Evolution of public highway crime

From a qualitative point of view, violent crime has increased dramatically in both islands. In Guadeloupe, armed robberies multiplied by three between 1993 and 2003, while crimes and offences against the person doubled. In Martinique, armed robberies increased by 200 % over two years. The qualitative change in crime is related to the development of drug addiction. Without being high traffic stations, Guadeloupe and Martinique are spaces of transit. An increasing local consumption affects the entire society. It is evident that the borders of these two islands are relatively porous and increasingly difficult to control.

Security is ensured by the French State in charge of the sovereign mission of government. France operates today in large measure within the framework of the EU, which favors a new regionalism in structuring a partnership between the territories of the Caribbean and the EU. The EU external borders extend to the Caribbean, due to the incorporation of the French West Indies. This is especially true in the struggle against the drugs trade and money laundering, where broad cooperation is required among the various countries of the Caribbean, the countries of the EU that are directly involved in the region, and the United States. These convergent interests initiated the establishment of the Bridgetown Group in 1990, a regional counterpart to the EU parent Dublin Group.

The Bridgetown Group meets monthly on an informal basis and representatives of British, Canadian, French and US diplomatic missions attend together with officials from the EU, the Organisation of American States and the United

Nations. A similar group has been established in Trinidad. **[xliv]** Martinique and Guadeloupe have become significant sites of coordination in the fight against narco-trafficking and money laundering. The mobilization of state services, a regular exchange of information and technical and financial assistance between governments has encouraged a common approach to combating drug trafficking. However, there is a problem with regards to the competences of the State and the local authorities.

Regional Cooperation

At present local councilors consider engagement in regional co-operation a political challenge. Their discourse on co-operation between the French West Indies and their neighbors is not new but the rather limited results when offset against highly vocalized ambitions, give these efforts an incantatory character. Elected officials at the head of decentralized institutions are keen to denounce the legal and political obstacles that prevent better integration of the French Antilles within the Caribbean area. **[xlv]** The French government does not remain indifferent. Beginning with measures taken by the *Rocard* government in the early 1990s to the recent provisions of *the loi d'orientation pour l'outre mer (LOOM)*, the institutional arrangements for regional co-operation improved notably.

The presidents of the regional and general councils have been endowed with a 'representative role' in the Caribbean by granting them the power to negotiate agreements with one or several neighboring states and territories, or regional organizations. These presidents now also have the capacity to negotiate and sign agreements with partners and to take action within their domain of competence. In addition, the *LOOM* Act allows local executives to represent France in international forums of a regional nature, such as the Association of Caribbean States (ACS). Lastly, the *LOOM* regulation created several funds for co-operation, mainly financed by the State and to which subsidies from the EU are added, either within the framework of the European Regional Development Fund or within the framework of the program *INTEREG* IIIB 'Caribbean Area'. This institutional framework favors the development of cooperation in economic, scientific, technical, cultural and sporting domains.

It is still too early to assess the long-term effects of the improved arrangements for regional cooperation, in particular the recent provisions contained in the *LOOM* Act. The outcomes of cooperation cannot be evaluated simply through

reviewing legal measures or decisions made by official institutions. Also to be taken into account are the regularity of cooperation practices; the behavior of the population and their capacity to appropriate this cooperation; and, finally, the capacity of the elected officials to stimulate and oversee public and private initiatives. From this perspective regional cooperation is far from complete.

Conclusion

Guadeloupe and Martinique underwent an original historical trajectory from the status of being a colony to one of an overseas *Département* formally integrated into the French national concord. In a long experience shared with mainland France, *départementalisation* resulted in changes influencing all aspects of insular social organization. At the political level it gave rise to the imposition on these distant islands of institutions identical to those functioning in mainland France, though with some minor amendments. Likewise, laws and regulations enacted in Paris were automatically applicable and the French West-Indian citizens remained much attached to the principle of republican equality. Such a system, however, reveals its limitations today. Based on the French tradition of centralization of power, the *départementalisation* project has gradually run out of steam. It hardly succeeds in taking into account demands that have emerged, in particular the persistent claims to the right to enjoy one's own culture. These calls are fed by identity assertions and reveal one of the major paradoxes of *départementalisation*. The economic, social and political bonds with France have been strengthened during the last years, but at the same time the cultural bonds have been loosened and a withdrawal from French identity has taken place on both islands.

A number of issues illustrate the current ambiguity in the relationship between Martinique, Guadeloupe and mainland France. On the one hand, on each island strong indigenous cultural movements manifest themselves and a valorization of local resources is apparent. The recent election of a strong supporter of independence as head of Martinique's regional government also points to nationalistic sentiments. On the other hand, both DOM have recently rejected plans to simplify their organisational structures as they feared that such would put their close ties with France and Europe at risk. And since the end of the 1980s, the independence movement as such has lost much of its appeal on Guadeloupe. The French West Indies show a paradoxical concurrence of cultural nationalism on one hand and a weakened appeal of political independence on the

other. In short, the French West Indies offer a perfect example of cultural and political identity being dissociated from each other.

From an economic point of view, the situation is equally complex. The two islands have reached a level of development that in many respects comes close to the level in developed countries. But the model implemented in 1946 had unexpected and persistent effects. The quest for social equality and a high standard of living has penalized the productive sectors, in particular by increasing production costs. Further, the French West Indies have become isolated from its regional economic environment. Mainland France as well as the EU is condemned to socialize the consequences brought about by the choices made in 1946. Public and social transfers regularly rise in volume. These financial contributions maintain a very strong dependence on external resources and limit the possibilities of implementing an economic model in Guadeloupe and Martinique based on sustainable development. Thus a deep social malaise in particular due to endemic unemployment, has set in. The social fabric is fraying, evidenced by new forms of criminal activity, which are related to the increased consumption of drugs. The explosion of cultural activities expresses both a protest against the French model of assimilation, and a quest for Antillean identity. As a result, demands for a change in political status fuel a permanent public debate. These demands are linked to notions of 'democracy of proximity' and to identity assertions. The quest for republican equality with a strengthening of political autonomy and one's *own* cultural rights is difficult to reconcile within a coherent political framework.

NOTES

i. However, the notion of assimilation, while affirming its universalist dimension, proved, at least at the beginning of the colonial period, to be compatible with the maintenance of a colonial regime founded on a hierarchical organization and a very pronounced differentiation.

ii. Boissy d'Anglas (François Antoine de) is a moderate politician who served during the French Revolution, the Empire, and the Restoration. His political philosophy was firmly based on religious tolerance, freedom of expression, strong constitutional government and equality before the law.

iii. M. Giraud 1997.

iv. R. Suvélor 1983.

v. M. Mauss, 1999.

vi. In mainland France, since 1964, the départements have been grouped into 22

régions as a result of the policy of decentralization of local government.

vii. These decrees provide for the consultation of the local assemblies before the implementation of laws in the overseas departments.

viii. The régional council is the elective assembly of the région; the général council is the elective assembly of the département.

ix. Since the départementalisation process, a single Martinican was appointed to the office of Prefect in Martinique.

x. While local government in France has a long history of centralization, the past 20 years have brought some radical changes. The decentralization law of 2 March 1982 and the legislation completing it marked the Paris government's desire to alter the balance of power between the State and local authorities (regions, departments and communes). It gave far greater autonomy in decision-making by sharing administrative and budgetary

tasks between central and local authorities. The March 1982 law also made several changes concerning financing. Any transfer of State competence to a local authority must be accompanied by a transfer of resources (chiefly fiscal). In practice, local taxes have tended to rise. The reform also extended the responsibilities of the communal, départemental and regional accountants, giving them the status of chief accountant directly responsible to the treasury. Lastly, the 1982 law assigned to a new court, the regional audit chamber, and responsibility for the final auditing of local authority accounts. The process of decentralization has profoundly altered local government in France. The new system is indisputably more costly than the old for the public purse and has led to some fragmentation of tasks and objectives, as local authorities act primarily in their own rather than the national interest. In March 2003, a constitutional revision has changed very significantly the legal framework and could lead to more decentralization in the coming years. See Association des maires de France: http://www.citymayors.com/france/france_gov.html

xi. The difference between the two islands is explained by higher social transfers in Guadeloupe (2,696 Euro per inhabitant as against 2,000 Euro for Martinique), owing to a higher degree of poverty.

xii. Her conduct of public affairs was controversial, due to corruption and an autocratic exercise of power.

xiii. T. Marshall 1997.

xiv. P. Rosanvallon 1993.

xv. F. Constant 2000; J. Daniel 1997.

xvi. D-C. Martin and B. Jules Rosette 1997.

- xvii.** J. Daniel 1997.
- xviii.** M. Giraud 1997: p. 385.
- xix.** Y. Bernabé et alii.
- xx.** F. Constant 1993.
- xxi.** A former Member of the French parliament, Pierre Petit, embodies, along with other politicians, this strategy.
- xxii.** J. Daniel 2001.
- xxiii.** C-V. Marie 2002: p. 27.
- xxiv.** M. Giraud 2002.
- xxv.** J. Larché et alii, 2000.
- xxvi.** J. Daniel 2001.
- xxvii.** The SPD is a planning document that collects the financial funds from the EU, the State and the territorial institutions. It serves as a six-year guide of public interventions.
- xxviii.** The program is specifically designed to help promote greater economic, social and regional cohesion and integration in the cooperation area, particularly with neighboring countries and regions, in order to bring about sustainable, balanced development. These aims are in line with the economic integration objectives for the area proposed under the regional programs of the European Development Fund (EDF). Cooperation with neighboring countries and regions will have to be coordinated closely with organizations working in the area, particularly the Association of Caribbean States and the Caribbean Forum. (European Commission: http://europa.eu.int/comm/regional_policy/country/prordn/details.cfm?gv_PAY=IT&gv_reg=ALL&gv_PGM=2001CB16PC009&LAN=5).
- xxix.** This tendency has been maintained during recent years, even if the contribution of the private sector to the growth of GDP seems to have increased in value. The GDP of Guadeloupe has grown on average by 4.90% per annum from 1993 to 2000, compared to 4.92% for that of Martinique during the same period (IEDOMb, 2003: 37).
- xxx.** Fragonard et alii, 1999, p. 41
- xxxi.** IEDOM 1998: p. 18.
- xxxii.** M. Carole 1999.
- xxxiii.** IEDOM 1998: p. 19.
- xxxiv.** This decrease is mainly explained by the efforts deployed by the Département of Martinique to limit the expenditure of social aid. But from the

beginning of the 1990s, the economic and social situation once again deteriorated, bringing with it a new increase in social expenditure.

xxxv. These categories are mainly unemployed or underemployed persons who do not receive unemployment benefit. See Daniel and Dokoui, 2003.

xxxvi. A. Nicolas 1996: p.155.

xxxvii. A. Nicolas 1998: p. 133.

xxxviii. Idem: p. 278.

xxxix. C. Lise and M.Tamaya 1999: p. 14.

xl. We refer in particular to the prefectorial institution that was perceived at the beginning to be the resurgence of colonial rule.

xli. The most significant example is the informal economy. See, for example, K. Brown.

xlii. J. Daniel 1984.

xliii. The decline in participation is general and concerns almost all elections: - Legislative elections: the abstention climbed from around 38% in 1967 to 53% in 1993; this rate is close to that noted for the cantonale elections in the large communes or in Fort-de-France - The regional elections are equally characterized by a regular and notable increase of abstention: less than 39% in 1983 compared to 52% for the first round in 2004 (the record being attained in 1998 with 55%); - The referendums: rates of abstention of 39% in 1961 (self-determination in Algeria), 62.42% in 1972, 87% in 2000; - The presidential elections have undergone a constant increase of the rate of abstention since the beginning of the Fifth Republic: 1965: 34.87%; 1969: 53.2%; 1974: 46.14%; 1981: 51.65%; 1988: 42.37%; 1995: 59.23%; 2002: 64.62%.

xliv. P. Sutton 1995: p. 51.

xlv. They denounce a very restrictive mode of delivery for visas, which is due in particular to the fight against clandestine immigration and the limited competence granted to local officials.

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Extended Statehood in the Caribbean ~ Fifty Years of Commonwealth ~ The Contradictions Of Free Associated Statehood in Puerto Rico



July 25, 2002 marked the fiftieth anniversary of the Constitution of the commonwealth of Puerto Rico. A Spanish colony until 1898, the Island became an overseas possession of the United States after the Spanish-Cuban-American War. In 1901, the U.S. Supreme Court defined Puerto Rico as an unincorporated territory that was 'foreign to the United States in a domestic sense' because it was neither a state of the American union nor a sovereign republic.**[i]** In 1917, Congress granted U.S. citizenship to Puerto Ricans, but the Island remained an unincorporated territory of the United States. In 1952, Puerto Rico became a Commonwealth or Free Associated State (*Estado Libre Asociado*, in Spanish).**[ii]**

The Commonwealth Constitution provides limited self-government in local matters, such as elections, taxation, economic development, education, health, housing, culture, and language. However, the U.S. government retains jurisdiction in most state affairs, including citizenship, immigration, customs, defense, currency, transportation, communications, foreign trade, and diplomacy.

In this chapter, we analyze the socioeconomic costs and benefits of 'associated free statehood' in Puerto Rico. To begin, we describe the basic features of the Commonwealth government, emphasizing its subordination to the federal government. Second, we examine the impact of the Island's political status on citizenship and nationality, which tend to be practically divorced from each other for most Puerto Ricans. Third, we focus on the cultural repercussions of the resettlement of almost half of the Island's population abroad. Fourth, we review the main economic trends in the half-century since the Commonwealth's establishment, particularly in employment, poverty, and welfare. Fifth, we recognize the significant educational progress of Puerto Ricans since the 1950s, largely as a result of the government's investment in human resources. Sixth, we assess the extent of democratic representation, human rights, and legal protection of Puerto Ricans under the current political status. Finally, we identify crime, drug addiction, and corruption as key challenges to any further development of associated statehood in Puerto Rico. Our thesis is that the *Estado Libre Asociado* has exhausted its capacity to meet the needs and aspirations of the Puerto Rican people, a task that requires a major restructuring of U.S.-Puerto Rico relations.

Over the past decades, the three major political parties – as well as the majority of the Puerto Rican electorate – have expressed a desire to reform Commonwealth status. Major differences of opinion remain regarding how exactly to complete the Island’s decolonization, whether through independence, enhanced autonomy, or full annexation to the United States.

Political Status

The origins of the Commonwealth formula can be traced to the political crisis confronting the United States and other European powers in the Caribbean in the wake of the Great Depression and the beginning of World War II. Before 1950, several military decrees (1898-1900) and two organic laws, the Foraker Act of 1900 and the Jones Act of 1917, had governed relations between Puerto Rico and the United States. Until 1952, Puerto Ricans had little participation in their own government; the governor, most members of the executive cabinet, and the justices of the Supreme Court of Puerto Rico were Americans appointed by the President of the United States. In short, the Island’s political system was that of a classic colony.

During the war, the Caribbean became the United States first line of defense against the German threat in the Americas, and Puerto Rico was the American key to the Caribbean. U.S. Army strategists ‘conceived of Puerto Rico, together with Florida and Panama, as forming a defensive air triangle that would guard the eastern approaches to the Caribbean and act as a stepping stone to South America’.**[iii]** U.S. military interests dictated the necessity for political stability in their own ‘backyard’.

The wartime appointed governor of Puerto Rico, Rexford G. Tugwell, a leading member of President Franklin D. Roosevelt’s New Deal brain trust and member of the Anglo-American Caribbean Commission, articulated this new geopolitical vision.**[iv]**

In 1940, the Popular Democratic Party (PDP), founded by Luis Muñoz Marín, won the elections in Puerto Rico, and continued to control the local government until 1968. U.S. security interests in the Caribbean and the post-World War II decolonization drive enabled PDP leaders to engineer and implement a new and comprehensive strategy of economic and political reform in Puerto Rico. This strategy reconfigured the key features of American colonial tutelage over the Island, by adding concessions and federal programs to chart the postwar political

and economic course. If Puerto Rico was to be the American key to the Caribbean, it had to become an example of American democracy and economic largesse to its neighbors. The basic rationale for Commonwealth status was that it provided a greater measure of self-rule, short of independence, and a more effective political framework for economic development than the earlier colonial regime.

In 1946, President Harry S. Truman named the first Puerto Rican governor, Jesús T. Piñero, and in 1948 Congress passed a law allowing the governor's election. In 1950, Congress passed and the President signed Law 600, authorizing a convention to draft the Constitution of the Commonwealth of Puerto Rico. The constitution was first approved by Congress (after requiring several changes, especially in its bill of rights),^[v] and then by the people of Puerto Rico. In a referendum held on March 3, 1952, eighty-one percent of the Island's electorate supported the creation of the *Estado Libre Asociado*.

The new political status did not substantially alter the legal, political, and economic relations between Puerto Rico and the United States. The U.S. dollar was Puerto Rico's official currency since 1899; the Island was under U.S. customs control since 1901; Puerto Ricans were U.S. citizens since 1917; federal labor legislation and welfare benefits had been extended to the Island since the 1930s; and Puerto Ricans could elect their governor since 1948. In 1953, Harvard Professor of International Law Rupert Emerson emphasized the essentially symbolic nature of the Commonwealth: '[T]he most distinctive element is that they [the Puerto Rican people] now have for the first time in their history given themselves a constitution and given their consent to their relationship to the United States (...) It is arguable that the status which they now have does not differ greatly in substance from that which they had before; but to press that argument too far would be to ignore the great symbolic effect of entering into a compact with the United States and governing themselves under an instrument of their own fashioning'.^[vi] Nonetheless, Commonwealth status provided more autonomy for Puerto Rico. Henceforth, the local governor would appoint all cabinet officials and other members of the executive branch; the local legislature could pass its own laws and determine the government's budget; and the judicial system would amend its civil and criminal code, without federal interference - as long as such measures did not conflict with the U.S. Constitution, laws, and regulations.

Because the Commonwealth formula is not part of U.S. federal doctrine, the

prevailing judicial interpretation is that Puerto Rico continues to be an ‘unincorporated territory’ that ‘belongs to but it is not a part of the United States’.[vii] Under Law 600, the U.S. Congress and President retain sovereignty over Puerto Rico and can unilaterally dictate policy relating to defense, international relations, foreign trade, and investment. Congress also reserves the right to revoke any insular law inconsistent with the Constitution of the United States. Moreover, federal regulations may be applied selectively, resulting in both concessions and revocations of regulatory privileges or advantages in any decision of the President or law enacted by Congress. In addition, many U.S. constitutional provisions – such as the requirement of indictment by grand jury, trial by jury in common law cases, and the right to confrontation of witnesses – have not been extended to Puerto Rico and other unincorporated territories.[viii]

Furthermore, the Commonwealth of Puerto Rico does not have voting representation in the U.S. Congress. Because the Island’s residents do not pay federal taxes,[ix] they are only entitled to one nonvoting member in the House of Representatives, called a Resident Commissioner. Pro-statehood and pro-independence supporters argue that Commonwealth is a colonial status because of the lack of effective representation and unrestricted congressional and executive power over Puerto Rico. Commonwealth advocates argue that this formula represents a compact among equals, which can be renegotiated to remedy its salient flaws. As the United States-Puerto Rico Commission on the Status of Puerto Rico enthusiastically concluded in 1966, the Commonwealth relationship ‘constitutes a solemn undertaking, between the people of the United States acting through their Federal Government and the people of Puerto Rico acting directly as well as through their established governmental processes’.[x] Nevertheless, the advantages and disadvantages of the *Estado Libre Asociado* have been endlessly debated over the past five decades.

Citizenship and Nationality

Paradoxically, the Island’s contested political status has strengthened rather than weakened feelings of national identity among Puerto Ricans. In a poll conducted on the Island in 2001, more than 60 percent of the respondents chose Puerto Rico as their nation. About 17 percent considered both Puerto Rico and the United States as their nations, and only 20 percent mentioned the United States alone.[xi] Another survey found that an even higher proportion – more than 93 percent – identified themselves as Puerto Rican, alone or in some combination

(including black, white, mulatto, Caribbean, or a member of another ethnic minority, such as Cuban and Dominican).**[xii]** Other empirical studies, conducted both on the Island and in the mainland, have confirmed that most Puerto Ricans see themselves as a distinct nation and share a specifically Puerto Rican, not American or Latino, identity.

Even in the mainland, Puerto Ricans seldom align themselves primarily with a pan-ethnic category such as Hispanic.**[xiii]** Recent debates on Puerto Rican cultural politics have focused on the demise of political nationalism on the Island, the rise of cultural nationalism, and continuing migration between the Island and the mainland. Many writers concur on the strength, clarity, and popularity of contemporary Puerto Rican identity.**[xiv]** Unfortunately, much of this work has centered on the Island and neglected how identities are reconstructed in the diaspora.**[xv]** Although few scholars have posited an explicit connection between cultural nationalism and migration, we would argue that they are intimately linked. For instance, most Puerto Ricans value their U.S. citizenship and the freedom of movement that it offers, especially unrestricted access to the continental United States. In recent years, Puerto Ricans have claimed the ability to migrate to the mainland and back to the Island as a fundamental right derived from their 'permanent association' with the United States. Ways to preserve this 'right' are currently being considered under all political status options (Commonwealth, free association, and independence, in addition to statehood). However, important sectors of the U.S. elite (including leading Congress members and businesspeople) do not see such options as realistic or even constitutionally possible.

As Puerto Ricans move back and forth between the two places, territorially grounded definitions of national identity become less relevant, while transnational identities acquire greater prominence. Transnational migration has often bred 'long distance nationalism', the persistent claim to a national identity by people born and raised away from their homeland, or residing outside of it for long periods of time.**[xvi]** For example, Puerto Ricans in Chicago have created *Paseo Boricua* (Puerto Rican Promenade) a mile-long strip along Division Street near Humboldt Park. This area features two giant Puerto Rican steel flags, the Puerto Rican Cultural Center, *la casita de don Pedro* (a small house in honor of nationalist leader Pedro Albizu Campos), the Roberto Clemente School, and celebrations of street festivals such as Three Kings Day, the People's Parade, and

patron saints' commemorations.**[xvii]** Similarly, Puerto Rican enclaves in New York, Philadelphia, Hartford, Orlando, and elsewhere express a strong pride in their national origins. The vast majority of Puerto Ricans, on and off the Island, imagine themselves as part of a broader community that meets all the standard criteria of nationality - a shared history, a homeland territory, a vernacular language, and shared culture - except sovereignty. What has declined over the past five decades is the public support for the proposition that Puerto Rico should become an independent country, apart from the United States.

How can most Puerto Ricans imagine themselves as a nation, even though few of them support the creation of a separate nation-state?**[xviii]** We address this issue by making a careful distinction between political nationalism - based on the doctrine that every people should have its own sovereign government - and cultural nationalism - based on the assertion of the moral and spiritual autonomy of each people, as expressed in the protection of its historical patrimony as well as its popular and elite culture.**[xix]** Whereas political nationalism insists on the necessity of independence, cultural nationalism can be reconciled with other forms of self-determination, such as free association. Whereas political nationalists concentrate on the practical aspects of achieving and maintaining sovereignty, cultural nationalists are primarily concerned with celebrating or reviving a cultural heritage, including the vernacular language, religion, and folklore. Cultural nationalism conceives of a nation as a creative force; political nationalism equates the nation with the state. The distinction between these two forms of nationalism is made only for analytical purposes, for in practice they often overlap.

While political nationalism is a minority position in contemporary Puerto Rico, cultural nationalism is the dominant ideology of the Commonwealth government, the intellectual elite, and numerous cultural institutions on the Island as well as in the diaspora. However, the U.S. government and most international organizations have not officially recognized the existence of a Puerto Rican nationality. Still, most Puerto Ricans believe that they belong to a distinct nation - as validated in their participation in such international displays of nationhood as Olympic and professional sports and beauty pageants. In 2001, the nearly simultaneous victories of Félix 'Tito' Trinidad as world boxing champion and Denise Quiñones as Miss Universe sparked a wave of nationalistic pride among Puerto Ricans of all political parties.**[xx]** At the same time, most Puerto Ricans have repeatedly

expressed their wish to retain their U.S. citizenship, thus pulling apart the coupling that the very term 'nation-state' implies. Put another way, the vast majority of Puerto Ricans do not want to separate themselves politically from the United States, but they consistently affirm their cultural identity as different from that of Americans.

The extension of U.S. citizenship to the Island in 1917 undermined the juridical bases of a separate identity among Puerto Ricans.**[xxi]** In 1996, the pro-independence leader Juan Mari Bras resigned his U.S. citizenship to test the feasibility of traveling abroad and voting with a Puerto Rican passport. However, in 1998, the U.S. District Court for the District of Columbia ruled that, under current federal laws, Puerto Ricans could not legally claim a nationality apart from the United States. But Puerto Ricans maintain a sharp distinction between the legal and cultural dimensions of identity, insisting on separating their U.S. citizenship from their Puerto Rican nationality. While all Puerto Ricans are U.S. citizens by birth, few consider themselves Puerto Rican-Americans or Americans.

Emigration and Immigration

In addition to its unresolved political status, Puerto Rico is increasingly a nation on the move: a country whose porous borders are incessantly crisscrossed by migrants coming to and going away from the Island. Since the 1940s, more than 1.6 million islanders have relocated abroad. According to the 2000 Census, 47.2 percent of all persons of Puerto Rican origin lived in the United States. At the same time, the Island has received hundreds of thousands of immigrants since the 1960s, primarily return migrants and their descendants, and secondarily citizens of other countries, especially the Dominican Republic and Cuba. By the year 2000, 9.3 percent of the Island's residents had been born abroad, including those born in the mainland of Puerto Rican parentage.**[xxii]** This combination of a prolonged exodus, together with a large influx of returnees and foreigners, makes Puerto Rico a test case of transnationalism, broadly defined as the maintenance of social, economic, and political ties across national borders. The growing diversity in the migrants' origins and destinations undermines traditional discourses of the nation based on the equation among territory, birthplace, citizenship, language, culture, and identity. It is increasingly difficult to maintain that only those who were born and live on the Island, and speak Spanish, can legitimately be called Puerto Ricans. As the sociologist César Ayala puts it, the Puerto Rican case suggests that 'the idea of the nation has to be understood not as a territorially organized nation

state, but as a translocal phenomenon of a new kind'.**[xxiii]**

We argue that diasporic communities are part of the Puerto Rican nation because they continue to be linked to the Island by an intense and frequent circulation of people, identities, and practices, as well as capital, technology, and commodities. Over the past decade, scholars have documented the two-way cultural flows between many sending and receiving societies through large-scale migration. Sociologist Peggy Levitt calls such movements of ideas, customs, and social capital 'social remittances', which produce a dense transnational field between the Dominican Republic and the United States.**[xxiv]** Similarly, Puerto Ricans moving back and forth between the Island and the mainland carry not only their luggage, but their cultural baggage: practices, experiences, and values. Culturally speaking, the Puerto Rican nation can no longer be restricted to the Island, but must include its diaspora.

Five decades of uninterrupted migration have unsettled the territorial and linguistic boundaries of national identity in Puerto Rico. For instance, second-generation migrants - often dubbed pejoratively 'Nuyoricans' on the Island - may speak little Spanish but still define themselves as Puerto Rican. While the Spanish language continues to be a basic symbol of national identity on the Island, it has become a less reliable mark of Puerto Ricanness in the mainland. Anthropologist Ana Celia Zentella has documented that many migrants believe that speaking English is compatible with being Puerto Rican.**[xxv]** In contrast, for most native-born residents of the Island, Spanish is their 'mother tongue'. According to the 2000 census, 14.4 percent of the Island's population speaks only English at home, while 85.4 percent speak Spanish only.**[xxvi]** It remains unclear whether return migration will expand the traditional discourse of Puerto Rican cultural nationalism to include English monolinguals and bilinguals, as well as those living outside the Island.

Table 1
Net Migration from Puerto Rico to the United States, 1900-1999

Years	Number of persons
1900-1909	2,000
1910-1919	11,000
1920-1929	35,638
1930-1939	12,715
1940-1949	145,010
1950-1959	446,693
1960-1969	221,763
1970-1979	26,683
1980-1989	490,562
1990-1999	325,875
Total	1,777,969

Sources: José L. Viquez Calzada, "Demographic Aspects of Migration", U.S. Commission on Civil Rights, *Puerto Ricans in the Continental United States: An Uncertain Future*; Junta de Planificación de Puerto Rico, *Estadísticas nacionales*, 1973-1979, and "Movimiento de pasajeros entre Puerto Rico y el exterior: Años fiscales 1990-2000".

Table 1 - Net Migration from Puerto Rico to the United States, 1900-1999

Table 1 presents a rough estimate of the net migration between Puerto Rico and the United States throughout the twentieth century. **[xxvii]** These figures show that Puerto Rican emigration first acquired massive proportions during the 1940s, expanded during the 1950s, tapered off during the 1970s, and regained strength during the 1980s. According to these figures, almost 8 percent of the Island's inhabitants moved to the United States during the 1990s. Although the exact numbers can be disputed, the most recent Puerto Rican diaspora may have surpassed the one that took place in the two decades after World War II.

Table 2 shows the growth of the Puerto Rican population in the United States between 1900 and 2000. The exodus was relatively small until 1940, when it began to expand quickly. After 1960, the mainland Puerto Rican population grew more slowly, but faster than on the Island. Today, the number of stateside Puerto Ricans closely approximates those on the Island. Because of continued emigration, Puerto Ricans abroad will probably outnumber islanders in the next decade.

As the exodus to the mainland has accelerated, immigration to the Island has continued apace. Between 1991 and 1998, Puerto Rico received 144,528 return migrants. In 1994-1995 alone, 53,164 persons left the Island, while 18,177 arrived to reside there. Nearly 95 percent of those who moved to the Island were return migrants and their children. Furthermore, thousands of Puerto Ricans have engaged in multiple moves between the Island and the mainland. In a 1998 survey, almost 20 percent of the respondents had lived abroad and returned to the Island, while another 3 percent had moved back and forth at least twice. **[xxviii]**

Table 3
Foreign-Born and U.S.-Born Population of Puerto Rico, 1899-2000

Year	Foreign-Born					U.S.-Born		
	Total	As % of population	Cuba	Dominican Republic	Spain	Total	As % of population	Qualifying (children) ^a
1899	11,351	1.5	-	-	7,050	1,059	0.1	1,059
1910	11,955	1.1	140	140	6,550	2,300	0.2	2,300
1920	8,157	0.6	164	220	4,075	2,709	0.2	1,577
1930	6,097	0.4	201	-	1,585	3,311	0.4	2,055
1940	5,099	0.3	107	-	2,533	8,098	0.5	8,519
1950	8,415	0.4	711	-	2,311	14,215	0.8	13,776
1960	19,214	0.4	1,070	1,212	2,538	32,118	2.2	45,091
1970	30,027	1.0	2,000	10,841	4,120	106,502	4.0	106,502
1980	70,058	2.2	22,501	20,058	3,500	299,114	8.2	299,114
1990	79,891	2.1	19,795	27,491	4,073	390,874	6.9	209,892
2000	109,281	2.9	19,600	61,471	3,800	441,839	6.1	211,008

Source: War Department, *Report on the Census of Porto Rico, 1899*; U.S. Census Bureau, *Census of the United States, 1910-1990*; Census of Population, 1990-1999; Census 2000 Summary File (S1F001-00000001).

^a Includes persons born outside of Cuba, the Dominican Republic, and Spain.

^b Includes Alaska and Hawaii (until 1912), the Philippines (until 1946), the U.S. Virgin Islands (after 1933), the Puerto Canal Zone, Guam, American Samoa, the Northern Mariana Islands, and territories born abroad.

Table 3

At the same time, the Island’s population has become increasingly diverse regarding nativity. **Table 3** summarizes the demographic trends in the foreignborn and U.S.-born population of Puerto Rico during the twentieth century. On the one hand, the Island’s foreign residents diminished greatly between 1899 and 1940, largely as a result of the decline in Spanish immigration. After 1940, especially between 1960 and 1970, the foreign-born population increased rapidly, primarily as a consequence of immigration from Cuba and the Dominican Republic. Smaller numbers of people have come from Spain, Colombia, Mexico, Venezuela, Argentina, China, and other countries. The U.S. mainland-born population in Puerto Rico has increased spectacularly since the beginning of the twentieth century. Most of this growth has been due to the return of Puerto Ricans and their offspring born abroad. By the end of the century, mainland-born residents of Puerto Rican descent were one of the fastest-growing sectors of the Island’s population. A smaller number of Americans has also moved to the Island. In 1990, the census counted 16,708 persons born in the United States, whose parents were also born there, living in Puerto Rico. The 2000 Census found that 6.1 percent of

Puerto Rico’s population had been born in the United States and that 3.2 percent had been living there in 1995. **[xxix]** In short, the Island is simultaneously undergoing three major types of population movements: emigration, return migration, and foreign immigration. Puerto Rico has become a veritable crossroads for people of various national origins and destinations. **[xxx]**

Table 4
Immigrants Admitted to Puerto Rico, 1960-2002

Year	Cuba	Dominican Republic	Other countries	Total
1960-64	4,156	-	8,609	12,765
1964-69	14,044	10,049	8,934	33,027
1970-74	4,948	12,288	6,385	23,621
1975-79	5,748	9,722	7,513	22,983
1980-81	-	-	-	-
1982-84	887	6,955	3,664	11,486
1985-89	1,628	16,052	4,749	22,429
1990-94	710	35,758	5,447	41,915
1995-99	1,028	22,551	3,324	26,903
2000-02	821	5,624	2,025	8,470
Total	33,970	118,999	51,339	204,308

Sources: U.S. Department of Justice, *Annual Report of the Immigration and Naturalization Service, 1960-1977*; *Statistical Yearbook of the Immigration and Naturalization Service, 1978-2002*; Blandie V. Shanks, *Statistical Analysis Branch, Immigration and Naturalization Service, personal communication, September 4, 1987*.

Table 4 - Immigrants Admitted to Puerto Rico, 1960-2002

After 1960, Puerto Rico became an attractive destination for Caribbean immigrants, especially Cubans and Dominicans (see **table 4**). Two major political events in neighboring countries signal the beginning of this period: the Cuban Revolution in 1959 and the assassination of Rafael Leónidas Trujillo, the dictator of the Dominican Republic, in 1961. Furthermore, U.S. marines invaded Santo Domingo in April 1965, after a local coup d'état and civil war. The political turmoil and material hardship in these neighboring countries, combined with the Island's rapid economic growth during the 1960s, brought nearly 34,000 Cubans and 119,000 Dominicans to Puerto Rico over the past four decades. More than 51,000 immigrants came from other countries, primarily in Latin America. [xxxi] The growing demand for cheap labor in certain economic niches, such as domestic service, construction, and coffee agriculture, continues to draw Dominicans and other foreigners to the Island. Thus, the Puerto Rican situation presents the apparent contradiction of a growing immigrant population - one of the largest in the Caribbean - along with sustained emigration to the United States.

In the long run, exporting and importing labor has not been a viable development strategy for Puerto Rico. Despite decades of enduring emigration, unemployment rates have never fallen below 10 percent. Living standards have deteriorated over the past two decades. Almost half of the population still lives under the poverty level. An increasing proportion depends on transfer payments from the U.S. government, particularly for nutritional and housing assistance. The Island's economic outlook seems bleak, especially after the elimination of Section 936 of the Internal Revenue Code in 1996, which provided tax exemptions to U.S. companies operating on the Island. Salaries have not kept pace with the rising

cost of living – especially in housing, transportation, education, **[xxxi]** food, and basic services such as electricity and running water. Consequently, migration to the mainland will most likely increase.

Economic Development

Chart 1 summarizes the pillars of the Commonwealth’s economic policies:

- (1) common defense,
- (2) common currency,
- (3) common citizenship,
- (4) selective application of federal labor laws and regulations,
- (5) federal tax exemptions and special quotas, and
- (6) local tax exemptions.

These juridical and political principles have been configured and reconfigured through time by federal and insular laws, provisions, and regulations to produce policy outcomes beneficial to the Commonwealth government and U.S. corporations on the Island. Because Congress has the power to alter, and has altered, the regulatory substance of these principles, they have become ‘permanent but wobbly’ pillars of the Commonwealth’s development strategy. **[xxxii]**

Chart 1 Pillars of the Economy of the Commonwealth of Puerto Rico

Common Defense

1898-U.S. military bases are established in Puerto Rico.

Common Currency

1899-The U.S. dollar becomes *the official currency of Puerto Rico by presidential decree.*

Common Market

1901-Puerto Rico is included in the U.S. Customs territory and coastwise shipping laws. Federal laws and rules apply to international and interstate business and commerce. The Federal District Court is established in Puerto Rico to deal with interstate disputes.

Common Citizenship

1917-The Jones Act extends U.S. citizenship to Puerto Ricans during World War I.

Federal Welfare Programs and Transfer Payments

1934-New Deal Programs are extended to Puerto Rico through the Puerto Rico Emergency Relief Administration (PRERA) and the Puerto Rico Reconstruction Administration (PRAA).

1975-Federal public welfare programs, e.g., food stamps and nutritional assistance programs, are extended to Puerto Rico.

Selective Application of Federal Labor Laws and Regulations

1934-The Fair Labor Standards Act is extended to Puerto Rico.

1947-The Taft-Harley Act is extended to Puerto Rico.

Federal Tax Exemptions and Special Quotas

1954-Section 931 of the Internal Revenue Code is applied to Puerto Rico.

1965-Presidential Proclamation 3279 establishes special oil import quotas.

1976-Section 936 of the Internal Revenue Code is approved.

1982-The Tax Equity and Fiscal Responsibility Act (TEFRA) is approved.

1993-The Omnibus Budget Reconciliation Act (OBRA) is approved.

Local Tax Exemption

1948-The Industrial and Tax Incentive Act is approved in Puerto Rico, with modifications in 1963, 1978, 1987, and 1998.

Operation Bootstrap was the economic corollary of the Commonwealth political status. The PDP government's policies opened a new chapter in the history of development economics by attempting to demonstrate the viability of industrialization in a small island with few natural resources. Teodoro Moscoso, the architect of what would later be known as 'industrialization by invitation' or the *maquiladora* model, put together a technocratic structure combining the features of a think tank with the connections of public relations firms. Among the young economists hired by Moscoso were the future Nobel laureates Arthur Lewis, John Kenneth Galbraith, and Wassily Leontief. The prominent planner Harvey S. Perloff was one of the masterminds of Operation Bootstrap. Consultants such as Arthur D. Little, Robert H. Nathan and Associates, and public relations firms such as McCann Erickson and Young and Rubicam were also part of the Bootstrap brain trust. **[xxxiii]**

Economists, planners, and consultants collaborated to promote industrial development in a small-scale economy. Public relations firms targeting U.S. investors then repackaged their message. Widely disseminated through publications such as *Fortune*, *Baron's*, *Times Magazine*, *The Wall Street Journal*, and the *New York Times*, the message highlighted the Island's unique advantages as a U.S. possession: free access to the mainland market, a dollar economy, low wages, and, above all, total tax exemption from local and federal taxes. Former Governor Roberto Sánchez Vilella once quipped that Americans believed that no one could escape death and taxes, but Puerto Ricans were offering them an escape to the latter. **[xxxiv]**

Operation Bootstrap radically transformed the Island's economy and society between 1950 and 1970. Gross national product (GNP) annual rates of real growth averaged 5.3 percent in the 1950s and 7 percent in the 1960s. Real wages, measured in 1984 prices, grew steadily from a weekly average of US\$41.64 in 1952 to US\$153.18 in 1972. The gender gap in wages declined by 19 percent during the same period. Although income distribution did not improve substantially in the short term, by the 1970s the Puerto Rican middle class was thriving and engaged in conspicuous consumption. Expenditures in durable consumer goods rose from 8.2 percent of personal expenditures in 1950 to 16.1 percent in 1970 (remaining at that level for the rest of the century), accompanied by increases in the consumption of services. Unemployment declined from 12.9 percent in 1950 to 10.7 percent in 1970. Manufacturing employment rose from 55,000 jobs in 1950 to 132,000 in 1970, while the number of workers in domestic service and the home needlework industry declined from 82,000 in 1950 to 15,000 in 1970. **[xxxv]**

Without the 'advantages' of Commonwealth (chart 1), the rapid growth of the 1950s and 1960s would have been impossible' Improvements in wages and employment were directly related to one of the pillars of the Commonwealth, U.S. citizenship, and one of its key consequences, the free movement of labor between the Island and the mainland. Between 1950 and 1970, an estimated 684,000 Puerto Ricans migrated to the United States, mostly to the East Coast. **[xxxvi]** According to economist Stanley Friedlander, had such mass migration not taken place, the Island would have faced an unemployment rate of 22.4 percent in 1960, as opposed to the actual rate of 13.2 percent. **[xxxvii]** The export of surplus labor thus became part of the economic strategy, helping to reduce the country's

population growth and unemployment levels. As government planners predicted in the 1940s, migration became a survival strategy for thousands of Puerto Rican families.

The economic significance of the diaspora can be gauged from the migrants' monetary transfers to their relatives on the Island. Although much smaller in volume than in neighboring countries like the Dominican Republic and Cuba, private remittances to Puerto Rico increased more than eleven-fold from approximately US\$47 million in 1960 to nearly US\$549 million in 1999.**[xxxviii]** Together with the larger amounts of transfer payments from the U.S. government, migrant remittances are a growing source of support for the Island's poor. They represented about half of the net income generated by the tourist industry in 1997.**[xxxix]**

Between 1950 and 1970, Operation Bootstrap and the Commonwealth were the economic and political expression of an arrangement that seemed mutually advantageous to both the governments and peoples of the United States and Puerto Rico. A prosperous Puerto Rico would play the symbolic role of political showcase during the Cold War, as well as the more traditional role of U.S. naval base in the Caribbean. In particular, the U.S. government promoted the Island as a democratic and capitalist alternative to the Cuban Revolution after 1959.

Half a century after its creation, the Commonwealth's economic deterioration contrasts with the promise of the first two decades. Between the mid-1970s and 1980s, the Puerto Rican economy skidded uncontrollably. Growth faltered, unemployment soared, and wages hit a plateau that would become the norm for the remainder of the twentieth century. While some blamed the 1973 oil crisis and the second oil shock of 1978, others realized that the Puerto Rican economy was structurally compromised. In 1974, the Nobel Prize winner in economics, James Tobin, headed the Governor's Committee for the Study of Puerto Rico's Finances, which concluded that the Commonwealth's main problems were its economic openness and dependency. The local government did not have the power or policy mechanisms to chart an effective economic strategy outside the limits of its peculiar relation with the United States. The government could adjust its finances (cut spending, raise taxes), but the Commonwealth structure constrained the wider economic implications of its public policies.**[xl]** In the last quarter of the twentieth century, Puerto Rico changed from a model of political and economic modernization to a high-cost and politically contentious corporate

tax haven. [xli]

Table 5
Performance of Selected Socioeconomic Variables,
Puerto Rico, 1970-1999

	Real GNP Annual Growth	Real Wages Annual Growth	Federal Transfers Annual Growth	Unemployment Annual Average	Migration Annual Average
1970-79	4.2%	1.2%	23.6%	15.2%	2,668
1980-89	1.8%	-0.7%	6.2%	19.0%	49,016
1990-99	2.8%	-0.7%	7.2%	14.4%	32,588

Sources: Junta de Planificación de Puerto Rico, Informe económico al Gobernador, 1983, 1989, 1996, 2000, statistical appendix; Serie histórica de empleo en Puerto Rico; Estadísticas socioeconómicas, 1972-1989; "Movimiento de pasajeros entre Puerto Rico y el exterior, Años fiscales 1990-2000".

Table 5 - Performance of Selected Socioeconomic Variables, Puerto Rico, 1970-1999

Crisis and Welfare

Table 5 presents the performance of selected socioeconomic variables on the Island over the last three decades of the twentieth century. At first sight, the data suggest that the Puerto Rican economy never recovered from the downturn of the 1970s, and that the massive injection of federal funds in welfare payments and the return to mass migration merely served to alleviate poverty and unemployment. Commonwealth opponents (both pro-statehood and pro-independence supporters), as well as some of its advocates, argue that the Island's economy has been adrift during the past three decades and that federal subsidies and concessions have only palliated the major socioeconomic problems.

A look at the levels of federal disbursements in Puerto Rico over the last three decades of the twentieth century seems to confirm the perception discussed. Chart 2 presents total federal expenditures and federal transfer payments as a percentage of the Island's gross national product (GNP) from 1970 to 2000 in real prices, using the Commonwealth government's standard 1954 price index to adjust for inflation. Federal expenditures and transfers have played an increasing role in the Puerto Rican economy. During the 1970s, total federal disbursement and federal transfers grew at a fast rate (13 and 18 percent per year, respectively). Federal disbursements came to represent more than one third of the GNP while federal transfers came to represent between one fifth and one fourth of the GNP. But after a quick burst in the 1970s, federal disbursements leveled off. The largest and fastest growing share of federal expenditures were transfers to individuals. [xlii]

A close analysis of federal disbursements, however, reveals a complex picture.

The introduction of the food stamps program in 1975 spearheaded the dramatic increase in federal transfer payments to Puerto Rico. The program began with an allocation of US\$388.4 million in 1975 and nearly doubled to US\$754.8 million in 1976. Federal aid for nutritional assistance represented about 10 percent of Puerto Rico's GNP between 1976 and 1978, tapering off to around 5 percent by the mid-1980s and between 3 and 4 percent in the 1990s. Six programs led the rapid growth in federal transfer payments during the seventies: social security; veterans. benefits; Medicare; food stamps; the Basic Educational Opportunity Grants program (BEOG, later known as Pell Grants); and the mortgage and rent programs, such as Federal Housing Administration (FHA) loans and 'Section 8' subsidies.

In short, most federal transfer payments to Puerto Rico are not simply welfare, but earned benefits, especially social security and veterans' benefits. Between 1980 and 2000, the combined share of federal transfers in nutritional assistance, housing subsidies, and scholarships declined from 35.8 percent to 23 percent, while social security and veterans benefits together increased from 47.7 percent to 56.2 percent. As U.S. citizens by birth, Puerto Ricans serve in the U.S. armed forces, pay social security contributions on the Island as well as in the mainland, and can move freely between the two places. Likewise, the U.S. armed forces have military bases on the Island and U.S. corporations are free to move capital, goods, and services between the Island and the mainland. So are federal agencies operating in Puerto Rico, from the postal service to the Federal Bureau of Investigations (FBI). This unrestricted movement of labor, capital, private and public services, and law enforcement agencies has tightened the linkages between private companies and government agencies on the Island and the continent, which account for a substantial share of federal payments.

Chart 1



Sources: Junta de Planificación de Puerto Rico. Informe económico al Gobernador, 1974, tablas 15, 16, 20; Informe económico al Gobernador, 1983, tablas 1, 18, 19, 21; Informe económico al Gobernador, 1989, tablas 1, 20, 21, 22; Informe económico al Gobernador, 1996, tablas 1, 20, 21, 22; Informe económica a la Gobernadora, 2000, tablas 1, 20, 21, 22.

Chart 2

Unemployment and Poverty

Unemployment and poverty have been structural features of the Puerto Rican economy since 1898. The promise of industrial development to reduce unemployment and end poverty did not materialize during the first half-century of Commonwealth. As shown in chart 3, unemployment never fell below 10 percent of the active labor force despite massive emigration during the fifties, sixties, eighties, and nineties (see table 1).

The main cause of poverty in Puerto Rico is unemployment. According to a recent study, families with unemployed heads of household account for 75 percent of all poor families.**[xliii]** Although income distribution has improved somewhat since the 1950s, the number of poor families according to the census increased steadily between 1969 and 1989, from 336,622 to 492,025. In 1999, the number of families below the poverty threshold was 450,254, the first reduction since 1969. However, the former head of the Special Communities Office of the Department of the Family, Linda Colón, has disputed this figure.**[xliv]**

One of the goals of Commonwealth founder, Muñoz Marín, was that by the 1970s Puerto Rico would reach the per capita income level of Mississippi, the poorest state of the union according to the 1960 census. This goal appeared feasible in the sixties, when Puerto Rico's median per capita income was 68 percent of Mississippi's. Table 6 shows not only that the Commonwealth did not attain that goal, but that the income gap between Puerto Rico and the poorest states broadened between 1959 and 1999. Furthermore, poverty levels are worse on the Island than in the mainland. Although the poverty threshold in Puerto Rico is lower than in the United States, a larger share of the Island's population (48

percent in 1999) than in the mainland (11 percent) is poor

Chart 3
Unemployment Rates in Puerto Rico, 1950-2000



Source: Junta de Planificación de Puerto Rico. Informe económico al Gobernador, 1950-2000.

Chart 3 - Unemployment Rates in Puerto Rico, 1950-2000.

On the bright side, the educational attainment of Puerto Ricans has improved dramatically over the last five decades. For instance, the proportion of adults with a high school diploma rose from 7 percent in 1950 to 60 percent in 2000. Moreover, the share of college graduates increased from a mere 1.8 percent in 1950 to 18.3 percent in 2000 (see table 7). This extraordinary growth of the schooled population was largely due to the growing availability of federal funds for numerous educational programs - from preschool to the university - as well as the relatively large share of the Commonwealth's budget devoted to education and culture (35.6 percent in fiscal year 2002-2003).**[xliv]** Puerto Ricans have benefited from greater access for U.S. minorities to higher education since the 1960s, especially in public colleges and universities on the Island and in the mainland. By the year 2000, Puerto Rico had a comparable proportion of college and graduate students (20.9 percent) to the United States (22.8 percent).**[xlvi]** The rapid expansion in the educational opportunities for the Puerto Rican people is one of the Commonwealth's most important accomplishments.

Table 6
Puerto Rico's Per Capita Income Ratio, 1949-1999

	1949	1959	1969	1979	1989	1999
United States	0.25	0.37	0.25	0.21	0.21	0.29
Mississippi	0.52	0.68	0.39	0.31	0.32	0.40
West Virginia	0.35	0.51	0.32	0.27	0.29	0.39
New Mexico	0.33	0.45	0.32	0.26	0.28	0.37
Arkansas	0.47	0.60	0.35	0.28	0.29	0.37
Montana	0.24	0.41	0.29	0.24	0.27	0.37
Louisiana	0.35	0.50	0.32	0.24	0.27	0.36

Source: U.S. Bureau of the Census, Statistical Abstract of the United States, 1950-2000.

Table 6 - Puerto Rico's Per Capita Income Ratio, 1949-1999

Despite such advances, the educational system of Puerto Rico faces great challenges. To begin, the quality of education has not improved significantly with the massive expansion of public instruction. On the contrary, many local schools and universities are producing poor results as measured by student retention, test scores, skills acquisition and transference, creation of knowledge, technological applications, and research and development. Second, the educational credentials of Puerto Ricans do not ensure their successful incorporation into the local labor market. In June 2003, the unemployment rate for persons with 13 years or more of schooling on the Island was 10.2 percent (compared to 12.4 percent for the entire population).**[xlvii]** In addition, many college graduates are forced to accept lower-status service occupations or to migrate to the mainland in search of better

jobs and salaries. Third, growing dependence on federal funds means that the Island's educational system must submit to U.S. standards, methods, and

Table 7
Educational Attainment, Puerto Rico.
Population 25 Years of Age and Over, 1990-2000 (in Percentages)

	1992	1995	1997	2000	2002	2000
Less than 9th grade	28.0	27.4	26.0	25.8	25.4	25.4
9-11th grade	4.7	7.2	10.9	10.7	14.9	14.6
High school graduate	3.6	7.5	11.0	11.1	23.0	22.5
Some college	1.6	4.0	6.0	9.4	14.4	19.4
Bachelor's degree	1.8	3.5	6.0	9.4	10.7	15.0
Graduate or professional degree	-	-	-	-	3.9	4.7
Not reported	0.3	0.5	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: U.S. Census Bureau, U.S. Census of Population, 1990-2000, Profile of Selected Social Characteristics, 2000, Puerto Rico.

practices. For instance, the 'Leave No Child Behind' Act, approved in 2002, requires that students release personal information to the U.S. armed forces for recruiting purposes. Many Puerto Rican parents have resisted what they see as an infringement of their children's civil rights. Finally, Puerto Rico's educational system, particularly at the university level, needs major restructuring to raise the productivity and competitiveness of human resources vis-à-vis the global economy. Teaching methods, curricular materials, and evaluation strategies are still oriented toward a professional, technocratic, and vocational philosophy that does not fit well in a postindustrial, knowledge-intensive, and high technology world.**[xlviii]**

The Rule of Law, Democracy, and Human Rights

In some ways, the Commonwealth of Puerto Rico can be considered a model of liberal democracy, 'where politics based on free elections, multiple parties, and liberal democratic freedoms are still predominant'.**[xlix]** Since 1952, Puerto Rico has held thirteen Island-wide elections and eleven plebiscites and referenda without major accusations of fraud or external interference. Three political parties - the Popular Democratic Party, New Progressive Party (NPP), and Puerto Rican Independence Party (PIP) - compete openly for majority support and control of the Commonwealth government. Two of them, the PDP and the NPP, have alternated in power six times since 1952. Furthermore, Puerto Ricans enjoy a high degree of civil liberties and political freedoms, compared to other Latin

American and Caribbean countries. As political scientist Carl Stone has pointed out, the Island 'has strong and free trade unions, a free press, well-developed political and civil rights, and high levels of mass political participation'.**[i]** The Commonwealth as well as the U.S. constitutions protect the rights to free speech, assembly, organization, freedom of religion, privacy, equal protection under the law, equal pay for equal work, and many others.

However, Puerto Ricans on the Island do not enjoy all the rights and freedoms as U.S. citizens in the mainland. This is one of the key issues shaping the status debate in Puerto Rico. According to legal scholar Efrén Rivera Ramos, 'the extension of U.S. citizenship to Puerto Ricans in 1917, has probably been the most important decision made by the United States regarding the political future and the lives and struggles of Puerto Ricans'.**[ii]** Originally an external imposition by Congress, U.S. citizenship has become one of the main pillars of continuing association between Puerto Rico and the United States. Moreover, the discourse of rights is a powerful ideological justification for the Island's complete annexation into the American union. Today, most Puerto Ricans recognize the material and symbolic value of U.S. citizenship, including access to federally-funded programs; free movement between the Island and the mainland; and protection of some of the civil, social, and political rights guaranteed by the Constitution of the United States.**[iii]** Although Puerto Ricans on the Island cannot exercise the full range of these rights (such as voting for the President of the United States and voting members of the U.S. Congress), they can do so once they move to the mainland. Under Commonwealth, place of residence rather than legal status determines the extent to which Puerto Ricans enjoy their rights.

At root, the legal problem is that, in 1917, the Jones Act conferred U.S. citizenship, but not representation, upon the residents of Puerto Rico.**[iiii]** Based on the distinction between incorporated and unincorporated territories, the U.S. Congress and Supreme Court determined that the constitution did not 'follow the flag'. That is, not all rights, duties, laws, and regulations promulgated by the federal government applied to its overseas possessions. In effect, Puerto Ricans were granted a second-class citizenship similar to African Americans, Native Americans, and women prior to the approval of universal suffrage. As Rivera Ramos argues, 'a distinction made early on between the political condition of the territories and the civil rights of its inhabitants has allowed for the development of a political system that may be described as a partial democracy, based on the

liberal ideology of the rule of law and the discourse of individual rights, but coexisting with a situation of collective political subordination'.**[liv]** This contradiction between state protection of civil liberties and lack of appropriate representation in that state lies at the heart of the argument that Commonwealth is still a colonial status and, at best, an incomplete democracy.

The most flagrant violations of human rights in Puerto Rico have been committed against political dissidents. In 1987, the Puerto Rican Commission on Civil Rights found that the local police had placed more than 75,000 citizens under secret surveillance because of their political beliefs. In 1992, Puerto Rico's Supreme Court ordered the devolution of all personal files (carpetas) documenting the ideas, activities, and organizations of the so-called subversives. The main targets for surveillance were members of the pro-independence, socialist, and student movements, but labor, feminist, cultural, religious, community, environmental, and communist groups were also included in this illegal practice. In 2000, the Commonwealth compensated more than 1,000 persons (for a total of US\$3.8 million) who sued the government on the grounds of political persecution.**[lv]**

The recent 'peace for Vieques' movement was largely a struggle for human rights. On May 4, 2000, the U.S. Navy carried out Operation Access to the East, removing more than 200 peaceful demonstrators from its training grounds in Vieques, a small island municipality off the eastern coast of Puerto Rico. Since then, more than 1,640 persons were arrested for trespassing federal property, particularly during firing practices. According to the head of the Puerto Rican chapter of the American Civil Liberties Union (ACLU), the federal government committed multiple violations of human rights, such as using pepper spray and tear gas on unarmed protestors, and denying them due process after their arrest.**[lvi]** Those practicing civil disobedience included a wide spectrum of political and religious leaders, university students, environmentalists, community activists, and fishermen. The protests had been sparked by the accidental death of security guard David Sanes Rodríguez during a military exercise in Vieques on April 19, 1999. Soon thereafter, Puerto Ricans of all ideological persuasions and walks of life called for an end to live bombings, the navy's exit, and the return of military lands to the civilian residents of Vieques. In June 2000, a survey conducted by the Catholic diocese of Caguas found that 88.5 percent of the population supported the navy's retreat from the island.**[lvii]** No other issue in recent history has galvanized such a strong consensus in Puerto Rican public

opinion. Despite the strong solidarity displayed by Puerto Ricans on and off the Island, the U.S. Navy continued military exercises in Vieques until May 1, 2003. Without voting representation in Congress, islanders were forced to accept a presidential directive (timidly negotiated by former Governor Pedro Rosselló), that did not please most opponents of the navy's bombing of Vieques. This directive called for the resumption of military training activities, although with inert bombs, as well as for a plebiscite to poll the views of the people of Vieques. On July 29, 2001, 68.2 percent of the voting residents of Vieques supported the navy's immediate withdrawal from the island.**[lviii]** International pressure, together with a strong grassroots movement, finally forced the navy to abandon Vieques in 2003.

Other violations of human rights in Puerto Rico focus on undocumented immigrants from the Dominican Republic. U.S. immigration authorities have been accused of mistreatment and abuse of persons attempting to enter U.S. territory illegally. Saúl Pérez, president of the Dominican Committee for Human Rights, has denounced several instances of police brutality and harassment of Dominican citizens in Puerto Rico.**[lix]** Many Dominican workers also experience labor discrimination on account of their national origin. In 2000-2001, Puerto Rico's Department of Labor and Human Resources received 76 complaints of this kind, most of which were presumably filed by Dominican citizens.**[lx]** In the wake of federal legislation restricting health, educational, and housing benefits to legal residents of the United States, the Commonwealth government may deny such basic services to undocumented Dominicans.

Drugs and Crime

Drug addiction often leads individuals to engage in criminal activity because the manufacturing and sale of illegal drugs are restricted or prohibited. Drug consumption and abuse became part of Puerto Rican popular culture in the 1960s. The Vietnam War and the hippie counterculture, as well as organized crime, contributed to the popularization of drugs among youth on the Island and in the mainland. Marihuana, heroin, and mind-altering hallucinogens, such as LSD, entered the Puerto Rican social scene, much in the same form as they did in American urban centers.

Methodologically sound estimates of the number of drug addicts in Puerto Rico are unavailable. In the year 2000, the Administration of Mental Health Services and Prevention of Addiction (known as ASSMCA, its Spanish acronym) estimated

that Puerto Rico had 38,000 drug addicts, about 1.4 percent of the population, and some 130,000 alcoholics, equivalent to 4.8 percent of the population. These figures are based on a study conducted in 1997-98 by the Center for Substance Abuse Treatment using a household sample. The study had clear limitations: it conducted telephone interviews of persons between 15 and 64 years old, in an island where 27 percent of the population does not have telephone service at home. To conduct interviews in households without telephones, the researchers provided the interviewees with cellular phones. Thus, the survey excluded much of the addicted teenage population and vitiated the confidentiality of telephone interviews by coming face to face with interviewees in the cellular loan transaction.**[lxi]** Common wisdom, even among the ASSMCA personnel contacted, is that between 4 and 5 percent of the population is addicted to or uses drugs regularly. Hence, the number of drug users ranges between 152,000 and 190,000 persons of all ages.

Similarly, it is difficult to estimate the cost of drug addiction to the Puerto Rican economy. Local and federal funds are used at all levels and from a variety of programs. Expenditures on prevention, law enforcement, and treatment are not reported separately either. For example, in 2000 the Public and Indian Housing Program awarded US\$9.2 million in federal funds to the local police and US\$2.8 million to ASSMCA. In 2001, ASSMCA received about US\$24.5 million from seven different federal programs for services to addicts, while Puerto Rico's Health Department received US\$33.1 million in federal funds for HIV/AIDS programs from six different sources.**[lxii]** The growing use of federal funds suggests that the Commonwealth government has not found an adequate strategy to halt drug addiction on the Island.

A corollary of the drug problem is crime and law enforcement. As well as a major consumer of drugs, Puerto Rico is a springboard for smuggling illegal drugs into the United States. The U.S. Drug Enforcement Administration (DEA) estimates that 20 percent of all drugs entering the Island is destined for local consumption. In the year 2000, Puerto Rico's Police Department had intervened 1,200 'drug points' (*puntos de droga*), the locations for the retail sale of illegal drugs (mostly crack cocaine, heroin, and marihuana). This figure suggests that the Island has at least one drug point for every three square miles. And this average excludes the sale of 'designer drugs', such as ecstasy, sold mostly at private parties and schools for young, middle class, 'recreational' drug users.

In November 1995, the DEA opened its Twentieth Field Division in San Juan. This office is responsible for Caribbean operations from Jamaica to Surinam. According to congressional testimony of the DEA administrator in 1997, Puerto Rico, with the fourth busiest seaport in North America and the fourteenth in the world, was ‘the largest staging area in the Caribbean for smuggling Colombian cocaine and heroin into the United States’.**[lxiii]** At that time, roughly 31 percent of all drugs entering the United States passed through the Caribbean corridor. The remaining 69 percent entered through Central America and Mexico.

The competition in the drug trade brings extraordinarily high rates of violence. Between 1990 and 1995, Puerto Rico averaged 849 murders per year or 2.3 per day. Between 1996 and 2001, the figures dropped to 708 per year or 1.9 per day. But the real magnitude of the problem can be observed when we compare murder rates on the Island with those of other jurisdictions in the United States. According to the FBI’s ‘Uniform Crime Reports Statistics’, 2002, the state of the union with the highest murder rate is Louisiana, with 13.4 murders per 100,000 inhabitants. No other state has a rate of ten or more. Puerto

Table 8
Highest Murder Rates, 2002
Selected Cities and Metropolitan Areas with More than One Million Inhabitants
in the United States and Puerto Rico

Area	Population	Crimes	Rate per 100,000	Violent Crimes	Rate per 100,000	Murders	Rate per 100,000
San Juan-Bayamón, PR	1,991,772	55,813	2,802.2	8,936	448.6	528	26.5
New Orleans, LA	1,342,821	69,399	5,180.4	9,279	692.4	327	24.4
City of Philadelphia, PA	1,524,226	83,392	5,489.7	20,057	1,388.5	288	18.9
City of Los Angeles, CA	3,830,361	190,992	4,998.3	51,695	1,342.4	654	17.1
City of Phoenix, AZ	1,404,938	109,916	7,846.7	10,916	772.1	177	12.6
Baltimore, MD	2,630,914	134,817	5,124.3	26,049	990.1	317	12.0
Las Vegas, NV	1,153,546	36,810	3,188.1	8,981	778.9	137	11.9
Richmond-Petersburg, VA	1,026,785	46,681	4,548.3	4,573	445.6	115	11.2
Detroit, MI	4,491,605	193,042	4,297.8	31,665	705.0	491	10.9
Washington DC, Metro	5,050,449	204,399	4,047.1	25,331	505.5	474	9.4
Jacksonville, FL	1,150,811	66,995	5,821.5	9,633	837.1	102	8.9
Miami, FL	2,376,396	168,968	7,170.6	26,303	1,116.2	204	8.7

Source: Federal Bureau of Investigation, ‘Uniform Crime Reporting Program’.

Table 8 - Highest Murder Rates, 2002 - Selected Cities and Metropolitan Areas with More than One Million Inhabitants in the United States and Puerto Rico

Rico’s murder rate is 20.1 murders per 100,000 inhabitants, only surpassed by the District of Columbia, with 46.2 murders per 100,000 inhabitants.

Table 8 compares murder and crime rates in major metropolitan areas in Puerto Rico and the United States. In 2002, the San Juan-Bayamón metropolitan area had the highest murder rate, followed by Philadelphia, of all metropolitan areas with more than one million inhabitants. The Washington D.C. metropolitan area had a much lower murder rate than the District of Columbia. Two other large metropolitan areas of Puerto Rico, with less than one million dwellers, had very high murder rates: Ponce (with 22.7) and Caguas (with 17.9).**[lxiv]**

Corruption

An important component of drug-related criminal activity is money laundering. In published congressional testimony, DEA officials have argued that Colombian drug cartels use Puerto Rico as a money-laundering center, but have not revealed specific figures on this practice. Since April 1996, the U.S. Department of the Treasury requires banks and financial institutions to file 'suspicious activities reports' (SARs) on certain transactions that are deemed suspicious or unusual. Between 1996 and 2000, local banks and financial institutions filed 505,491 SARs. Puerto Rico ranked number 33 in the United States, with California, New York, Florida, and Texas leading the list with most SARs.**[lxv]**

According to the DEA, a frequently used drug money-laundering tool in Puerto Rico is the *casa de cambio or casa de envío de valores*, a currency office that 'wires' cash to other countries. In Puerto Rico, most of these establishments process the sending of remittances by Dominican migrants to their families in the Dominican Republic. Whereas most remittance agencies are legitimate businesses, some operate primarily as fronts for illegal transactions.**[lxvi]**

Large financial institutions have also been implicated in these practices. A Spanish judge recently visited Puerto Rico to investigate allegations of money laundering by the Banco Bilbao Vizcaya, but did not file any charges. In January 2003, Banco Popular de Puerto Rico, the Island's largest bank, paid US\$21.6 million in penalties to settle accusations of money laundering by the U.S. Department of Justice.**[lxvii]**

Besides drug-related money laundering, much of it is related to government fraud in Puerto Rico. Since 1998, corruption among high-ranking government employees of the Rosselló administration (1993-2000) has been well documented. Many public officials have been accused and convicted of funneling federal funds from grants and special contracts for both personal gain and for financing

political campaigns for the NPP. The former Secretary of Education, Víctor Fajardo, pleaded guilty to federal charges involving a scheme in which contracts were awarded to contractors in exchange for a kickback amounting to 10 percent of the contract. The secretary personally appropriated more than US\$3 million, some of which he kept in a vault in his home because depositing such large sums of money in a local bank would have prompted a SAR and an investigation by the U.S. Department of the Treasury.

Fraud and extortion cases involving Federal Emergency Management Agency (FEMA) relief funds for hurricane Georges in 1998 have been brought against five mayors from the NPP and two from the PDP. These actions of mismanagement involved nearly US\$22.6 million (an average of US\$7.53 million per municipality) in funds approved by FEMA for municipal cleanup. The mayors were accused of extorting from or conspiring with contractors to appropriate millions of dollars from FEMA funds by billing the agency for services not rendered. **[lxviii]** Since 1999 the Puerto Rican press regularly reports the prosecution of cases for similar schemes of extortion, laundering, and misappropriation of funds. The agencies where the most notorious cases of corruption have been discovered are those with the highest rates of federal funding, namely, education, health, and housing. Between 1990 and 2000, the Island's Department of Education received between 21 percent and 32 percent of all federal grant moneys awarded to Puerto Rico. The share of the local Health Department increased from 5.6 percent to 23.2 percent of all the grants. The Housing Department received more than 90 percent of its funding from federal sources. Likewise, the nearly US\$800 million for hurricane relief by FEMA in 1998, served as a 'pork barrel' for corrupt mayors.

According to the public testimony of indicted businessmen, during the Rosselló administration the kickback practice was so common that it was dubbed 'the tithe'. Such funds were laundered and passed on as campaign contributions to the then-ruling NPP. Thus, money laundering in Puerto Rico refers not only to cleaning up drug earnings but also to redirecting government funds to politicians and their associates. Between 1993 and 2000, the extortion, misappropriation, and laundering of public funds was such a well-organized business that a major local newspaper reported that a Grand Jury might be convened to indict the NPP under the Racketeer Influenced and Corrupt Organization Act, the RICO Act. **[lxix]**

Conclusions

Puerto Rico's political status is puzzling to most outside observers and many insiders as well. Even though Commonwealth represented an advance in self-government over the previous colonial situation, it did not eliminate the Island's political and economic dependence on the United States. Although many legal rights and privileges have been extended to Puerto Rico, they are severely curtailed by the Island's condition as an unincorporated territory that 'belongs to but is not a part of the United States'. Lack of congressional representation, the incapacity of voting for the President, the inability to sign treaties with other nations, and unequal access to federally-funded programs are some of the problems flowing from the Island's current status. Paradoxically, Puerto Rico is one of the most democratic countries in the Caribbean region, as measured by massive electoral participation, a competitive party system, and legal protection of individual rights and freedoms. But it is also one of the most undemocratic ones in the sense that Island residents are not fully represented in the federal government and international organizations that shape their everyday lives.

After reviewing the socioeconomic performance of the Commonwealth of Puerto Rico over the full half century of its existence, we found that the government's development strategies have relied heavily on tax exemptions and federal regulations as incentives for external investment. This approach limited the capacity for sustained growth of the Island's economy, leading to a structural downturn in the mid-1970s from which it has never fully recovered. Low and inconsistent rates of economic growth in the last quarter of the twentieth century have resulted in high levels of unemployment and poverty. In turn, this situation has led to increasing reliance on federal transfers to maintain a standard of living higher than Latin American countries but lower than the poorest states of the United States.

Persistent poverty and unemployment are strongly correlated with high rates of crime and drug abuse. Puerto Rico has become both a large consumer of drugs and an international transshipment point from the Caribbean to the U.S. mainland. The ever increasing level of federal funds from a wide array of sources has resulted in high-level corruption around government programs and departments that rely heavily on such funds. Accountability systems seem to have failed given the frequency and volume of corrupt practices uncovered.

The Commonwealth's most significant achievement over the past five decades has been the rising educational attainment of the Puerto Rican population. Because

education has received a large portion of the government's budget and a growing amount of federal funds, the Island's labor force has become increasingly schooled and skilled. One of the most favorable aspects of the contemporary Puerto Rican situation is the high quality of its human resources. Unfortunately, for several decades after World War II, many Commonwealth planners and policymakers saw overpopulation as an obstacle to development and encouraged the relocation of 'surplus workers' abroad. Although this strategy helped to reduce unemployment and poverty rates on the Island, it expelled almost half of the population to the mainland. Ironically, Puerto Rico may now be experiencing the beginnings of a 'brain drain', with a growing proportion of professionals and skilled workers who move abroad.

Puerto Rican migration to the United States continues to be used as an escape valve for persistent unemployment and poverty. Massive movements of people to and from Puerto Rico will undoubtedly continue and probably increase during the first few decades of the twenty-first century. Deteriorating living conditions on the Island have already intensified the outflow of people to the mainland, similar in scale to the great exodus of the 1950s. At the same time, the return flow of Puerto Ricans is likely to persist, and perhaps intensify, as well as the constant circulation of people between the Island and the mainland. While Cuban immigration to Puerto Rico has practically stopped, Dominican immigration shows no signs of containment. It is foreseeable that smaller groups of people from other countries (such as Colombia, Venezuela, Argentina, and even China) will move to the Island. Should current trends continue, settlement patterns on and off the Island will become more mobile and diverse than ever before. Our analysis suggests that popular support for political nationalism tends to weaken with the constant transgression of national boundaries through large-scale migration and the emergence of a quasi-colonial form of government, in this case, the *Estado Libre Asociado*. Diasporic communities often develop different representations of identity from the dominant nationalist canon by stressing their broad kinship, cultural, and emotional ties to an ancestral homeland, rather than its narrow linguistic and territorial boundaries. This strategy is typical of long-distance nationalism. [lxx] Cultural nationalism will probably prosper more than political nationalism because the Puerto Rican population has become increasingly transnational in its residential locations, cultural practices, and values. Given the scant electoral support for independence and the difficulty of becoming the fifty-first state of the American union, the struggles for the expansion of citizenship

rights, national identity, economic development, democratic representation, social justice, and security will most likely be advanced within the limits of the associated free state.

Notes

- i.** For the multiple implications of this legal expression, see Christina Duffy Burnett and Burke Marshall, eds., *Foreign in a Domestic Sense: Puerto Rico, American Expansion, and the Constitution* (Durham, N.C.: Duke University Press, 2001); Efrén Rivera Ramos, *The Legal Construction of Identity: The Judicial and Social Legacy of American Colonialism in Puerto Rico* (Washington, D.C.: American Psychological Association, 2001).
- ii.** Aside from Puerto Rico, the other unincorporated territories of the United States are the Northern Mariana Islands, Guam, the U.S. Virgin Islands, and American Samoa.
- iii.** Katherine T. McCaffrey, *Military Power and Popular Protest: The U.S. Navy in Vieques, Puerto Rico* (New Brunswick, N.J.: Rutgers University Press, 2002), pp. 29-30.
- iv.** Tugwell, *The Stricken Land: The Story of Puerto Rico* (New York: Double Day, 1947).
- v.** According to José Trías Monge, who participated in the constitutional convention, the proposed bill of rights, 'largely patterned after the Universal Declaration of Rights approved by the United Nations and the American Declaration of the Rights and Duties of Man, approved at Bogotá by the Organization of American States, was generally broader than the usual state constitution, a fact that created problems when the constitution was considered by Congress'. Trías Monge, *Puerto Rico: The Trials of the Oldest Colony in the World* (New Haven, Conn.: Yale University Press, 1997), p. 114. The original version of the Commonwealth Constitution included the rights to work, free education, an adequate standard of living, and social protection in old age and sickness.
- vi.** Emerson, *Puerto Rico and American Policy Toward Dependent Areas*, *The Annals of the American Academy of Political Science* 285 (January 1953), p. 10.
- vii.** The phrase was coined during the Insular Cases of 1901, especially *Downes v. Bidwell*, in which the U.S. Supreme Court formulated the category of 'unincorporated territory' The current Dean of the University of Puerto Rico's Law School, Efrén Rivera Ramos; former Secretary of Justice and Chief Justice of the Puerto Rico Supreme Court, José Trías Monge; as well as the Puerto Rican

Chief Justice of the United States Court of Appeals for the First Circuit, Juan R. Torruellas, all agree that Puerto Rico remains an unincorporated territory, although each of them favors a different solution to Puerto Rico's political status. See Rivera Ramos, *The Legal Construction of Identity*, p. 13; Trías Monge, *Puerto Rico*, especially chapters 10 and 11; and Torruellas, 'One Hundred Years of Solitude: Puerto Rico's American Century', in Burnett and Marshall, eds., *Foreign in a Domestic Sense*, pp. 241-250.

viii. See United States-Puerto Rico Commission on the Status of Puerto Rico, *Status of Puerto Rico* (Washington, D.C.: U.S. Government Printing Office, 1966), pp. 44-46.

ix. As an unincorporated territory, Puerto Rico is excluded from federal internal revenue laws.

x. United States-Puerto Rico Commission, *Status of Puerto Rico*, p. 12.

xi. Cited by Julio Muriente Pérez, *La guerra de las banderas y la cuestión nacional: Fanon, Memmi, Césaire y el caso colonial de Puerto Rico* (San Juan: Cultural, 2002), p. 46.

xii. Angel Israel Rivera, *Puerto Rico: Ficción y mitología en sus alternativas de status* (San Juan: Nueva Aurora, 1996), pp. 194-195.

xiii. See Nancy Morris, *Puerto Rico: Culture, Politics, and Identity* (Westport, Conn.: Praeger, 1995); Rodolfo de la Garza, Louis DeSipio, F. Chris García, John A. García, and Angelo Falcón, *Latino Voices: Mexican, Puerto Rican, and Cuban Perspectives on American Politics* (Boulder, Co.: Westview, 1992).

xiv. The bibliography on Puerto Rican nationalism is voluminous, polemical, and growing. For a recent sampling, see Rafael Bernabe, *Manual para organizar velorios (notas sobre la muerte de la nación)* (San Juan: Huracán, 2003); Juan Manuel Carrión, *Voluntad de nación: Ensayos sobre el nacionalismo en Puerto Rico* (San Juan: Nueva Aurora, 1996); Luis Fernando Coss, *La nación en la orilla (respuesta a los posmodernos pesimistas)* (San Juan: Punto de Encuentro, 1996); Arlene M. Dávila, *Sponsored Identities: Cultural Politics in Puerto Rico* (Philadelphia: Temple University Press, 1997); Jorge Duany, *The Puerto Rican Nation on the Move: Identities on the Island and in the United States* (Chapel Hill: University of North Carolina Press, 2002); Nancy Morris, *Puerto Rico*; and Carlos Pabón, *Nación postmortem: Ensayos sobre los tiempos de insoportable ambigüedad* (San Juan: Callejón, 2002).

xv. For exceptions to this trend, see Juan Flores, *From Bomba to Hip Hop: Puerto Rican Culture and Latino Identity* (New York: Columbia University Press, 2000); Erna Kerkhof, *Contested Belonging: Circular Migration and Puerto Rican Identity*

(Ph.D. dissertation, University of Utrecht, The Netherlands, 2000); Gina M. Pérez, *The Near Northwest Side Story: Migration, Displacement, and Puerto Rican Families* (Berkeley: University of California Press, 2004); Ana Y. Ramos-Zayas, *National Performances: Class, Race, and Space in Puerto Rican Chicago* (Chicago: University of Chicago Press, 2003); Carlos Torre, Hugo Rodríguez Vecchini, and William Burgos, eds., *The Commuter Nation: Perspectives on Puerto Rican Migration* (Río Piedras, P.R.: Editorial de la Universidad de Puerto Rico, 1994); and Ana Celia Zentella, *Growing Up Bilingual: Puerto Rican Children in New York* (Malden, Mass.: Blackwell, 1997).

xvi. Benedict Anderson, *Long-Distance Nationalism: World Capitalism and the Rise of Identity Politics* (Amsterdam: Center for Asian Studies, 1992); Nina Glick Schiller and Georges Fouron, *Georges Woke Up Laughing: Long-Distance Nationalism and the Search for Home* (Durham, N.C.: Duke University Press, 2001).

xvii. See Pérez, *The Near Northwest Side Story*; Ramos-Zayas, *National Performances*; and Nilda Flores-González, 'Paseo Boricua: Claiming a Puerto Rican Space in Chicago.', *Centro: Journal of the Center for Puerto Rican Studies* 13, no. 2 (2001), pp. 6-23. Many members of the Chicago-based Fuerzas Armadas de Liberación Nacional (FALN, National Liberation Armed Forces) prosecuted in the 1980s had been born and raised in the United States.

xviii. In the last plebiscite on the political status of Puerto Rico, held in 1998, only 2.5 percent of the electorate voted for independence. According to a 1993 poll, 3.5 percent of Puerto Ricans living in the United States favor independence. See Institute for Puerto Rican Policy, *Characteristics of US-based Puerto Ricans by Status Preferences for Puerto Rico*, IPR Datanote 15 (October 1993), p. 1.

xix. Here we draw on John Hutchinson, *The Dynamics of Cultural Nationalism* (London: Allen and Unwin, 1987).

xx. Puerto Rico has participated as a separate country from the United States in international sports events such as the Olympics since 1948 and in the Miss Universe pageant since 1952. On the implications of the victories by Quiñones and Trinidad, see Emilio Pantojas García, 'La puertorriqueñidad en el nuevo discurso popular', *Diálogo* (August 2001), p. 20.

xxi. Rivera Ramos, *The Legal Construction of Identity*.

xxii. (<<http://factfinder.census.gov>>).

xxiii. Letter to Jorge Duany, March 11, 2001. See also Linda Basch, Nina Glick Schiller, and Cristina Szanton Blanc, *Nations Unbound: Transnational Projects, Postcolonial Predicaments, and Deterritorialized Nation-States* (New York:

Gordon and Breach, 1994); Nina Glick Schiller, Linda Basch, and Cristina Blanc-Szanton, eds., *Towards a Transnational Perspective on Migration: Race, Class, Ethnicity, and Nationalism Reconsidered* (New York: New York Academy of Sciences, 1992).

xxiv. Peggy Levitt, *The Transnational Villagers* (Berkeley: University of California Press, 2002).

xxv. Zentella, *Growing Up Bilingual*.

xxvi. U.S. Census Bureau, American Factfinder, .Profile of Selected Social Characteristics: 2000. Puerto Rico. (<<http://factfinder.census.gov>>).

xxvii. The estimate is based on the difference between outbound and inbound passengers between the Island and the mainland, as reported by Puerto Rico's Planning Board. Currently, U.S. immigration authorities do not keep statistics on population movements between Puerto Rico and the United States. The U.S. Census Bureau recently released much more conservative estimates of net migration: 126,465 persons for the 1980s and 111,336 for the 1990s. See Matthew Christenson, *Evaluating Components of International Migration: Migration Between Puerto Rico and the United States* (Population Division, Working Paper Series no. 64, Washington, D.C.: U.S. Census Bureau, 2001). To ensure the consistency of the data, we use the historical series compiled by the Junta de Planificación de Puerto Rico, *Estadísticas socioeconómicas* (San Juan: Junta de Planificación de Puerto Rico, 1972-1989), and 'Movimiento de pasajeros entre Puerto Rico y el exterior. Años fiscales 1990-2000'. (unpublished manuscript, Junta de Planificación de Puerto Rico, Programa de Planificación Económica y Social, Subprograma de Análisis Económico, 2001).

xxviii. Junta de Planificación de Puerto Rico, .Migración de retorno en Puerto Rico., in *Informe económico al Gobernador, 1999* (San Juan: Junta de Planificación de Puerto Rico, 2000), pp. 1-16; Luz H. Olmeda, .Aspectos socioeconómicos de la migración en el 1994-95., in *Junta de Planificación de Puerto Rico, Informe económico al Gobernador, 1997* (San Juan: Junta de Planificación de Puerto Rico, 1998); and Duany, *The Puerto Rican Nation on the Move*, p. 223.

xxix. *Ibid.*

xxx. See Samuel Martínez, .Identities at the Dominican and Puerto Rican Migrant Crossroads., in Shalini Puri, ed., *Marginal Migrations: The Circulation of Cultures in the Caribbean* (London: Macmillan, 2003), pp. 141-164.

xxxi. In addition, an unknown number of Dominicans has entered Puerto Rico illegally. In 1996, the Immigration and Naturalization Service estimated that

34,000 undocumented U.S. Census Bureau, American Fact finder, Census 2000. immigrants, mostly Dominicans, were living in Puerto Rico. See 'INS: Methodology and State-by-State Estimates', Migration News, March 1997.

xxxii. Carmen Gautier Mayoral was the first to argue that federal transfers and regulations constitute the 'permanent but wobbly legs' of the Commonwealth's economy. See Gautier Mayoral, *The Puerto Rican Socio-Economic Model: Its Effect on Present Day Politics and the Plebiscite*, *Radical America* 23, no. 1 (1989), pp. 21-34.

xxxiii. See David F. Ross, *The Long Uphill Path* (San Juan: Editorial Edil, 1969), pp. 88-100; Alex W. Maldonado, *Teodoro Moscoso and Puerto Rico's Operation Bootstrap* (Gainesville: University Press of Florida, 1997), chap. 9; Harvey S. Perloff, *Puerto Rico's Economic Future* (Chicago: University of Chicago Press, 1950); and John Kenneth Galbraith and Richard H. Holton, *Marketing Efficiency in Puerto Rico* (Cambridge: Harvard University Press, 1955).

xxxiv. Sánchez Vilella's quote comes from an interview in Pedro Rivera and Susan Zeig's film, *Manos a la Obra: The Story of Operation Bootstrap*, produced by the Centro de Estudios Puertorriqueños at Hunter College, 1983.

xxxv. The figures in this paragraph come from Puerto Rico's Department of Labor and Human Resources as cited by Edwin Irizarry Mora, *Economía de Puerto Rico: Evolución y perspectivas* (Mexico City: Thomson Learning, 2001), pp. 88, 97, 192-195, 217.

xxxvi. José L. Vázquez Calzada, *La población de Puerto Rico* (Río Piedras, P.R.: Raga Printing, 1988), p. 286.

xxxvii. See Stanley L. Friedlander, *Labor Migration and Economic Growth: A Case Study of Puerto Rico* (Cambridge: MIT Press, 1965), p. 93.

xxxviii. Junta de Planificación de Puerto Rico, *Balanza de pagos* (San Juan: Junta de Planificación de Puerto Rico, 1960-1999).

xxxix. Junta de Planificación de Puerto Rico, *Informe económico al Gobernador, 1997* (San Juan: Junta de Planificación de Puerto Rico, 1998).

xl. Comité para el Estudio de las Finanzas de Puerto Rico, *Informe del Comité para el Estudio de las Finanzas de Puerto Rico (Informe Tobin)* (Río Piedras, P.R.: Editorial Universitaria, 1976).

xli. Federal and regulatory tax concessions since 1976 under Section 936 of the Internal Revenue Code amounted to billions of dollars in foregone taxes. See Randy Miller, *U.S. Possessions Corporations, 1995*, *SOI Bulletin* 17 (Summer, 1999), pp. 168-184.

xlii. Total expenditures refer to the cost of running federal agencies in Puerto

Rico as well as grants for joint projects with local agencies. All figures are from the statistical appendix of the Junta de Planificación de Puerto Rico, Informe económico al Gobernador (San Juan: Junta de Planificación de Puerto Rico, 1983, 1989, 1996, 2000).

xl.iii. Eduardo Kicinski and Orlando Sotomayor, *Pobreza y desigualdad en Puerto Rico: Problemas y alternativas.*, in *Futuro económico de Puerto Rico: Antología de Ensayos del Proyecto Universitario sobre el Futuro Económico de Puerto Rico*, edited by Francisco E. Martínez (Río Piedras, P.R.: Editorial de la Universidad de Puerto Rico, 1999), p. 169.

xliv. *El Nuevo Día*, June 5, 2002, pp. 4-5.

xlv. Estado Libre Asociado de Puerto Rico, Oficina de Gerencia y Presupuesto, *Presupuesto recomendado 2003-2004.* (< <http://www.presupuesto.gobierno.pr>>).

xlvi. U.S. Census Bureau, American Factfinder, *Profile of Selected Social Characteristics: 2000. Puerto Rico, and Profile of Selected Social Characteristics: 2000 United States.*

xlvii. Estado Libre Asociado de Puerto Rico, Departamento del Trabajo y Recursos Humanos, *.Estadísticas de empleo y ocupaciones.*

(<http://www.dtrh.gobierno.pr/interempleo/estadisticas_grupo_trab_intro.jsp>).

(<http://migration.ucdavis.edu/mn/pastissues/mar1997mn_past.html>).

xlviii. See Eduardo Aponte, *Hacia una política y desarrollo de una infraestructura de información y conocimiento para la implantación de la estrategia económica de Puerto Rico*, in Francisco E. Martínez, ed., *Futuro económico de Puerto Rico*, pp. 83-129.

xl.lix. Carl Stone, *A Political Profile of the Caribbean*, in Sidney W. Mintz and Sally Price, eds., *Caribbean Contours* (Baltimore: Johns Hopkins University Press, 1985), p. 13.

I. *Ibid.*, p. 51. For a more recent assessment of Puerto Rican politics, see Aarón Gamaliel Ramos and Angel Israel Rivera, *Puerto Rico: Regional Transformations and Political Change*, in Aarón Gamaliel Ramos and Angel Israel Rivera, eds., *Islands at the Crossroads: Politics in the Non-Independent Caribbean* (Kingston and Boulder, Co.: Ian Randle and Lynn Rienner, 2001).

ii. Rivera Ramos, *The Legal Construction of Identity*, p. 11.

iii. A 2003 Internet poll sponsored by the Puerto Rico Herald asked 'What aspect of American citizenship is for you the most important determining factor?' Thirty percent of Island residents responded constitutional protection and guarantees, 29 percent chose long-term political stability, and 22 percent said legal access to the United States. Only 19 percent said economic opportunities. See Puerto Rico

- Herald, 'American Citizenship: A Determining Factor or a Political Football?' March 7, 2003. (<http://www.puertorico-herald.org/issues/2003/vol7n10/Poll0710-en.shtml>).
- liii.** Burnett and Marshall, *Foreign in a Domestic Sense*, p. 17.
- liv.** Rivera Ramos, *Deconstructing Colonialism: The Unincorporated Territory as a Category of Domination*, in Burnett and Marshall, eds, *Foreign in a Domestic Sense*, p. 109.
- lv.** See Ramón Bosque Pérez and José Javier Colón Morera, eds., *Las carpetas: Persecución política y derechos civiles en Puerto Rico* (Río Piedras, P.R.: Centro para la Investigación y Promoción de los Derechos Civiles, 1997).
- lvi.** ACLU Freedom Network, *ACLU of Puerto Rico Criticizes Government Treatment of Vieques Protestors*, May 7, 2001 (<http://archive.aclu.org/news/2001/n050701a.html>).
- lvii.** Cited by McCaffrey, *Military Power and Popular Protest*, pp. 173-174.
- lviii.** Comisión Estatal de Elecciones de Puerto Rico, *Escrutinio consulta Vieques 29-Jul- 2001: Resumen de resultados finales*. (www.cespur.net.pr/consulta2001/escrutinio/resumen.html).
- lix.** Comité de derechos humanos pide destitución de agente, *Terra*, May 22, 2003 (<http://www.terra.com.do/noticias/articulo/html/act153385.htm>).
- lx.** Carmen A. Lugo Fournier, *Ordenamiento jurídico para la prohibición del discrimen por origen nacional en Puerto Rico*, *UAD: Revista de la Unidad Antidiscrimen del Departamento del Trabajo y Recursos Humanos* 3, no. 5 (2001), pp. 9-12.
- lxi.** ASSMCA (Administración de Servicios de Salud Mental y Contra la Adicción), *Programa de evaluación de necesidad de servicios para el abuso de sustancias: Estudio de viviendas* (San Juan, 1998), p. 33.
- lxii.** *Distribución de estimados de fondos federales por agencia estatal participante y programa federal, consolidado gobierno* (Puerto Rico Government Internal Document, no date).
- lxiii.** DEA (Drug Enforcement Administration), *Congressional Testimony, 1997; Statement by Thomas A. Constantine, DEA Administrator, before the House Judiciary Committee, Subcommittee on Crime, Regarding Puerto Rico Law and Enforcement Efforts in the Caribbean Region*. April 3, 1997 (<http://www.usdoj.gov/dea/pubs/cngrtest/ct970403.htm>), p. 4.
- lxiv.** All figures are calculated from Federal Bureau of Investigation, *Uniform Crime Reporting Program*, February 21, 2004 (<http://www.fbi.gov/publications.htm>).

lxv. El Star, September 4, 2001, p. 5.

lxvi. DEA, Congressional Testimony, 1997, p. 7. According to a document prepared for the U.S. Embassy in Santo Domingo, the vast majority of the clients of these agencies are not drug lords, but individuals who send small amounts of money (an average of US\$219 per month) to their relatives back home. See Richard C. Boly, Money Transmitters, Remittances, Exchange Rates, and Mechanisms for Money Laundering in the Dominican Republic (unpublished manuscript, United States Embassy, Santo Domingo, June 4, 1996).

lxvii. Elizabeth Olson, Banco Popular Settles U.S. Money Laundering Case, Puerto Rico

Herald, January 2003 (<<http://www.puertoricoherald.org/issues/2003/vol7no04/BancoPopsttles-en.shtml>>).

lxviii. Of the seven accused majors, only one was convicted of extortion. El Nuevo Día, July 6, 2002, p. 4.

lxix. El Nuevo Día, August 15, 2002, p. 6.

lxx. See Glick Schiller and Fouron, Georges Woke Up Laughing.

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Extended Statehood In The Caribbean ~ The Kingdom Of The Netherlands. A Not So Perfect

Union With The Netherlands Antilles And Aruba



Bonaire

Introduction

Het Statuut^[i], the Constitution of the Kingdom of the Netherlands, was formalized in 1954 on December 15. It defines the Kingdom as a federal state of three autonomous countries, the Netherlands in Europe and two countries in the Caribbean, the Netherlands Antilles, comprising six islands, and Suriname. In 1975 Suriname left the Kingdom and became an independent country. Aruba, after obtaining a long coveted *status aparte* in 1986, seceded from the Netherlands Antilles but remained part of the Kingdom as a separate country.

As of December 2004, *Het Statuut* had lasted half a century, a respectable age. It has weathered the times without changing colour, but now its future seems blurred. At its inception, *Het Statuut* was not meant to be a constitution that would forever define the domain of a Kingdom of the Netherlands with one part in Europe and another in the Caribbean. From the outset it was believed that one day the Caribbean countries would become independent. For Suriname that day came in 1975. However, for the Netherlands Antilles and Aruba that day may never come. The Antillean public and its political representatives value the current constitutional arrangement of the Kingdom, though with mixed blessings, diverse feelings and complex attitudes. In anticipation of the constitutional anniversary of *Het Statuut* some uneasiness surfaced, both in the Netherlands as well as overseas. Was it a time of celebration and, if so, how and what to celebrate?^[ii] Some authorities were concerned that the anniversary could

become a *testimonium paupertatis* of the operations of the Kingdom in the last 15 years, adding another obstacle to the problematical state of the Caribbean affairs of the Kingdom. In the Dutch press, the Netherlands Antilles were reported as a lost case; a Caribbean democracy that has turned into a Dutch banana republic (sic) in the West Indies. **[iii]** In April 2004, the Governor of the Netherlands Antilles depicted the crisis his country is experiencing as one of widespread and profound poverty, too many school dropouts with no prospects, increasing drug trade that is derailing civil society, too many murders, muggings and burglaries and a frightening high proportion of criminals. **[iv]** The number of homicides on Curaçao is staggering and 30 xs higher than in the Netherlands.

The celebrations went ahead, especially in The Hague where on 15 December 2004 the highest officials of all three countries gathered in presence of HM the Queen of the Kingdom. A special coin was issued to commemorate the event.

A Constitution that was not meant for the Caribbean **[v]**

When the outlines of a post-colonial order were being drawn, at the end of World War II, the Netherlands did not distinguish between its different colonized territories, which included the immense Indonesian archipelago in the East, as well as the small territories in the Latin American hemisphere of Surinam and the Dutch West Indies in the Caribbean. In the process of de-colonization all the territories were simply lumped together. After World War II ended and Japan had capitulated, Indonesia declared itself independent, an act that stunned the Netherlands. The unilateral declaration of Indonesian independence was fought with the sword. Those new to world power, particularly the United States of America, did not agree and eventually forced the Dutch to negotiate with the Indonesian nationalists. The Netherlands attempted to keep Indonesia within the Kingdom by proposing a form of postcolonial federal union. It was thought that a free association of autonomous states could pacify the ambitions of the independence movement. The Indonesian nationalistic powers, however, would not compromise and after four years of war and several round table conferences the government of the Netherlands formally bent to the will of history. The strength and appeal of Indonesia's independence movement had been misread and could not be contained within a liberal post-colonial Charter that aimed to keep Indonesia within the Kingdom. Indonesia's independence marked the end of the Dutch empire.

After Indonesia pulled out of the Kingdom, Surinam and the Netherlands Antilles reaped the fruits of the Netherlands' attempts to keep Indonesia on board. The West-Indian countries had been party to the Netherlands promise, broadcast on December 6, 1942, by Queen Wilhelmina in exile in London, to de-colonize the Kingdom. The arrangements that were then conceived had not been meant for these much smaller territories. The Caribbean territories, however, would not budge on the concept of a free association of autonomous states as the heir to the colonial Kingdom and stuck to the original liberal terms of the Charter of the Kingdom-to-be. The Caribbean countries claimed autonomy, not independence. They aimed to be partners on equal footing with the Netherlands and succeeded, at least on paper, when in 1954 a new Charter of the Kingdom was enacted. This Charter included the rule that any changes require the unanimous consent of the parties involved. The Netherlands gave in to the aspirations of these small states, believing at the time that there was neither much to gain nor much to lose. The empire was already gone. Moreover, the Charter was not meant for eternity; one day the Caribbean countries would become independent.

Change in Status: from Temporary to Permanent Relations

The constitution of the Kingdom has not fundamentally changed since 1954. Only Aruba's *status aparte* caused some constitutional amendments. Formally, the political status of the Caribbean countries can still be defined as a free association of autonomous states. But in day-to-day reality the political status has incrementally changed because of a shift in perspective: from future independence to a more permanent arrangement. In the 1970s and 1980s future independence was a dominant prospect and a system of development aid formed the core of the Kingdom's relations. The Dutch aligned their aid to the development priorities as determined by the autonomous Caribbean government. In line with international development cooperation theory, it was believed that with the help of development aid, the islands would eventually become viable self-governing units. Dutch parliament and media did occasionally scrutinize this aid to the Antilles as the islands fell into the category of high-income countries. In 1998, the GDP per capita in the Netherlands Antilles was around US\$11,000 and in Aruba US\$16,000. [vi] In 2002/2003 these figures were US\$15,624 and US\$20,310 respectively. According to standards of international development cooperation, these countries do not merit assistance. At the moment of the expansion of the European Union in 2004, the Netherlands Antilles and Aruba had a GDP per capita that was higher than the GDP per capita of the new member

countries of the European Union. **[vii]**

In view of the assumed future independence of the islands, Dutch politics simply alleged that the development aid could only serve this process. No harm was done, consensus ruled, criticism was rare and no further questions were raised. The Antillean development policy, if any, directed the Netherlands aid, which resulted in large amounts spent on infrastructure such as harbours and airports, roads, social housing and the restoration of monuments.

In the early 1990s the prevailing winds changed and requirements of good governance and democratic law and order took precedence over the perspective of future independence. In the Netherlands a political consensus emerged that the Caribbean islands were too vulnerable to become sovereign self-governing states; they needed external support structures. This change manifested itself after Aruba seceded in 1986 from the Netherlands Antilles. Aruba obtained a separate status as an autonomous country in the Kingdom on similar and equal terms as the Netherlands Antilles. Aruba's secession was initially granted on the condition of becoming an independent country after a period of ten years. As soon as Aruba had seceded, it began to renegotiate the independence clause. Aruba had never intended to become independent; it wanted to remain a partner in the Kingdom. Without much ado the Netherlands gave in. Consequently the prospect of independence was exchanged for a more or less permanent relationship, both for Aruba and for the Netherlands Antilles. The Kingdom was to stay in the Caribbean; the moment for independence of the overseas countries had passed. As a result, the Netherlands became more involved in the affairs of the Caribbean islands. This involvement with the islands' governance was reinforced by changes in the international order. Left on their own, the Caribbean islands were considered defenseless, sub-scale territories, which could easily fall prey to international lawlessness. How internal affairs are run on the islands has become an international concern as well. As the Kingdom represents the Caribbean countries in international affairs, the Netherlands is held accountable. A stronger involvement of the Netherlands in the local politics of the island governments has taken place.

Kingdom's Extended Statehood Operations

History's legacy created in its wake a rather unbalanced Kingdom. In Antillean politics, the autonomy of the Caribbean countries has become, over the years, a central doctrine of how the Kingdom should operate. But according to Dutch

politics, the Antillean insistence on the canons of autonomy is rather outdated, now especially with the Netherlands itself yielding substantial authority to the offices of the European Union. The world has become much more interconnected and the partition between local and Kingdom affairs has become rather porous.**[viii]** However, amending the constitutional arrangement of the Kingdom requires the consent of the Caribbean countries. In Dutch politics this formal equality of the partners is nowadays conceived to be out of proportion to the reality of vast differences in size and population, government and administration, economics and international status. In sum, the operations of the Kingdom are not backed by a balanced distribution of powers; it is rather difficult to get things done. Every so often, a tight rope has to be walked which is not the most expedient way to progress. Too often, delays, blockades and procedural excess are the norm. For outsiders the complexity and viscosity of the Kingdom's operations is exceedingly difficult to follow.

Mission and Organization of the Kingdom

Once upon a time, the Netherlands ruled the waves. Today, it can hardly cope with what is going wrong in the greatly reduced remaining parts of the Kingdom in the Caribbean, those being the Netherlands Antilles (Curaçao, Bonaire, Saba, Sint Eustatius and Sint Maarten) and Aruba. Four hundred years ago the Dutch East Indian Company became one of the world's first multinationals, encompassing a large part of the globe and forming the foundation of the Netherlands colonial empire. Nowadays, the empire is gone; what is left is a Kingdom that is barely able to enforce right over wrong in its overseas countries. The Netherlands has minimal power with regard to the Caribbean countries of the Kingdom, the last vestiges of its colonial past. Compared to the colonial period, the stakes have changed. In the Netherlands, today, a progressive self-image prevails, one that does not allow for any ambition to rule the waves once again. More significantly, a sentiment of *never again* has taken hold, a consequence of repressed memories of a bloody colonial legacy in Indonesia (1945-49) where the Netherlands lost its empire. The colonial mission is long past. Since the 1980s the Kingdom's mission in modern times is *under construction*, as it were. The Kingdom's course in the last decades of the 20th Century was rather unsteady. The makeover from a mission to *decolonise* to a calling for the Kingdom as a modern form of extended statehood still has to be made.

Kingdom Ltd.

After World War II, the Kingdom's role in the Caribbean was not meant to be dominant. The Charter of 1954 designated the Kingdom a federal state, comprising three autonomous countries albeit with a rather asymmetrical internal structure: the Netherlands, Surinam and the Netherlands Antilles,

*The Netherlands Antilles, Aruba and the Netherlands have their own parliaments, governments, judicial structures and constitutions, with responsibilities at federal level (or: Kingdom level as it is called in the Netherlands) being limited to foreign policy, defense, nationality, safeguarding human rights and good governance, and a few other areas.***[ix]**

The designers of the Charter purposefully limited its authority. The Charter was a landmark document, concluding the colonial period. Suriname and the Netherlands Antilles would, as autonomous countries, administer their own affairs. Neither the Kingdom nor the Netherlands would have a say in local concerns such as government finance, social and economic development, cultural affairs and education. The founding fathers of the Charter defined the Kingdom essentially as a federal institution whose formal authority was limited mainly to foreign affairs, defense, and nationality/citizenship. In addition, the Charter stipulated areas of communal responsibilities, which, by statute, require the partners to cooperate (*statutory cooperation*). These communal areas are the rule of law, good governance, democracy and human rights. In these areas, the overseas countries are equally responsible but the Kingdom has the ultimate obligation of safeguarding the principles of good governance. Here the Kingdom's authority is related to the performance of the island governments. In situations where the Caribbean countries do not live up to standards of good governance, the Kingdom has to act. This is easier said than done.

Safeguards and Cooperation

One of the governors of the Netherlands Antilles, Cola Debrot, forewarned in 1973 that serious difficulties would arise when the Dutch saw reason to interfere in the area of quality of human rights and democracy in the Netherlands Antilles.**[x]** The Kingdom's safeguarding procedure, defined as *higher supervision*, has always been very restricted. According to a statement of the Minister for Kingdom Relations to Dutch Parliament in 2004, higher supervision is a measure of last resort because it infringes on the regular democratic process of autonomous countries. *Supervision* is authorized in special circumstances, and

then only when it concerns a matter of structural shortcoming on the part of the national or island government. Other considerations must first be taken into account, such as the seriousness of the matter, recourse by the Antillean government, actions of a lesser nature, and finally, the effectiveness of *supervision*.**[xi]** Thus, this minister, in unison with many of his predecessors, made it very clear that the Kingdom's *higher supervision* was only to be called upon under very unique circumstances. Moreover, even under these exceptional circumstances, tensions are inevitable as nowhere has the baseline been determined upon which the responsibility of the Kingdom would be activated.**[xii]**

In line with the principle of the equality of partners, Het Statuut calls for mutual assistance, deliberation and voluntary cooperation. In the years that followed this mutual assistance morphed into a format of international development cooperation. The Charter and other formal regulations pay little attention to this part of Kingdom affairs. In reality, most of the Kingdom's day-to-day business involved voluntary cooperation on a wide range of local affairs of the Caribbean countries. In the 1980s and 1990s, the transfer of monies from the Netherlands to the Caribbean countries took on the format of *development cooperation* projects. Over the years the Netherlands financed thousands of projects in the Caribbean countries over a wide range of sectors. Recently, Dutch development cooperation with the Netherlands Antilles and Aruba has been concentrated on a handful of areas, in particular education, good governance, sustainable economic development and law enforcement.**[xiii]** All along, the Netherlands' aim has been to ultimately end the development assistance to the Caribbean countries. It was perceived as temporary support in order to facilitate the eventual transition to independence.

A Split-Level Kingdom, de mas y menos

As it stands, the Kingdom does not guarantee a standardized provision of government service for all *Nederlanders* or, a base line for these services in the Caribbean countries. The Kingdom Ltd. does not answer claims to safeguard a basic level of provision in areas as education, public health, and social welfare. Hand in hand with recognition of the doctrine of Antillean autonomy, the Kingdom's role in social, cultural, financial and economic affairs has been restricted to a *voluntary* engagement. As a matter of principle, the autonomous countries in the Kingdom have to look after themselves in these areas. Cooperation and financial assistance are at hand, though with a limited time

perspective. As autonomous countries, the Netherlands Antilles and Aruba define their own standards of public provision in areas such as government finance, social and economic development, cultural affairs and education. They make their own political choices and do so in view of local conditions and specific local needs, political aims, budgetary constraints and personnel capacities. How government functions are performed and the level of services provided may vary between the countries of the Kingdom; such is a logical outcome of the architecture of the Kingdom's limited public authority and the autonomy of the Caribbean countries.

Government standards and services vary widely indeed between the Netherlands in Europe and the Caribbean countries of the Kingdom. Conditions of life are different for the *Nederlanders* in Europe and the *Nederlanders* in the Caribbean. This applies to education, social security, public safety as well as social housing and environmental practices. Fifty years ago, the distance between the Netherlands and the Caribbean islands was significant, both in real mileage as well as perception; nowadays frequent airline and fast online connections, television and tourism have much reduced the distance between these worlds. Perhaps even more significant is the high interaction between the substantial Caribbean population in the Netherlands and their overseas relatives. *Nederlanders* in Europe and their *rijksgenoten* in the Caribbean have become more familiar with each other's way of life. The number of people on either side with first hand knowledge of life in the other part of Kingdom has much increased. What once was faroff and foreign has become familiar. The annual Caribbean carnival in Rotterdam has become a major attraction for all kinds of *Nederlanders*.

The unequal provision of government services within the Kingdom has only recently been raised in politics as a matter of principle. **[xiv]** There are glaring differences in living conditions that do exist, especially for those who find themselves at the bottom of the social-economic ladder. **[xv]** Curaçao's statistics on violence and homicides are much higher than in the Netherlands. Living on welfare or social security is tough, but much tougher for people who have to do so on Caribbean welfare. **[xvi]** The strong notion of Caribbean' autonomy in local affairs, both in the Netherlands as well as in the overseas countries, explains why these differences have not surfaced earlier as a critical political issue. Every so often, members of the Netherlands. Parliament when visiting neighborhood slums

in the Caribbean countries have proclaimed that living under such conditions must not be allowed in the Kingdom of the Netherlands (*dit kan eigenlijk niet in het Koninkrijk!*). So far, the Netherlands' Parliament has not debated these concerns in principled terms, let alone that regulation and finances have been put in place to address them.

Organization of the Kingdom Offices

Her Majesty the Queen is the head of the Kingdom of the Netherlands. The King can do no wrong. The ministers are responsible. One of the ministers in the Dutch cabinet is charged with the responsibility for Kingdom Relations. Since 1998, this portfolio has been part of the ministry of the Interior and Kingdom Relations. Before 1998 the Kingdom's portfolio rotated among ministers who held one or another portfolio as first political assignment. These were successively Agriculture and Fisheries (1982-1986), Social Affairs and Employment (1986-1989), Justice (1989-1993) and Defense (1994-1998).**[xvii]** The combination with these other portfolios was accidental, a spin-off at the end of the Dutch cabinet formation when portfolios were assigned. The minister for Kingdom Affairs is assisted by a small sub-department of the ministry of the Interior and Kingdom Relations. In the Antilles, a Resident-Representative represents the Netherlands government. This office was created in the early 1970s after social and labour riots in May 1969 set Curaçao on fire. The Netherlands Parliament urged to open a social envelope for the Antilles, to be locally supervised by Dutch civil servants. This office became eventually the Netherlands Representation in the Netherlands Antilles with a wide range of functions: providing local feedback concerning Netherlands. overseas policy; assisting in financial cooperation; representation; and hosting visiting Netherlands' delegations.

The Netherlands is only one of the three partners in the Kingdom, but at the same time the Netherlands supersedes the other partners when specific Dutch institutions and regulations are nominated as institutions and regulations of the Kingdom. The Kingdom as such has very few institutions of its own. In many instances, institutions of the government of the Netherlands qualify as offices of the Kingdom as well. The prevalence of overlapping Dutch and Kingdom institutions causes ambiguity in the Caribbean countries: who is in charge, the government of the Netherlands or the Kingdom government? When in day-to-day reality Dutch officials act on behalf of the offices of the Kingdom, a conflict of interests may be suspected to arise. The Kingdom's interests may well vary with

the Dutch interests, and vice versa. The Antillean authorities do not tire of emphasizing their claim to equal footing with the Netherlands. Juancho Evertsz, prime minister of the Netherlands Antilles (1973–1977), once sardonically warned the Netherlands: ‘We will kick you out of the Kingdom’, indicating that the Kingdom is not an exclusive institution of the Netherlands. Another time, the minister of Justice in the Antilles, snipped to a Dutch journalist: ‘She is also our Queen’. At times of disagreement with Dutch government policy, the Antillean Parliament (*Staten*) has tried to find recourse in sitting down with HM the Queen. In December 2004 a delegation of the Antillean *Staten* proposed having an audience with HM the Queen in order to explain its fundamental disagreement with recent changes in the Dutch migration policy for some *rijksgenoten*. As the Netherlands parliament had already expressed its support for these changes, the Antillean *Staten* felt that there was no other recourse than making an address to the Head of the Kingdom of the Netherlands. What actually ensued falls behind the royal veil of the Crown.

The office of the Governor of the Netherlands Antilles is a most important intermediary in the Kingdom’s apparatus. The Governor is appointed by the Kingdom on recommendation by the Antillean government. Every visit of any significant Dutch official to the Netherlands Antilles, be it a politician, an administrative departmental head or a delegation of the High Court (*Hoge Raad*), starts with an audience with the Governor. The Governor’s position is double-faced, representing both HM the Queen in the Antilles and at the same time being the head of the Antillean government. The Governor has to walk a tight rope between these two functions, especially when exercising his power of supervision: does he act on behalf of the head of the Kingdom or as the head of the Antillean government? *Supervision* by Kingdom authorities tends to be perceived as Dutch supervision and is, as such, more difficult to digest for Antillean politicians than supervision by their own head of government. In 1992 the island government of Sint Maarten was put under *higher supervision* by the Kingdom. In 1994, after a successful Antillean lobby, the *higher supervision* was delegated to the national government of the Netherlands Antilles. In both instances the Governor of the Netherlands Antilles acted as supervisor. Island legislation and administrative decision making of any importance by the island executive had to be approved by the supervisor. Sint Maarten’s supervision ended in 1996.

At the time when *development cooperation* was the backbone of the Kingdom

relations, a minister for Development Cooperation in the Antillean cabinet was the principal counterpart of the Dutch minister for Kingdom Relations. Up until the early 1990s, the Dutch minister for Kingdom Relations annually toured the islands in company with the Antillean minister for Development Cooperation to apportion the development aid budget. These island tours were prepared in great detail, and projects of all sizes and sorts were discussed one by one with the respective island authorities. These tours started and ended with a formal meeting on Curaçao with the Council of Ministers of the Netherlands Antilles.

The moment that safeguarding *good governance* in Dutch overseas politics became prominent, the Antillean prime minister took over the counterpart position. Contacts between Dutch and Antillean ministers with corresponding portfolios such as Justice, Finance, Education, and Environment amplified during the 1990s. These collegial contacts were encouraged by the Dutch minister of Kingdom Affairs (1994-1998), as he felt overcome by the complexity of his portfolio. Especially his experience setting up a Coast Guard in the Caribbean waters while Defence minister, taught him a very Antillean lesson. With the Antillean government a bitter battle had ensued about the command structure of the Coast Guard. The ministry of Defence in the Netherlands did not wish to share this command with Antillean authorities while the Antillean government did not want to surrender any fraction of Antillean autonomy. The startup of the Coast Guard operations became much delayed, a delay that the Defence minister found difficult to explain in The Hague and elsewhere. He suggested that his colleagues *go and look for themselves*, expecting that such visits would provide a collegial understanding of the slow pace of accomplishments he could record. His colleagues did not need much prodding to travel to the Caribbean islands in the sun. For instance, in 1998 a total of 9 Dutch ministers visited the Netherlands Antilles and Aruba, each with their own entourage. **[xviii]** Also in following years, large numbers of Dutch ministers paid visits to the Caribbean countries.

The Netherlands' Council of Ministers constitutes the Council of Ministers of the Kingdom when Kingdom affairs require ministerial attention and decision. On those occasions the Minister Plenipotentiary of the Netherlands Antilles, respectively Aruba, in the Netherlands take part in the deliberations of the Council of Ministers of the Kingdom. In case the Netherlands Antilles, respectively Aruba, or both, have serious objections to some or other decision of the Council of Ministers, reconsideration can be demanded (*intern appel*). **[xix]** The matter is

then reviewed by a delegation of the Council of Ministers, comprising the Minister-President, two ministers and one or both Ministers Plenipotentiary. In this delegation the representatives of the Caribbean countries form a minority. But what also counts is that such a reconsideration is a serious duty and undertaken with due circumspection. An *intern appel* is a rare occasion and as such receives extensive covering in the Caribbean news media, but also in the Netherlands.[xx] The Kingdom lacks a Kingdom Parliament in which the Caribbean residents or countries are represented. This *democratic deficit* surfaces every so often on the political agenda, though without attempts at repair. In a Parliamentary Contact, delegations of the Parliaments of the Netherlands, the Netherlands Antilles and Aruba meet twice a year. These meetings are loosely structured and mainly occupied with exchanges on actual affairs, current events, grievances and incidents.

Netherlands' Assistance to the Caribbean Countries

Also in financial terms, the Kingdom of the Netherlands is very much a Netherlands affair. The Kingdom does not have a budget of its own to spend on matters concerning the operations of the Kingdom in the Caribbean countries. The outlays for the Caribbean countries are voted for in different Chapters of the budget of the Netherlands government. The costs involved in the Caribbean countries. Defence and Foreign Affairs are part of the regular budget of the respective ministries of the Netherlands government. The special financial assistance provided to the Netherlands Antilles and Aruba is voted for in a specific Chapter (*Hoofdstuk IV*) of the Netherlands government budget; it is not part of the Chapter for international aid to developing countries.

Many a Dutch politician has claimed that the financial assistance to the Caribbean countries is generous, among the highest in the world of development aid. These claims are not correct. On average the assistance amounts these days to ca Euro 400 per capita per annum, while the French and European transfers to the French Caribbean are much higher. Moreover, until 1992 a substantial part of the Netherlands' financial assistance was provided as concessionary loans, which had to be paid back. The total of the Netherlands. loans amount to ca. Euro 400 million; this was in 2004 by far the biggest part (92%) of the external debt of the Netherlands Antilles.[xxi] Since 1992, almost all Netherlands' transfers to the Netherlands Antilles became debt free, in other words these transfers since do qualify as gifts.

Over the years, financial assistance has been a dominant characteristic of the

governmental relations between the Netherlands and the Caribbean countries. It increased from Euro 61 million (Hfl 134 million) in 1979 to Euro 118 million (Hfl 265 million) in 1995 to Euro 143 million in 2004 (estimated).**[xxii]** The particularities of this assistance have changed over time. Once development projects of all size and sorts were financed and micro-managed. With the changeover to a permanent status in the early 1990s, the cost of upholding the safeguards of the Kingdom became a significant part of the portfolio. At the same time, the Netherlands attempted to streamline the project portfolio and to distance itself from micro-managing the financial assistance by creating intermediary funds.

Development Cooperation

Various concepts have been applied to the Netherlands' financial and technical assistance to the Antilles. The Charter of the Kingdom prescribes the Netherlands, the Netherlands Antilles and Aruba to assist each other.**[xxiii]** This assistance has never been considered as a regular financial transfer within the statehood arrangement of the Kingdom. The assistance provided could best be defined as exterior contributions from the Netherlands to the Caribbean countries.**[xxiv]** Concepts as *development cooperation* or *development aid* were in the 1980s in common use. The underlying idea was that with the help of development aid the Caribbean countries would become self-supporting and thus prepared for an independent status. It was expected that eventually the Dutch aid would come to an end. This line of thought included that the priorities of the aid budget should be set by the recipient and not by the Dutch donor.

The exterior character of the Dutch financial contribution to the Antillean governments did not make for planned activities that were integrated in local government plans, provided such plans existed. Frequent attempts were made to arrive at these plans, to no avail. At one time, in 1976, a Task Force comprising representatives of the Netherlands Antilles and the Netherlands was assigned to prepare an integrated 15-year social-economic development plan for all the islands.**[xxv]** Another time, in the 1980s, the Department for Development Cooperation of the Netherlands Antilles made an effort to compile integrated development plans for the *needy islands*, Bonaire, Saba, and Sint Eustatius and at that time, for Sint Maarten as well. These and other planning efforts did not materialize in budget agreements with the Netherlands donor. The development plans did not spell out operational programs nor were priorities defined in a ranking order. The total budgetary estimates of the drafted development plan far

exceeded the format of Dutch financial assistance. Some of these plans became known as 'shopping lists' or 'shopping carts'.

In the early 1980s, the Netherlands froze all spending on the development budget pending the outcome of the planning machinery. The result was that the budget could not be exhausted at the end of the annual budget cycle. This want for budget spending put the size of future budgets at risk to be reduced. In reaction, the minister for Kingdom Affairs did not hesitate to return to the practice of funding individual projects. In doing so he contradicted his requirement that money would be spend only on the basis of adequate planning by the Netherlands Antilles. In order to maintain the future financing capacity of *development cooperation*, the format of the individual project became the norm again. As priorities could not be defined in terms of development policies, budget decisions were based on individual project proposals as presented by the Antillean authorities. These proposals were discussed in *allocation meetings* with the Netherlands minister for Kingdom Affairs. More often than not, the proposals were agreed upon. Some of the successive ministers for Kingdom Affairs backed away from the minutiae of these allocation meetings and mandated a departmental head to negotiate the long list of projects in preparation, projects in execution and most important, projects to be approved. Such meetings were held on each of the islands of the Netherlands Antilles, twice a year.

How essential were all these projects? Of course, some were more significant than others. Public housing, especially on Curaçao and Aruba, received a generous flow of finance in the 1980s, ca 30% of the available budget in those years. A Public Housing Corporation was set up and became financially independent in the years that followed. The Corporation also became politically independent; objective criteria were applied in the allocation of housing rather than pork barrel considerations, as had been the case in the past. Equally successful were the various subsidies for renewal of the Dutch-colonial style city of Willemstad, Curaçao, and subsidies for the restoration of the Dutch-colonial style monuments (*land- en stadshuizen*). These programs have strengthened the tourist appeal of Curaçao. The historical architecture made Curaçao exceptional among the other Caribbean islands which all compete in the same Caribbean tourist market of beach, sun and fun. In 1997 Curaçao's historic core of Willemstad was listed on UNESCO's World Heritage.

On the Antillean part, some authorities have argued that the Kingdom's Charter

had served the Caribbean countries well. In October 2004, the minister of Constitutional Affairs of the Netherlands Antilles made reference to the immediate disaster and generous re-construction aid provided by the Netherlands government after hurricanes had struck Sint Maarten, Saba and Sint Eustatius (in 1995, and following years). He remembered with great satisfaction how, without delay, large cargo planes and numerous men and women, either as military, firefighters or technical experts were flown in, at first to help-out and maintain order, and later to assist in rebuilding the islands.**[xxvi]** These are shining examples indeed of *development aid* or *first aid* to the Netherlands and the Caribbean countries. On the other hand, in many instances an attitude of 'there is no harm in asking' has been apparent on the Caribbean part.**[xxvii]** Many projects are simply icing on the cake.

Individual projects of any kind and size have been for years the predominant format of the Netherlands financial assistance to the Caribbean countries. In the 1980s and early '90s, the Netherlands budget was spend on hundreds of projects, most of them decided individually and according to proposals by the islands authorities. Over the years, various categorizations were in use for the portfolio of government projects. For instance, in 1997 this portfolio contained as major categories: education (27.1%), public housing (20.8%) and environment, ecology and infrastructure (17.2%).**[xxviii]** In 1998 a total of 467 projects was in various stages of realization spread out over almost every area of government: justice, administrative organization and reform, economic development, environment/ecology and infrastructure, public housing and neighborhood improvement, social development and public health, education and culture. In 1999, almost 200 projects and circa 120 technical assistance operations had to be managed. In those days almost anything went. Around the turn of the century efforts were made to bring policy to bear on the budgeting process. In the process of cleaning up the budget, all funds for cultural cooperation and cultural exchange within the Kingdom of the Netherlands were lost. Scratched beneath the surface of the budgetary details, it became apparent that on the part of the Netherlands all ambition to culturally enliven the relations with the Caribbean *Nederlanders* had died. Some disqualified henceforth the Kingdom of the Netherlands as a *bread-and-butter* Kingdom without any cultural or multicultural mission.**[xxix]** Not until the 50th anniversary of the Charter at the end of 2004, the Netherlands State Secretary (junior minister) for Education, Culture and Science, when visiting the Netherlands Antilles and Aruba, promised to brighten

up the Kingdom relations with some cultural exchange. But she added that she did not yet know how to do this.

Statutory Cooperation: Financing the Kingdom's Safeguards

In the early 1990s a broad political consensus emerged that the Caribbean countries were better off remaining part of the Kingdom of the Netherlands. On the part of the Netherlands, considerations of safeguarding *good governance* in the Caribbean countries were paramount in changing the tides. However, when the reality of a Kingdom with partners in the Caribbean region became a permanent phenomenon, the Charter's original definition of limited authority and regulation was not reviewed. Running their own affairs had always been of principal interest in Antillean politics; autonomy was there to stay, also in a permanent relationship. On a conference, titled *Future of the Kingdom* the Netherlands attempted to reach agreement on changing institutional rules and regulation in view of the Kingdom's safeguarding role in the Caribbean region. Without success. Quite the contrary, in fact, as conference documents were literally torn up in the face of the Netherlands prime minister who led the Dutch delegation at that time. [xxx]

But on the part of the Netherlands, the winds had definitely changed. Unable to arrive at agreement to change the Kingdom's rules and regulation, The Hague applied the Netherlands financial assistance to the Caribbean countries to get a foot in the door. With financial conditions of all sorts, the Netherlands intervened in a range of areas such as the Antillean government organization and the size of its public service, the public debt and finances, prison conditions, police operations and criminal investigation. The island government of Sint Maarten was put under *higher supervision*. A paradoxical situation surfaced: The emphasis on local autonomy had not resulted in a relaxed relationship with the Netherlands. On the contrary, it created a laborious and unwieldy partnership, so much so that around the turn of the century the Netherlands contracted international organizations (IMF, World Bank, OESO) as go-betweens in defining the governance conditions the Antillean politics had to comply with. The IMF was hired to set conditions for additional budgetary support; the World Bank was assigned an economic study and the OESO was contracted to evaluate the educational system of the Netherlands Antilles. This added fuel to the Antillean sentiment that the *special relationship* with the Netherlands had come to an end. The formal relationships soured but a majority of the Antillean populace did not much mind the Netherlands. interventions, which put the Antillean public

authorities in an even more awkward position.[xxxii] Antillean politics felt overruled by the Netherlands but this sentiment was not shared by its constituency, which added to the frustration in dealing with the Dutch.

At the onset of a *permanent* status of the Caribbean countries in the Kingdom, the acclaimed system of development aid drove a wedge between the partners. In former years, an Antillean development policy, if any, had directed the Netherlands aid. For the Antilles, the Netherlands development aid budget was considered our money. In 1987, in Protocol *Development Cooperation* agreement was formalized between the Netherlands and the Netherlands Antilles on how to apportion the *development aid budget*. [xxxii] A few years later, the whole concept of development cooperation came under scrutiny because of the level of the income per capita in the Caribbean countries. It was obvious that they did not qualify as underdeveloped countries nor did they qualify for development aid according to international rules. The vocabulary changed. Development cooperation became now hailed as *voluntary cooperation*. But more than merely the vocabulary changed. Now the nature and direction of the aid itself were measured in the Netherlands' politics. The obligation of the Kingdom to safeguard principles of *good* governance and democratic law in the overseas countries became a significant rule of conduct with regard to the appropriation of the aid budget. Until 1989 *development* cooperation had been the backbone of the Kingdom relations. Since then *statutory cooperation* gradually gained in importance. The Netherlands' stance on priorities changed and under Dutch pressure *statutory cooperation* cut a substantial part of the budget. Although *statutory cooperation* also qualified as a voluntary engagement that required agreement with the Antillean counterpart, it carried a stronger commitment on the part of the Netherlands. These changes were carried out under the regimen of the *Protocol Development Cooperation* of 1987. The Netherlands felt that an attempt to come to a new agreement with the Netherlands Antilles would not be successful. It was not attempted.

The Antilles felt that the Netherlands was abusing *our money* to pursue its own agenda. While before Antillean development needs were directing Dutch financial assistance, now the Netherlands interfered with demands for *good governance*. A conflict as to who should set the priorities arose. Moreover, the feasibility of *good governance* priorities was disputed. Off the record one learned that the Caribbean islands considered themselves too small, not ready, or too culturally different to live up to international *good governance* standards such as humanitarian prison

conditions, administrative transparency, public hearings and Ombudsman procedures and recognition of gay marriage. Pourier, a former prime-minister of the Netherlands Antilles, contrasted the enforcement of the rule of law in terms of the creation of a Coast Guard ('very appropriate') with the urgent need for funds to fight poverty: 'When more and more people sink below the poverty line, the trade and smuggling of drugs (to the Netherlands) becomes an attractive and devastating alternative'.**[xxxiii]** In other words, in his view good governance was very appropriate but first the problems of the people below the poverty line had to be tackled. *Good governance* and development were not recognized as complementary categories. From an Antillean point of view, the Netherlands financial assistance to answer basic needs in the Caribbean countries now had to be shared with a rather trendy interest in *good governance*.

Unable to put new regulation in place, the Netherlands applied a financial jacket to pursue *good governance*. As a result, technical assistance from the Netherlands to the Caribbean islands jumped from a mere 10 million Dutch guilders in 1986 to fivefold that amount in 1995 and stayed thereafter on a high level. Many officials and advisors from the Netherlands were, literally, flown into prominent advisory or executive positions on the islands, especially those with expertise in the fields of public finance, government administration and justice. Technical assistance has always been part of the picture, but during the early 1990s technical assistance jumped from just a few percent to about ¼ of the total Netherlands. budget earmarked for the Netherlands Antilles and Aruba (1990: 9%) (1995: 29%) (1996: 24%). In 1997 about 25% was spend on technical assistance and 75% on government projects. Technical assistance operated in areas such as justice and law enforcement, administrative assistance and reform, and public finance (together: 76.9%). In some instances, technical assistance was provided in a *twinning format*: Netherlands institutions or departments, governmental as well as non-governmental, were supporting similar institutions in the Netherlands Antilles such as tax departments, police units, foundations for education, broadcasting corporations.**[xxxiv]**

Most *technical assistance* operates under the authority of the Antillean government and does not have to answer to Netherlands. authorities. Formally, technical assistance is provided on request of the Antillean government and temporarily added to the formation of the Antillean civil service, either as expert advisor or executive. In few instances loyalty conflicts, real or assumed, have arisen. Technical assistance has been accused of leaking information to the

Netherlands. And Netherlands' authorities have been suspected of sending out a *fifth brigade* to get a foot in the door. Working conditions and competitive departmental behavior rendered in some cases proper functioning impossible. But on the whole, most technical assistance operated as was required. Without doubt technical assistance has in many respects strengthened *good governance* in the overseas countries but it falls short of a structural provision to safeguard and regulate *good governance* as one of the principal affairs of the Kingdom.

In 2003 the Netherlands. budgetary categories began to reflect the change in policy. In addition to support for *autonomy* of the Caribbean countries, the Kingdom's safeguards received a major distinction.[xxxv] Also, in 2004, the budget made a distinction between programs supporting the autonomy of the partner countries in the Kingdom (>75% of the total budget) and activities that aimed at the *safeguarding* function of the Kingdom (< 25 %).[xxxvi] The *autonomy* budget was allocated to three distinct programs: *good governance, education, sustainable economic development and, for Aruba also health care*. The expenditure estimate for these *autonomy* programs ranges between Euro 102 million in 2004 and Euro 100 million in 2008. The *safeguarding* budget included support for the overseas judiciary institutions.[xxxvii] Also, cooperation with Netherlands. agencies for criminal investigation and the Coast Guard in the Caribbean waters is financed under the *safeguarding* budget. The expenditure estimate on *safeguarding* varies from Euro 31 million in 2004 to Euro 29 million in 2008.

Once the Netherlands' assistance to the Caribbean countries resembled a Christmas tree with hundreds of projects of all sorts of activities. Now the budget had become formatted in a clear categorization of a two-pronged Dutch policy of Kingdom relations. On paper all was now well organized, but within the realm of Antillean autonomy much remained to be desired and the Kingdom's safeguarding of good governance had not yet overcome drugs, crime and poverty. The Dutch - Antillean relationship had become: 'sensitive, unequal and laborious'.[xxxviii]

Format and Horizon of the Netherlands' Assistance

Supplementing Caribbean public finances with general or specific subventions out of the Netherlands budget has been out of the question. For the Netherlands, the format of its financial assistance to the Netherlands Antilles has always been a critical matter. For a long time each and every individual project had to be approved by the Dutch bureaucracy in The Hague. Only in a few specific

instances, budgetary assistance has been granted. [xxxix] In 2004, a partial debt relief was agreed upon and may be followed with additional agreements. Some do wonder why the financial transfers are not formatted in a more expedient model, for instance, one similar to the local government finance system in the Netherlands. [xl] Dutch municipalities raise their own taxes and receive additional specific and general grants from the Netherlands' central government. This structure entails that local government finances are being monitored. However, the orthodoxy of Antillean autonomy forbids such supervision. On the other hand, Antillean autonomy does not deter requests from Antillean authorities for debt relief to the Netherlands' government. Moreover, when the Caribbean countries draw loans on the international financial markets, they need prior approval of the Kingdom government, thus also compromising the orthodoxy of being autonomous. Maybe only insiders can explain the incongruity that within the Kingdom, Caribbean taxpayers' monies are to be handled according to the *good governance* of the island authorities, while the Netherlands' financial assistance must be micro-managed by an intricate departmental bureaucracy. Apparently, Caribbean *good governance* is not good enough for Dutch subventions.

As a matter of principle, the Caribbean countries of the Kingdom have eventually to look after themselves. With Aruba a formal agreement has been reached to bring the financial assistance to an end in 2010. This time horizon does not include the areas of *statutory cooperation*. A separate budget is earmarked for matters that are pivotal to the Kingdom's operations such as the rule of law, criminal investigation and the coast guard. For the first time, the Netherlands' persistence on ending the financial relationship at some future moment is now consigned to what once was labelled development cooperation, not to the *statutory* cooperation. The latter will remain a vital part of the Kingdom's operations. Also with regards to the Netherlands Antilles, the Development Fund that has been initiated in 2004 will be temporary and eventually the Netherlands' financial assistance will come to an end. The continuous Netherlands's tenacity on Antillean financial *self-rule* may be a remnant of a not so distant past, where temporary relations and future independence prevailed.

Fragmentation of the Antillean Nation-State

In the fall of 2004 an advisory body to both the Netherlands' government as well as the Antillean government, came to the conclusion to abandon the Antillean statehood configuration. This committee was set up in a joint effort of the Netherlands and the Netherlands Antilles to advise on the wobbly government

structure of the Netherlands Antilles and its uncontrollable public finances. **[xli]** According to this advisory committee, the insular nature of Caribbean politics and society had rendered an Antillean nation-state unworkable. Each and every island should have its own separate statehood, in one or other way, to be complemented with extended statehood relations with the Kingdom, also in one or other way. These extended statehood relations must include that some public affairs are taken care of by the Kingdom, as was previously also the case: defence, foreign affairs, citizenship. Law enforcement should be added to the Kingdom affairs. And the Kingdom's safeguarding position must be expanded to include the public finances of the Caribbean authorities. Moreover, in order for the Kingdom to be able to hold the fort, its safeguards must be regulated and standardized. A monitoring system should be set up and monitoring procedures must be followed. For many a politician, both in Holland as well as in the Antilles, Aruba's *status aparte* in 1986 meant the end of a viable Antillean nation-state. The remaining Antillean nation-state, comprising Curaçao and Bonaire, Sint Maarten, Saba and Sint Eustatius, is out of balance. The other islands felt now even more dominated by Curaçao. A former prime minister calculated: the Netherlands Antilles minus Aruba equals: 6 minus 1 = zero. With Aruba's secession, the expense of two fully-fledged layers of government in relation to a population of less than 200,000 became even more problematic. As a result, since 1986, the government organization of the Netherlands Antilles has been, in a permanent state of imminent re-structuring (*herstructurering*), one day to be more centralized, another day more decentralized, split up in two countries, or even disbanded, but in no instance have definite choices been made. **[xlii]** For almost 20 years the viability of nation-state of the Netherlands Antilles has been questioned. **[xliii]**

A Wobbly Nation-State

In the Netherlands Antilles two layers of government exist, a national level of government (Netherlands Antilles) and an island level (Curaçao, Sint Maarten, Bonaire, Saba and Sint Eustatius). At the national level, the government nomenclature calls for *Staten* (parliament), ministers and departments; at island level for *Eilandsraad* (island council), *Gedeputeerden* (deputies) and *Diensten* (services). The *Gouverneur* (governor) is head of the national government; the *Gezaghebber* (lieutenant-governor) heads the island government. Elections for *Staten* and *Eilandsraad* are held every four years though in different years. Every two years the political parties on all 5 islands are preparing for elections, which greatly interferes with the regular administration of government. As anywhere,

unfavorable political decisions are postponed until after the elections, which in the Netherlands Antilles comes down to every other year.

The operations of the Kingdom are presently affected by the *lame duck* status of the Netherlands Antilles. In recent years several Antillean cabinets have at the moment of their inauguration, announced that they aimed at being the last Antillean government in history. They aspired to bring the nation-state of the Netherlands Antilles to an end. The Netherlands played its part; on various occasions the Netherlands. took a position that added to the instability of the Netherlands Antilles.

Curaçao is by far the largest island of the Netherlands Antilles with 130,000 inhabitants in 2004; Saba is the smallest with ca 2000. The other islands perceive the national government of the Netherlands Antilles to be dominated by Curaçao, while Curaçao maintains that its interests are twisted by the needs and financial burden of the *needy islands*. In recent years, Curaçao's social and economic problems have pervaded the operations of the national government. Going to an extreme, Sint Maarten formally suggested in 2003, that the Antillean central government should be brought under supervision of the Kingdom authorities because of negligence. Sint Maarten accused the national government of abusing its power to the advantage of Curaçao and insisted that the Kingdom should take over. The fact that in the 1990s Sint Maarten came under *higher supervision* of the central government of the Netherlands Antilles, after strong pressure from the Netherlands to do so, may have some significance here. In those years Sint Maarten's administration did not comply with standards of good governance such as administrative equity and democratic legitimacy. Like Aruba before, Sint Maarten wishes now to separate itself from the Netherlands Antilles. **[xliv]**

On national level, Curaçao holds 14 seats out of a total of 22 in the *Staten* of the Netherlands Antilles. In theory Curaçao could put up a majority in the *Staten* but in reality Curaçao is politically a very divided nation. Moreover, an Antillean government that is exclusively founded on the body politic of Curaçao would be unpalatable for the other islands. The formation of the national government must reach out to a variety of coalitions of political parties on all five islands. In other words, to achieve a governing majority, a coalition with political parties on the other islands is required. How a coalition will be constituted varies; the only certainty is that Curaçao will always be part of it. As the other islands count together for 8 seats out of a total of 22, no majority can be established without

participation of one or more political parties on Curaçao. **[xlv]** Every island wants to be part of the national government in order to pursue its specific interests. The coalitions that are formed often lack a solid national program. The number of seats that establish a majority in parliament comes first, a government program second. The cabinet of Louisa-Godett (2003-2004) governed for 6 months without a program that was underwritten by its coalition partners.

Referendums were held in 2004 on Sint Maarten, Bonaire, Saba and Sint Eustatius. The outcomes were unmistakable writings on the wall of the Antillean nationstate. A majority of the voters on Sint Maarten, 69%, opted for a separate status as autonomous country within the Kingdom, 14% chose for independence. **[xlvi]** But an impressive majority of Saba's and Bonaire's voters preferred a direct constitutional relationship with the Netherlands, respectively 86% and 59.5%. **[xlvii]** A majority of the vote on Sint Eustatius preferred to maintain the Antillean nation-state. The outcome of Curaçao's referendum in 2005 indicated a major preference of almost 68% for a separate status in the Kingdom. A surprisingly high percentage of almost 24% opted for direct constitutional relations with the Netherlands. **[xlviii]** The turnout averaged around 55%.

The Netherlands. Flip-Flop Position

The dynamics between the national government of the Netherlands Antilles and the island governments have over the years encouraged the Netherlands to bypass the national government. To get things done, it was often expedient to entertain direct relations with the island governments. And for matters of principle, such as the secession of Aruba, a round-table conference (1983) was comprised of representatives of all the island councils. In doing so, the Netherlands only added more fuel to the simmering disintegration of the Antillean nation-state.

Formally the Antillean government is counterpart to the Netherlands government; it is a government-to-government relationship. In day-to-day reality every island prefers to have relationships of its own with the Netherlands, for various reasons. The island authorities feel that their interests are not well served by the national government. Complaints about bureaucratic red-tape are frequent. Direct contacts with Netherlands' officials strengthen the islands' egos. For years, the Netherlands has on occasion disregarded government institutions and procedures of the Netherlands Antilles in some or other way. No harm was done as long as these contacts and deliberations took place under the auspices of the Antillean

government. During the 1980s, Jan de Koning, the Netherlands' minister for Kingdom Relations Affairs visited all the islands twice a year to decide about the appropriations of the development aid budget. His manner was informal and he strongly preferred face-to-face contacts to bureaucratic paperwork. The Antillean minister for Development Cooperation and the Minister-Plenipotentiary of the Netherlands Antilles took part in these rounds of deliberations.

When his successor, Ernst Hirsch Ballin, attempted to focus the Kingdom's operations on good governance, his direct contacts with the individual islands became critically frowned upon. His policy was to strengthen the position of the Kingdom in the Caribbean with regards to such areas as the rule of law, public finance and social security. Answering persistent calls for *herstructurering* of the Antillean nation-state, Hirsch Ballin proposed in a Draft Commonwealth Constitution (*Schets*) to split the Antillean nationstate in two: Curaçao and Bonaire forming one country, Sint Maarten, Saba and Sint Eustatius the other. **[xlx]** At that time, he averred that a further fracturing of the Antillean nation-state would lead to unworkable relationships within the Kingdom. The draft constitution met with uninterest in the Antilles and did not have a follow-up. In the corridors of Antillean politics it was qualified as a one-sided Dutch initiative. It may also be that this initiative was too much ahead of its time. **[1]**

To everyone's surprise, the Netherlands proposed in 1993 on a *Future of the Kingdom* conference that every island could obtain a *status aparte* (separate status) and maintain a specific relationship with the Netherlands. What to do with the leftover Antillean nation-state was left in the dark. The rationale behind this initiative was the Netherlands' policy to strengthen the Kingdom's safeguarding position in a direct relationship with each and every island. The Netherlands aimed to cut out the national government of the Netherlands Antilles as a wobbly intermediary. Also this initiative came to a dead end. The outcome of a referendum in 1993/1994 in the Netherlands Antilles showed a strong preference for the Antillean nation-state as is. This outcome was a surprise for Antillean politics, especially on Curaçao. The established parties on Curaçao had a strong preference for a *status aparte* in order to be on its own rather than united with the *needy islands*. Following the popular will, the next government of the Antilles attempted to re-centralize governmental operations. An Antillean advisory committee outlined a model for restructuring of the Netherlands Antilles. This was published in 1995 under the title *Make It Work*. **[li]** Unfortunately, in the

years that followed, this plan did not work.

On the part of the Netherlands, the next minister for Kingdom Relations interpreted the outcome of the 1993/1994 referendums as an indication that only strict government-to-government relationships should be maintained. Subsequently, island authorities that used to visit the Cabinet for Netherlands Antillean and Aruban Affairs (the departmental forerunner of the department of Kingdom Relations) in The Hague, no longer had access. *The Hague* turned a deaf ear. A much more formal stance was taken and a disposition took over that the Netherlands should not get bogged down in the minutiae of Caribbean island politics. *Keep a safe distance* became the practice. The island authorities bitterly complained to visiting members of the Dutch parliament, to no avail. In 2003, the Netherlands government took another turn and proclaimed a renewed interest in re-directing relations with the island authorities. The authority and functions of the national government of the Netherlands Antilles should be reconsidered. The Dutch minister for Kingdom Affairs aimed at a redistribution of powers and functions between the Kingdom, the Netherlands Antilles and the island authorities: *maximum* powers had to be distributed to the islands authorities, *minimal* powers to the national government of the Netherlands Antilles and *crucial* powers to the offices of the Kingdom. A round of discussions and conferences followed. The Antillean government had initially agreed to have these discussions framed within the perspective of a continuing existence of an Antillean nation-state. Sint Maarten made explicitly clear not to agree. At the opening of an Antillean islands' conference, Sint Maarten did not want to take part in such discussions as long as Sint Maarten's aim of a separate status within the Kingdom was not recognized. This caused the conference to break up. Sint Maarten invited the Netherlands to start direct negotiations, thus circumventing the Antillean government. The Netherlands minister considered Sint Maarten's invitation improper, he would not make arrangements without the national government of the Netherlands Antilles.

In 2004, after half a year of dithering, an advisory *Committee Governmental and Financial Relations Netherlands Antilles* was appointed to make an assessment of the necessary changes in the organizational, financial and fiscal structure of the Netherlands Antilles in view of persistent complaints, especially from the smaller islands. Now however, the advisory body included representatives of all the islands, the Antillean government as well as representatives of the Netherlands

government. Finally the problems of the Antillean nation-state were recognized as a problem to be tackled by all parties, including the Netherlands, in a combined effort. Earlier on the Netherlands had consistently kept the structural problems of the Antillean nation-state at arm's length. The problem was put under the rubric of Antillean autonomy and had thus to be solved by Antillean politics first. All along the Netherlands's position had been that the Kingdom should be engaged only after the Netherlands Antilles had made up its mind. In the meantime, in the Kingdom's day-to-day operations a practical plurality had been exploited or, in other words, by *muddling through* the Kingdom had been *getting by*.

Migration

Antilleans and Arubans are *rijksgenoten* and free to move among the three countries of the Kingdom. Until recently, migration from the Caribbean countries to the Netherlands was unregulated for most part. Since 1999, a few restrictions apply, at least on paper, to underage minors who want to emigrate. **[lii]** For many years the Netherlands government did not have a migration policy with regards to Antilleans and Arubans. Changes in migration figures were like changes in weather. What to do about it? A Dutch government rule of thumb proclaimed it not to be in Antillean interests to migrate in large numbers. According to every successive Netherlands' minister for Kingdom Relations, a better idea would be to stimulate economic development on the islands so that Antilleans find jobs at home. For their part, Antillean governments have issued warnings of massive emigration to the Netherlands in order to elicit additional budgetary assistance from Holland. In 1984 the Dutch minister for Kingdom Relations was told *Holland here we come* in a meeting with the Antillean Council of Ministers when he did not give in to budgetary assistance to finance civil service lay-offs. The Dutch minister suggested that such migration would be foremost an Antillean problem. In his view, the large number of Surinamese immigrants around the date of Suriname's independence (1975) had more upset Suriname than the Netherlands society. These attitudes towards the effects of large-scale migration are obviously framed by their time. Twenty years later, migration, including Antillean migration, has become a recurrent and divisive topic in Dutch politics and society.

Antillean Migration to the Netherlands

Over the years migration has been up and down. Migration peaks at times of economic downturn in the Antilles. Especially youngsters, who cannot find work

on the islands, try their luck in Holland. Migration to the Netherlands has increased dramatically in the 1980s and 1990s. Between 1985 and 1992 the number of Antilleans and Arubans in the Netherlands tripled to 90,000. At one time it was estimated that in 2000 around 104,000 Antilleans could be living in the Netherlands. **[liii]** In 2001, the actual figure had reached over 115,000 and in 2003 this number was almost 130,000 of which almost $\frac{3}{4}$ was first-generation and $\frac{1}{4}$ second-generation Antilleans living in Holland. **[liv]** One year later almost 131,000 Caribbean *rijksgenoten* lived in the Netherlands. **[lv]** Migration from Curaçao is dominant in the national figures. In 1997 circa 5000 people migrated from Curaçao to the Netherlands, in 1998 about 8000, in 1999 about 9000, in 2000 more than 13000, in 2001 about 9000 and in 2002 about 6000. On average every year about 2000 people migrate from the Netherlands to Curaçao. It is not known how many of these migrants are *returns* that have migrated earlier to the Netherlands. **[lvi]** The Curaçao census in 2001 shows that the populace of Curaçao dropped from 150,000 in 1997 to 130,000 in 2001, a decline of almost 15 % in just a few years. The large Antillean population in the Netherlands entails a constant ebb and flow of persons between the European and Caribbean parts of the Kingdom. The frequency of flights of KLM, the Royal Dutch Airlines, between Amsterdam and the Netherlands Antilles rose to figures never seen before. In just one year, 1998-99, KLM flew about 800 flights between Amsterdam and the Antilles. **[lvii]** The many islanders migrating to the Netherlands must have an impact on the morale of the people who stay put on the island. The recent strong migration of a new class - professionals who have lost confidence in the island governments - has further eroded the islands' capacity to self-govern. At the same time, Antillean migrants in the Netherlands find themselves no longer living in a country where representatives of their own culture and language run the government. For them the hotly debated tenet of Antillean autonomy has been exchanged for residence in the Netherlands. **[lviii]**

A regular group of migrants are students. The scholarship provisions of the Netherlands government apply also to Antillean and Aruban students who enrol at educational institutions in the Antilles respectively in the Netherlands. More than 75% of the Curaçao students who follow university education do so in Holland; the same applies to the category following higher vocational education. On the other hand, about 80 % of the students who follow a middle level of vocational training, stay on the island; 20% depart for the Netherlands. **[lix]** Every year in August so called *scholarship* (bursalen) flights leave from Curaçao, Aruba and

Sint Maarten with students who follow further education in the Netherlands. Their initial accommodation is taken care of by the Antillean, respectively Aruban Foundation for Study in the Netherlands. **[lx]** On arrival representatives of the Foundation receive them for Study in the Netherlands. The ministerplenipotentiary of the Netherlands Aruba in the Netherlands usually attend these welcoming receptions and on occasion voice warnings about how different Dutch society and manners are in comparison to home. An Antillean minister once (2003) cautioned: 'Don't let them (*the Dutch*) get to you'. In 2001 a total of 450 Antillean scholarship students departed; for Aruba this figure was circa 280. At first sight, this migration testifies to the wider educational options the Kingdom offers to Antillean students. The downside is that many of these migrant students do not return home. Successive Antillean cabinets have since 2000 insisted on a policy that encouraged students to enrol at home. To that end the Netherlands government made scholarship program also available for Antillean students who opted for study in their home country. This was abandoned in 2004. According to an evaluation of the Netherlands Ministry for Education in 1998, the availability of scholarships for study at home had not been very effective in keeping students from migrating overseas. Later on, the University of the Netherlands Antilles (UNA) disputed this conclusion as the total number of its students increased from ca 700 in 2000 to ca 1000 in 2003. **[lxi]**

The Foundation for Study Scholarship Curaçao counted a total 3200 scholarship-students in December 2002. Out of these 3200 students, 1500 studied in the Netherlands and 1700 on Curaçao. The students in Holland follow on average a higher level of education than those on Curaçao. It appears that 65% of the Curaçao students in the Netherlands do not return home after having completed their studies. This sharply contrasts with the category of students who first complete their studies at home, the University of the Netherlands Antilles, and migrate thereafter to the Netherlands for additional study. On average these *follow-up* students do return home after having finished their study in the Netherlands. Added to the number of students who do not return must be the returnstudents who do not feel at home any more on their island. They leave frustrated after a short period of failed attempts to establish themselves again. The downside of the annual *scholarships flights* is a substantial brain drain from the Netherlands Antilles. In this case the Netherlands benefits of the islands. investment in basic and secondary education. **[lxii]** On the other hand, attempts to block this brain drain through a *study at home* policy goes against the worldwide

trend to a more - literally - universal education. Moreover, the costs of such a policy have to be offset against the level of excellence of the education that can be offered at home. The intellectual advantages of exploring a wider world have to be taken into account as well. All in all, there are no simple solutions to stop the brain drain from these small islands.

The Netherlands: A Country Of Immigrants

Antillean migration to the Netherlands is now caught in the divisive debate on the topic of migration and integration in general, not only in the Netherlands but also in most countries of the European Union. The freewheeling Dutch immigration policy has come to an end under pressure of the population figures it produced. The Netherlands has once more become a country of immigrants. **[lxiii]** What once was Dutch is no more. But what is Dutch? Also in the past, the attempt to define *Dutch* raised intricate questions. **[lxiv]** In 2003 the numbers of the largest non-western populations in the Netherlands are: Turkey 341,000; Morocco 295,000; Suriname 320,000; Netherlands Antilles and Aruba 129,000. The total number of non-western residents is 1,622,602; this is 10% of the total population of 16.2 million. Immigrants of Indonesian origin are separately categorized and number 215,000 (1998). Immigrants of Suriname and the Netherlands Antilles are a minority in the total non-western immigrant population in the Netherlands but the Antillean share has been growing fast. **[lxv]** In the period 1999 - 2003 the Antillean population increased with 30%. **[lxvi]**

Amsterdam's mayor predicted in 2002 that in 2020 60% of the city population would be of non-Netherlands origin, so called *Nieuwe Nederlanders* or *Hollandse Nieuwe*. **[lxvii]** A conservative prognosis assumes that in 2015 ethnic minorities will take up a 40% to 45% share of the population in the major cities. The most recent figures of the Central Bureau of Statistics in the Netherlands confirm these trends. **[lxviii]** The share of first and second-generation migrants (allochtonen) in the population of the four largest cities in the Netherlands (Amsterdam, Rotterdam, Den Haag en Utrecht) has increased from 31% in 1995 to 43% in 2003. More than two-third of these *Nieuwe Nederlanders* are of nonwestern origin; in the total city population 31% is of non-western origin. **[lxix]** In the press this trend is captioned as the *verkleuring* (colorization) of Dutch cities. **[lxx]**

Around the turn of the century a passionate debate on migration and integration overwhelmed Dutch politics and society. Immigration and integration were paramount issues in the dramatic parliamentary elections of 15 May 2002 in the Netherlands, which followed the murder of Pim Fortuyn, a prominent candidate.

A wave of relief passed through both the immigrant communities as well as the old-time Dutch establishment when a few hours after the murder, the suspect was caught and described as a white Dutchman in his 30s. The outcome of the following elections upset the political establishment and dramatically changed the balance of power between the political parties. Two weeks later, during a debate on future Kingdom relations, one of the new 'Fortuyn' members of Parliament stated that he would no longer accept that the Netherlands could not overrule the Caribbean partners in the Kingdom when amendments to its Charter were required to regulate Antillean migration to the Netherlands. [lxxi] In terms of numbers, the subsequent elections restored much of the political establishment in the Netherlands. But in its wake, Fortuyn and his murder created a tougher social and political climate for the immigrant population. Fortuyn's legacy made possible that what once was absolutely politically incorrect, now gained wide political currency. More often than before Antillean immigrants complain about discrimination and stigmatization.

Towards A Netherlands Policy On Antillean Migration?

Antillean migration to the Netherlands is now often lumped together with migration from non-western countries; it has become a political issue. The Netherlands. Integration law (*Inburgeringswet*) of 1998 requires that all foreign immigrants, including Antilleans, follow a Dutch civics course (Dutch language, basic politics, social customs) unless they have a certain level of secondary education and proof of an adequate command of the Dutch language. To the chagrin of the Antillean government no distinction was made with other migrants from non-western countries. The Antillean government fiercely opposed any distinction of a mandatory nature between European and Caribbean Dutch passport holders. In 2001 the Netherlands and the Antillean government could not reach agreement over a mandatory civics course for Antillean youngsters prior to their departure to the Netherlands. And again in 2004, the Antillean Parliament rejected unanimously a mandatory *civics course* for Antillean migrants to the Netherlands. According to the unyielding opinion of Antillean Parliament, Antilleans have Dutch citizenship and should not be classified as second-rate citizens. As Dutch passport holders they should not be discriminated. [lxxii]

In 2004, the Dutch Parliament undertook an evaluation of the Dutch immigration policy of the last thirty years. During the parliamentary hearings it was observed that in the last decades of the 20th Century the Dutch government had never persuaded the new immigrants to live according to Dutch social norms and

values, because of fear of being accused of discrimination. According to the director of the Social and Cultural Planning Bureau, the politically correct belief in a multi-cultural society formed the base of this laxness. He imagined that the questions about assimilation and integration of newcomers were shrouded in the progressive belief of the co-existence of several cultures within the bosom of Dutch society. This evaluation uncovered that 75% of the second generation of Turkish and Moroccan immigrants returned to their *homeland* to find a spouse.**[lxxiii]** These homeland marriages were held accountable for a much slower pace of integration than had been expected.**[lxxiv]**

In 2004 the Netherlands government announced stringent conditions for migrants-to-be. To prepare the grounds for new legislation, a policy paper was presented to Parliament in April 2004, which contained the outlines of new rules with regards to a migrant's integration in Dutch society.**[lxxv]** Prior to migration, an individual has to obtain a civics certificate in his homeland and on arrival another test on Dutch language and civics has to be passed. Failing this test means that no permanent residence permit can be obtained. New immigrants who already reside in the Netherlands also are obliged to pass a civic test. If they have not done so within 5 years, the local authorities will fine them annually. The cost of these civics courses have to be paid in full by the migrants themselves, except for unemployed persons and disadvantaged women.**[lxxvi]**

In addition, dual citizenship of ethnic minorities of the third generation in the Netherlands will no longer be permitted as it delays a successful integration into Dutch society.**[lxxvii]** In January 2003, one out of 18 inhabitants in the Netherlands had a dual citizenship; this is 5.5% of the total inhabitants. Turkish-Dutch and Moroccan-Dutch were the most numerous combinations, respectively 234,000 and 189,000. In a period of five years the number of people with dual citizenship increased 47%.**[lxxviii]** What will become of the intentions of the Dutch government to limit dual citizenship has to be seen, also in view of the ongoing integration of the European Union.

The mandatory civics course that was required by the *Integration Law* of 1998 has not been strictly enforced with regards to Antillean migrants. The new legislation to rigorously implement this requirement was strongly contested in Antillean Parliament.**[lxxix]** And within the Netherlands's Council of Ministers, the minister for Kingdom Affairs quarreled in September 2004 with the Netherlands. minister for Integration. The Kingdom Affairs minister did not want to regulate the movement of Antillean youngsters, as 'the Antilles are a full

member of the Kingdom'.**[lxxx]** When in the media or Parliament stringent admission requirements are advocated, a foregone conclusion often is that the constitution of the Kingdom does not permit restrictions to movements of Dutch citizens within the Kingdom. Others maintain that even if such restrictions were constitutionally aligned, it would be politically unfeasible to enforce restrictions to the movements of Antillean *Nederlanders*. Any restrictive policy would only encourage more immigration - *before it is too late*.

In a Kingdom with open borders for its inhabitants, the mutual dependencies between the partners have sharply increased. The new wave of young Antillean immigrants appears to have difficulty integrating into Dutch society. Among the immigrants in the Netherlands, some of the Antillean migrants constitute a complex category. The Caribbean immigrants are of Dutch nationality; they hold Dutch passports and they supposedly speak the Dutch language, although some of them do not. They are entitled to the same domestic and welfare subsidies as their Dutch counterparts. Generally speaking they arrive lacking the immigrant's ambition to make it in a 'new' world. The Netherlands is not seen as a 'new' world but rather as the better social part of the Kingdom. Another complication is that immigrants from any other country have free access to the Netherlands once they have obtained Dutch citizenship in the Netherlands Antilles.**[lxxxii]** Dutch Parliament urged in 2004 the minister for Kingdom Relations to halt the *Antillean problem trail* to the Netherlands.

The high profile immigration issue in the Netherlands may one day create the political leverage to make amendments to the Kingdom relations. The homeland interests of the Netherlands are now more intertwined with Antillean politics than ever before. Overseas social and economic problems in the Kingdom have now hit home in the Netherlands. In the European Union, migration from the new member states to the timehonored EU nations is met with regulation and restrictions. Britain's Prime Minister announced that immigrants from the 10 new member states would not be given instant access to state benefits in Britain: 'There can be no access to state support or housing for the economically inactive'.**[lxxxii]** In Denmark, also a member of the EU, immigration laws have been barring mixed Danish-foreign couples from setting up households in Denmark. Both husband and wife had to be 24 years or older before they would be allowed to live as a couple in Denmark. And even then, the law requires a minimum income of about US\$50,000 a year, along with a deposit of US\$10,000

until the foreign spouse is able to become a citizen. **[lxxxiii]** Regulation of immigration is also increasingly becoming a *Brussels* affair, which may require the Netherlands to become tougher in the enforcement of its own legislation.

As it stands in 2005, the Caribbean opposition won and Antillean migrants to the Netherlands are excluded from the new *civics course* regulation. But other options are being considered to halt the *Antillean problem trail*. A judge on Curaçao did not mince words and qualified the pending regulation as disproportionate and a specimen of Dutch narrow mindedness. **[lxxxiv]**

Restrictions for European Nederlanders in the Caribbean

The European *Nederlanders* are not free to move to the Netherlands Antilles. For a long time, Netherlands' persuasion of the Antillean authorities to liberalize the residence and work restrictions was not acted upon. These restrictions find their origin in colonial rules. An Antillean minister proclaimed in 1987 that these rules were the only good legacy of colonial times; they should not be squandered under Dutch pressure. In his view the very limited carrying capacity of the Caribbean islands does not allow for large scale Dutch settlement. **[lxxxv]** In 2000 some restrictions were lifted but not all. European *Nederlanders* who want to migrate no longer require a residence permit but they do need an authorized statement of admittance (*van rechtswege toegelaten*) which can be obtained by proof of sufficient financial means, adequate housing, and a declaration of good conduct (no criminal record). **[lxxxvi]** Another national ruling stipulates that foreigners require a working permit. **[lxxxvii]** European *Nederlanders* are here lumped together with other foreigners in the category *Vreemdelingen* (foreigners). An exception is made for persons with an 'authorized statement of admittance'. European *Nederlanders* who have obtained such a statement still may face some restrictions in cases where the island government has ruled that for economic reasons work permits are required.

Aruba's regulation differs from the Antillean. **[lxxxviii]** European *Nederlanders* in possession of an employment contract, automatically receive a residence permit for the same period as the employment contract, with a maximum of three years under proviso of housing, income, health and good conduct conditions. After its first expiration, a residence permit for indefinite time will be granted.

Not all *Nederlanders* have the same rights of abode in the countries of the Kingdom. European *Nederlanders* who want to move to the Caribbean countries meet some restrictions that do not apply when Antilleans migrate to the Netherlands.

A Not So United Kingdom

Contrary to communal (volcanic) outbursts of *Orange* sentiments - the name of the Dutch Royal family, and the color of the shirts of the national Dutch soccer team - in all parts of the Kingdom, disparate leanings prevail. **[lxxxix]** In many ways the Kingdom is not united. Citizenship is shared but identities are defined by origin of birth, western, foreign and non-western, and increasingly prejudiced by (under-) class and crime characteristics. Divergence rather than unification holds sway in the Kingdom. An awareness of shared interests is mostly conspicuous by its absence. Being condemned to each other rather than being connected for better and worse, dominates day-to-day sentiments and relations.

Since the Charter of 1954 was enacted, the Kingdom of the Netherlands has not been a very persuasive agent in rallying a sense of common purpose and identity that unites its distinct parts. Even in colonial days, before the Charter was enacted, the Netherlands was not known for efforts to export Dutch language and culture to overseas colonies. The impact of Dutch culture during centuries of colonial rule in the Indonesian archipelago has been labeled as 'scratches on the rock'. **[xc]** The Kingdom's constitutional agreement in the Caribbean was never meant to endure forever; it was contrived as a postcolonial arrangement.

In the early days, interaction between the Netherlands and the Caribbean countries was infrequent, mostly out of the public eye and mainly related to government affairs. Not much was known about the *rijksgenoten* in the Caribbean. During this period, a benign perception of the overseas Dutch citizens prevailed in the Netherlands. image. Well-educated students, speaking charmingly accented Dutch, hardworking and good mannered nurses, fun-loving carnival dancers, friendly sailors, interesting people, also because of their exotic color, were the images that dominated the Dutch view of the *Nederlanders* in the Caribbean. **[xci]** Curiosity rather than a sense of shared identity or common interest set the tone in those days. The Roman Catholic Church and a range of Dutch and local charity organizations helped with basic needs. In those days, Suriname and the Netherlands Antilles did not claim much attention in Dutch politics and public interest.

Nowadays, social disintegration on Curaçao manifests itself in the form of high levels of migration to the Netherlands. The positive image of the Antillean *rijksgenoten* changed. So-called 'Antillean' neighborhoods have sprung up in Dutch cities with high levels of unemployment and crime. Some suggest that the

ideological climate in the Netherlands now does make Antilleans feel not welcome any more. **[xcii]** Antilleans feel stigmatized as *allochtonen* in the Netherlands and a negative image of a group of Antillean youngsters overshadows the achievements of the substantial majority of well-integrated Antillean migrants in the Netherlands.

Common Citizenship, Diverse Identities

The citizens of all three countries are *Nederlanders*; they share the same nationality and have the same passport. This passport now also carries the imprimatur of the European Union on its cover. The cover's inside holds a request from Her Majesty the Queen of the Netherlands to

(...) all authorities of friendly powers to allow the bearer of the passport to pass freely without let or hindrance and to afford the bearer every assistance and protection which may be necessary.

This royal request applies also to the Caribbean *Nederlanders*. The Dutch passport grants Antilleans and Arubans the right of abode in the whole of the European Union as well as entry without visa requirements to many other countries, including the United States of America. Many islanders consider the right of citizenship that the extended statehood the Kingdom of the Netherlands provides of paramount importance. For some, these extended citizenship rights are among the most personally tangible advantages of the Kingdom.

Sharing the right of citizenship does not go hand in hand with a communal identity. Rarely does one hear an Antillean state or claim that he is *Nederlander* or *Dutch*. Above all, the inhabitants of the Netherlands Antilles and Aruba identify themselves according to their island of origin: *yu Korsou* (from Curaçao), *Sabaan*, *Bonairiaan*, *Statiaan*, *Sint Maartener* and *Arubaan*. The nation-state of the Netherlands Antilles is often considered to be a post-colonial construct that does not provide for a sense of national identity. That line of thought is caught in the maxim: 'The Netherlands Antilles exist only in the Netherlands'. **[xciii]** Every island has its own anthem; only recently did the Netherlands Antilles acquire a national anthem. Their respective inhabitants much better know the island anthems.

For most of the Antilleans, formal citizenship in the Kingdom of the Netherlands is not coupled with affinity to Dutch culture. For an Antillean, *Nederlanders* are European *Nederlanders*, a distinct category. Antilleans who hold Dutch passports do not consider themselves *Nederlanders*. Also on the European mainland, in the

Netherlands, ambiguity rules. The Antillean population in the Netherlands is considered of foreign origin, and sometimes categorized in Dutch statistics as *allochtonen* (foreigners), together with other immigrants from non-western countries. Among Antilleans, this categorization is felt as a negative and offensive distinction. **[xciv]**

Language

Antillean culture and identity is expressed in the language spoken: Papiamentu in Curaçao, Bonaire and Aruba; and English on Sint Maarten, Saba and Sint Eustatius. Although Dutch is the formal language to be used for instruction, in court and police summons, it is common practice that at home, at school, in the island Council and in Parliament, and on the streets these other languages are spoken; not Dutch. In court, the judge speaks Dutch but a suspect may need (and does get) an interpreter. For most Antilleans in the Caribbean Dutch is a second language in day-to-day communication; for many it is foreign language. In 2003, when announcing her first visit as Prime Minister of the Netherlands Antilles to the Netherlands, Myrna Louisa-Godett made it known that she would speak Papiamentu during this visit and be accompanied by interpreters to make her understood. This was not because she had not mastered the Dutch language, but to make a political statement about the language spoken on Curaçao. She would make an exception for her visit to the HM the Queen.

Many Antillean Ministers of Education have in the past attempted to replace Dutch with Papiamentu as the instructional language in primary education though most parents preferred a bilingual education, Dutch and Papiamentu. **[xcv]** Disputes about the instructional language have turned into conflicts between the minister and the prominent Catholic Board of Education on Curaçao that had to be decided in courts, up to the highest court in the Netherlands. As it stands today, legislation is being drafted to formalize the language of instruction for the age group of children 4-15 years old. For lack of political consensus, the bill is changed every so often, leaving the schools in limbo. Three instructional models are on the table: Papiamentu, Dutch and bi-lingual. A consensus is growing that at the beginning of the first school years, the language of instruction should be the mother tongue of the pupils based on the assumption that other languages can best be learned after having mastered the mother tongue. For a majority of the schools in the leeward islands (Curaçao, Bonaire and Aruba) this means Papiamentu.

Papiamentu is now in most schools in Curaçao and Bonaire the language of

instruction in the first years, while Dutch is learned as a second language. A few schools have achieved an exceptional status with Dutch as instructional language. Other schools clamor for bi-lingual instruction and education, Papiamento and Dutch, but do not find recourse with the educational authorities. **[xcvi]** Another court case will undoubtedly follow. Dutch is the language of instruction during secondary education. One high school on Curaçao is recognized where Papiamento is the language of instruction. When continuing education, a student needs to have mastered the Dutch language. But most children enter secondary education without having done so adequately. Consequently, the shift in instructional language between primary and secondary education may be held accountable for the high number of student failures. These scores testify to the everunresolved instructional language problem. **[xcvii]**

For decades, ideological conflicts rather than a clear trajectory of language instruction have dominated the educational arena. Due to the enduring conflicts, for many years teaching material was outdated, sometimes only available in mimeograph as Dutch teaching books were not reprinted and Papiamento teaching books were not yet available. In the classrooms teachers tended to instruct children in Papiamento while the textbooks were in the Dutch language. Not only did children not master the Dutch language, also their teachers were not at ease with this language. **[xcviii]** The technical reading scores in Curaçao schools at the end of primary education lagged much behind the norms applied in the Netherlands. At the end of the 1960s, more than 25% of the Antillean primary school population doubled annually; in the Netherlands this was 7.4%. Only 25% of the Antillean pupils reached the end of primary education without having once doubled; in the Netherlands 66% reached the end of school without having doubled. In 1985 half of the population in the range of 15-24 year had dropped out of school: 10% in primary education, 14% after having completed primary education and 24% during continued education. **[xcix]** These dramatic figures were confirmed in 1994 and once more in 1997. Antillean immigrants in the Netherlands have on occasion surprised Dutch educational institutions because their children hardly speak any Dutch; some are even completely illiterate. **[c]** Most do well in Dutch schools, some do very well, but in particular children born in the lower social-economic strata of Curaçao do very poorly, not only in school but also on the streets. **[ci]** For them, the fallout from ideological conflicts about the language of instruction has been very damaging.

Living in the Margin (with Drugs)

Social class cuts through matters of identity and culture. A culture of poverty has taken hold of a substantial part of the population of Curaçao; more accurately, the poverty of the colonial period has not been lifted. **[cii]** At present, Curaçao's poverty manifests itself in a different way. Poverty is now strongly related to crime and drugs. During colonial times, racism and cultural deprivation determined social relations. Most of the black part of the population of Curaçao took on a negative self-image in relation to white-Dutch and people of mixed colors. Curaçao was, according to Hoetink in 1962, a highly segmented society. **[ciii]** The somatic and cultural imaging in colonial days was full of normative content, defining one's social position in the order of color: white, colored of various hues, and black. Curaçao's society still is divided by color lines, though less pronounced than in the period of the colonial Dutch-white supremacy. For some, the negative self-image that was ingrained during colonial times has been corrected by decolonisation, economic development and better education. But not for all, not for the people who still live in the margin of Curaçao's rather wealthy society. Instead, the negative self-image is confirmed as *others* have been able to do better for themselves, in terms of education, health, employment, income, housing, perspectives in life, and travel. For the lower and underclass, the presence of the Kingdom of the Netherlands in the Caribbean does not make much difference. This class of people is especially affected by the different standards of public provision within the Kingdom, more than their fellow islanders who have achieved a comfortable status. In their case, the colonial and racist past has not been overridden by developments that provide for a more positive self-image, one that would allow bygones to be bygones, not forgotten but replaced by a new reality. The 1954 Charter empowered local elites but did not lift the local color lines, nor did it raise the subsistence level of Curaçao's underclass. The uprising of 1969 carried a promise of black power that could have changed life for the better, also for the black underclass. This promise was not fulfilled. The hazards of embedding self-government in hands that were not prepared for it did not pay off for the classes that had been marginalized all along. Waves of economic prosperity by oil refinery (Shell), off-shore banking, Latin American tourism were followed by economic downturns, whose hardest hit victims were the people on the lower steps of Curaçao's social-economic ladder.

The drug economy offers a class of young people without proper education and skills an easy way of making money fast. It has pervaded Curaçao's society. In March 2002, the Antillean Prime Minister estimated that 50% of the informal

economy was drug-related. In an Antillean study 'Combating poverty' elaborate attention is paid to the drug economy. **[civ]** An increasing quantity of cocaine is smuggled into the Netherlands by young couriers from Curaçao who swallow large number of *bolitas*, little bags with cocaine, and then take a plane to Amsterdam. On arrival laxatives are taken to flush the coca out of a courier's body. A *bolita*-absorber can carry around 800 to 1000 grams of cocaine per flight. By September 2002 a total of 1,311 drug couriers had been arrested in that year at Amsterdam's Schiphol Airport. These included 808 regular couriers and 503 *bolitas*-absorbers. Around 3600 kilos of drugs were seized. In 2000, 800 arrests were made and in 2001 around 1220 smugglers were arrested. After a body scanner was placed at Curaçao's Hato airport, KLM had ca 25 no-shows per flight on the first days of operation, presumably of couriers and absorbers. On the basis of daily KLM flights to the Netherlands, an estimated 600 kilos per month are smuggled this way into the Netherlands. According to cocaine traffic studies, the amount carried by in-flight couriers is only a small percentage of total cocaine imports in the Netherlands.

When living in the margin, the Kingdom does not carry much significance other than some iconographic images of a faraway *Olanda*, with a Queen and family, and some dignitaries who disembark a KLM plane when they come to visit once in a while.

Downloading the Underclass

Every so often, the Kingdom operates as a platform for a confrontation with the Antillean underclass, much to the annoyance of Antillean authorities. It has become common standard for Dutch media, and also for quite a number of Dutch authorities when visiting the Antilles, to report over and again their misgivings concerning this part of the Kingdom, especially Curaçao. In 2004, a former chief of Amsterdam's police corps, Eric Nordholt, summarized his findings: 'Corruption, crime, drugs, social degradation, unemployment, inadequate medical care, political malaise and a public negation of the factual problems (...) Antillean as well as Dutch authorities should be ashamed of themselves' (translated). **[cv]** In the beginning of the 1990s, then as chief of Amsterdam's police, Nordholt had suggested that criminals were dumped in the Netherlands with the silent collusion of Antillean authorities. A storm of Antillean protest erupted. The negative assertions were never substantiated but kept on being repeated. The Minister Plenipotentiary of the Antillean government in the Netherlands reacted furiously. Nordholt's image was biased and lacked concrete substance; crime was

being countered, poverty being fought and many Antillean students were managing to graduate at universities in the Netherlands and elsewhere. [cvi] Since the mid 1990s these exchanges have often marred communications and, whatever their real substance, left dark clouds hanging over the Kingdom relations.

Teeth grinding anger erupts among Curaçao's political establishment when Dutch dignitaries plan to visit neighborhoods where the culture of poverty is starkly manifest. One of the Dutch prime ministers, on his first (and last) visit to the Antilles, requested explicitly to call on such a neighborhood. A street corner group accused the local politicians who accompanied the Dutch prime minister, of putting on a good face for the sake of the Dutch minister's visit: 'other times you are not seen here'. The Dutch prime minister encouraged the group, to keep up the struggle for a better life with thumbs up. Often a flurry of Antillean finger pointing surrounds such visits: Dutch intervention in local politics, the autonomy of government being attacked, paternalistic Dutch goodwill on display, and Dutch degradation of local politics.

The spotlight on the plight of Curaçao's underclass reflects at best a moral inclination to improve the situation. But the focus of this attention is also driven by the migration of the underclass problems to the Netherlands. These problems have manifested themselves in such a degree in the Netherlands that it has become an issue in Dutch politics. City councils, town mayors, police- and immigration authorities are urging the minister for Kingdom Affairs to take action. Consequently, most of the times when Kingdom affairs are being tabled, these topics dominate the agenda and time and again Antillean authorities are confronted with the underclass problem on their islands.

Because of the attention paid in the Dutch parliament and press, Antillean affairs have become synonymous with drug traffic, criminal youngsters, and school dropouts. On their part, Antillean authorities have become irritated and claim that Dutch officials and media deliberately overexpose these problems. They assert that no attention is paid to efforts that deserve positive attention such as a substantial trimming the overstuffed government bureaucracy, or budgets set aside for programs to fight poverty. Once the Minister Plenipotentiary of the Netherlands Antilles in the Netherlands complained that over and again the cocaine *bolita* traffic comes up in most of his government and media contacts. Another time the Antillean government requested the Netherlands to make

corrections to the negative imaging of the Netherlands Antilles in the Dutch media. The intensity of the Antillean reaction may in part derive from being ashamed of this public exposure, not only because its dirty linen is washed in public but also even more so as such confrontation scorns the canonized autonomy of Antillean government.

In addition, a sense of guilt that the underclass has been so neglected, may even further complicate the Antillean reaction. At the same time, Antilleans cannot duly raise the question as to how to define the Kingdom's responsibility in this matter. In 1995, a minister of Kingdom Affairs rubbed this in: 'autonomy also means to solve your own problems'. But others do not hesitate to broach the now ill-fated division of responsibilities between offices of the Kingdom and the local autonomous governments.**[cvii]** They argue that the issue of the Antillean underclass must be downloaded to the files of the Kingdom as well.**[cviii]** While the Netherlands seems to exploit the Kingdom's platform to make the Antillean elite look at the backyard underclass, the responsibility of the Kingdom is called into question at the same time. The underclass was always there but did not have a voice that mattered. Now it does, in elections, in local crime statistics, in migration figures and the trade of drugs, and last but not least, in Dutch cities with Antillean neighborhoods. Dutch prisons and adolescent correctional facilities count ten times more Antilleans than their share in the total population.**[cix]** The underclass can no longer be glossed over; it has become a real issue that must be dealt with, in one or other way.

Misgivings about Kingdom's Safeguards

The lack of *good governance* and social disintegration of more and more neighborhoods on the island of Curaçao have cast a worrisome light on the adequacy of Kingdom's safeguards. The number of attacks on people, either at home, shops, businesses or on the streets, has risen to alarming proportions, especially when taking into account the size of the island population.**[cx]**¹¹⁰ Compared with the number of homicides in the Netherlands in 2003, Curaçao score is 30 xs higher (x 100.000).**[cxi]** These figures do raise serious questions about local autonomy as well Kingdom.s safeguards, their worth in real terms, at home and on the streets.

The drugs trade to satisfy consumer demand in Europe and the USA pervades Caribbean society. The dangers of international terrorism can now be added to this list. The small island states have demonstrated that they are vulnerable to

these opportunistic dangers as well as to environmental damage by international corporations. In 2001-2003, flights from Curaçao to Schiphol Airport, Amsterdam, were literally loaded with both traffickers and drugs. Mismanagement and neglect of the welfare systems in the Netherlands Antilles have long driven migration to the Netherlands. Free migration is seen as a lifeline on the Caribbean islands, it is seen as one of the Kingdom's most valuable assets. Yet this strong migration to an 'overseas social paradise' has sharply driven up the Antillean share in the Netherlands' crime and unemployment statistics. So-called 'Antillean neighborhoods' (*Antillengemeenten*) have sprung up in the Netherlands, leading to calls for the Netherlands to close its borders to these migrants in the future, or at least to Antilleans with a criminal record at home.

The pollution history of Curaçao's refinery also overwhelmed the quest for Kingdom's safeguards. At the cost of the health of the population living in neighborhoods of the polluted air, first Royal Dutch Shell and now PDVSA-Refineria di Korsow have operated without proper regulation. In other parts of the world, such pollution problems have been framed in the larger context of how rich multi-national companies conduct themselves in poor nation-states. **[cxii]** In this case, however, an environmental scandal was allowed to continue for decades, not in a poor nation-state but in a country that was part of the Kingdom of the Netherlands.

With the benefit of hindsight, some point to defects in the constitution of the Kingdom of the Netherlands. They argue that it was plainly wrong in assigning full responsibility for local government and administration to the Antillean authorities. The designers of the Charter limited the Kingdom's authority in the Antilles. In the last 15 years, the Caribbean island authorities have demonstrated to be restricted in their abilities. *Het Statuut* specifies that the Kingdom must safeguard good governance, democracy and human rights in the Caribbean countries. The Dutch authorities have been slack in maintaining these standards. **[cxiii]** Regulations were not put in place and crisis management rather than regular procedures to safeguard the rule of law, public safety and social security had to save the day. Moreover, the intricate issue of safeguarding *good governance* is complicated by the logical *impossibility* of a situation in which the Kingdom has responsibility for some standards of government without carrying authority over other, interrelated domestic affairs in the Antilles. **[cxiv]** The rule of the Kingdom is limited and differentiates according to various government functions. The different functions, however, are interrelated and cut through any

formal distinctions made between Caribbean and Kingdom controls. In reality good governance is not limited just to the rule of law, democracy and human rights. Sub-standard education, high levels of youth unemployment, poverty, family deficiencies, housing conditions and neighborhood slums, call for good governance as well. The original concept of a Kingdom Ltd. could not, in 1954, have anticipated the requirements of *good governance* in modern times.

The Kingdom's institutions and procedures tend to divide rather than unite. The distribution of public authority in the Kingdom essentially demarcates autonomous governments rather than integrated statehood. Common public policy for all three countries of the Kingdom is limited. In reality, the Kingdom does not operate as a union, it is fragmented and does not have a common creed, nor language or culture. Time and again, the fundamental disagreement about the need to *reset* the Kingdom cropped up. In its operations the Kingdom stumbles, not only in addressing the well-being of the *Nederlanders* in the Caribbean part of the Kingdom, but also in protecting Netherlands. interests in Europe, especially in the Netherlands' municipalities that have become known as *Antillengemeenten*.

Conclusion

The Kingdom's role and function have been limited and Antillean autonomy was for long *de rigueur*. Neither the Kingdom nor the Antillean or Curaçao government has in past or present been able to set things right. Will abandoning the Antillean nation-state and redefining Kingdom's regulation suffice to perfect this union? And what about Antillean autonomy? Schaefer, an Alderman for Public Housing in Amsterdam, once summarized the customary talk-ins and hearing procedures in the Netherlands in 1960s and 1970s: '*you can't set up house in gibberish*' (in Dutch: *in gelul kun je niet wonen*). In an Antillean context he may have stated: '*you need more to eat than autonomy*' (*van autonomie kun je niet leven*).

To sum up, any repair option to consolidate the Kingdom's presence in the Caribbean, with equal rights and open borders for its citizens will require: more unity in policy; expansion of the Kingdom's *good governance* agenda to include social rights; more regulation and power sharing; and goodwill and practical minds on both sides. Can this be done? The repair operation aims at bringing Caribbean governance in line with rules of *good governance* that have become entrenched in the Netherlands, Europe and elsewhere, not for the sake of a persistent colonial hangover that these territories must be controlled, but because

good governance serves the social-economic development of the island nations and the commonwealth of its citizens. It is also believed that the Kingdom of the Netherlands can help to strengthen the *good governance* agenda of the Caribbean nations. The Kingdom's mission to uphold a *good governance* mirror to the Caribbean countries must be substantiated in real terms and practical safeguards. Expansion of *good governance* for the whole of the Kingdom runs counter to, first of all the Antillean insistence on being *autonomous* but also has to deal with political reservations in the Netherlands. Can the political will be mustered in the Netherlands to come up with the regulation and the money that is required to narrow the gaps in the level of government provision among the countries of the Kingdom? And can the allure and illusion of Antillean autonomy be deconstructed to real life proportions? Maybe, maybe not.

Turning the mirror around does raise the question of how good is governance in the Netherlands itself? Easily a long list of scandals in various corners of the Netherlands' government can be drawn up, including fraud in infrastructure projects, drug smuggling by the Netherlands Royal Police on Curaçao, corruption in the civil service, misappropriation of funds from Brussels, conditions in detention centers for illegal immigrants and drug smugglers, and so on. Moreover, Dutch civil society is now torn between the trusted images of the past and yet uncharted stark realities. First Pim Fortuyn was murdered, and in 2004 Theo van Gogh, a well-known journalist and filmmaker, was killed in Amsterdam by a Muslim fundamentalist. These incidents, criminal vendettas and settling scores, discrimination and violent attacks on mosques, schools and churches have shocked Dutch civil society. The assumption of seemingly never-ending advancement since the 2nd World War has been put to test, causing disarray in the Netherlands. However grim and upsetting for the Netherlands nation, these adverse developments may contribute to creating a more practical rather than a *know-it-all* relationship among the authorities within the Kingdom. Still, these unsettling events have not made it easier to repair a not so united Kingdom.

The alternative of not repairing the Kingdom is to continue muddling through in day-to-day operations, just as in the last 15 years the Kingdom has been getting by. This option will most likely have a price in terms of a further degradation of Netherlands' citizenship for Antillean *rijksgenoten*. Maybe not enacted in legal provisos but most likely so in real life, a second-class citizenship will become increasingly manifest in terms of safety, health, education and social security. And

it may become especially tangible when crossing the borders within the Kingdom.

Notes

- i.** Het Statuut, the official title of the constitution of the Kingdom, translates to Charter, both concepts are used indiscriminately in the chapter.
- ii.** A Committee 2004 comprising people of all walks of life who are or have been involved in one or other way in the Kingdom relationships was set up by an old-Governor of the Netherlands Antilles and a brother in-law of the Queen. The committee's aim is to present the governments of the Netherlands, the Netherlands Antilles and Aruba a document containing a vision on the future of the Kingdom on the occasion of the anniversary of Het Statuut. Thereto it launched in October 2003 a website and discussion paper, *Investeren in gezamenlijkheid* (Investing in communality).
- iii.** *de Volkskrant*, Kabinet Antillen wankelt door ziekenhuisklucht, 2 April 2004.
- iv.** The Governor of the Netherlands Antilles specified in the assignment of a political representative (informateur) to gauge the options of a new Antillean cabinet to be formed, the crisis the country is experiencing in these terms. *Amigoe, Gouverneur benoemt Atacho tot informateur. Curaçao*, 21 April 2004.
- v.** This paragraph draws on the work of Inge Klinkers, *De weg naar het Statuut. Het Nederlandse dekolonisatiebeleid in de Caraïben (1940-1945) in vergelijkend perspectief*. (Utrecht, University of Utrecht, 1999).
- vi.** Pitou van Dijck, *Opportunities in the region*, Conference report. The economic development of the Caribbean overseas countries and territories: the role of the European partners (The Hague, 20 - 21 June 2001): table 1.
- vii.** According to a report of the IMF (4 June 2003), GDP per capita is US\$ 15.624 in the Netherlands Antilles. In Aruba GDP per capita is US\$ 20.310 according to the report 2002 of the Central Statistics Bureau. In: *Verdieping of geleidelijk uiteengaan. De relaties binnen het Koninkrijk en met de Europese Unie*, p. 26. Raad van State, The Hague, 9 September 2003.
- viii.** E.M.H. Hirsch Ballin, *Herdenken van 1648 in een veranderde wereld*, pp.17-20. In: *Breekbare banden. Feiten en visies over Aruba, Bonaire en Curaçao na de Vrede van Munster. 1648-1998*. Maritza Coomans-Eustatia e.a. (eds.). Stichting Libri Antilliani, 1998.
- ix.** Ernst M.H. Hirsch Ballin, *The constitutional relationship between the Caribbean Overseas Countries and Territories and their mother countries*, Conference Report. The economic development of the Caribbean overseas countries and territories: the role of their European partners (The Hague, 20-21

June 2001): 25-6.

x. Harry Hoetink, Flarden van een geschiedenis. In: Dromen en littekens. Dertig jaar na de Curaçaose revolutie, 30 mei 1969. Gert Oostindie (ed.), pag. 330. Amsterdam University Press, 1999.

xi. Website Ministry of the Interior and Kingdom Relations, Answering questions about the effects of the industrial waste (SHELL) on Curaçao, 2nd April 2004. The question referred to an article, The Hell of Shell.

xii. Ministry of the Interior and Kingdom Relations, Toekomst in samenwerking, p. 6. The Hague, 1999.

xiii. State Secretary for the Interior and Kingdom Relations, Opening speech. Conference Report. The economic development of the Caribbean overseas countries and territories: the role of the European partners, p. 19, The Hague, 20-21 June 2001.

xiv. Among others Aart. G. Broek, Ik vraag geen gunst maar wat ik eisen mag, p. 10. Willemstad 15-16 June 2003. Also: Ontwikkeling en armoede op de Nederlandse Antillen, p. 81-83. Thela Publishers. Amsterdam, September 1997.

xv. According to Eurostat, the statistical office of the European Union, the Netherlands scored in 1992 in the top of the European social welfare nations, right after Sweden. In 2001 the Netherlands's position has fallen to the middle range. Nederland niet langer in top verzorgingsstaten EU, de Volkskrant, 23 April 2004.

xvi. Also in the Netherlands the number of people who live in poverty is increasing, especially among the older and the even more the older immigrants who have not been long enough in the Netherlands to qualify for a full AOW (state old age pension). See: de Volkskrant, Grote groep ouderen inde schulden, 30 March 2004.

xvii. Before 1998 the portfolio was called Nederlands-Antilliaanse en Arubaanse Zaken and the minister was accordingly titled Minister van Nederlands-Antilliaanse en Arubaanse Zaken. Throughout this chapter we apply the term Kingdom Relations.

xviii. Lammert de Jong, De werkvloer van het Koninkrijk. Over de samenwerking van Nederland met de Nederlandse Antillen en Aruba, p. 27. Amsterdam, Rozenberg Publishers, 2002.

xix. Het Statuut voor het Koninkrijk der Nederlanden, art. 12. In: Nederlandse Staatswetten, Editie Schuurman & Jordens 1-III. Tweede Druk. E.E.J. Tjeenk-Willink - Zwolle 1995.

xx. For instance, in 1997 the Netherlands Antilles and Aruba objected to

European regulation which would restrict their rice and sugar export to the European Union. The Netherlands' attempts to reach a Brussels compromise that was in the interests of the Netherlands Antilles and Aruba had failed. Eventually the Netherlands chose not to block a compromise that was supported by all members of the Union. Aruba and the Netherlands Antilles made objections and opted for an intern appeal. After the matter had been reconsidered, the Council of Ministers agreed with the European regulation. Source: Behartiging van de Buitenlandse Belangen van de Nederlandse Antillen en Aruba. Een evaluatie van de rol van het Ministerie van Buitenlandse Zaken, p. 129-154. Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie. The Hague, July 2003.

xxi. The debt of the Netherlands Antilles to the Netherlands includes development aid loans, budgetary assistance and arrears in payment of the Antillean share for the Coast Guard and technical assistance. Amigoe, 31 August 2004. The total debt (external and internal) of the Netherlands Antilles amounts to Euro 2.4 milliard. (2004).

xxii. Edo Haan, Antilliaanse Instituties. De economische ontwikkeling van de Nederlandse Antillen en Aruba, 1969-1995, p. 204, 211. Capelle a/d IJssel, Labyrinth Publication 1995. And for 2004: Rijksbegroting Koninkrijksrelaties Begroting IV 2004, p. 7.

xxiii. Statuut van het Koninkrijk der Nederlanden, art. 36.

xxiv. An exception was the aid of the Netherlands Antilles to the Netherlands in 1953, when after heavy storms dikes broke and part of the Netherlands was inundated.

xxv. Gemengde Commissie van Deskundigen. Aanzet tot een integraal beleidskader voor de Nederlandse Antillen in de jaren 80. Willemstad, 1979.

xxvi. Richard Gibson, minister of Constitutional Affairs of the Netherlands Antilles, during a Panel Conference, organized by the Island Government of Sint Maarten and the University of Sint Maarten, 22 October 2004.

xxvii. A striking example was an attempt of the Curaçao Port Authority to have a second (or third) crane financed out of the Dutch development budget. As Curaçao's port is commercial enterprise, it should be able to raise capital for maintenance, renewal or extension. This request was discussed accordingly with representatives of CPA and a few months later and without much ado, a commercial loan had been obtained from a local bank to finance the new crane. Another, rather different proposal required the intervention of the Minister for Kingdom Affairs himself. Sint Eustatius authorities insisted that a group of youngsters should make a camping trip to a lake in Sweden, Europe, on invitation

of some Swedish tourists who had visited the island the previous year. This trip was captioned as a cultural project and should be paid out of the Cultural fund. Only after the Dutch minister had made it clear that he could not agree to use the fund for this activity, the commotion subsided.

xxviii. Lammert de Jong 2002: p. 101.

xxix. See Human Development Report 2004. Cultural liberty in today's diverse world: The overarching message of this Report is to highlight the vast potential of building a more peaceful, prosperous world by bringing issues of culture to the mainstream of development thinking and practice. Not to substitute for more traditional priorities that will remain our bread and butter -but to complement and strengthen them. p. vi.

xxx. Toekomst conferentie 1993.

xxxi. Gert Oostindie & Peter Verton, *Ki sorto di Reino. Visies en verwachtingen van Antillianen en Arubanen omtrent het Koninkrijk*, p. 49, Sdu Uitgevers, The Hague 1998.

xxxii. Protocol van Afspraken tussen de Minister voor Nederlands-Antilliaanse en Arubaanse Zaken en de Minister voor Ontwikkelingssamenwerking van de Nederlandse Antillen betreffende de ontwikkelingssamenwerking tussen Nederland en de Nederlandse Antillen. The Hague, 2 October 1987.

xxxiii. Pourier, *Ik wil investeren in jongeren*, NRC Handelsblad, 28 January 1998.

xxxiv. In 1997 some 30 twinnings were listed in a report on technical assistance to the Netherlands Antilles and Aruba. In: *De personele samenwerking tussen Nederland, de Nederlandse Antillen en Aruba*. KABNA, September 1997.

xxxv. Rijksbegroting. Begroting IV Koninkrijksrelaties 2003.

xxxvi. Rijksbegroting. Koninkrijksrelaties. Begroting IV 2004, p. 5

xxxvii. This program includes the financing of overseas posting of Dutch judges and public prosecutors in addition to the Caribbean format. On average 22 judges and 10 public prosecutors were posted (2004).

xxxviii. Alfons van Marrewijk, *Internationalisation, Co-operation and Ethnicity in the Telecom Sector. An Ethnographic study of the Cross-Cultural Co-operation of PTT Telecom in Unisource, the Netherlands Antilles and Indonesia* (Delft: Eburon, 1999), p. 190. Eburon Delft, 1999.

xxxix. An exception is the Solidarity Fund for the needy islands.

xl. Han Lammers, during his tenure as Reconstruction Coordinator (after hurricanes Luiz and Marilyn), Sint Maarten, 1998.

xli. Advies Werkgroep Bestuurlijke en Financiële Verhoudingen Nederlandse Antillen, *Nu kan het... nu moet het!* In English: *The Time is now, let's do it!*

(Jesurun report) 8 October 2004.

xlii. In the Quaterly Bulletin, 2004-II, the Report of the President of the Central Bank of the Netherlands Antilles, expressed similar worries: To move forward, progress must be made on the constitutional issue. The report of the Jesurun Commission on the future constitutional relations within the Kingdom has been issued without a clear claim of ownership. This has led to a laxity of the parties involved and only made progress on this front less likely. It is evident that this stalemate must be broken swiftly because clarity on our constitutional future is crucial for addressing our macroeconomic imbalances in a lasting way. Quaterly Bulletin, 2004 - II.

xliii. Aruba's status aparte was agreed upon during a round-table conference in 1983.

xliv. To support its claim to separate from the Netherlands Antilles, Sint Maarten's leading political party argued in a council meeting that of the total of its tax receipts of NAF 261 mln (maybe 287 mln), over NAF 80 mln (maybe even 105 mln) went to the treasury of the central government in Curaçao. Amigoe, 25 March 2004.

xlv. The formation of a new Antillean government in 2004 was reported in a local newspaper under the rubric of Curaçao, not under the Antillean rubric.

xlvi. The results of the referendum on Sint Maarten (23 June 2004): 68,9% for separate status as autonomous country within the Kingdom, 14,2% for independence, 11,6% for a restructuring of the Netherlands Antilles and 3,7% preferred direct a relationship with the Netherlands. The turn-out was 55,7 %.

xlvii. The results of Bonaire's referendum (10 September 2004): 15,9% for continuing being part of the Netherlands Antilles, 59,5% for a direct relationship with the Netherlands, 24,1% for a separate status as autonomous country within the Kingdom, and 0,5% for independence. The turn-out was 57%.

xlviii. < www.Curaçao-gov.an >

xliv. Schets van een Gemenebestconstitutie voor het Koninkrijk der Nederlanden. Tweede Kamer, 1989-1990, 21 300 IV nr. 9. l. J.A.B. Janus, Het Statuut van het Koninkrijk der Nederlanden: terugblik en perspectief. In: Naar een nieuwe structuur voor het Koninkrijk. Staatsrechtconferentie 1993, p. 7/58. W.E.J. Tjeenk Willink, Zwolle 1993.

li. Make it work. Model voor een geherstructureerd Nederlands-Antilliaans staatsverband. Landelijke commissie Herstructurering. Nederlandse Antillen, July 1995.

lii. Underage minors need formal approval of the Antillean Custody Council. This

restriction aims to prevent migration of underage minors without guardianship. Prior to their travel, the Custody Council has to confirm the legal custody of these minors. Proof of legal custody has to be checked at the moment of departure. Without this approval they cannot be registered in the Netherlands. Civil Registry and subsequently they are denied access to accommodation and welfare provision. Registration is also important because it provided a contact address for entering a civics course, job- training or further education. The custody regulation remained for years embedded in a piece of paper only as the Antillean government did not put the departure check into effect. Per 1 November 2004 this check will be enforced by a group of custody-check-out officials at HATO, Curaçao's airport. Pressure from the Netherlands during the regular rounds of contact between the ministers of Justice of the three countries, activated the custody regulation.

liii. Hans van Hulst, *Morgen bloeit het diabaas. De Antilliaanse volksklasse in de Nederlandse samenleving* (Het Spinhuis, 1997), p.11.

liv. *Bruggen bouwen. Eindrapport van de Tijdelijke Commissie Onderzoek Integratiebeleid*, p. 61-63. Tweede Kamer, vergaderjaar 2003-2204, 28 689, nrs. 8-9.

lv. Van Aartsen kaart Antillenroute aan. *Amigoe*, 2 September 2004

lvi. Theo Dol, Curaçao bezorgt zichzelf een vreemdelingen probleem. In: *Amigoe*, 10 April 2004.

lvii. Besluit van de directeur-generaal van de Nederlandse mededingingsautoriteit tot afwijzing van een verzoek tot toepassing van art. 56 van de Mededingingswet. Betreft zaak: Zaaknr. 273 en 906; Vrije Vogel/KLM en Swart/KLM, November, 2000.

lviii. It is interesting to note that during a lecture at the Caribbean Institute, Leiden, the Netherlands, almost everyone there disagreed with the thesis that the Antilles would eventually become an institutional part of the Netherlands in the form of a province or municipality. Only very few of the predominantly Caribbean audience half-heartedly accepted this premise. While many of this audience had chosen to live in the Netherlands, they still could not envisage a future development where the autonomy of the Antilles would be exchanged for a stronger integration of their Caribbean island into European Holland. (plus: data on opinion of Antilleans in Curaçao: *Ki sorto di Reino*).

lix. Data obtained in e-mail correspondence from William (Freddy) Curiel, 9 June 2004.

lx. The Foundation for Study Scholarships Curaçao reneged in 2004 its contract

with the Antillean Foundation for Study in the Netherlands. As more than $\frac{3}{4}$ of the students in the care of the Foundation for study in the Netherlands are from Curaçao, this Foundation will now be dissolved. Each and every island of the Netherlands Antilles will now have to take care of its own student population in the Netherlands.

lxi. Figures provided by dr. Goretta Narain, Rector of the University of the Netherlands Antilles. 15 June 2004.

lxii. William (Freddy) Curiel, Structurele braindrain op de Antillen remt effect van ontwikkelingshulp. Antillenmonitor-39, 24 May, 2004.

lxiii. Jonathan I. Israel indicates on several occasions the immigrant character of Dutch society in the Golden Age. Israel quotes Pieter de la Court (1661): It is certain (...) that our manufacturers, fisheries, commerce and navigation, with those who live from them, cannot be preserved here without a continual immigration of foreign inhabitants-much less increased or improved. (p. 624). Elsewhere Israel states: Despite the rising level of immigration from the inland provinces, most immigrants in Amsterdam continued to be foreign born. In the 1650s, 6.677 foreign-born men married in Amsterdam as against 4.252 newcomers born in the Republic outside Amsterdam. (p. 626). In the Golden Age student enrolments at the universities was for a substantial part foreign born, especially at Leiden. During the quarter 1626-1650 more students at Leiden's university were foreign

born than Dutch (p. 901). In: The Dutch Republic. Its Rise, Greatness, and Fall 1477 - 1806. Oxford University Press, Paperback 1998.

lxiv. Also Russell Shorto maintains that in the seventeenth century (...) it's something of a misnomer to think of Dutch in this era as an ethnic signifier. The Dutch provinces in the seventeenth century were a melting pot of Europe. As English, French, German, Swedish, and Jewish immigrants came and settled, they adopted the language, Batavianized their names (...) and, in time, adopted a basic framework for looking at the world one of the main features of which was the need to accommodate others. In: The Island at the Center of the World. The Epic story of Dutch Manhattan and the forgotten Colony that shaped America, p. 125. New York, Doubleday 2004.

lxv. Bruggen Bouwen, p. 62.

lxvi. Bruggen Bouwen, p. 63

lxvii. Job Cohen, Vreemden (Foreigners), Cleveringa-lezing, 26 November 2002.

lxviii. Centraal Bureau voor de Statistiek, Bevolking grote steden verandert in hoog tempo, Publikaties Webmagazine, 7 June 2004.

- lxi.** Immigrants of Japan are categorized as western.
- lxx.** de Volkskrant, Grote steden verkleuren in rap tempo, 8 June 2004.
- lxxi.** Sociëteit De Witte's Koninkrijkstafel, 17 May, 2002.
- lxxii.** Het opmerkelijke nieuws uit Papiamentstalige kranten. August 23-28, 2004. Summary by the office of the Resident Representative of the Netherlands in the Netherlands Antilles.
- lxxiii.** Bruggen bouwen, p. 455.
- lxxiv.** De Volkskrant, Vrijblijvendheid fnuikend voor integratie, de Volkskrant, p. 3, 6 October 2003.
- lxxv.** Contourennota Herziening van het inburgeringsstelsel, presented to Parliament, 23 April 2004.
- lxxvi.** Michiel Kruijt, Pim Fortuyn had kunnen juichen, de Volkskrant, 23 February 2004.
- lxxvii.** Dubbelnationaliteit niet meer mogelijk. De Volkskrant, 21 May 2004.
- lxxviii.** CBS, Bevolkingstrends 2e kwartaal 2004, p. 5
- lxxix.** The Antillean Parliament unanimously opposed the Netherlands civics-course policy and made this well known, in the media and formal communication, prior to the debate on this policy in the Netherlands Parliament. Amigoe, 2 September 2004.
- lxxx.** Ruzie in kabinet over Antillianen. De Volkskrant, 23 September 2004.
- lxxxii.** In Dutch Parliament were in 2004 explicitly mentioned: Haitians, Columbians and Dominicans. Amigoe, 2 September 2004
- lxxxiii.** Blair promises Middle Road on European Immigration, The New York Times, 28 April, 2004.
- lxxxiv.** Copenhagen Journal, Wedding vows can lock Danes out of their homeland. The New York Times, 10 September 2004.
- lxxxv.** Rechter Bob Wit over toelatingsregeling:.Verdonk speelt in op vreemdelingenhaat.. Amigoe, 18 June 2005.
- lxxxvi.** Minister Chance during a meeting of the Council of Ministers of the Netherlands Antilles with the minister for Kingdom Relations, Jan de Koning, and his delegation, which included the author.
- lxxxvii.** Nederlandse Antillen, Landsverordening Toelating en Uitzetting, amended 26 July 2000.
- lxxxviii.** Nederlandse Antillen, Landsverordening Arbeid Vreemdelingen, 3 August 2001.
- lxxxix.** Aruba, Ministry of Justice, Press bulletin, October 2003.
- lxxxix.** And even Orange does not always win over hearts in the Dutch Caribbean,

at least not during the world cup soccer match in 1998 between Olanda and Brasil when viewers overwhelmingly cheered Brasil rather than Olanda in one of Curaçao's pubs.

xc. Some of these scratches still hurt. In 2004, the New York times reported that an Indonesian editor of a leading news magazine Tempo, was sentenced to one year in prison in a libel case that critics said was a setback for press freedom in Indonesia. He was charged 'under sections of Indonesia.s criminal code that date back to the Country's

Dutch colonial era'. p. A6. The New York Times, 17 September 2004.

xc. Hans van Hulst, Geen snelle recepten. Gezichtspunten en bouwstenen voor een andere aanpak van Antilliaanse jongeren, p. 24 Amsterdam, Aksant 2003. Also: Gert Oostindie, Het paradijs overzee. De Nederlandse Caraïben en Nederland, pp. 235-236. Amsterdam. Bert Bakker 1997.

xcii. Hans van Hulst 2003: p. 24.

xciii. A parallel can be drawn with the last stages of British colonization of North America: Looking at their North American colonies from London, the British saw them as a whole before the colonists did. (...) The British worried about the whole (...) because they did not understand the parts, and they reified their concerns into a totality they called America. (...) In a word, America was Britain's idea.. In: Samuel P. Huntington, Who are we? The Challenges to America.s National Identity, p. 111. New York, Simon and Schuster 2004.

xciv. Cultural references are at play here. Japanese immigrants are not categorized in Netherlands' statistics as non-western, because of cultural affinities while Antillean rijksgenoten are tabled in a foreign, non-western category.

xcv. Peter Verton, enquête 2001.

xcvi. Ouders Römerschool bozer na voorlichting, Amigoe, 25 October 2005.

xcvii. Carel de Haseth, Nordholt geeft tendentius beeld. Amigoe 15 June 2004.

xcviii. Ramón Grosfuegel suggests that the Dutch Antilles is (sic) a living example of how national identity has nothing to do with language. However, one wonders how Grosfuegel arrived at his statement: In Aruba and Curaçao nearly everybody speaks four languages perfectly (Papiamentu, Spanish, English and Dutch), and no one questions their identity as Arubans or Curaçaoans. Grosfuegel 2003, p. 63.

xcix. Hans van Hulst 2003: p. 12.

c. Hans van Hulst 2003: pp. 11-12.

ci. Hans van Hulst 2003: p. 12. These data refer to the mid 1980th but it is assumed that not much has changed.

cii. Hans van Hulst 2004: p. 8.

ciii. H. Hoetink, De gespleten samenleving in het Caribisch gebied. Bijdrage tot de sociologie der relaties in gesegmenteerde maatschappijen. Assen, Van Gorcum 1962 (5e druk 1987).

civ. 104 Atakando Pobreza. Combating Poverty through Integrated Neighbourhood Development, p. 24-28. Commissioned by the Fund for Social Development and Economic Activities (Reda Social). Willemstad-Amsterdam, Reda Social-Rozenberg Publishers, 2004.

cv. Amigo, Nordholt spaart Curaçao niet. 14 June 2004.

cvi. Amigoe, Nordholt geeft tendentiek beeld. 15 June 2004

cvii. Among others, Ontwikkeling en armoede op de Nederlandse Antillen. Een beleidsevaluatie van Sede Antia (1987-1996) Thela Publishers, Amsterdam, September 1997. And: E.M.H. Hirsch Ballin, Herdenken van 1648 in een veranderde wereld, pp. 17-20. In: Breekbare banden. Feiten en visies over Aruba, Bonaire en Curaçao na de Vrede van Munster. 1648 - 1998. Maritza Coomans-Eustatia a.o. (eds.). Stichting Libri Antilliani, 1998.

cviii. Most recently, Committee 2004, comprising people of all walks of life who are, or have been involved in one or other way in the Kingdom relationships, has presented the governments of the Netherlands, the Netherlands Antilles and Aruba a document containing a vision on the future of the Kingdom. Among other things, Committee 2004 proposes to expand the list of Kingdom affairs with: education, public health and combating poverty. In: Investeren in gezamenlijkheid (Investing in communality). Website, edition October 2004.

cix. Hans van Hulst 2003: p. 7.

cx. In 2004 (until 22 November) 1010 attacks were registered. In previous years this was 431 in 2001, 526 in 2002 and 730 in 2003. Most attacks in 2004 were armed attacks: 805. And in 70% of the armed attacks, firearms are being used. So in more than 50% of the attacks on Curaçao, firearms are brought into play. About 25% of the attacks take place in or around homes; almost 50% are street attacks. In previous years, attacks with firearms counted for 41% (2001) and 61% (2002) of all attacks. On a total of 1010 attacks in 2004, only 178 arrest were made (up to 22 November 2004) of which a number of 147 were classified as solved cases, this is only 14 % of all attacks. Source: Resume 2004 and Projectteam Atrako, aanhoudingen en opgeloste zaken 2004.(hag. RIJNSCHOT. E.L.)

cxii. The number of homicides in the Netherlands has been rather steady. From 1996 to 2003, the highest number was 1,4 per 100.000 (in 1996). In 2003 this

number had fallen to 1,2 per 100.000. Centraal Bureau voor de Statistiek, Niet-natuurlijke dood naar diverse kenmerken. Website, statline. Cbs.nl/Stat/Web/.

cxii. Jane Perlez and Evelyn Rusli, Spurred by illness, Indonesians lash out at U.S. mining giant. The New York Times, p. A1 and A 11. September 8, 2004. In the case of the Newmont Mining Corporation, the world biggest gold producer, based in Denver USA, the health hazards were contested. Robert Humberson, the general manager for external relations in Indonesia exclaimed: We find the water is in excellent condition, I dive there myself. It's fabulous. A few days later, The New York Times reported that six officials of the Newmont Mining Corporation were detained and held for questioning about the accusations of pollution. Jane Perlez, Indonesia detains six from US Mining Business over Pollution. The New York Times, 24 September 2004. An environmental scientist in Canada who worked with the Indonesian environmental group Friends of the Earth, believed that arsenic in the mine waste was the cause of the illnesses. In August 2005, the government of Indonesia brought charges of pollution against Newmont. The New York Times reported: .For foreign investors, the case has raised fresh concerns about Indonesia's legal system and its history of corruption. This appears to be another attempt to use the law to force further payment from a foreign investor, said Peter Fanning, chairman of the International Business Chamber of foreign business groups in Indonesia. Jane Perlez, American Mining Company Denies Polluting Indonesian Bay, The New York Times, 6 August 2005.

cxiii. Frits Bolkestein, Zachte heelmesters, NRC Handelsblad, 7 February 2004.

cxiv. Lammert de Jong 2002: p. 224.

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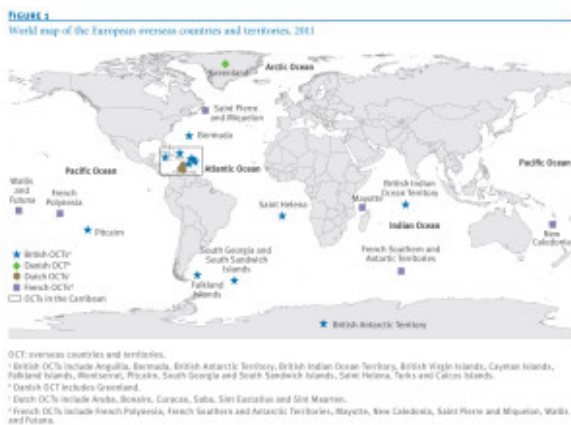
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Extended Statehood In The Caribbean ~ The UK Caribbean Overseas Territories: Extended Statehood And The Process Of Policy Convergence



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Introduction

The chapter analyses the complex and ever-evolving relationship between the United Kingdom and its Overseas Territories (formerly known as Dependent Territories) in the Caribbean. The Territories are Anguilla, British Virgin Islands, Cayman Islands, Montserrat, and Turks and Caicos Islands. The chapter employs the term extended statehood, which is the focus of this study, in order to illustrate the nature of the relationship between the UK and its Caribbean Overseas

Territories (COTs). In particular, there is an evaluation of the effectiveness of the arrangements in place, and a consideration of the extent to which the Territories are actually integrated into the world at large. The links between the UK and its COTs have been shaped and determined by particular historical, constitutional, political and economic trends. For many years the relationship between the COTs and the UK was rather ad hoc - a situation that can be traced back to the compromises, fudges and deals characteristic of pragmatic British colonial administration. The chapter traces the relationship between the UK and its COTs, and the efforts on the part of the current Labour government to overcome the legacy of only sporadic UK government interest, through the imposition of greater coherence across the five Territories via a new partnership based on mutual obligations and responsibilities. It can be argued that the recent reforms have led to a greater convergence of policy across the COTs and a strengthening of Britain's role in overseeing the activities of the Territories. Nevertheless, problems of governance remain, which have implications for the operation of extended statehood in the COTs, and the balance of power between the UK and the Island administrations. In order to understand the nature of the relationship, it is first necessary to consider the constitutional provisions that underpin it.

The Constitutional Basis of the UK-Caribbean Overseas Territory Relationship

The collapse of the Federation of the West Indies precipitated a period of decolonisation in the English-speaking Caribbean, which began with Jamaica and Trinidad and Tobago gaining their independence in 1962, followed by Barbados and Guyana four years later. Despite the trend towards self-rule across the region a number of smaller British Territories, lacking the natural resources of their larger neighbours, were reluctant to follow suit. As a consequence the UK authorities had to establish a new governing framework for them. This was required as the West Indies Federation had been the UK's preferred method of supervising its Dependent Territories in the region. In its place the UK established constitutions for each of those Territories that retained formal ties with London. The West Indies Act of 1962 (WIA 1962) was approved for this purpose. As Davies states the Act (...) conferred power upon Her Majesty The Queen to provide for the government of those colonies that at the time of the passing of the Act were included in the Federation, and also for the British Virgin Islands. **[i]** The WIA 1962 remains today the foremost provision for four of the five COTs. The fifth, Anguilla, was dealt with separately owing to its long-standing association with St Kitts and Nevis. **[ii]** When Anguilla came under direct British

rule in the 1970s and eventually became a separate British Dependent Territory in 1980, the Anguilla Act 1980 (AA 1980) became the principal source of authority.

The constitutions of the Territories framed by WIA 1962 and AA 1980 detail the complex set of arrangements that exist between the UK and its COTs. Because, with the exception of Anguilla, the relationship between the Caribbean Territories and the UK is framed by the same piece of legislation, there are many organisational and administrative similarities. However, there are also a number of crucial differences. Each constitution allocates government responsibilities to the Crown, the Governor and the Overseas Territory, according to the nature of the responsibility. In terms of executive power, authority is vested in Her Majesty the Queen. In reality, however, the office of Secretary of State for Foreign and Commonwealth affairs and the Territory Governors undertake decisions in the Monarch's name, with the Governors having a large measure of autonomy of action. Despite this, Governors must seek guidance from London when serious issues are involved, and at the level of the Territory they are obliged to consult the local government in respect of matters falling within the scope of their reserved powers. Those powers generally reserved for the Crown include defence and external affairs, as well as responsibility for internal security and the police, international and offshore financial relations, and the public service. ^[iii] However, some COT constitutions provide Governors with a greater scope for departure when it comes to local consultation. In the British Virgin Islands the Governor is required to consult with the Chief Minister on all matters relating to his reserved powers. While in the Turks and Caicos Islands and the Cayman Islands the Governor is obliged merely to keep the Executive Council informed. With such a balance of authority it has been argued that the Governor is halfway to being a constitutional monarch (...) taking his own decisions in those areas reserved for him. ^[iv] But as Drower has argued, '[The Governor] has to have the authority to impose his will, but ability to do so in such a manner, which takes the people with him.' ^[v]

Although the British Monarch retains a number of important reserved powers, there is significant autonomy for individual COTs. In theory individual Territory governments have control over all aspects of policy that are not overseen by the Crown, including the economy, education, health, social security and immigration. In addition, each Territory has a government set out in their respective

constitutions, which allows the local populations to choose their legislative and executive representatives. However, the level of accountability is limited by the inclusion of non-elected members in the legislatures and executive councils, and the subordination of these authorities to the UK executive[**vi**]. The extent of the first of these two limitations is different amongst the five Territories. For example, in the British Virgin Islands the Legislative Council contains 13 elected members, a speaker and an ex-officio member, while the Turks and Caicos Islands legislature consists of 13 elected members, three appointed members and three ex-officio members, as well as the governor and the speaker. The second limitation gives the Crown the right to introduce laws into the Territory or to override legislation that has been passed locally. In relation to the former aspect of legislative power, the primacy of Crown authority is laid down in the respective COT constitutions and framed by WIA 1962 and AA 1980. Both Acts provide Her Majesty with the power to 'declare that any legislative authority conferred upon a colony is not exclusive to the local legislature, but is subject to an ultimate legislative authority retained by the Crown'.**[vii]** This power has been used, albeit only occasionally, in 1990 to abolish the death penalty for murder, and in 2000 to decriminalise consensual private homosexual acts between adults.

In regard to the disallowance of legislation, a key provision comes in Section 2 of the Colonial Laws (Validity) Act 1865, which privileges an Act of Parliament over local Territory legislation. This has the effect of limiting the authority of overseas Territories in cases of legislative conflict between a Territory and the UK. As Davies argues, this is consistent with that logic that requires of a system of overseas-Territory government. Were the balance of power to lie the other way, the requisite UK control would be lost'.**[viii]**

Under such circumstances it is suggested that 'the formal use of this power is avoided by communications in the preparatory stages of legislation'.**[ix]** In a situation where a Territory proposes to introduce legislation that the UK government finds unacceptable, perhaps when it relates to one of Britain's treaty obligations, London would make plain its displeasure to the local government. On such occasions it is more than likely that the provision would be amended or withdrawn, and as Davies contends 'From the British government's point of view, this practice appears to have worked, in that confrontation by formal disallowance has been avoided'.**[x]** So even though it is true that the Crown has not formally disallowed any legislation from the COTs for many years, 'the

existence of such power imposes an important potential restraint upon the powers of local authorities in these Territories'.**[xi]** The fact that the UK authorities can override local sensibilities and enact or disallow legislation (often out of public view) raises questions as to the rights of COT citizenry and the real autonomy of local legislatures. These issues are considered in more depth later in the chapter.

Although it seems that there is a clear privileging of UK executive and legislative authority with regard to the COTs the picture is not so clear-cut. The UK government has been reluctant to use the nuclear option of forcing change through executive or legislative dictat, and as a consequence there can be uncertainty over who has responsibility for specific areas of policy. On occasion there may be a dispute as to whether a matter falls within the Governor's remit of reserved powers, or whether a Territory minister should oversee the issue. For example, in the Turks and Caicos Islands there is some concern locally over the number of illegal Haitians living in the Territory. Under normal circumstances the relevant minister deals with issues of immigration. However, if the Governor believes that a particular case has implications for external affairs or internal security he can assume the responsibility for decision-making.

Nevertheless, such decisions are controversial and can be contested. As Taylor argues in relation to Montserrat (...) the Constitution provides continuous opportunities for turf wars between the [Governor and Ministers]. In my time in Montserrat Ministerial attempts to encroach on the Governor's areas of responsibility and to challenge his powers were the normal stuff of day-to-day administration as they are to a greater or lesser extent in all the Territories.**[xii]** In order to deal with this problem, alterations were made to most of the COT constitutions in an attempt to clarify the position when a case relates to business that has been assigned to a minister, but also impinges upon an area of the Governor's special responsibility. The requisite changes were made to the constitutions of Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos Islands in the late 1980s and early 1990s.**[xiii]** Despite these constitutional revisions, differences over administrative competences remain. The ramifications of which are considered a little later in the chapter.

The section has so far considered some of the more important aspects of the constitutional settlement between the UK and its Overseas Territories in the Caribbean. Many commonalities have been highlighted, and one or two of the differences. However, the distinctive aspects of the constitutions need to be

considered further, as they help to define the attitudes of the five Territories towards the UK and its moves towards consolidating extended statehood. The constitutions of Montserrat and the British Virgin Islands overall afford greater executive and legislative autonomy than those of Anguilla, the Cayman Islands, and the Turks and Caicos Islands. To a large extent this is due to the fact that the former two Territories were never dependencies of other colonies. Montserrat and the British Virgin Islands have been administered either as colonies in their own right, or as a part of wider groupings such as the Federation of the Leeward Islands, or (for Montserrat) as a part of the Federation of the West Indies.

The fact that Montserrat was part of the West Indies Federation meant that it benefited from relatively advanced constitutional provisions, which were designed to smooth the country's path towards becoming a single independent federal state after a period of five years. However, this of course never happened. Nevertheless, the 1959 constitution remained in place, and formed the basis of a new constitution in 1989.

However Montserrat's relatively advanced constitutional position was undermined by two developments. Firstly, the 1989 constitution, added oversight of international finance to the Governor's reserved powers. This was done in response to a series of banking scandals that were uncovered.**[xiv]** Secondly, and certainly more importantly was the eruption of the Mount Soufrière volcano in July 1995, and the subsequent destruction that it caused.**[xv]** The outcome was a reliance on the UK government for budgetary support, and an associated decline in local political and economic autonomy. Despite these curbs Montserrat has, at least in principle, the most freedom of action when compared to the other COTs. This is true even for the British Virgin Islands, which was a separate colony like Montserrat, but did not join the West Indies Federation. And as Davies argues 'This may explain some differences found in the BVI constitution, which place it lower on the constitutional advancement scale than (...) Montserrat'.**[xvi]**

In contrast Anguilla, the Cayman Islands, and the Turks and Caicos Islands have, for much of their history, been dependencies of some other British colonies. To varying degrees this has limited their constitutional development. For much of the last 150 years the Cayman Islands and the Turks and Caicos Islands shared a constitutional link with Jamaica, as its dependencies. The link was broken when Jamaica gained its independence in 1962, while the two dependencies preferred to maintain a strong relationship with the UK. After its separation from Jamaica,

the Cayman Islands gained its own constitution under WIA 1962 and then followed a period of economic growth, with few constitutional problems, and little constitutional change. Conversely, the Turks and Caicos Islands went through a period of great economic, political and constitutional upheaval in the mid to late 1980s. The Territory's problems reached their height in 1986, when ministerial government was suspended and direct rule was imposed from London. **[xvii]** A new constitution was subsequently implemented in 1988, which extended the Governor's reserved powers and gave him greater influence over membership of the legislature.

These measures guaranteed a substantial level of Crown control over the Territory. Anguilla, as with the Cayman Islands and the Turks and Caicos Islands, acquired a separate identity much later than either the British Virgin Islands or Montserrat. Anguilla did not fully become a separate entity until 1980, and as a consequence its constitutional development was restricted. In addition, a degree of the Territory's autonomy was lost in 1990 when the UK government imposed constitutional safeguards to secure the proper functioning of its offshore financial sector. It can be argued that for Anguilla, the Cayman Islands and the Turks and Caicos Islands, who gained their separate Dependent-Territory status at a relatively late stage, the UK government provided '(...) these Territories with constitutions (...) with more potential constraints than is the case in the more mature Territory of Montserrat, and to a lesser extent, the BVI'. **[xviii]**

The balance of power and influence between the UK government, the Governors, and the Island administrations is complex and sometimes confusing. What is most apparent, however, is that the UK government, through the reserved powers of the Governor has the upper hand when it comes to overseeing policy-making in the Territories. Nevertheless, it is clear that the UK government does attempt to consult with the COTs on matters of importance, and is reluctant to openly overrule local governments and legislatures. Furthermore, the UK relationship with the Territories is made more difficult by the different degrees of autonomy for each of the COTs, which can cause problems both for the Crown and the local Territory administration.

Despite the difficulties, the constitutional link with the UK retains its popularity, in particular because it helps to preserve a degree of political stability for the Territories. As Taylor argues 'The people (...) regard continuing dependence as a safeguard against weak or corrupt government (...)'. **[xix]** The political ties are

also important for the economies of the COTs, as they provide a measure of sovereign protection, which helps to reassure potential investors. The influence of English law and language, and the UK's responsibility for defence and external affairs has been valuable. In addition, even the 'pomp and pageantry of the colonial government, with its venerable yet quaint British customs, are used to sell the islands as changeless (and hence stable) to both tourists and financiers'.**[xx]** Such political support provided by the UK has meant that many of the Territories have become highly successful economies. A related area of advantage is the Territories sometimes-uncertain constitutional relationship with the UK. As has been noted the constitutional arrangements that link the Territories with the metropolis are rather ill defined with the Territories having autonomy in some areas, but maintaining close ties with the UK in others. The quasi-independent status that exists provides room for manoeuvre in political and economic matters, and creates an ambiguity, which attracts international financial capital. In short, the Territories recognise the advantages of retaining their present status.

*Two Steps Forward, One Step Back***[xxi]**

The implementation of the West Indies Act of 1962 precipitated a period of significant decolonisation across the Caribbean. By the end of 1983 British colonial responsibilities in the Caribbean extended to only five very small Territories - in fact the five Territories that remain under UK authority today. Anthony Payne argued at the time that 'these Territories scarcely constitute compelling reasons for Britain to maintain a close interest in Caribbean affairs'.**[xxii]** Rather the UK recognised and accepted the United States' hegemonial role in the region, while Britain felt embarrassed about its colonial possessions in such fora as the United Nations (in part via its Special Committee on Decolonisation).**[xxiii]** Further, the growing geo-political importance of the European Community was recognised by UK governments of all political hues, which in turn led to a downgrading in Commonwealth ties. Under such circumstances Payne suggested that the UK's presence in the region would diminish further. The Foreign Affairs Select Committee of the House of Commons, which held an inquiry into Central America and the Caribbean during 1981-82, concurred.**[xxiv]** Writing later in the decade, Thorndike stated that the period from the late 1970s to the early 1980s had been one of benign neglect on the part of the UK.**[xxv]**

However, it can be argued that as far back as the late 1960s there was a clear attitude of detachment on the part of the UK in relation to its Caribbean dependencies. For example, in January 1969 the Daily Telegraph inquired at the Foreign and Commonwealth Office (FCO) about the number of remaining Territories. Although the paper was given the correct figure, it took the FCO another two and half hours to discover the Territories names.**[xxvi]** There were indications that civil servants in the FCO, realising that colonialism was coming to an end, felt there was 'no personal kudos, or career advantage, to be had from being associated with the Dependent Territories'.**[xxvii]** The effect of this growing civil service disinterest in the dependencies was exacerbated by the fact the FCO's Dependent Territories Division (DTD) was lightly staffed. On an institutional level there were also problems. One particularly ill-conceived change was the disbursement of responsibility for the Territories after the closure of the DTD in 1980.

Rather than a single bureaucracy overseeing all the Territories, FCO responsibility was dispersed between six geographical departments: West Indian and Atlantic, South Atlantic and Antarctic, Hong Kong, Southern European, East Africa, and South Pacific. Further, the fact that the majority of Governorships were awarded to FCO staff as preretirement postings meant that the necessary dynamic representation at the Territory level was not present. Therefore at all levels of UK authority, the interest in, and concern for the Dependent Territories was not present. As a consequence a rather laissez-faire attitude existed, but this was not too last.

The re-engagement on the part of the UK in the overseas dependencies, and indeed the Caribbean more generally was prompted by two particular considerations. Firstly, British policy towards the Caribbean reversed itself after the US-led invasion of Grenada, which highlighted the extent of Britain's disengagement in the region.**[xxviii]** A report on Grenada by the House of Commons Foreign Affairs Committee supported a change in policy, and the government agreed noting that 'an increased American involvement in the Caribbean need not inhibit Britain from maintaining a distinctive policy to the area'.**[xxix]** Secondly, Britain's neglect had allowed serious problems to fester in the Dependent Territories, which subsequently required attention. As Thorndike argues British policy allowed 'in one instance, a scandalous degree of drug related activity and corruption to flourish (...) almost to the point of

subversion'.**[xxx]** The case referred to occurred in the Turks and Caicos Islands when the chief minister and other senior political figures were arrested for drug trafficking in Miami. These arrests represented the tip of far broader problems of corruption and drug trafficking.**[xxxii]** The allegations were not solely against local officials. The British Attorney-General was exposed over improper land sales, while British Governor John Strong regarded his post as a pre-retirement haven and avoided taking action to address the growing problems. However, as Thorndike contends 'One cannot blame the Governor over much as the British Government was anxious to withdraw from the Caribbean and looked to the day when its decolonisation programme could be completed'.**[xxxiii]**

Despite Britain's reluctance to intervene, the authorities were finally forced to act by the worsening situation in the Turks and Caicos Islands, and the growing criticism from the US government about the lack of law and order on the Territory and its growing reputation as a drug transit centre. The UK began to cooperate with the US Federal Bureau of Investigation and the Drug Enforcement Agency, and took the decision to dismiss the entire government in July 1986 following a damning report by Louis Blom-Cooper, QC.**[xxxiv]** In its place the FCO imposed direct rule on the Territory, while in September it established a Constitutional Commission to review possible changes, chaired by Sir Roy Marshall, former Vice-Chancellor of the University of the West Indies.**[xxxv]** The Commission submitted its report in 1987 and a new constitution followed, which laid down a number of reforms including provisions to increase British reserve powers.**[xxxvi]**

The crisis in the Turks and Caicos Islands starkly highlighted the risks of UK disengagement from its Dependent Territories. The UK government realised that a halfhearted approach to the Territories was not sufficient to secure acceptable standards of political and economic conduct in the local administrations. The strong criticisms by the US also brought home to the UK that it had to make sure that its Dependent Territories in the Caribbean maintained acceptable international standards of governance. Indeed, for the first time since the West Indies Act of 1962 became law, the UK recognised that it needed to use its power to enforce good practice when required. Once the UK began to recognise its responsibilities, a broader review of policy towards the Dependent Territories was undertaken.

The review examined factors for and against independence, the costs and benefits

of the Dependent Territories, a range of future statuses, and the requirements underlying further moves towards independence.**[xxxvi]** The general conclusion was the Territories would remain dependencies for the foreseeable future. In announcing the review's findings to the House of Commons in December 1987, the minister responsible, Tim Eggar stated: 'The review concluded that we should not seek in any way to influence opinion in the Territories on the question of independence. We would not urge them to consider moving to independence, but we remain ready to respond positively when this is the clearly and constitutionally expressed wish of the people'.**[xxxvii]** This statement was important, as it made clear the UK government would not put pressure on the Dependent Territories to move towards independence.**[xxxviii]** However, with the Territories retaining their links to the Crown, there was an implicit recognition that the UK would intervene in local affairs when there was a need to do so.

The first real test of the more pro-active British policy came in 1989 when a banking scandal was uncovered in Montserrat. However, the subsequent response of the British government was criticised by some on the island, and highlighted the contentious nature of extended statehood when British concerns override local interests. The origins of the dispute came in February 1989 when having received reports of widespread failure in licensing and supervision of banks across the Caribbean Territories, the FCO appointed Rodney Gallagher, of the consultants Coopers and Lybrand Deloitte, to carry out a review of their offshore financial sectors.**[xxxix]** For Montserrat, the review found most of the islands. banks were involved in money laundering, while the island's police uncovered a conspiracy involving twenty banks. Subsequently, over 90 percent of the banks on Montserrat had their licences revoked.**[xl]** The Gallagher report criticised the Montserrat government for its 'flawed administration of offshore banking including its failure to apply extant laws of scrutiny and discipline'.**[xli]** Gallagher recommended that most of the banking and insurance legislation should be replaced, and paved the way for the UK government to re-write Montserrat's constitution to ensure the Governor would in future have supervisory power over the island's international financial affairs.**[xlii]** Fergus argues that the UK government instituted such reform in order 'to rid themselves of international embarrassment which is connected with offshore banking corruption scandals, and which inevitably attaches to them as the administering power'.**[xliii]**

Prior to the passing of the Constitution Order in the British Parliament, there were strong protests from Montserrat's Chief Minister John Osborne^[xlv], and others that the plans for constitutional change had been designed without any local consultation, and highlighted a lack of sensitivity on the British government's part. They also questioned the professionalism of the Gallagher enquiry. The local opposition did have some effect on the British government in that it withdrew a number of controversial provisions, such as the one giving the Governor the power to legislate. Nevertheless, Fergus suggests that the 'British came over as being excessively and unnecessarily authoritarian' and 'that the new constitution was pressure-cooked by the Motherland without local ingredients'.^[xlv] Perhaps it is not surprising that the UK government over-played its hand in regard to Montserrat. Having followed a policy of benign neglect for so many years it was always going to take some time for the UK authorities to readjust to the subtleties of extended statehood. Yes, the UK government recognised its responsibilities to reform Montserrat's malfunctioning offshore financial sector, but was less sensitive to the importance of local consultation. Nevertheless, the UK was the sovereign power, and ultimate authority rested with the Crown.

After the serious disagreements over the constitutional reform process in Montserrat there was an expectation that the UK would become more receptive to local sensitivities, but in 1991 the government implemented the Caribbean (Abolition of Death Penalty for Murder) Order, again without consulting the Territories. Until the Order was implemented in 1991 the death penalty was the mandatory sentence for murder in each of the UK's COTs. However, there had not been an execution in any of the Territories for many years. Nevertheless, in May 1991 the British government abolished the death penalty in the Dependent Territories, doing so without the involvement of the UK Parliament, other than to lay a Statutory Instrument before it - the Caribbean (Abolition of Death Penalty for Murder) Order. Statutory Instruments allow ministers or the Queen in Council to pass legislative measures without formal parliamentary oversight. The UK government announced its intention to implement the change on 28 March 1991, leaving little opportunity for the Territories to debate the matter. The Secretary of State for Foreign and Commonwealth affairs, Douglas Hurd, said 'In order to be consistent with the position in the UK where Parliament has expressed a clear view [against restoring the death penalty], the British Government consider that the death penalty for murder should be abolished in those Dependent Territories

which elect to remain under the Crown’.[xlvi] In addition, the FCO suggested that the Order was necessary to meet Britain’s international obligations, emanating from the UN’s International Covenant on Civil and Political Rights and the European Convention on Human Rights.[xlvii]

The immediate reaction of many in the Dependent Territories was outrage and to call for the reinstatement of the death penalty, but as Davies argued ‘in view of the Colonial Laws (Validity) Act 1865, no DT legislature could override the provision by Order in Council...’.[xlviii] A legislator in the Cayman Islands argued ‘Nowhere and at no time were we told that the UK was thinking of passing legislation to abolish the death penalty ... This really came to me as a shock ... because it is probably the first time that the UK has used UK legislation, a statutory instrument, to deal with amending a normal law’.[xlix] The implementation of the Caribbean (Abolition of Death Penalty for Murder) Order highlighted again the UK’s desire to meet its obligations, and it can be argued there was growing international political and legal consensus against the death penalty and the UK government was correct to hold the Dependent Territories to this standard. The principles of extended statehood would suggest that the Dependent Territories should recognise and adopt international norms for human rights in order to play a full role in the international sphere. However, the fact that the death penalty was abolished via an Order in Council meant that the measure was effectively imposed without any input from the House of Commons or the Territories themselves. Such conduct generated tremendous ill feeling among many in the Territories, because they felt that the Order encroached upon an area of responsibility formerly overseen at the local level. The tensions inherent in the operation of extended statehood are well highlighted in the death penalty example, because there was a clear difference between British and Dependent Territory attitudes over the issue.

From the preceding examples of offshore finance and the death penalty it is evident that the UK government was prepared to play a more hands on role in relation to its Dependent Territories. However, appearances were deceptive and question marks remained about how all-embracing UK policy was. It was true that the British authorities had acted to resolve a number of high profile issues, which had concerned them in relation to the Dependent Territories. But to a large extent British interventions were reactive and piecemeal in nature. There was no strong, identifiable set of priorities that defined and guided UK policy. A number of

observations have been made, which illustrate the concern. There were accusations that the FCO had not improved the quality of officials working with Dependent Territory governments. In November 1991, for example, Lavity Stoutt, Chief Minister of the BVI, complained that 'green officials with little or no experience - or for that matter, interest - in the problems of administering the needs of Dependent Territories, are left to make decisions that have far reaching effects'.**[i]** While, in Anguilla there was a perception that British policy towards the Territory was 'aggressively non-interventionist', leading to widespread corruption in political life.**[ii]** It was reported that the Anguillan government was asking Britain, via the Governor, to intervene more actively in local affairs. While illustrative of Britain's still rather ad hoc policy towards the Dependent Territories, it is interesting to note that whereas Anguilla wanted the UK to play a more hands-on role in the Territory, Montserrat was criticising London for its authoritarianism. It is clear from this that the UK was in a very difficult position trying to balance particular Territory interests. However, the British realised that such conflicting demands could perhaps be mitigated by a more structured and coherent relationship with its Territories.

In late 1991 and early 1992, the British government undertook a second review of policy on the subject of the Dependent Territories, considering issues such as drug trafficking, money laundering, good government, economic development, and the liabilities which the UK might have to finance resulting from the Territories' actions.**[iii]** The results of the review were announced in October 1992, and the British government enacted a number of measures to develop a more integrated approach with regard to the Dependent Territories. In particular, the FCO sought to strengthen the links between Governor, the local elected government and UK ministers 'to enable more timely attention to be given to Dependent Territory matters'.**[iii]** A Dependent Territories Regional Secretariat in Barbados was established in April 1993 to coordinate the implementation of UK policies, and to manage local bilateral aid programmes. In addition, an interdepartmental ministerial group was created for the Dependent Territories, chaired by the FCO minister responsible for the Caribbean. Further, the number of officials responsible for British Dependent Territories located in the Territories and in the FCO in London, was doubled.**[iv]** In response to these change the Territories established the Dependent Territories Association to promote their interests and to further cooperation between them.**[iv]**

With these new structures in place the UK government undertook a number of policy initiatives. In January 1993 ministers proposed the introduction of jointly agreed Country Policy Plans for each of the Caribbean Territories aimed at identifying policy priorities to which both governments would be committed. The UK also attempted to bring the regulation of the Territories' offshore financial sectors into line with internationally accepted standards.^[lvi] Similarly the UK tried to ensure that the Territories implemented legislation that observed international norms. For example, in 1994 all of the Caribbean Territories introduced legislation to facilitate international cooperation against drug trafficking and to comply with the requirements of the 1988 UN Drugs Convention. Other measures included improving the administration of justice and streamlining the methods of budgetary and financial accountability. After the policy review of 1991/92 and the subsequent raft of policy initiatives there was an expectation on the part of both the UK and the Territories that the process of UK re-engagement was secure, the application of extended statehood would become less inconsistent and that the rather unsatisfactory 'Two steps Forward, One Step Back' approach would be a thing of the past.

It is true there was a clear re-engagement with the Caribbean on the part of the UK government from the mid-1980s, but there was no comprehensive plan of action. To a large extent the UK was forced to respond to crises and scandals in the Territories, rather than putting forward a positive agenda. There seemed to be a great deal of reluctance on the UK's part to engage pro-actively with the Caribbean dependencies, even though they had the constitutional and institutional mechanisms to do so. As a consequence, extended statehood was rather ill defined and uneven, with some of the Territories themselves wanting, or indeed needing, a stronger lead from London. It was not until the early 1990s, when the issue of the UK's contingent liabilities was highlighted, that a more integrated approach was instituted. And even then, the situation remained problematic.

Taking Stock: Volcanic Eruptions and Contingent Liabilities

There was an expectation, certainly on the part of the UK government, that the reforms instituted in the early 1990s would lead to a more effective and responsive relationship with its Dependent Territories in the Caribbean. However, one crisis in Montserrat and one UK National Audit Office (NAO) report

highlighted the still inadequate organisational and regulatory framework instituted by Britain in regard to the Dependent Territories. The crisis in Montserrat began in July 1995 when the Soufrière Hills Volcano erupted, precipitating a period of great uncertainty and insecurity for the island. While the NAO report, published in May 1997, investigated the action taken by the FCO to minimise the risk of potential contingent liabilities falling on the UK. These two developments highlighted significant deficiencies in the operation of extended statehood, and would precipitate a wholesale review of the constitutional, political, economic and social settlement between the Dependent Territories and the UK.

The eruption of the Soufrière Hills Volcano in Montserrat began on 18 July 1995 and subsequently devastated the country. As was reported by 26 December 1997 when the most extreme explosive event took place (...) approximately 90 percent of the resident population of over 10,000 had had to relocate at least once and over two-thirds had left the island. Virtually all the important infrastructure of the island was destroyed or put out of use for the short to medium term. The private sector collapsed and the economy became largely dependent on British aid.**[lvii]** The worst single day came on 25 June 1997 when nineteen people died in the volcano's pyroclastic flows. Under such circumstances the UK government was forced to act and assist the island's people to overcome this natural and human disaster. Although a report commissioned by the Department for International Development (DFID) argued the 'disaster response by HMG (...) has been a success in comparison with many other recent natural disasters elsewhere in the developing world', it went on to highlight the less satisfactory aspects of the UK's performance.**[lviii]** Indeed the Montserrat crisis placed into stark relief the responsibilities Britain should have had towards the inhabitants of the Dependent Territories.**[lix]**

The failures of the British government, both Conservative and Labour, were highlighted in a series of reports produced by the House of Commons International Development Committee and the Overseas Development Institute for DFID in the late 1990s.**[lx]** The investigations were extremely important in highlighting a number of deficiencies in the extended statehood provisions at that time. One of the most important observations made concerned the confused division of responsibility for Montserrat between the FCO and DFID. The FCO was responsible for overall

policy towards the Territory, while DFID oversaw the disbursement of aid. In his memorandum of evidence to the International Development Committee, David Taylor, Governor of Montserrat from 1990-93 stated, The Constitutional and Administrative arrangements in normal times were unsatisfactory enough without having to cope with an open-ended emergency.**[lxi]** The point was taken further in the DFID report, which noted. Many of the delays, omissions and shortcomings in HMG's response are linked to the complexity of HMG management and the administrative system for Montserrat as a self-governing Overseas Territory (...) there was poor internal communication, separating information from points of decision and a lack of clarity about the point of final responsibility for action.**[lxii]** Tasks such as organising emergency evacuation plans, dealing with the health needs of the Montserratians and providing new housing in safe zones were all compromised by differences between the various UK and Montserratian actors.

A number of areas of particular concern were highlighted. The DFID report criticised the triangular relationship between Montserrat, Barbados (via the Dependent Territories Regional Secretariat) and London for creating unnecessary confusion and prolonging the process of decision-making. Further the attempt by UK government departments to work within existing managerial arrangements was criticised for impeding an effective response. Comment was also made that there was apparently no contingency planning on how the FCO and the Overseas Development Agency/DFID**[lxiii]** would manage an emergency in a Dependent Territory. Ad hoc arrangements had to be put in place, and this was done reactively as the eruption progressed.**[lxiv]** Under these conditions, even Claire Short, Secretary of State for International Development admitted, 'there are so many players in this thing that it is very difficult to have authority over people who make the decisions or know the answers'.**[lxv]**

Unfortunately collective failures were exacerbated by specific departmental failures. For example, the FCO failed for many months to appreciate the seriousness of the situation in Montserrat and adopted a 'wait and see' approach.**[lxvi]** As Taylor noted, 'My heart goes out to the Governor of the time (...) who sent 400 telegrams to the Foreign Office and did not feel sufficient weight was given to his views'.**[lxvii]** In terms of DFID, the department was unsure as to whether the disaster should be treated as an urgent development problem or as a true emergency. Further, there was no clear budgetary ceiling or jointly accepted standards on what level of spending was appropriate, which

resulted in delaying the disbursement of funds. As a consequence, ‘There was a growing perception on the Montserratian side that DFID (...) was acting ungenerously, preferring cost-minimising solutions to immediate needs that jeopardised long-term development’.**[lxviii]**

All these problems reinforced the impression that no one had full control over the situation in Montserrat, and that many of the difficulties were caused by the operation of extended statehood that existed at the time, which was rather ill defined and ad hoc. Beyond the bureaucratic issues raised as a consequence of the Montserrat crisis, the volcano also focused attention on the issue of citizenship rights. With much of the island under ash, many Montserratians had to make the judgement about whether to leave or stay. The UK government reacted, albeit with some delay, to enable islanders to travel to the UK, be housed, settled and educated.**[lxix]** However, it was at this time that many Montserratians began to realise that although they were British dependents they did not have British citizenship. As Skelton states, ‘[Montserratians] could travel to the UK but had no legal right to enter and had repeatedly to apply for special leave to Remain’.**[lxx]** Up until 1962 citizens from the Dependent Territories were able to stay in the UK. However, the Commonwealth Immigrants Acts of 1962 and 1968 introduced controls that greatly restricted the ability of Territory citizens to settle. While all rights to remain were ended by the Immigration Act of 1971. The Montserrat crisis highlighted the lack of legal status for Dependent Territory citizens, and reminded the British government of this anomaly. Indeed citizenship was a glaring omission in the UK government’s previous attempts to construct an effective form of extended statehood for its Dependent Territories. However, no action would be taken until Hong Kong, Britain’s most populous dependency, returned to Chinese rule in 1997.

At about the same time as the Montserrat crisis was at its height and the first official reports on the situation were being published, the National Audit Office investigated the action taken by the FCO to minimise the risk of potential contingent liabilities falling on the UK resulting from the actions of the Territories. As the report stated, ‘Given the Foreign Office’s responsibilities, there exists a continuing exposure to potential liabilities (...) Under English and Dependent Territory law, the governments of the Territories are answerable for their own actions. However, if the Territories’ resources are insufficient, the UK government may come under pressure to provide assistance. Legal liability may

fall on the UK if Territories fail to comply with international law, especially treaty obligations'.**[lxxi]** The report centred on three broad areas: governance, law and order, and financial issues. More specifically, the investigation considered issues such as disaster preparedness, offshore financial services and budgetary control in the Territories.

The report found that despite the FCO having undertaken a number of initiatives since 1991 to identify and minimise the risk of contingent liabilities in the Dependent Territories, the UK remained exposed. In particular the NAO noted that the UK was vulnerable from 'financial sector failures, corruption, drug trafficking, money laundering, migrant pressure and natural disasters'.**[lxxii]** The NAO worryingly described the UK government as having 'extensive responsibilities but limited power'.**[lxxiii]** In a follow up report by the House of Commons Committee of Public Accounts its concern over the situation was starkly highlighted. The Committee wrote 'We are worried by the mismatch between the extent of these responsibilities [for the Dependent Territories] and the inadequacy of the FCO's powers, strong in theory but limited in practice, to manage them. The Committee further stated, 'As a result of this mismatch, the UK taxpayer continues to be exposed to very significant liabilities in the Territories and, from time to time, these materialise. More generally, we are concerned at the Foreign Office's admission that everything is not wholly under control and that all risks are not weighed and properly covered'.**[lxxiv]** Both the NAO and the Committee of Public Accounts recommended a number of reforms to reduce Britain's potential contingent liabilities, and encouraged the UK government to strengthen its control over the Territories. It is clear that both the NAO and the Committee of Public Accounts felt that the attempts to re-engage with the Dependent Territories in the late 1980s and early 1990s had not been that successful. There was still the impression that the FCO and the British government more generally retained a rather detached relationship with the dependencies with resultant risks for both sides.

The combination of the Montserrat volcano disaster and the UK government's response to it, as well as the examination of Britain's contingent liabilities in the Dependent Territories opened up a Pandora's box, and led to a wide-ranging debate about good governance and the political, constitutional and economic future of the British Dependent Territories in a way that nothing had before. Indeed, the UK government had been forced to cover the contingent liabilities

caused by the volcano in Montserrat, which amounted to £59 million from the start of the crisis to March 1998. **[lxxv]** The timing of events was also congruent with the election of a Labour government in May 1997 that had modernisation and reform at its heart. The government made clear from the outset that Britain's relationship with the Dependent Territories would come under the microscope. As early as August 1997 the new government established an interdepartmental Montserrat Action Group to co-ordinate relief activity, while in September the Crisis Investment Programme was created as part of a new coherent response to all aspects of the emergency. In October, meanwhile, FCO minister Baroness Symons suggested that the entire relationship between Britain and the Dependent Territories was 'a piece of machinery that we have inherited which I think is not working in the way that a reasonable person would expect it to work'. **[lxxvi]** These examples of the Labour government's approach and attitude were only the beginning of a much more extensive review of Britain's relationship with its Dependent Territories. In short, the Labour government was aiming to strengthen and deepen the application of extended statehood to its dependencies in the Caribbean.

'Partnership for Progress and Prosperity': Extended Statehood Refined The arrival of a new government following the British general election result of May 1997, the ongoing crisis in Montserrat, the recent National Audit Office and Committee of Public Accounts reports, and the transfer of Hong Kong's sovereignty to China on 30 June 1997, led to the initiation of a further review of the UK's relationship with its COTs in August 1997. The purpose of this review was 'to ensure that the relationship reflected the needs of the Territories and Britain alike, and to give the Territories confidence in our commitment to their future'. **[lxxvii]** It was based on the principle that 'Britain's links to the Dependent Territories should be based on a partnership, with obligations and responsibilities for both sides'. **[lxxviii]** In particular, it was noted that 'the relationship (...) needs to be effective and efficient, free and fair. It needs to be based on decency and democracy'. **[lxxix]** During the review the UK government consulted with a range of interested parties, however it was clearly a British led initiative and this led to some uncertainty amongst the Dependent Territories. In a memorandum of evidence provided by the Dependent Territories Association (DTA) to the House of Commons Foreign Affairs Committee it was claimed that 'It has never been clear to the DTA what the precise terms of reference of the review are and to what extent departments other than the FCO are involved'. **[lxxx]**

Despite such uncertainty the review process was undertaken relatively quickly and by February 1998 interim findings of the investigation were announced. The process of review was supported by an enquiry conducted by the Foreign Affairs Committee of the House of Commons in late 1997 and an earlier debate in the House of Lords.^[lxxxii] Then in March 1999 the completed review was published as a White Paper entitled 'Partnership for Progress and Prosperity'.^[lxxxiii] The White Paper set out a number of recommendations on issues, such as the constitutional link, citizenship, the environment, financial standards, good governance and human rights. On the constitutional issue, the White Paper reported that there was a clear wish on the part of the Territories to retain their connection with Britain, and not move towards independence. Other constitutional arrangements were considered, including integration into the UK and Crown Dependency status similar to the Channel Islands, but were rejected in favour of maintaining existing practice. However, it was agreed that a process of constitutional review would be carried out in an attempt to update existing provisions, and that if any Territory wanted independence in the future Britain would not stand in its way.

The White Paper also reaffirmed the British government's commitment to provide assistance for the Territories where needed via DFID's development programme, and that money was available from the FCO's 'Good Government Fund' to support the maintenance of security and stability, and the promotion of transparent, accountable government. The UK also promised to earmark limited resources for environmental protection through the FCO's 'Environmental Fund', and re-asserted its commitment to guarantee the Territories' security and defence. In return, as part of the White Paper's emphasis on a 'modern and effective partnership', the Territories were expected to meet standards set by the UK government and international treaty obligations. These included effective regulation of their offshore financial sectors, observance of human rights (such as, legalising homosexuality among consenting adults), and good governance.

Further, the White Paper documented the changes that had been introduced to improve the administrative links between the UK and the Territories. The Montserrat crisis and the associated parliamentary reports had highlighted the inadequacies of existing mechanisms, and precipitated action on the part of the British government to reconfigure its bureaucratic ties with the Dependent Territories. For example, the UK for the first time appointed a dedicated minister

for the Territories and established a new department within the FCO (the Overseas Territories Department) to replace the previously fragmented structure across six separate departments. It was also decided that parallel departments for the Territories in both the FCO and DFID should be created, together with a ministerial joint liaison committee to coordinate their activities.**[lxxxiii]** Further, the FCO/DFID Dependent Territories Regional Secretariat in Barbados was closed in 1998, and its responsibilities transferred to London. This change was instituted to streamline and simplify the organisational arrangements between the UK and the Territories. While a new political forum, the Overseas Territories Consultative Council was established to bring together British ministers and Territory representatives to discuss matters of concern. This was the first time that a formal body had been established to bring together politicians from both sides. Previously, Ministers and officials in London used the Governors to convey information. The first meeting of the Council took place in October 1999, and gatherings have since been held annually. Finally, a senior British civil servant was appointed in Brussels to liaise with the Territories on matters related to the work of the European Union, in order to improve their knowledge of, and representation in, the organisation. A dedicated EU-Overseas Countries and Territories co-ordinator within the FCO supports the work of the official in Brussels.**[lxxxiv]**

The changes made to the organisational structure of the relationship between Britain and its Territories, and the wide-ranging policy commitments laid out in the White Paper were a clear indication that the new UK government was prepared to engage more fully with the Territories and to correct the perceived deficiencies in the application of extended statehood. Most of these reforms were undertaken out of public view, but two gained widespread publicity and perhaps best represented the Labour government's approach to the Territories. One decision related to the Territories change in nomenclature, and the other extended British citizenship to those living in the Territories that met certain conditions. In terms of the former, Foreign Secretary Robin Cook announced the nomenclature change from *UK Dependent Territory* to *UK Overseas Territory***[lxxxv]**. in February 1998 at the Dependent Territory Association conference, and this decision was confirmed in the UK government White Paper.**[lxxxvi]** Although the term *Overseas Territory* was widely used from 1998 it was not until the British Overseas Territories Bill was passed in February 2002 that the amendment was formally made. A number of Territory representatives

had asked for the name change believing that it better reflected the nature of a post-colonial partnership at the end of the twentieth century. A majority of the Territories at this point were not receiving any budgetary assistance from the UK and consequently felt that they were not really dependent on the British government.**[lxxxvii]** The House of Commons Foreign Affairs Committee agreed arguing that the term dependency was pejorative.**[lxxxviii]** Further it was suggested that the change to 'Overseas Territory' would bring Britain into line with France and the Netherlands that used the term to describe their Territories; it would be in keeping with the Labour government's efforts to rebrand Britain with a fresh, informal image; and it highlighted the desire of many in the Territories to retain the maximum possible autonomy from London, at least symbolically, in their management of policy.**[lxxxix]**

The second high profile change to the relationship between Britain and its Overseas Territories came with the announcement that British citizenship, and so the right of abode, would be offered to citizens of the Overseas Territories**[xc]**. UK citizenship rights for Territory residents were gradually restricted under a series of Immigration Acts in the 1960s and early 1970s. The final change came with the British Nationality Act 1981, which created a British Dependent Territories citizenship, a status separate from those with British citizenship. Only the latter group had the right of abode in the UK. However, with the transfer of Hong Kong's sovereignty to China on 30 June 1997, the population of Britain's Dependencies amounted to only 186,000 and therefore posed no conceivable threat to a country of well over 50 million people.**[xci]** In addition, not all of the resident population of the Dependent Territories were citizens, and these were not included in the change.**[xcii]** For example only about 19,000 of the Cayman Islands' resident population of 33,600 was Caymanian.**[xciii]** Further, approximately 70 percent of the total population of the Territories had a higher income per head than Britain, and as was suggested 'residents [of the Territories] might well be more likely to want to stay where they are'.**[xciv]** In the FCO review process of the UK Territories a number of representations were made stressing the problems that a lack of citizenship created and the obligations on the part of the British government to correct the anomaly. Issues raised included the fact that citizens of Dependent Territories were required to obtain leave to enter the UK at ports of entry, which involved queuing with all other non-UK and non-European citizens**[xcv]**; that student tuition fees were charged at the higher *overseas* rate; and there was no right to work in the UK.**[xcvi]** In the White Paper

the British government recognised its responsibilities stating ‘There is a strong desire for these [entry] controls to be relaxed and rights restored. We sympathise with those in the Overseas Territories who this feel this sense of grievance, and intend to address it’.[xcvii] On announcing the outcome of the review in the House of Commons, Foreign Secretary Robin Cook stated ‘The offer of British citizenship that I have made today applies to residents of our territories to whom no other national citizenship is available’, and therefore implicitly recognised that past UK legislation had made a group of British nationals stateless.[xcviii]

Although the commitment to return British citizenship to the nationals of Overseas Territories was made, legislation needed to be implemented. The British Overseas Territories Bill was published in June 2001, which set out the provisions required to amend the existing legislation. The subsequent Act received its Royal Assent on 26 February 2002, and the citizenship provisions took effect on 21 May 2002. The Act confers British citizenship on those citizens in the Territories who qualify and who wish to have it, and allows the right of abode in the UK and the right of free movement and residency in EU and European Economic Area member states.[xcix] However, the right to health and social security benefits, preferential rates for higher education, and the vote in UK parliamentary elections, as well as the requirement to pay income tax all depend on residence in the UK, not citizenship. For these rights and obligations to be attained individuals in the Overseas Territories have to apply for a British passport to show documentary evidence of their new status and to facilitate travel. The provisions of the Act were also non-reciprocal, which prevented British and other EU citizens from travelling to, and establishing residency in, the Territories. By the end of 2002, some 6,500 citizens from the Overseas Territories had applied for British Citizen passports.[c]

The review of the COTs undertaken by the British Labour government was certainly the most wide-ranging since the West Indies Act of 1962. The desire of a new administration to assert its influence over problematic policy areas, as the Overseas Territories were deemed to be, was an important factor underpinning the FCO led examination. In addition, the fact that the Labour Party had been out of power for eighteen years heightened the expectations of new thinking and new approaches. In many ways the outcome of the ‘Partnership for Progress and Prosperity’ White Paper did indicate that the Labour government was serious in attempting to overcome longstanding problems in the UK-Overseas Territories

relationship. The recommendations of the White Paper focused on issues such as the constitutional settlement, citizenship, financial standards, good governance and human rights, which all had been areas of contention through the late 1980s and into the 1990s. In its general language, the Labour government also made plain its desire for a relationship that secured the interests of both parties based on sound political, economic and social principles. In many ways the White Paper laid down an ideal framework for the successful operation of extended statehood.

The extension of UK citizenship rights to the Overseas Territories, the emphasis placed on meeting international standards of good practice, the importance given to the promotion of transparent, accountable government, and a concern for environmental protection all seemed to indicate that the Overseas Territories were now better placed to play a full and active role in an increasingly globalised world. However, the more proactive attitude of the UK government created new tensions, which highlight the limitations of extended statehood notwithstanding the attempts to improve its operation.

Beyond the White Paper: Extended Statehood in Practice

In theory at least the 'Partnership for Progress and Prosperity' White Paper appeared to address a number of long-standing problems, which had been associated with the UK Overseas Territories relationship for a number of years. However, in order to consider the nature of the relationship since 1999, an analysis of the practical effects of the White Paper must be undertaken. For this to be done a number of specific policy areas are considered, and an evaluation made of the record of extended statehood since the British government's review. Areas highlighted include the human rights legislation needed to bring Overseas Territories more into line with the international obligations to which the UK is subject, the new approach with regard to the crisis in Montserrat, and perhaps most controversially the attempt to tighten regulation in the COTs offshore financial industries.

In regard to the issue of human rights, the UK government made clear in the White Paper that 'high standards of observance' were required on the part of the Overseas Territories in order to 'comply with the same international obligations to which Britain is Subject'.**[ci]** The White Paper indicated three particular issues on which the UK government wanted reform: judicial corporal punishment, legislation outlawing homosexual acts between consenting adults in private, and capital punishment. The British hoped that the Overseas Territories would enact

the necessary reforms themselves, but made clear that 'in the absence of local action, legislation could be imposed on the Caribbean territories by Orders in Council'.**[cii]** Progress was made with the British Virgin Islands abolishing judicial corporal punishment, and later the Turks and Caicos Islands became the last Territory to pass legislation for the abolition of the death penalty for piracy and treason. However, the issue of decriminalising consensual private homosexual acts between adults was more problematic. Despite lengthy consultation with the Caribbean Territories, involving governments, religious and social leaders, the media and the general public, there remained strong resistance to the decriminalisation of homosexual acts. Many in the Territories believed the issue was a local one, and local views and predispositions should take precedence over British demands. However, in early 2001, in spite of widespread controversy the UK government passed an Order in Council to force the change in legislation. The British action highlighted their determination to enforce basic standards of human rights, but it is interesting to observe that although the law was changed the view of many in the Overseas Territories has not.

The issue of homosexuality remains a very contentious issue in the Territories, and is sustained to an extent by the conservative attitudes of the Anglican Church in the region. For example, Anglican Archbishop Drexel Gomez, the most senior priest in the West Indies, stated recently that all the churches over which he presides (including those in the Overseas Territories) stand totally opposed to homosexuality on biblical and historical grounds.**[ciii]** The discrepancy between the law and people's beliefs on the issue of homosexual acts illustrates the limits of extended statehood. Although the UK forced the Territories to change the law, the fact that local views remain unaltered indicates that the application of extended statehood cannot always overcome deeply held local values.

Therefore no matter what improvements are made to the functioning of the extended statehood model, limits and constraints will always be present. Under such circumstances legislation is not enough, and a more sophisticated approach is perhaps required.

Indeed, in 2003 the FCO and DFID began funding a project to raise awareness of human rights in the Overseas Territories, and to encourage a change in public attitudes towards the issue.**[civ]** While the FCO's Good Government Fund, which in part focuses resources on raising awareness of human rights and building local

capacity to deal with problems, provides several million pounds of support each year.**[cv]** These monies have assisted the Overseas Territories to ratify several international human rights conventions, including: the Convention on the Rights of the Child, the UN Convention on the Elimination of Racial Discrimination, and the UN Convention on the Elimination of all Form of Discrimination Against Women. It can be argued, therefore, that the 1999 White Paper has accelerated the adoption by the Overseas Territories of internationally recognised human rights standards. However, the suspicion remains that some of these changes are more symbolic than real.

The volcanic eruptions in Montserrat that began in July 1995, and which continued into the new century, was one of the main reasons for the UK government's review of its Overseas Territories. A number of reforms were instituted early on in the crisis to better co-ordinate the relief effort, but many of these were ad hoc in nature, and therefore one of the objectives of the British government review was to consolidate the changes already made and to plan for the longer-term. In January 1999 a Country Policy Plan was agreed, which set the framework for Montserrat's economic and social recovery and the UK's role in the process.**[cvi]** Importantly, the UK maintained its commitment that the reasonable assistance needs of Montserrat would be funded from the DFID budget.**[cvii]**

The latest Country Policy Plan for Montserrat was published in December 2004, and covers the period until 2007. The document details the reforms necessary to support Montserrat's own sustainable development plan for 2004 - 2007. Priorities include the completion of a new airport, a three-year tourism development project, a scheme to promote private sector investment, and funds to improve the country's infrastructure and public administration. **[cviii]** One of these priorities is all but fulfilled - the completion of the new airport - which received six million pounds in DFID funds.**[cix]** Britain's Princess Anne opened the new terminal building in February 2005, with the expectation that air services would commence in early summer. Chief Minister John Osborne described the airport as 'ne of the single most important ingredients for reviving Montserrat's stricken economy' and 'marks the rejuvenation and the rebirth of the hospitality and comfort associated with air travel to and from Montserrat'.**[cx]**

It is expected that an operating airport together with the completion of other initiatives referred to in the Country Policy Plan will bring long-term and self-sustaining improvement to Montserrat. However, the underlying conditions in the

country remain difficult. In early March 2004 a further major eruption occurred at the Soufriere Hills volcano, and although no injuries or damage were reported, the incident highlighted the fragile nature of any recovery. The uncertainty of the situation was compounded when the Royal Society argued that the DFID was wrong to ignore a long-term research project undertaken by the Natural Environment Research Council to analyse the underlying nature and behaviour of the volcano.**[cxi]** Further, Montserrat still remains highly dependent on external sources for budgetary assistance and development support. For example, in 2004, 64 percent of government recurrent expenditure was directly financed by DFID, while Montserrat's development programme was entirely funded by external assistance.**[cxii]** Such levels of support are likely to continue for the foreseeable future, and risk perpetuating Montserrat's dependency while crowding out indigenous economic development and revenue raising activity. Overall, however, the UK and Montserrat governments have plainly improved their handling of the crisis, and instituted a more effective collaborative framework. Nevertheless, the ultimate success of the changes will not be known for some time to come.

A further issue that came to the fore with the onset of the Montserrat crisis was that of disaster preparedness. There were criticisms that the procedures in place in 1995 when the first eruptions took place were inadequate both in terms of anticipating and then monitoring the disaster.**[cxiii]** As a consequence a number of reforms were undertaken. In 2000 the FCO took the lead in establishing the Network of Emergency Managers in the Overseas Territories (NEMOT) and the London-based Disaster Coordination Group for the Overseas Territories. NEMOT brings together for the first time disaster managers and coordinators from all the Territories. Its members are responsible for preparing and maintaining national disaster plans, for conducting regular rehearsals, and for monitoring and forecasting, for example seismic activity in Montserrat and tropical storm movements in the British Virgin Islands.**[cxiv]** In 2002, meanwhile, the FCO organised a day of disaster awareness-raising and training in London, and a conference was held in Montserrat of NEMOT.**[cxv]** Since then, other initiatives and discussions have taken place in an attempt to further improve disaster preparedness.**[cxvi]**

As with the procedures and policies now in place to assist Montserrat's recovery, the provisions for disaster preparedness have been enhanced since the mid-1990s, and the Overseas Territories now have at their disposal international

best practice to assist them in monitoring and preparing for natural disasters. However, the extent to which improved procedures can mitigate the effect of natural disasters was called into question when Hurricane Ivan hit the Cayman Islands on 12 September 2004. Ivan caused extensive damage to housing and infrastructure, killing two islanders and leaving thousands homeless. Further, there were accusations that the Cayman government was 'covering up' the scale of the disaster in order to protect confidence in the island's offshore financial industry.**[cxvii]** While the Cayman Islands Leader of Government Business, McKeeva Bush, strongly criticised the British government for not doing enough to help the territory. Mr Bush was particularly frustrated about the controls imposed on his government by the UK in respect of arranging financial assistance to mitigate the effects of the disaster.**[cxviii]** Although not directly related to the issue of disaster preparedness the latter criticism does highlight the expectations placed on the British government to act when the Overseas Territories suffer from natural disasters, and the unhappiness when these are not met. The case of the Cayman Islands and Hurricane Ivan raised question marks over the adequacy of disaster preparedness and the way in which the crisis was subsequently handled by the authorities. This was despite the fact that reforms had been undertaken to improve both disaster preparedness and the functioning of the UK Overseas Territories relationship.

A third issue that was prioritised in the UK government review was to improve the regulation of the offshore financial service industries in the Overseas Territories. The offshore financial sector is extremely important to their economies**[cxix]**, but concerns have been raised about the probity of the industry. For example the 1997 National Audit Office Report on Contingent Liabilities in the Dependent Territories considered the state of play vis-à-vis regulatory oversight in the offshore financial services sector in the COTs. The report concluded that despite some progress improving regulatory oversight, the offshore sector remained vulnerable to abuses by money launders and drug traffickers, and the Territories faced possible financial sector failure as a consequence.**[cxx]** In response to the mixed assessment given by the NAO, the UK government commissioned consultants KPMG in 1999 to undertake a report reviewing COTs. compliance with international standards and best practice in financial regulation. The report recommended a number of proposals that the Overseas Territories agreed subsequently to implement. The key measures were the establishment of independent regulatory authorities, the introduction of investigative powers to

assist enquiries by overseas regulators, and the creation of comprehensive anti-money laundering frameworks.**[cxxi]**

It is important to recognise, however, that bi-lateral efforts involving the UK and the COTs to improve regulatory oversight of the offshore financial sector were not carried out in a vacuum. International demands for greater control over offshore finance has also been very important, with organisations such as the Financial Stability Forum, the International Monetary Fund and the Organisation for Economic Cooperation and Development (OECD) overseeing offshore financial good practice.**[cxxii]** The attempts to tighten regulation of offshore financial jurisdictions by the international community, and via unilateral action on the part of the UK have highlighted the vulnerability of the Territories' position. They have been caught in the crossfire, which has led to growing resentment about being forced to introduce measures that even exceed what the 'core developed' countries are sometimes willing to accept. One such example was the UK's attempts to enforce the EU's 'Directive on the Taxation of Savings' in the Overseas Territories.

The EU had been discussing the possibility of coordinating measures to tackle harmful tax competition by individuals across Member States for over 30 years.**[cxxiii]** EU Economics and Finance Ministers finally reached an agreement on the directive in January 2003.**[cxxiv]** Under the proposal 'each member state would ultimately be expected to provide information to other Member States on interest paid from that Member State to individual savers resident in other Member States'.**[cxxv]** Member States would then have the necessary information to apply the level of taxation that they see fit to their own residents. However, under the agreement Belgium, Luxembourg and Austria were allowed to apply a withholding tax for a transitional period, rather than committing to information exchange. One further proviso was that cooperation of relevant third countries was needed before the directive was enacted, in order to avoid a shift of business to paying agents outside the EU. At the June 2000 Santa Maria de Feira European Council meeting it was agreed that Switzerland, Liechtenstein, Monaco, Andorra and San Marino should adopt measures equivalent to those found in the directive. In addition, the UK and the Netherlands agreed that the directive would be applicable to their COTs.**[cxxvi]** On 19 July 2004, EU Ministers adopted a Decision establishing the application date of 1 July 2005.**[cxxvii]**

The decision on the part of the UK government to get its COTs to adopt the EU

directive was highly controversial. The Territories were aggrieved, as neither the Treasury nor the FCO had consulted them before the UK made the commitment to co-opt them into the directive. The Territories were also concerned about the possible impact of the directive upon their financial services sector, in part caused by the UK government's lack of explanation as to the detail and likely coverage of the measure. The Territories were fearful that the directive would cover not only individual holdings, but also their more important corporate sector. The poor communication on the part of the UK government was unfortunate, as the EU directive made it clear that interest payments made to companies would be excluded. It was not surprising therefore that the Overseas Territories were concerned about the likely impact of the directive and unhappy at the UK government's attitude towards them. It was of course hoped that the reforms associated with the 'Partnership for Progress and Prosperity' White Paper would have eased communication between London and each of its Territories in the Caribbean. However, controversy over the EU directive seemed to indicate that past mistakes were being repeated.

The Cayman Islands was most vociferous in opposing the directive, primarily because it has the largest retail-banking sector of all the COTs. However, a number of other issues exacerbated the disquiet on the part of the Caymans. The most important being the collapse of a six-month long trial of four defendants accused of laundering US\$25 million through the Cayman Islands-based Euro Bank Corporation. The collapse of the trial in January 2003 provoked a serious split between the Cayman and UK governments. It was reported that the trial was stopped after it emerged that British intelligence had ordered the territory's lead investigator to destroy evidence in an unsuccessful attempt to keep secret the security services involvement in the case. The activities of British intelligence had been withheld from the locally elected government ministers. **[cxxviii]**

The collapse of the Eurobank trial, together with disagreements over the EU's saving tax directive, led the Cayman Islands to undertake a legal challenge against the applicability of the directive at the European Court of First Instance in Luxembourg. When the case was heard in March 2003, the Court argued that the EU could not impose an obligation on the territory to implement the proposed directive. In addition, the Court ruled that the UK was not legally required as a full member of the EU to impose the directive on the Cayman Islands. However, the judges said that the question of whether the UK could compel the Cayman

Islands to accept the directive was something that depended on the exact arrangements between the UK and the Territory, and was outside of the Court's remit.**[cxxxix]** The ruling was important as it left the UK government to decide for itself whether the directive could be imposed on the COTs. So although the European Court of First Instance ruled that the EU directly, or indirectly via the UK, could not force the COTs to implement the savings tax directive, the Court allowed the UK government to act as it saw fit.

In response to the ruling UK Chancellor Gordon Brown threatened to issue an Order in Council against the Cayman Islands that would force the Territory to adopt the provisions of the directive.**[cxxx]** This threat led McKeeva Bush, the Cayman Islands. Leader of Government Business to accuse the UK government of behaving like the colonial power of old, ruling by dictat and treating the island's citizens like slaves.**[cxxxii]** The UK government, meanwhile, was unhappy about the aggressive tone emanating from the Cayman Islands government. However, it was expected that some form of compromise over the directive would eventually be found because both sides wanted to prevent the disagreement damaging more fundamental aspects of the relationship.

Indeed in February 2004, the Cayman Islands government reached agreement with the UK over the application of the EU directive. Agreement was possible because of the growing realisation on the part of the Cayman Islands that the directive was going to be imposed one way or another. In addition, the four other Caribbean Territories had by this time signed up to the provisions of the directive, and therefore the Cayman Islands was isolated in its opposition to the measure. The Turks and Caicos, for example, had agreed to sign up in January 2004.**[cxxxiii]** Another factor was the findings of a UK government commissioned report by Maxwell Stamp, which argued that the actual effect of the directive on the COTs would be small.**[cxxxiiii]** Further, the UK government provided the Cayman Islands with a number of compensatory measures to offset any possible negative effects of the directive. The deep unhappiness on the part of the Caribbean Territories over the issue of the EU directive highlighted the problems caused by poor communication and the UK government acknowledged that it need to undertake greater consultation with the Territories in order to avoid the anger and misunderstanding that came with the directive's implementation. The UK authorities recognised that a better balance was needed between the implementation of measures and the process of consultation, although ultimate

responsibility for carrying out policy would remain with them.

Although the Overseas Territories have complied with global standards of financial regulation there are still concerns that small jurisdictions such as those in the Caribbean lack the necessary resources for proper supervision. The Cayman Islands and the British Virgin Islands are small countries with large financial sectors in proportion to their size, and this remains problematic in terms of proper oversight of the industry. The British Virgin Islands for example, has a local population of 20,000 but has more than 350,000 offshore companies - about a quarter the number registered at Companies House in the UK, which has a population 3,000 times as large. In addition, the British Virgin Islands employ only 20 regulators for the entire financial sector. **[cxxxiv]** As is argued, 'Whatever the quality of the BVI.s regulators, the scope of their work is large and arguably too great'. **[cxxxv]**

Therefore, although the majority of total offshore financial activity is located in OECD countries, where concerns have been raised about money laundering and tax evasion, the regulatory imbalance is not so great as in the COTs. As a consequence there is disquiet that while legislation has been improved the lack of capacity on the part of Caribbean Territories to properly oversee the financial sector compromises its probity. For example, the collapse of the US energy company Enron in 2002 was linked to a number of questionable business practices in the COTs. One such practice that is legal but which raised public concern was the use of offshore subsidiaries to move money in and out of the United States. Enron used 692 companies in the Cayman Islands and 54 in the Turks and Caicos to save itself hundreds of millions of dollars in taxes. **[cxxxvi]** The collapse of the Parmalat food group in 2003 highlighted again the Cayman Islands' role in helping to conceal the true state of a company's losses. Although the financial authorities in the COTs have subsequently offered their assistance to US and European agencies investigating the collapse of the two companies, there is unease that such examples of blatant creative accounting and tax avoidance have damaged the reputation of the Territories' offshore holdings.

The case of financial services in the Overseas Territories highlights a number of points in relation to the operation of extended statehood after the UK government's 1999 White Paper reforms. It is clear that the UK government is now much more engaged in improving the COTs financial service industries than in the past. A number of bilateral and multilateral initiatives have been

undertaken, which have tightened oversight of the sector. An indication of the importance that the UK government places on this issue can be seen with its threat to impose the EU savings tax directive by Order in Council. Conversely, however, the issue illustrated the still uncertain lines of communication between the UK and Overseas Territories authorities. Despite the White Paper and the associated reforms, much of the controversy over the EU directive was caused by misunderstanding and confusion. UK government departments, in particular, must be more aware of their responsibilities to inform and to discuss. Finally, the nature of the offshore financial sector highlights the continued deficiencies of the present model of extended statehood. It is true that many Overseas Territories have dynamic and now better regulated offshore financial industries, but questions remain over the adequacy of resources provided for proper supervision. This issue is largely out of the UK's hands as budget decisions are in large measure the responsibility of the local governments and legislatures. Therefore there can be a gap between UK preferences and actual policy outcomes because the British government does not always have at their disposal the necessary decision-making tools.

Indeed, there remains a problem with issues that are in the middle of the spectrum of UK-Overseas Territories relations. Of course, the British government can use the nuclear-type option of an Order in Council, but this is done reluctantly because of the controversy it causes. **[cxxxvii]** As a consequence issues that are serious, but not so serious as to provoke an Order in Council can be difficult to address. As Taylor argues 'the Governor (...) has a difficult task, relying on the authority of his office and his power of persuasion in Executive Council and its margins to carry out the burden laid on him. Nor is there always a clear division between matters, which are his responsibility, and those, which are Ministers'. **[cxxxviii]** Two examples are highlighted: the recent cases of corruption in the British Virgin Islands and the problem of Haitian immigration to the Turks and Caicos Islands.

In regard to the former case, an official enquiry led to three senior officials, and a local businessman being convicted of attempting to defraud the government in connection with telecommunications contracts for a new airport. Each received jail sentences. **[cxxxix]** A report by the UK Centre for Management and Policy Studies commissioned by the Governor's office and published in July 2002 described an 'almost total breakdown' in the relationship between ministers and

permanent secretaries.**[cxl]** Despite the emphasis on good government in the Overseas Territories, the aspirations of the 1999 White Paper floundered on an issue that was not serious enough to allow the UK government to act.**[cxli]** Rather the UK government was forced to respond after the corruption had come to light.

In the Turks and Caicos Islands, the issue of illegal Haitian immigration is a sensitive domestic political issue. In 2004 there was an estimated 5,000 Haitians living in the Turks and Caicos Islands, making up 25 percent of the entire population.**[cxlii]** Many are attracted by the opportunities in tourism and construction. However, there are concerns on the part of many locals over the number entering the Territory, and the resultant effects on society. However, the issue of immigration is one that touches both the responsibilities of the Governor and the local government, with the result being sometimes unsatisfactory policy-making. The Turks and Caicos government oversees immigration policy, while the Governor has authority over external affairs and internal security. Because there is doubt over whether the issue of Haitian arrivals is an immigration issue, an external affairs issue or an internal security issue there is uncertainty over who should have final authority. The picture is confused further by the fact the Governor does not have a budget, and therefore depends on the local government for resources. The issue of Haitian immigration to the Turks and Caicos Islands, and the recent cases of corruption in the British Virgin Islands illustrate the inadequacy of certain aspects of the relationship between the UK and its Overseas Territories. There remains a grey area in policy-making between the Governor and Island governments, in particular, which highlights a number of still outstanding deficiencies in the UK's application of extended statehood in the Territories.

Constitutional Review and the Centrality of Extended Statehood

At the time of the 'Partnership for Progress and Prosperity' White Paper the UK government maintained that reform should be evolutionary, and set in motion during 2001 a constitutional review process for the Overseas Territories. For the first time the process was supposedly 'locally owned rather than directed from London'.**[cxliii]** As a consequence, the Territories hoped that quite fundamental reform would be undertaken. This impression was reinforced when the FCO failed to make its own position clear, including the extent to which it would accept changes to the existing constitutions. Until late 2003 the Territories were given

no guidance by the FCO as to what limits would be placed on the review, and therefore the expectations for change on the part of the Territories were high.

The COTs have all but completed their reviews and various constitutional amendments have been suggested. For example, recommendations have been made to reduce the power of the Governor and to increase the role of the elected government, to make the Attorney General a political appointee, and to redefine the various forms of residency status. Other proposals include greater autonomy for the Territories over the public service and judicial appointments, the introduction of local consultation before the UK appoints a governor, and changes to Territories' electoral systems. In addition, because of the deep unhappiness on the part of the COTs, and particularly the Cayman Islands, over the issue of financial regulation the reviews have also considered the possibility of increasing local control over offshore finance.**[cxliv]** Despite long-standing differences in the levels of autonomy between the Territories the requests for change have been along similar lines, and the even the Cayman Islands, with its relatively underdeveloped political system, has called for a reduction in the powers of the Governor and the Attorney General.**[cxlv]**

A reason for this uniformity of opinion can be placed at the door of the UN Committee of Decolonisation (the C24 Committee), which sponsored a seminar in Anguilla in May 2003 that focused on progress towards de-colonising (granting independence to) the COTs.**[cxlvi]** For many years the C24 Committee was excluded from discussions over the future of the Territories. The British government felt that the views of the Committee were unrepresentative of the UN General Assembly as a whole, whilst the COTs wanted to retain their link with the UK and did not welcome the Committee's advances. However, in recent years the UN Committee has tempered its decolonisation zeal becoming more prepared to suggest alternatives to full independence. In particular, the Committee now suggest free association as an option, which would allow the Territories to determine the nature of their constitutional relationship with the UK without reference to UK interests or responsibilities.**[cxlvii]** The idea of greater constitutional self-determination was subsequently taken up by a number of politicians in the COTs.**[cxlviii]** With the UK government faced with growing expectation on the part of the Overseas Territories for significant reform, it finally set out its 'red lines' beyond which change was not possible. In a memorandum submitted on 27 October 2003 by the FCO Minister Bill Rammell to the House of

Commons Foreign Affairs Committee strict limits were placed on Territories' constitutional room for manoeuvre. The Minister argued that the idea of free association 'does not sit easily with our over-riding responsibility to ensure the good governance of the territories and compliance with applicable international obligations'. He went on to suggest:

*The complexity of Government business, particularly following the terrorist attacks of 11 September, is in fact tending increasingly to blur the distinction between domestic and foreign policy, requiring greater UK involvement in some areas which hitherto Territory governments may have considered to be their own preserve. Moreover, whilst standards in governance in some Territories are high, in others there is room for improvement - and some of the smaller Territories lack the institutional capacity and experience to cope well with the increasing demands on Government. Equally, the lack of a developed civil society, strong legislature, and vibrant media in some Territories also means that many of the usual checks on the Executive can be weaker than normal.***[cxlx]**

The memorandum suggested therefore that Governors may need to play a more proactive role (...). in areas such as contingency planning, aviation and maritime safety/security, financial regulation, management of the economy, the environment and human rights.**[cl]** Also it described the British 'as acting as the transmission mechanism by which an ever-growing corpus of global regulation is applied to the Territories'.**[cli]** The memorandum claimed that such extensive UK involvement was not a change in policy and that Governors would not be given more powers, but it was clear that the British government was sending a strong and clear message in regard to the limits of any constitutional reform. The final sentence of the Memorandum emphasised again the attitude of the UK government: 'COT governments should not expect that in the Constitutional Reviews (...) the UK will agree to changes in the UK Government's reserved powers, or which would have implications for the independence of the judiciary and the impartiality of the civil service'.**[clii]** The importance the UK gives to the Overseas Territories was illustrated in December 2003, when the FCO published a comprehensive strategy setting out the UK's international priorities over the next ten years and the ways in which it intended to deliver its objectives. The eighth priority was 'Security and good governance of the UK's Overseas Territories'.**[cliii]** This commitment was important because it clearly prioritised the Territories in UK foreign policy, committed the Government as a whole to

safeguarding them, and re-stated for all to see the specific aims of the FCO in regards the Territories, focusing on such issues as good governance, law and order, and observing international commitments. Overall therefore, the constitutional reviews will most likely bring about only the most modest of changes, and reaffirm the UK government's privileged and necessary role in overseeing its Overseas Territories. The clear message from the UK is that it will not grant further autonomy unless the Territories embark upon a process of independence. All indications are that the COTs will not follow the independence path despite the expected lack of progress towards greater constitutional autonomy. The leaders and populations of all five Territories prefer the status quo believing that despite its problems, in particular the overly intrusive role of London, the form of extended statehood now in operation is the best option of governance presently available.

The constitutional review process dramatically underlines the importance that the UK government attaches to the model of extended statehood now operating in its COTs. Even though the review process was meant to be 'locally owned rather than directed from London', the reality was somewhat different. Towards the end of 2003 the UK government set out its stall very clearly arguing that while remaining under the authority of the Crown, Overseas Territories must comply with certain political, economic and social standards of behaviour. Indeed, in many ways the review process provided the UK with an opportunity to demand even more from the Territories, while at the same time highlighting the continued deficiencies in the relationship. The COTs were perhaps given a false impression of what would be possible in the constitutional review, because of the British government's delay in laying out its case. This certainly caused some confusion and anger but the reality is that no Territory desires independence. As the UK does not countenance a 'third way' between extended statehood and independence, the government in London has the authority and legitimacy to maintain and if necessary reinforce the present system of supervision.

Conclusion

The UK's relationship with its COTs has been defined by a concern over the nature of governance and the balance between their respective interests. On many occasions their interests have been similar, while on others clear differences have emerged. The period since the West Indies Act of 1962, which established constitutions for the Territories, has witnessed an evolutionary

process of constitutional and administrative reform. The process has not always run smoothly, and on occasion the British government has followed a policy of benign neglect towards the Territories. However, the rather laissez faire and complacent attitude on the part of the British during the 1970s and early 1980s was placed into sharp relief when a number of crises damaged the reputation of the COTs. Cases such as the widespread corruption in the Turks and Caicos Islands highlighted the problems of a light supervisory touch. From this point on the British Conservative government began to play a more hands on role. However, question marks remained over how all-embracing UK policy was. Principally, interventions were still reactive and piecemeal in nature.

However, the approach of the British government began to change from the mid-1990s onwards, provoked in large measure by the Montserrat volcano eruptions and the National Audit Office Report on the UK's contingent liabilities. The crisis in Montserrat highlighted a number of weaknesses in the administrative framework connecting London, the Governors and the local governments, while the Report drew attention to the UK's 'extensive responsibilities but limited power' and the resultant exposure of UK taxpayers if the British government failed to act judiciously. The consequence was the publication, by the new Labour government in 1999, of a White Paper entitled 'Partnership for Progress and Prosperity', which provided a comprehensive plan of action to improve the governing arrangements between the UK and its Territories. The White Paper set out a number of recommendations on issues, such as the constitutional link, citizenship, the environment, financial standards, good governance and human rights.

The document emphasised that the reforms were to encourage a 'modern and effective partnership', which included an expectation that the Territories would agree to meet a range of international treaty obligations. These included effective regulation of offshore financial sectors, observance of human rights and good governance. The Labour government has since reaffirmed its commitment to the provisions contained in the White Paper, and has even suggested that the level of oversight should be increased in certain areas. The discussions over reforming the Territories. constitutions illustrate well the UK government's position. The UK has made clear that it will retain and even strengthen the existing model of extended statehood, and will certainly not grant further autonomy unless the Territories commit themselves to full independence. Despite strains in the

relationship the Caribbean Territories wish to remain constitutionally linked to Britain at the present time, because the benefits still outweigh the negative aspects of the association.

The gradual application of a more pro-active and coherent level of oversight on the part of both Conservative and Labour governments in relation to the Overseas Territories highlights how the principle of extended statehood has taken hold, and how attempts have been made to address past deficiencies in the system. The Territories are now much more heavily integrated into the international system, having adopted either willingly or unwillingly a number of changes to their political, economic and social structures. In addition, citizens of the Overseas Territories are now able, for the first time since the 1960s, to live and travel freely in the UK and other EU and European Economic Area member countries. The effect has been a convergence of policy and approach across the COTs, even though they retain distinctive constitutional arrangements. These changes have been undertaken by the British authorities in order to improve the UK's oversight and control of the Territories. Weaknesses remain, but the UK is now in a much stronger position than ever before to defend its interests and minimise its liabilities. The Overseas Territories might not always appreciate the measure of control exacted by the UK government, but as they wish to remain under the authority of the Crown for the foreseeable future, they have no choice but to accept the system of extended statehood now in operation.

NOTES

- i.** E. Davies 1995: p. 118. Unlike the other Territories, the BVI did not become a member of the West Indies Federation. As a consequence the Governor of the Leeward Islands continued to run BVI until 1960 when an appointed Administrator (later a Governor) assumed direct responsibility.
- ii.** Anguilla was administered as a single federation with St Kitts and Nevis from the early nineteenth century.
- iii.** See for example, Turks and Caicos Islands Constitution, Article 13, point 1, p. 14. Consolidation date: 15 May 1998.
- iv.** D. Taylor 2000: p. 339.
- v.** G. Drower 1992: p. 78.
- vi.** Davies.
- vii.** Ibid: p. 119.
- viii.** Ibid: p. 158.

- ix.** Ibid: pp. 156-57.
- x.** Ibid: p. 157.
- xi.** Ibid: p. 342.
- xii.** Taylor: p. 339.
- xiii.** Davies: p. 182.
- xiv.** H. Fergus 1990.
- xv.** T. Skelton 2000.
- xvi.** Davies: p. 228.
- xvii.** T. Thorndike 1987.
- xviii.** Davies: p. 338.
- xix.** Taylor: p: 338.
- xx.** S. Roberts, in *R. Aldrich and J. Connell* 1998: p. 88.
- xxi.** After P. Sutton, *Two Steps Forward, One Step Back: Britain and the Commonwealth Caribbean*, *Itinerario*, 25, 2, 2001, pp. 42-58.
- xxii.** A. Payne 1984: p. 90.
- xxiii.** The committee was established in November 1961 with the intention of encouraging the completion of the decolonisation process.
- xxiv.** Foreign Affairs Committee, *Caribbean and Central America.*, Fifth Report, House of Commons, 1982.
- xxv.** T. Thorndike 1989: p. 118.
- xxvi.** Drower 1992: p. 75.
- xxvii.** Ibid: p. 76.
- xxviii.** Thorndike 1989; Sutton 2001.
- xxix.** Observations by the Secretary of State for Foreign and Commonwealth Affairs on the Second Report: Grenada. (1984) cited in Anthony Payne, *Britain and the Caribbean*. In: Sutton, *Europe and the Caribbean*, 1991: p. 23.
- xxx.** Thorndike 1989: p. 121.
- xxxi.** Thorndike 1987.
- xxxii.** Ibid: p. 261.
- xxxiii.** *Turks and Caicos Islands, Commission of Inquiry*, report of the Commissioner, Mr. Louis Blom-Cooper QC, into allegations of arson, Cm 21, December 1986, London: HMSO.
- xxxiv.** *Caribbean Insight*, An editorially independent publication of the Caribbean Council, October 1986.
- xxxv.** *Turks and Caicos Islands, Report of the Constitutional Commissioner* 1986, Sir Roy Marshall, April 1987, Cm 111.

xxxvi. Sutton 2001.

xxxvii. Hansard: Statement by Tim Eggar in the House of Commons, 16 December 1987, Column 574.

xxxviii. In 1980 the Turks and Caicos government with encouragement from the British sought an electoral mandate to introduce independence but was soundly defeated at the polls.

xxxix. Drower 1992; National Audit Office, Foreign and Commonwealth Office: Contingent Liabilities in the Dependent Territories, Report by the Comptroller and Auditor General, HC 13 1997/98, 30 May 1997, London: HMSO.

xl. NAO.

xli. Fergus 1990: p. 57.

xlii. Montserrat Constitution Order (1989) S.I. 1989 No. 2401.

xliii. Fergus 1990: p. 58.

xliv. The British blamed the need for constitutional change on Osborne's maladministration of the offshore banking sector (Fergus 1990).

xlv. Fergus 1990: pp. 66 and 67.

xlvi. Hansard: House of Commons Debate, in reply to a parliamentary question, 28 March 1991, Column 502.

xlvii. Davies.

xlviii. Ibid: p. 331.

xliv. Cayman Island Hansard, 20 June 1991: p. 24.

i. Drower 1992: p. 80.

ii. H. Hintjens 1995.

iii. Sutton 2001; NAO 1997.

liii. NAO.

liv. P. Sutton and A. Payne 1994: p. 94.

iv. G. Drower 1998.

lvi. The impetus for change came with the collapse of the Bank of Credit and Commerce International (BCCI) in 1991 after a complex money laundering fraud was exposed. Billions of dollars were stolen by BCCI management, which was in part facilitated by a number of dummy companies based in the Cayman Islands. After the collapse of the bank and the prosecution of a number of high-ranking officials, the UK government decided to improve the regulatory framework of the financial sector in the COTs. One of the UK government's first actions was to link up with US drug enforcement and tax authorities and conduct a sting operation in 1993 dubbed *Operation Dinero*. The undertaking involved the creation of a fake Anguillan bank and the routing of all its mail and email to the Atlanta base of the

UK/US operation. The sting yielded nine tonnes of South American cocaine, a shipment of arms bound for Croatia, and US\$50 million in assets, US\$382,000 of which went to the Anguillan authorities for their cooperation (T. Klak, 'How Much Does the Caribbean Gain from Offshore Services?' in Blacklock, M. (ed.) *The Association of Caribbean States (ACS) Yearbook 2002 (5th Edition)*, London: ACS and International Systems and Communications Limited.

lvii. Department for International Development (1999) .An Evaluation of HMG's Response to the Montserrat Volcanic Emergency., Volume 1, EV635, December 1999: p. 1.

lviii. Ibid.

lix. Skelton.

lx. See for example International Development Committee, Montserrat, First Report, House of Commons, 18 November 1997; International Development Committee, Montserrat - Further Developments, Sixth Report, House of Commons, 28 July 1998; DFID, An Evaluation of HMG's Response to the Montserrat Volcanic Emergency.

lxi. International Development Committee 1997: p. 185.

lxii. DFID 1999: p. 6; see also International Development Committee 1997.

lxiii. The Overseas Development Agency was part of the FCO, albeit with a degree of autonomy. In May 1997 it was detached to form a new ministry - DFID.

lxiv. DFID 1999.

lxv. International Development Committee 1997: p. 15.

lxvi. Taylor; International Development Committee 1997.

lxvii. Taylor: p. 340.

lxviii. DFID, 1999: p. 4.

lxix. DFID 1999.

lxx. Skelton: p. 109.

lxxi. NAO: p. 1.

lxxii. Ibid: p. 7.

lxxiii. Ibid: p. 17.

lxxiv. Committee of Public Accounts, 'Foreign and Commonwealth Office: Contingent Liabilities in the Dependent Territories', Thirty-Seventh Report, House of Commons, 11 May 1998: p. v.

lxxv. DFID 1999.

lxxvi. International Development Committee 1997: p. 162.

lxxvii. Foreign and Commonwealth Office, Partnership for Progress and Prosperity: Britain and the Overseas Territories, Cm 4264, March 1999: p. 8.

lxxviii. Ibid.

lxxix. Ibid: p. 7.

lxxx. Foreign Affairs Committee, Interim Report on the Dependent Territories, House of Commons, February 1998: p. 8.

lxxxi. House of Lords debate on the Dependent Territories, 11 June 1997.

lxxxii. FCO, *Partnership for Progress and Prosperity: Britain and the Overseas Territories*.

lxxxiii. The House of Commons International Development in its report on Montserrat suggested that the responsibility and resources for the Dependent Territories should be in the same department (1997: p. xxx). However, the British government declined to take the Committee's advice See International Development Committee Report (1998).

lxxxiv. Overseas Countries and Territories. (OCTs) is an official term to describe countries that have a special relationship with one of the Member States of the EU. The UK Overseas Territories have been associated with the EU since 1973 and receive development and programme assistance from Brussels. Under the 8th European Development Fund (1995-2000) the Territories were given 13.1 million euros in aid.

lxxxv. Interestingly the Cabinet rejected the term *Overseas Territories* in 1946 as 'cumbrous and colourless' (Drower 1992: p. xvii).

lxxxvi. FCO, *Partnership for Progress and Prosperity: Britain and the Overseas Territories*.

lxxxvii. At the time of the FCO review only Montserrat was receiving budgetary aid from Britain. However, Anguilla and the Turks and Caicos Islands (as well as Montserrat) were benefiting from UK bi-lateral project aid. Today only Montserrat receives bilateral aid from the UK government. However, the other COTs do have access to regional funds, such as for economic diversification (£295,000) and good government (£2 million). (Figures for the total amount spent on COTs and Bermuda in the 2004/05 financial year.)

lxxxviii. Foreign Affairs Committee 1998.

lxxxix. Drower, 1998; H. Hintjens and D. Hodges 2004.

xc. FCO, *Partnership for Progress and Prosperity: Britain and the Overseas Territories*.

xc. In 1997 Hong Kong had a population of 3.5 million.

xcii. Newcomers to the Overseas Territories were (and are still) subject in the first instance to regulations on rights of residence in the Overseas Territory in which they wish to live. These regulations differ from Territory to Territory.

xciii. Foreign Affairs Committee 1998.

xciv. FCO, Partnership for Progress and Prosperity: Britain and the Overseas Territories: p. 18.

xcv. See for example, Letter to the Clerk of the Committee from the Rt Hon The Lord Waddington, former Governor of Bermuda. (Foreign Affairs Committee 1998: p. 49).

xcvi. Foreign Affairs Committee 1998.

xcvii. FCO, Partnership for Progress and Prosperity: Britain and the Overseas Territories: p. 17.

xcviii. Hansard: House of Commons Debate, 17 March 1999 (part 21), Column 1131.

xcix. European Economic Area members are Norway, Iceland and Liechtenstein. These countries are able to participate in the European Internal Market while not assuming full responsibilities of EU membership.

c. House of Lords, The British Overseas Territories Bill, Bill 40 of 2001-2002, 30 October 2001; FCO Annual Report 2003, available at www.fco.gov.uk.

ci. FCO, Partnership for Progress and Prosperity: Britain and the Overseas Territories: p. 20.

cii. Ibid.

ciii. Turks and Caicos Free Press: 16-30 July 2004.

civ. FCO Annual Report 2003, available at www.fco.gov.uk.

cv. FCO Annual Report, 2002, available at www.fco.gov.uk.

cvi. Anguilla and the Turks and Caicos Islands also have such plans, tailored to their particular policy requirements.

cvii. This commitment was made to all of the Overseas Territories in the 1997 White Paper

on International Development entitled *Eliminating World Poverty: A Challenge for the 21st Century*.

cviii. DFID, Montserrat: Country Policy Plan 2004/05 – 2006/07, December 2004.

cvix. Ibid.

cx. Caribbean Media Corporation News Agency, Britain's Princess Anne opens new airport terminal building, 23 February 2005.

cxii. Caribbean Insight, 23 January 2004.

cxiii. DFID, Montserrat: Country Policy Plan 2004/05 – 2006/07, December 2004. Since the crisis began Montserrat has received a total of £206 million from DFID.

cxiiii. International Development Committee 1997; International Development Committee 1998; DFID 1999).

cxiv. FCO Annual Report 2001, available at www.fco.gov.uk.

cxv. FCO Annual Report 2003, available at www.fco.gov.uk.

cxvi. See for example the Sixth Overseas Territories Consultative Council, 21-22 September 2004.

cxvii. Caribbean Insight, 17 September 2004.

cxviii. BBC Caribbean News, Cayman must have a say, 28 April 2005. In the aftermath of the 1999 White Paper, the UK government negotiated agreements with the Overseas Territories to regulate their levels of borrowing.

cxix. In terms of average GDP per capita levels, it seems that the development of OFCs has proved to be a successful economic development strategy for the COTs. In the British Virgin Islands and the Cayman Islands, for example, GDP per capita is close to US\$30,000 although this does hide quite significant disparities of income within their societies. Nevertheless, GDP per capita levels in the COTs compare favourably with that of the independent Commonwealth Caribbean, where the offshore sector is of marginal importance. The most substantial offshore sector is in the Cayman Islands, which is the base for 600 banks and trust companies, including 47 of the world's largest 50 banks. In addition, there are 45,000 registered companies, while the banking sector has liabilities denominated in foreign currency worth approximately one trillion US dollars. A further US\$150 billion are invested in hedge funds. The majority of offshore business comes from US corporations and the rich elite who have deposits worth some US\$800 billion. The sector contributes around one third of the Cayman Islands. GDP (Financial Times, Global crackdown on tax evasion begins to stall, 30 November 2003). The British Virgin Islands, meanwhile, has become one of the world's leading offshore financial centres, specialising in the registration of international business companies, and the captive insurance market. The income raised from financial services contributes close to 50 percent of government revenue (Economist Intelligence Unit, Country Profile: Barbados, British Virgin Islands, Cayman Islands, Netherlands Antilles and Aruba, 2004: p. 45). In Turks and Caicos offshore finance is the country's largest source of external revenue after tourism. While Anguilla's offshore sector is small but growing, assisted by a recently developed computerised online registration network, and now worth approximately US\$4 million in revenue annually (FCO, Partnership for Progress and Prosperity, Appendix One).

cxx. NAO.

cxxi. KPMG, Review of the financial regulation in the COTs and Bermuda, Cm

4855, 2000. London: Foreign and Commonwealth Office.

cxxii. See for example OECD's Harmful Tax Competition Initiative, which attempts to bring countries together to encourage them to eliminate harmful tax practices. Four of the UK's COTs were identified as tax havens in an OECD report in 2000 - Anguilla, British Virgin Islands, Montserrat and Turks and Caicos. The Territories then set about meeting the commitments necessary for compliance, and when the revised List of Uncooperative Tax Havens was issued on 18 April 2002, the four Territories had been removed. See OECD, Towards global tax co-operation: report to the 2000 ministerial council meeting and recommendations by the committee on fiscal affairs. Progress in identifying and eliminating harmful tax practices, 2000, Paris; OECD, The OECD Issues the List of Un-cooperative Tax Havens, 18 April 2002, available at <http://www.oecd.org>.

cxxiii. K. Holzinger 2003.

cxxiv. Economic and Financial Affairs Council, Results of Council of Economics and Finance Ministers, Luxembourg, 2 June 2004 - Taxation, MEMO/04/134, Brussels, 3 June 2004.

cxxv. European Commission, Commission adopts new proposal on taxation of cross-border savings income, IP/01/1026, Brussels, 18 July 2001.

cxxvi. European Commission, Savings tax proposal: frequently asked questions, Memo 01/266, Brussels, 18 July 2001.

cxxvii. 2004/587/EC: Council Decision of 19 July 2004 on the date of application of Directive 2003/48/EC on taxation of savings income in the form of interest payments, Official Journal L 25, 4 August 2004.

cxxviii. The Guardian, Bungled MI6 plot led to Cayman trial collapse, 18 January 2003; Offshore Alert, Collapse and aftermath of Eurobank trial, 31 January 2003.

cxxix. European Court of First Instance, Order of the President of the Court of First Instance, Government of the Cayman Islands vs. Commission of the European Communities, Case T-85/03 R, 26 March 2003.

cxxx. Caribbean Insight, 19 September 2003.

cxxxi. Financial Times, Global crackdown on tax evasion begins to stall, 30 November 2003.

cxxxii. Economist Intelligence Unit, Country Report: Puerto Rico, Bahamas, Bermuda, and Turks and Caicos Islands, March 2004: p. 42.

cxxxiii. Hansard, House of Commons, Oral Answers to Questions (British Virgin Islands), The Parliamentary Under-Secretary for Foreign and Commonwealth Affairs (Mr. Bill Rammell), Tuesday 13 July 2004, Column 1237.

cxxxiv. Financial Times, Sunset in the tax haven, 28 February 2002; E. Pantojas-

García and T. Klak 2004: p. 184.

cxxxv. Financial Times, 28 February 2002.

cxxxvi. Financial Times, Caribbean tax haven offers assistance, 13 February 2002.

cxxxvii. See for example, the decriminalisation of homosexual acts in 2001.

cxxxviii. International Development Committee 1997: pp. 186-87.

cxxxix. Separate trials took place: one in June 2003, and the other in December.

cxl. Economist Intelligence Unit, Country Profile: Barbados, British Virgin Islands, Cayman Islands, Netherlands Antilles and Aruba, 2004: p. 42.

cxli. The corruption in the Turks and Caicos Islands during the mid-1980s was so serious

that the UK government felt it was necessary to take action.

cxlii. Turks and Caicos Free Press, 5-12 March 2004.

cxliii. Foreign Affairs Committee, Overseas Territories: Written Evidence, HC 114, House of Commons, 9 March 2004.

cxliv. The UK government has recognised that where possible, and within constitutional limits, the COTs should have fuller participation in international fora that directly impinge upon their welfare, for example the EU, the OECD and the Caribbean Community (CARICOM). In regard to CARICOM, Montserrat is a full member, while the other COTs are associate members. The UK government increasingly realises that it is good for the Territories to represent their own interests in such circumstances, where their particular knowledge and expertise can be utilised.

cxlv. Fergus 2004. A strong voice for change within the Cayman Islands came from Leader of Government Business, McKeeva Bush and his United Democratic Party (UDP). However, the UDP lost power to the People's Progressive Movement (PPM) in the May 2005 elections. The PPM and its leader Kurt Tibbets have been more circumspect about constitutional change.

cxlvi. FCO Department Report 2004, available at www.fco.gov.uk.

cxlvii. Foreign Affairs Committee 2004.

cxlviii. For example the Chief Minister of the Turks and Caicos Islands, Michael Misick, has talked about the Territory gaining full internal self-government.

cxlix. Foreign Affairs Committee 2004: p. 7.

cl. Foreign Affairs Committee 2004.

cli. Ibid: p. 9.

clii. Ibid.

cliii. Foreign and Commonwealth Office, UK International Priorities: A Strategy

for the FCO, Cm 6052, December 2003: pp. 42-43.

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Extended Statehood In The Caribbean ~ Introducing An Anti-National Pragmatist On Saint Martin & Sint Maarten



...the disaster of sovereignty is sufficiently spread out, and sufficiently common, to steal anyone's innocence. Jean-Luc Nancy (2000: 142)

Much has been written about extraordinary West Indian intellectuals living in the West who see no contradiction in being Caribbean and European, Caribbean and North American. Their strategies of hybridism have become enormously popular in postcolonial studies. Long live the hybrids and blessed are those who follow in their footsteps. They are jettisoned into the position of role models for those who still reside on the islands. If only the islanders would not be so local minded.

What occurs with the best of intentions is that West Indian intellectuals espousing hybridism are presented as cosmopolitans while those who remain on the islands are presented as slaves to localism. Many West Indians myself included prefer that we be seen as pragmatic anti-nationals, and our expressions of being Caribbean and European should be read as such. **[i]** Our hybridism is not an endorsement for nationalism. It is a manifestation of our disagreement with these and all other imagined communities that harden themselves into natural categories. Categories that seek to assert irreconcilable differences between insiders and outsiders. We complicate notions of exclusive national belonging - asserting our West Indianness, Europeanness, and blackness - in order to awaken others from the nightmare of exclusive nationalism and bio-cultural racism. We are not however blind radicals for we take into account that without the defence of nation-states, at this historical juncture, the vast majority of West Indians would be ravaged by capitalism in WTO ordered world. We temper our principles and seek to listen to those who are reduced to statistics, numbers, and 'the masses' by dependency theorists as well as IMF technocrats. This is the stance of pragmatic antinationals, a stance that is a blossoming of a seed planted in us by our West Indian experience.

If there is one general rule among West Indians it is that most of those who stay at 'home' and those who go 'abroad' are both glocal, and are not totally drunken by nationalism (c.f. Mintz 1996). When and if necessary they can 'forget' their national belonging without scaring their souls. It is thus a small step for them to achieve an antinational state of mind. This may be truer on those islands that have never achieved formal independence: the alternative post-colonies in the Caribbean. Wielding Dutch, French, British, and American passports, many visit 'the mother countries' frequently and some have spent a few years living in the metropolitan mainland. They are a people who make ample use of the privilege of an extended statehood, and construct a way of being that accords with their situation. On these alternative post-colonies one encounters persons who also have no difficulty being West Indian and European as their counterparts do in 'the mother countries'. Hybrids, pragmatic anti-nationals, can be found on both sides of the Atlantic. We need a more dynamic understanding of the peoples of the alternative post-colonies of the Caribbean.

The little posed question that this task helps us to answer is why independence activists in the alternative postcolonies have been unsuccessful in amassing huge

support for their cause. The pragmatism of these populations who are said to opt out of independence because of a fear of poverty should not be presupposed. It should be proven. *Homo economicus* and *homo 'pragmaticus'*. need to be produced and stimulated. It is not inborn. We have to understand the mechanisms and human brokers in the cultural realms that continuously promote the pragmatic message countering the anti-Western messages of those championing political independence. In doing so it is of pivotal importance to appreciate the role of media and media personalities. In our mediatic world, media messages determine what we view as reality.

This essay seeks to do exactly this by presenting the philosophy of life of DJ Shadow, a pragmatic anti-national and one of the most popular radio disc jockeys on Saint Martin & Sint Maarten (a bi-national French and Dutch West Indian island), who uses his talents to encourage both newcomers and locals not to believe in nationalism. **[ii]** On Saint Martin & Sint Maarten (SXM) newcomers have a demographic, economic, and political advantage. 70 to 80% of the 70.000 SXMers are immigrants. Without these newcomers the island cannot cater to the 1 million tourists that visit the island annually. The upper class newcomers hail primarily from the US, Canada, Western Europe, India, and China. They are the major investors and brokers of overseas financiers. The working classes on the other hand - those who ensure Western tourists have an unforgettable vacation - are for the most part West Indians, Latin Americans, and Asians. The autochthons, known as the 'locals' have a virtual monopoly in the civil service and occupy the middle management positions. To be considered a local one needs to have ancestral ties that go back at least three generations. Nonetheless while this categorization excludes newcomers, most locals do not express this privilege. They are welcoming to newcomers and do not practice endogamy.

Due to this open stance 'locals' have managed to remain in political power. All elected officials are 'locals' and most newcomers I spoke to felt that they did not discriminate. The newcomers refuse however to vote for the *independistas*, fringe politicians who seek laws that will privilege 'locals' and champion independence from France and the Netherlands. Especially the working class newcomers are fervently against these measures. They claim that independence in their countries have only made the rich richer and has secured the middle classes as rising bourgeoisie. On SXM they do not live in abject poverty and can remit to love ones in their 'home countries'. The 'locals' and wealthy newcomers also do not vote for

independistas for fear of losing their investments and comfortable life.

DJ Shadow feeds this sentiment. Without mentioning their names, he presents the small but vocal group of independence activists as rabble-rousers that wish to create divisions among the various ethnic groups that inhabit the island. Everyday they are bashed for their alleged hypocrisy and ridiculed for being non-pragmatic thinkers. The public who tunes into DJ Shadow's program, a considerable cross section of the population, are harkened not to believe in the exclusive nationalism forwarded by fringe politicians.

There is an ideological reason behind DJ Shadow's dislike for nationalism. Being an avid traveller and having resided in Curaçao, the Dominican Republic, the US, Spain, Germany, and the Netherlands, has taught him that all forms of nationalism exclude outsiders. Moreover discrimination of ethnic minorities and ethnic strife are structural. Nationalism for him is anti-humanist. Nonetheless he champions that in order to secure their livelihood, SXMers should opt to remain part of the French Republic and the Dutch Kingdom. In doing so they should not however believe in national exclusivity. It should be a pragmatic decision.

DJ Shadow dismisses protestations of *independistas* concerning SXMers selling their soul for a few loaves of bread and thereby losing their dignity. Besides the pragmatic reasons he puts forth as to why SXMers should not opt out of the French Republic and the Dutch Kingdom, he also promotes his own version of a planetary humanism which he labels Rastafari individuality. Five days a week from 13.00 to 17.00 hours, the Shadow claims that all human beings consist of a relatively autonomous Self and a personal God and Devil, which seek to direct their lives. Our task in life is to balance our personal God and Devil, since none of us will ever be able to rid ourselves from the influences of either. DJ Shadow averred that one needed to use the precepts of both to survive in everyday life. According to him this Rastafari individuality offered SXMers a way of being that transcended ethnic differences, and encouraged them to see the underlying unity of human beings. He had learnt to view himself as such by combining Rastafari with the wisdom of his deceased grandmother.

My grandmother was a women who could do things, you know what I mean? She was into her Higher Science [this is the name given to spiritual philosophies such as Santeria and Montamentu]. I can remember sitting in her lap and she telling me that I should never forget that the Devil used to be an angel too, so he ain't all

that bad. She used to tell me that when you read your Bible and they say that Lucifer was cast down to earth for disobeying God you must remember that it was about power. God had all the power and Lucifer wanted some of it. So they fight and God's general, Michael, defeat Lucifer and banish him to earth. She would say just like how the big men does fight for power over the heads of the small man, the same thing took place in Heaven. In the same way we too have a God and a Devil inside fighting to have power over we. Both of them want we soul. Now what is important for me is this life, and not so much the other life. Nobody ever come back to tell me how it was. So what I believe we must do is respect both of them and use them to get ahead. But we must always remember that we will never be able to fully control them. So when I say 'I and I' sometimes it means me and my God but if you're fucking around it means me and my Devil ain't going take your shit. This is my version of 'I and I', my Rastafarian individuality, you overs?

While heavily infused with Catholic, Rastafari, and Afro-Caribbean spiritual tenets, the Shadow claimed that his philosophy of life was ecumenical. He phrased the matter thus emphasizing the radical egalitarianism he stood for,

Remember this Star, this what my grandmother, rest her soul, used to say there is no religion in righteousness, religion is a way towards righteousness. You overs? 'I and I' want to burn the fear out of the people. A man who afraid to choose for himself is a man who fear life. People have to realize that life is good and Jah give us a compass so we can decide for ourselves. You don't need anybody telling you what to do and which way to follow. You see for me the pastor and the politician are twins. Pastors I relate to the past. That was when Man used to follow prophets. Old Testament style, seen? Now Man knows better so automatically I and I blocking it out. And politicians is just pollution Star [my cosmic friend], polluting the people brains. We can't deal with pollution or with the past. They both should have no meaning in this present time here.

I had the opportunity to conduct an in-depth interview with him in 2002 concerning his life experiences and how he became a pragmatic anti-nationalist. **[iii]** What follows is a thick description of this encounter. Herein I will discuss relevant theories on nationalism and anti-nationalism that substantiate the philosophies of this pragmatic anti-nationalist.

Talking about Nationalism

As I sat in his uncle radio station, PJD2, the station most SXMers tune into, ready to interview him, I couldn't help thinking that fate deals some people better cards than others. DJ Shadow was a popular radio disc jockey, MC, and singer. His fan base consisted of teenagers and SXMers in their middle years. Moreover he belonged to one of the wealthiest and respected families on the island. His family owed several businesses on the island as well as on neighbouring tourist paradises such as Saint Christopher and Nevis. Besides disc jockeying he dabbled in the family's business and organized largescale concerts and festivals on the island.

Having been successful in most of his endeavours, the Shadow had a new mission in life and that was encouraging his fellow SXMers not to delude themselves into believing that they naturally belonged to any imagined national community. An excessive belief in nationalism was according to him a symptom of being out of balance, a manifestation of the 'screwed' idea of feeling superior to another.

That nation business is just hate business, Devil works. Whenever you have a nation, you have an enemy, you have war. Is like that because you going to believe you better than the other man. I mean Bob Marley spoke about this. Listen to 'War', there the man is basically telling you that that is nonsense. Madness B [B is a shortened version of brother]. Jah create us all, that nation business is just tribalism. The illusions of the politricksians [a combination of politician and trickster].

What both DJ Shadow and Marley's song 'War' critique is 'the imagined community of the nation' a social construct born in the Americas (c.f. Anderson 1991). According to Anderson the social discrimination directed at the Euro-Creole elites by their metropolitan counterparts combined with travel and the proliferation of printed journals dedicated to primarily local topics led them as a public to imagine themselves as members of a 'community' separate from the colonial powers (*ibid*). As they fought successful wars of independence against their respective 'mother countries', they established the first nation-states in the world. **[iv]** These became the universal models. Several Caribbeanists have challenged Anderson, suggesting that nationalism was not solely fathomed by Euro Creole elites (e.g. Sanchez 2004, Hallward 2004, Trouillot 1990, and James 1969). Nationalism was instead the product of masters and slaves, as well as those belonging to every other social category in between these two extremes. The case of Haiti, which was the wealthiest colony in the New World, when it

began its struggle for independence and which became the second nation-state in the world, stands as irrefutable proof. Nationalism and nation-states should also be seen as being related to the rise of liberal egalitarianism, the ideology of Unity and Equality of Man. A circumvention of that noble ideal.

In order to stay competitive in the world markets, however, the leaders of these new nation-states, who were mostly wealthy Euro Creoles, but also sometimes Black planters retained institutions such as slavery, *encomienda*, and indentured labor, even while proclaiming the Unity of Man. There was also the necessary racism and ethnic discrimination. The latter two ingredients in the construction of nationalism were not an aberration, as several studies have shown that despite the passing of time, and its many incarnations, racism and ethnic discrimination remain integral in most, if not all, official expressions of nationalism and nation-state projects (Mulhern 2002, Brown 2000, Baumann 1999, Gilroy 2000, Kristeva 1991).**[v]** Black Dutchmen are still an oddity in the minds of many despite the fact that the majority of the Dutch West Indians are brown skinned. The same goes for African countries such as Zimbabwe whereby Whites are still considered 'honorary insiders'. All nations are characterized by their ethnic and racist views concerning the character of the chosen and the excluded (*ibid*).

This insider versus outsider logic also plays itself out among dominant and subordinate groups within a nation. In discussions concerning the issue of national belonging, the ethnic and racial basis of official nationalism is usually camouflaged in the form of civic nationalism - which is ideally based upon voluntarism and ethnical neutrality - and multicultural nationalism - which claims that one should respect the rights of all 'ethno-racial' groups or nations within the larger Nation. Under the guise of neutrality (civic) or respect for difference (multicultural), elites among the dominant 'ethno-racial' group still decide what constitutes difference and how this should be classified, accepted, and judged.**[vi]** The latter is what DJ Shadow accused the 'local' politicians of doing. As DJ Shadow put it,

I am not for more political autonomy from Holland. That to me is just more nationalism. I think the world has had enough of that. I and I am not endorsing that tribalism.

Relying on his own experiences, DJ Shadow arrived at similar conclusions as scholars who have critiqued the concept of nationalism.

I don't have to go to school to see that that is nonsense. All I have to do is look at the next man and I know that he ain't so different from me. He too got to shit, eat, and sleep (followed by a laughter). *Any man who can't see that have to get his head checked.*

While print and travel might have encouraged his elite Euro Creole predecessors to imagine nationalism and nation-states as natural communities, Conscious Reggae and travel had led him to realize the inverse. Like them he held grudges against the 'mother countries' in Western Europe, but unlike them he was not championing equality and independence while legitimating the subjugation of the poor and the disenfranchised. In a world in which the masses in the politically independent Global South were suffering from the adverse effects of capitalism, he felt nationalist projects and independence movements promised little or no material benefits. **[vii]**

Traveling as an Awakening: Discoveries in the Americas

DJ Shadow was well traveled, having resided on various Caribbean islands, in the US, and several countries in Western Europe. All these places had been spaces of awakening for him, spaces that led him to understand that nationalism and related hierarchical ideas of belonging engendered violent divisions among human beings. Instead of employing the mutually exclusive categories 'local' and newcomer to designate differential and hierarchical belonging, DJ Shadow felt all SXMers should better understand themselves as 'Rastafari individuals', and be aware of the violence committed by those who saw themselves as belonging to distinct nations.

DJ Shadow had lived in Curaçao, the Dominican Republic, Saint Christopher, Jamaica, and Trinidad. His stay on these islands strengthened his understanding that SXMers shared many similarities with other West Indians, especially in regard to everyday practices. The islanders borrowed each other's Creolized cultural products and on each island made something unique of their mutual borrowings. This was especially true in the realm of music. For instance with Calypso music he observed a changing repetition on every island of this genre, which had first emerged in Trinidad. He asserted that in this borrowing there was not only the intention of mimicking but also about proclaiming difference.

Calypso comes from Trinidad but everybody plays it differently. If you give each Caribbean island the same song to play, each one will intentionally play it

different. So SXM Calypso is from SXM.

He also pointed out Calypso musicians in Trinidad borrowing from other islands, making the whole origin story problematic.

I mean when you look at it, Trinidadian Calypso get influence by the Jam band style from Dominica, so what is what?

According to him, one could make the same point as far as Conscious Reggae was concerned. What was important as well was that Conscious Reggae composers wrote songs that promoted transnational alliances among the structurally oppressed, primarily dark skinned West Indians, to keep struggling for social justice. While Marley and other Reggae artists had championed national independence in songs such as 'Zimbabwe', DJ Shadow consciously omitted this to make his point of transnational solidarity. **[viii]**

Consciousness don't cater for that national thing. Marley, Tosh, Burning Spear, Buju, them man is not national them man is international. It is about the black man redemption, about the small man struggles, you overs? The small man in the Caribbean, and let we be frank, most of them black, struggling ever-since with Babylon. But still they ain't give up yet, they still smiling, and that is their strength. So when Bob say 'lively up yourself and don't be no dread' he telling them remain happy don't let Babylon enslave you brain. A sad man is a man who lose the battle before it even started.

According to DJ Shadow nationalism sought to obfuscate this and other commonalities among the inhabitants of the Caribbean basin. Caribbean people were as he put it 'children of the sun' . 'Caribbeaness is defined by the sun'. He used the term sun in a metaphorical sense. For DJ Shadow the term signified a stance in life that radically asserted joy coupled with an uncompromising sense of somebody-ness and an unrelenting ambition to get ahead.

Caribbean people have an aura about them. They love to party. Bacchanal is their thing. They have a strong sense of pride and don't accept injustice. They don't want to sit in the back of the bus [this is an allusion to the Rosa Parks incident that hailed Martin Luther King's involvement in the Civil Rights movement]. They want front seat, you overs? We SXMers are no exception.

When I asked him where these attributes came from he replied matter-of-factly

that they stemmed from the African, Asian, and European ancestors of Caribbean people. However, as with his metaphor of the bus, he explicitly highlighted the experience of Blacks in the New World.

Listen star we don't have to travel to really know Africa, Europe, or Asia because they are here. We born from them. All of us have to acknowledge our black grandmothers even the whitest of us. If it wasn't for her titty's, Star think about it, you overs? [titty's is a Creole word for tits. DJ Shadow was alluding to the role played by many African women in breastfeeding blacks and whites]. If she didn't survive none of us would have survived.

DJ Shadow was doing two things in the context of our conversation. He was employing the stereotypes of the eternally joyful and the ambitious West Indians to show me the self-resilience of most Caribbean people who constructed themselves in the midst of unspeakable horrors. By claiming that Africa, Asia, and Europe were in the Caribbean and that all had to acknowledge their black grandmothers, he was referring to the legacy left by the fore-parents and the importance of those who survived slavery. He was voicing that he realized what Caribbeanists have termed 'the shipwreck experience' that bind the West Indies and 'the presences' that roam about in the region (Walcott 1993, Hall 1992).

The shipwreck experience is a metaphor used to convey the well-documented facts of the horrors of colonialization in the Caribbean. Millions of people from Africa, Asia, and to a lesser extent Europe were forced to leave their prior living environments. Millions were transported to the Caribbean basin on ships chained together by their ankles, strangled by indentured labor contracts, or escaping religious prosecution (Mintz 1996, Walcott 1993). They became the inhabitants of islands whose indigenous population had been all but wiped out. Most of the identifications and practices that they were accustomed to performing were unsustainable in their new homelands, because most of the institutions and contexts upon which they were based were non-existent.

The transplanted peoples of the Caribbean had to be homogenized in some ways to meet the economic demands imposed upon them, at the same time that they were being individualized by the erasure of the institutional underpinnings of their pasts. These were the achievements - if we choose to call them that - of Caribbean colonialism. The movements of people by which such sweeping changes were facilitated were massive, mostly coerced, and extended over

centuries. I do not think that there is much with which they can be compared, in previous and subsequent world history. Those who came in chains could bring little with them. The conditions under which they had then to create and recreate institutions for their own use was unimaginably taxing. This was, of course, particularly the situation of those who came as slaves. It was different, and somewhat better, for impressed or contracted Europeans. But the Irish deported by Cromwell, the convicts and the engages, the debt and the indentured servants from Britain and France, cannot be said to have been truly better off, so far as the transfer of kin groups, community norms or material culture are concerned. Nor for that matter, were the Chinese who would be shipped to Cuba, the Indians who went to the Guianas and Trinidad, or the Javanese who went to Suriname in the subsequent centuries.(Mintz 1996: 297-298)

This has led to the situation that in the Caribbean, Africa, Asia, Europe, and the Arawak and the Carib world are 'presences', traces of the old, transformed though nevertheless discernible and lingering in all cultural expressions. Particularly the African presence, though often repressed, remains an important structuring element. During our conversation, DJ Shadow was highlighting its importance. Scholars such as Stuart Hall (1992) and Derek Walcott (1974) have also averred that this structuring element has to be recognized throughout the Caribbean.

'Presence Africaine' is the site of the repressed. Apparently silenced beyond memory by the power of the new cultures of slavery, it was, in fact, present everywhere: in the everyday life and customs of the slave quarters, in the languages and patois of the plantations, in the names and words, often disconnected from their taxonomies, in the secret syntactical structures through which other languages were spoken, in the stories and tales told to children, in religious practices and beliefs, in the spiritual life, in the arts, crafts, musics, and rhythms of slave and post-emancipation society. Africa, the signified which could not be represented, remained the unspoken, unspeakable 'presence' in Caribbean culture. It is in 'hiding' behind every verbal inflection, every narrative twist of Caribbean cultural life. It is the secret code with which every Western text was 're-read'. This was-is-the 'Africa' that is still alive and well in the diaspora.... Everyone in the Caribbean, of whatever ethnic background, must sooner or later come to terms with this African Presence. Black, brown, mulatto, white-all must look 'Presence Africaine' in the face, speak its name'. (Hall 1992: 229-230)

While 'African traces' are of utmost importance, and despite the progress made due to the growing black consciousness in the region they are still not sufficiently recognized, contemporary Caribbean people and their cultural expressions are an embodiment of all the 'presences' in constant reconfiguration. All 'traces' play a constitutive role and 'racial' taxonomies offer no privileged indication of the different Caribbean groups or their

cultural expressions. In telling fashion Édouard Glissant forecloses any possibility of arguing that although Caribbean people and their expressions are in the making, in a state of becoming as Stuart Hall would phrase it, one could nevertheless claim to discern groups based on 'racial' criteria's or singular roots.

'...whatever the value of the explanations or the publicity Alex Haley afforded us with Roots, we have a strong sense that the overly certain affiliation invoked there does not really suit the vivid genius of our countries'. (Glissant 2000: 72).

Several other studies have shown that these reconfigurations were done and continue to be done in a milieu characterized by colonial, neocolonial, and internally based structural inequalities. Phrased differently, in a world dominated by Western powers that still have difficulties admitting that racism and capitalist exploitation are the foundation of their polities (e.g. Palmié 2002, Besson 2002, Sheller 2000).**[ix]** Especially for the working classes, recreating themselves positively and struggling against these structural inequalities went hand in hand.

The 'presences', reconfigured into Caribbean cultural expressions and enmeshed in projects dedicated to social justice, also gave birth to xenophobic nationalist projects and hierarchical ideas of belonging. DJ Shadow personally experienced xenophobia and at the hands of 'autochthon' elite and working class Curaçaoleans when he attended secondary school on Curaçao.

When you left here as a young man and you go to school in Curaçao, MAVO and HAVO (high school), back in the day they would call you an Ingles Stinki (uncouth Englishmen), tell you ain't got no culture. And I am an Antillean just like you B. I carrying the same passport you carrying. I don't have anything against them personally but that mentality has got to go. They feel that Curaçao is the head, Curaçao is number one, like they would say Yu di Korsow (literally: son of the Curaçao), and consider themselves better than everyone. No one is better than another. Jah ain't create nations, seen. Too much of them under the spell of they politricksians who robbing them while the eyes open.

This experience of DJ Shadow and other Dutch Windward island students who spoke primarily English being called 'Ingles Stinki', uncouth Englishmen, is a telling example of the adverse effects of the presences reconfigured in the ethnic biases of Curaçaoan nationalism. It is an example in which the 'presence Européenne' is clearly discernible, or in DJ Shadow's terms, *'the Western sensibility driving them mad'*. Let me clarify this. If one unclogs one's mind from 'race', one realizes that what these predominantly dark skinned Curaçaoans were doing in calling their Windward island counterparts uncouth Englishmen was a trace of the historical opposition that Western European thinkers, in the late 19th and early 20th century, posited between Roman speaking Europeans and those who spoke Germanic languages. These linguistic differences sometimes combined with assertions of Catholicism versus Protestantism and distinct 'cultures' were used to make and substantiate ethnic and racist claims (c.f. Skurski, 1997, Rojas & Matta 1997, Rock, 1987). French and Spanish thinkers posited that Latin Europeans were more high cultured and Catholicism a more spiritual religion than the Protestantism of Northern Europeans (*ibid*). German and English intellectuals averred on the other hand that Northern Europeans were bearers of Protestantism and a work ethic that made them the natural leaders of the world. Historically this opposition was also played out between Latin American and North American intellectuals (*ibid*). In their nationalist scheme, political leaders on Curaçao translated these ideas to claim that the island's 'autochthons' were bearers of a superior Latin Caribbean culture and the inhabitants of the Dutch Windward islands were part of a less refined English Caribbean. **[x]** This was one of the ways they sought to legitimize the fact that in the Dutch Antillean parliament, Curaçaoan parliamentary officials have the ultimate say with regards to the matters of the other Dutch Antillean islands. **[xi]**

In DJ Shadow's opinion, the United States of America was made up of the similar presences as the Caribbean. For him the only differences were that of size and the fact that the US had surpassed Europe as far as political and economic might is concerned. This was according to him the main reason why many Europeans disliked and ridiculed these North Americans.

Europe build America, so basically America is the baby brother of Europe. Yet they clash because baby brother don't want to listen to big brother and want to take over. But I ain't in that with them Boo (instead of Bro for brother, SXMers say Boo). I love New York and they treat me nice over there. And when they come

here most of them does behave well proper. Yes is Babylon capital (the US) and yes Bush is a war man, but you got give Jack his Jacket.

As with the West Indies, however, the US also remained a victim of nationalism camouflaged in multicultural rhetorics of belonging. As is the case elsewhere, here too one found politicians seeking to delude the ordinary folk.

They too living the scenario of their politricksians. Clinton was bad too but Bush is a dirty motherfucker.

While living and studying in Miami and New York DJ Shadow lived in a country where 'race' combined with ethnicity seeped through all areas of life. The first time he was pulled over by a police officer and thoroughly searched, he knew it was because of the color of his skin and his accent. One of the cops who pulled him over was dark skinned showing, according to him, how many black and white Americans had '*the racial thing in them*'.

While ideas of 'race' combined with ethnicity are not exclusive to the US it was there that DJ Shadow became fully aware of their impact in structuring and legitimating power relations. This is an argument that has been put forward by several African-Americanists (West 1998, Higginbottam 1996).**[xii]** In Western Europe he came face to face with the continent he identified as having bred this evil.

DJ Shadow's European Experiences

In 1993, DJ Shadow traveled to Europe, one of the places that played a major role in the Americas. He stayed there for 6 years, residing in Amsterdam, Berlin, London, and Madrid. What made the most impact on DJ Shadow was the bureaucratic efficiency in these Western European countries. He chided the government officials on SXM for their inefficiency and explicit clientelistic attitude.

I live in Holland, I realize that if SXM would run the way Holland is run, everything would be on the straight and narrow. But here [SXM] they take so much different corners and forget the main road, so they end up on a side street and can't get back out.

Nonetheless, while he admired Western European societies for their bureaucratic efficiency, he criticized them for not using their power to right the historical and

contemporary wrongs they caused. He claimed that while these countries are well off, they do not do enough to alleviate the disparate conditions faced by most in the Global South. For him this state of affairs was also internally visible in the racism that immigrants hailing from the Global South face. Many Western Europeans still wished to consider persons that were 'taxonomically identified' as being 'non-European' as intruders that have stormed their shores without any historical precedent. There too the Shadow averred one found a hierarchical if not exclusionary politics of belonging.

You see it there every day the way they stigmatize Morrocans, Turks, Surinamers, Africans, basically the Third World massive. They want to forget that they went to those countries first and loot them. They want to forget that they went to Africa and took people from anywhere they could get them. They sold them. Families that were together were scattered. They needed big strong bucks to do the work that they needed to do. They who started this thing. Now they want to forget. When they see these people in Europe and see the poverty in the world, they should know it is not only about them.

What DJ Shadow was articulating was that 'the involuntary association', as Wilson Harris termed it, between lighter skinned Westerners and the darker skinned peoples of the Global South, during the colonial era was constitutive of what both of them became.

'In the selection of a thread upon which to string likenesses that are consolidated into the status of a privileged ruling family, clearly cultures reject others who remain nevertheless the hidden unacknowledged kith and kin, let us say, of the chosen ones. The rejection constitutes both a chasm or a divide in humanity and a context of involuntary association between the chosen ones and the outcast ones. The relationship is involuntary in that, though, on the one hand, it is plain and obvious, privileged status within that relationship endorses by degrees, on the other hand, a callous upon humanity. And that callous becomes so apparently normal that a blindness develops, a blindness that negates relationship between the privileged caste and the outcast' (Harris 1998: 28)

The discrimination inflicted upon immigrants from the Global South was for DJ Shadow an indication that this historical entanglement was not being properly acknowledged. He used the horrors of slavery as a trope to bring home the point that colonialism entailed the dehumanization of 'Third World peoples' in general,

and persons of African descent in particular, and that this needed to be acknowledged as a crime against humanity, a wound that should also bother lighter skinned Europeans although their ancestors did not undergo this humiliation. Europe's wealth is partly based upon the blood, sweat, and tears, of the many faceless and nameless colonized peoples who threaded the proverbial winepress. Europe was born out of these heinous crimes. **[xiii]**

DJ Shadow felt that the Othering of non-Western immigrants in racial and ethnic terms was also at play in the manner in which many 'autochthonous' Dutch treated their Dutch West Indian counterparts. While Dutch West Indians are legally speaking equal to those in the Netherlands many 'autochthons' still consider them foreigners. He felt that if the Dutch Kingdom was to function effectively and justly the same standards, politics of belonging, should apply in all Dutch territories. The parliament in The Hague should act on behalf of its citizens in the West Indies when the politicians failed to do their jobs correctly. While he was also critical of the French, he felt at least the citizens of these overseas territories enjoyed the same social benefits as those in Paris.

The French have the racial thing too, but when you go any French island, drive around on the French side and, you can see that they helping out, that they keeping things crisp. On the French side the politricksians can thief but they still have to be fair cause them boys in France watching them and will intervene if they have too. On the French side they have to thief and rule the same way they does thief and rule in France: never too openly so they don't get catch. But the Dutch does sit down and don't put all their effort into regulating the problems that they have here. I don't think they put effort into making sure that the SXM government is just and that they do the just and right thing. They just let them do what they want and when they realize things getting out of hand then they clamp down on them. Regulate it before they fuck up. That is what irritates me about the Dutch.

For DJ Shadow talk about neo-colonialism by elected officials on SXM was just a disguise of the fact that they too had embraced the tenets of nationalism. The metropolitan Dutch were seen as belonging to a different nation than themselves.

The Dutch should not worry when they hear we 'politricksians' say SXM should be left alone, that they have rights as a nation. No, that would give them more leeway to fuck up the country even more. All of we are Dutch. The Dutch Antillean

is Dutch. So if they aren't doing it right somebody has to show them, whether they call it neo-colonialism, colonialism or whatever. If they ain't doing it right Holland should step in.

The Shadow's Option

To me there was a paradox in DJ Shadow's last comments on Dutch SXMers being Dutch. Wasn't this rejecting nationalism at the front door and welcoming it through the back? He noted my concerns, but smilingly admitted that the confusion in my mind was because I was not being 'real', meaning realistic. I was not being an anti-national pragmatist. For all his critique of France and the Netherlands, he felt that under the present global conditions SXM should never dream of severing its constitutional ties with these Western European countries. And he saw more political autonomy as the beginning of that process

Once you start that thing about autonomy, there is no way back. The only the way is forward, independence. And I don't want to go there. I like it here. This is just fine with me.

He then reiterated his fundamental dislike of nationalism and he claimed that more political autonomy followed inevitably by constitutionally breaking with France and the Netherlands did not entail leaving nationalism behind.

Like I tell you already that nation business is just tribalism. I following Jah and not the scenarios of 'the politricksians'. I and I for unity, seen. When them politricksians say SXM must rule itself, and people believe them, then they falling into the same trap of the nation business. That there is a dead end.

According to DJ Shadow the trap of 'the nation business', nationalist projects, was dangerous. Those that had embarked on projects of more political autonomy and eventually political independence had not done well. In fact he argued it had worsened the life changes of the poor in these countries. In his explanation he did not allude to the trade embargoes and unequal trade relations between the US and Western Europe and independent Caribbean countries such as Jamaica, Haiti, and the Dominican Republic. He was explaining how it is in those countries and not the external reasons that led to this.

Personally I have seen what has happened to independent countries. I don't want my child growing up in it even though my family ain.t hand to mouth [are not poor]. It is a matter of the principle cause live is a funny thing. Today you up

tomorrow you down, you overs? In the Dominican Republic I saw factories among factories and there is no middle class. There is just rich and poor. And the poor is constantly living off of credit. The poor have to go and credit a food, some rice, corn, sugar, and salt. That's poverty, that's some hard ass living. I drive some places on the island where as far as your eyes can see is zinc roof alone, no tile floor, outhouse [bath room in the yard]. You understand that is poverty. And this is an independent island with all these resources, and nobody want to touch them. Take Jamaica, this country produces everything: clothes, shoes, aluminum, but nobody want to touch them. They have no value internationally speaking, their money ain't worth shit. Why would you want to do that to your people? You see where I coming from.

Many SXMers I spoke to expressed similar views. They too felt that embarking upon the road of nationalism, in the form of more political autonomy from France and the Netherlands was unwise. Especially the working class newcomers furnished me with example after example about the abject poverty that they faced living in independent countries. Others told me about being victimized partially because they belonged to the internal enemies of the nation.

DJ Shadow was now on a roll, philosophizing with conviction, and all I had to do was sit down and listen. He continued that even if SXMers influenced by fringe politicians wanted to take the risk of more political autonomy and eventually full political independence their island had its size against it.

This island is 37 square miles. The Dutch side is the smaller part: 17 square miles. Let's say the Dutch side wants to go independent. Out of that 17 square miles there is a pond. Let's say about 5 square miles out of that 17 is taken up by water. Your down to 12 square miles of land. How are you going to go independent with just 12 square miles of land? Where are you going? You can't travel to the French side as you feel anymore. I don't see the logic in it. To me it is ludicrous, it is ridiculous, it is foolish. If they ever think about something like that, if SXM go independent, I leaving. For real, it don't make sense staying, I don't see how you going to survive.

DJ Shadow then touched upon SXM's precarious dependence on tourism. He said that this was a public secret, as was the fact that the reason why most SXMers were residing on the island was due to the money tie system. They would, therefore, not think twice of leaving if they got wind that fringe 'politricksians'

had convinced the parliament in France and the Netherlands to grant the island more political autonomy or full independence. **[xiv]** He admitted that he, too, would leave without hesitation.

What do we have tourism, nah man. I don't believe in that, because there is nothing generating but tourism. After 911 SXM feel it cause Americans didn't want to take the plane no more. The next thing you know you get another lunatic like Bin Laden say he going to sink a cruise ship this time, he don't want any planes no more. Where you think they coming? Cruise ships stop float, they ain't coming here no more, so what we going to eat. What we going survive on? That is our only means of survival. We don't have any factories. That is why I telling you I leaving if any politricksian even think about doing something like that. But not me alone, I telling you almost everybody going to leave. We SXMers, all of us, 'local' and newcomer alike, have a nationalism for the good times, we don't believe on staying on a sinking ship, we all know that deep down it is all about the money tie system. Even though we love this country, even though I love this country, it is my home and I don't want to leave it, but I will if I have to. First and foremost I have to take care of myself and my family.

DJ Shadow then argued that under the present constitution there were concrete benefits in being part of France and the Netherlands. It meant an ability to travel the world unperturbed by immigration officers and to settle in greener pastures when and if SXM's tourist economy declined. Under the present conditions he did not feel as though he was living under an oppressive French and Dutch regime.

Things good right now so I don't see why we should change it. You know the saying you must never bite the hand that feeds you. Well that is what I am about. Curse the hand, yes. Tell it when it fuck up, it fuck up. Tell it when it being unfair. But don't bite it. This is not a colonial thing or a slavery thing like in Kunta Kente days. Them days long gone. This is one country run by two entities but living on the Dutch side I can drive to the French side all day everyday without a problem. Nobody can't tell me nothing. And if the gendarmerie tell me I can't go over there something is wrong. Something got to be seriously wrong, because there is no border, no checkpoint. Ask a French man [French SXMer] and he'll tell you he love that French passport. I telling you I don't believe in giving up my Dutch passport, my right to be a European citizen. If SXM go independent you are no longer a European citizen, you're a SXMer. I need to travel B. Ask anybody and they'll tell you they love that European passport cause when things go bad they

can leave and go somewhere else to feed their children.

Was it all a question of being against the delusion of national belonging, but making the best of present condition and thus accepting being part of France and the Netherlands? Yes. DJ Shadow had a solution to nationalism though, which was his version of the unity of Man. If each and every person recognized their divinity within, their Rastafari individuality, nationalism would be overcome. Nevertheless he believed that nationalism and the issue of belonging it induced would be replaced with other exclusive categorizations through which men and women would once again be lured to discriminate each other.

Fi real Star. The solution is simple if every man see himself truly. See that he have a Devil and the God inside a lot of this tribal business would done. All Man have to see that. They have to be overs that. Then Babylon going fall down. But it ain't going to be over then. Life is struggle and that is a never-ending story. Mystically it is a continuing struggle between good and evil, between God and the Devil inside of us. You got the Devil over here and his troops and God over there with his. Like I say it's a never-ending story so something else will come up.

I understood him immediately, for as an anthropologist I knew that the track record of humanity since we emerged 100.000 years ago has been bad one. In the name of Reason, Race, and Religion we have inflicted innumerable pains upon each other. My hope resides in the fact that many are beginning to glimpse that all societies and ecological systems are interrelated. What we are still lacking, however, is the global acceptance and a pragmatic ethics attuned to this condition of worldness, to use Glissant's term.

...this earthly totality that has now come to pass suffers from a radical absence, the absence of our consent. Even while we of the human community experience this condition, we remain viscerally attached to the origins of the histories of our particular communities, our cultures, peoples, or nations. And surely we are right to maintain these attachments, since no one lives suspended in the air, and since we must give voice to our own place. But I also must put this place of mine in relation to all the places of the world. Worldness is exactly what we all have in common today: the dimension I find myself inhabiting and the relation we may lose ourselves in. The wretched other side of worldness is what is called globalization or the global market: reduction to the bare basics, the rush to the bottom, standardization, the imposition of multinational corporations with their

ethos of bestial (or all too human) profit, circles whose circumference is everywhere and whose center is nowhere. What I would like to tell you is that we cannot really see, understand, or contest the ravages of globalization in us and around us unless we activate the leaven of our worldness. (Glissant 2002: 287-288)

I wanted DJ Shadow to continue philosophizing, and maybe I would have been able to distill if he thought our acceptance of our worldness, our global interrelation, would still the divinity and the demonical we supposedly carry within us, but he had enough. He was tired and would just like to relax and not think or rap about politics and things of that nature. I understood and bode him farewell. Coming out of the studio and waving down a bus to take me home I thought, if there was a mystical battle raging in each and everyone one us, maybe SXMers like DJ Shadow were wise to play it safe. Be ideologically against embarking on the road of nationalism, assert the recognition of Rastafari individuality on the island, but remain a pragmatist, safely in the bosom of France and the Netherlands were the winds of Capitalism were relatively speaking rather mild. Worldness was a condition most of us still had to accept. It is still in the making.

As I reflect back on that meeting I realize that DJ Shadow was the ultimate politician - someone who is able to entice others to follow his or her vision for the political future of SXM society - and deep down inside he probably knew it. No politician I had met on the island, those with and without political backing, was as skilful as he was in addressing people from all walks of life.

He was also a well-spoken organic intellectual that had produced a universal category that went beyond national affiliation. His philosophy of Rastafari individuality was a radical democratic move that deconstructed the myth of the autonomous individual. In the end, all great thinkers remind us that life unfolds on two realms: history and destiny. We make history, and in doing so our sense of self, but we do so under conditions that are part of a multitude of human and non-human interactions. The community that nurtures us exists because it interacts and reacts to other communities and the environment. It is not bounded; like the selves it produces, it is itself a product of relations (c.f. Glissant 2000).

Those who recognize this know that one day our current organization of the world in nation-states will wither away. They are anti-national pragmatists that have

accepted our condition of worldness.

NOTES

i. To inhabit the space of an anti-national pragmatist is to be ideologically against nationalism. This entails that in one's praxis one constantly seeks to open up nationstates to the Other, in the hope that one day the logic of the nation will be superceded.

ii. Radio is the most influential local media on the island. The viewing and reading practices of most SXMers are geared to American cable TV and regional newspapers. This makes the influence of radio disc jockeys even more pronounced.

iii. In 2002 I spent a year on SXM conducting fieldwork among popular radio disc jockeys.

iv. One has to make a distinction between state formation and the imagined community of nation-states in which we have divided the world today. The former is as old as the first human settlements at rivers such as the Tigris, Nile, and the Ganges (approximately 10.000 years ago). The peoples living in the kingdoms that developed out of these settlements did not see themselves as part of a single nation. They were distinct peoples and kinship groups ruled through the mediation of vassals and feudal lords. They did not see themselves as sons of the soil, equals, across ethnic boundaries. Nation-states are new inventions. The USA was the first nation-state founded in 1776 followed by Haiti in 1804. By the end of the 1820s most Latin American countries were independent nation-states. On the other hand nation-states that present themselves as having existed since time immemorial such as Germany and Italy were only founded in respectively 1870 and 1871. A little acknowledged fact is thus that during the Berlin conference of 1884-1885-which led to the formal division of Africa and Asia among the European powers-there were already post colonies in the Americas.

v. I am quite aware that the nation-state is also gendered, but such a discussion does not tie into the points made by DJ Shadow. It is an important omission but one that if elaborated on would exceed the scope of this chapter.

vi. The bad track records of nationalism have led some to argue that this social construct has to be transcended. This what Derrida has to say on the matter: 'like those of blood, nationalism of the native soil not only sow hatred, not only commit crimes, they have no future, they promise nothing even if, like stupidity or the unconscious, they hold fast to life'. (Derrida 1994: 169) See also Glissant (2002, 2000), who espouses similar views. Others have argued that in a world where a

further expansion of global capitalism in the guise of WTO recommendations, which advocates that all tariffs of trade should be lifted, it is unwise to promote a wholesale deconstruction of nationalism and nation-states. Doing this would exacerbate the poverty of millions already adversely affected by capitalism. One has to change the global configuration before disbanding nationalism. For an ethnographic study that forwards this point see Glick Schiller, N. & Fouron, G. *Georges woke up laughing: long distance nationalism & the search for home*. Durham: Duke University Press, 2001.

vii. These are the Shadow's views. It is congruent with the views of many SXMers. Academically speaking, however, one cannot easily compare the colonization and decolonization process of Latin America, Africa, and Asia. Perhaps we need to rethink the adequacy of capturing the realities these countries in concepts such as colonialism and post-colonialism. In doing so we might come to the conclusion that we need new concepts and classificatory schemes. This may unfreeze the manner in which 'the West' and 'non-West' are framed as immutable and internally consistent positions. These questions escape the scope of this essay.

viii. Bob Marley even sang at the independence celebration of Zimbabwe.

ix. See also Gilroy (2000, 1992), Glissant (1999), Price (1998), Mintz & Price (1976). These authors have averred that to research Caribbean racism without taking the foundational role in plays in Western polities into account is a grave mistake. The position of blacks in these societies directly inflects on how Caribbean societies deal with this matter.

x. Curaçao like Cuba, Puerto Rico, Aruba, and Venezuela see themselves as part of Latin Caribbean culture.

xi. The Dutch Kingdom consists of three parliaments: the Netherlands, the Dutch Antilles, and Aruba. Dutch SXM is part of the Dutch Antillean polity, which consists of five islands. In this political constellation which regulates the internal affairs, Curaçao, as the largest island, with numerically the most inhabitants, has a virtual monopoly in parliament. 14 of the 22 seats are occupied by Curaçaolean politicians. Due to the coming of age of Dutch SXM as an economic power rivaling Curaçao, the protests of the other smaller islands, and the further integration of the Dutch Kingdom within the EU, there are plans to change the political constitution. How this will be arranged is still under discussion. What is sure is that neither Dutch SXM nor the other islands will become independent in the nearby future.

xii. See also West (1994), Frankenberg (1993), Rose et al. (1995), *The Black*

Public Sphere Collective (1995).

xiii. For interesting studies that shows how the idea of Europe as a distinct continent came into being based upon the colonization of America and thereafter the rest of the world see Trouillot (1995), Hulme & Jordanova (1990).

xiv. This is of course a hypothetical situation, since both France and the Netherlands are committed to stay on SXM.

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Extended Statehood In The Caribbean ~ Comparing Notes On Extended Statehood In The Caribbean



Great Variety of Extended Statehood

Great diversity is apparent in the organization and day-to-day operations of extended statehood in the Caribbean. Some point out that in the 1990s similarities have been emerging in the three sets of territories that are part of British, Dutch and French extended statehood systems, especially in terms of 'good governance' with its focus on democratic politics, competent administration, justice and civil liberties. At the same time it is expected that these territories are likely to retain much diversity in terms of constitutional status, citizenship rights and prospects for independence.**[i]**

Not only are there wide differences between the European partner countries in the relations they maintain with their overseas territories; also relations between a partner country and its various territories differ. These differences are mainly

due to historical factors and to the partner countries' constitutional structures.**[ii]** A brief survey of the variations of extended statehood in the Caribbean may serve here as an introduction to a number of issues that spring to the fore when comparing different extended statehood systems.

French Caribbean

Martinique, Guadeloupe and French Guyana have been since 1946 integrated territories in the French Republic; they are French territory, designated as overseas departments (*Départments d'outre-mer*) (DOM). Strictly speaking, unlike the USA, Dutch and British territories, the DOM have no constitutional links with France since they are part of France itself.**[iii]** Réno asserts that the most undeniable success of the Assimilation Act is social equality with metropolitan France. The flipside of the legal and political assimilation is, however, blatant economic failure. The state has become the breadwinner.**[iv]** The integrated *status* implies that 'the French state was seen from the outset as the key to development (...) bringing about a new world that would meet every expectation expressed by the local population'.**[v]** As the DOM are integrated into the institutions of the French Republic, it naturally followed that catching up with the standards of living in France became the norm for the public's aspirations. The financial transfers from France to the DOM are by and large regular transfers of resources within the French public sector; they do not qualify as assistance or development aid allocations.**[vi]**

It may be assumed that the public conceives these transfers, perhaps even more so the local politicians, as undisputable rights to provision the DOM public domain. In addition, being part of France implies large funding of the DOM by the European Union. In actuality the European Union provides much more funding to the DOM than France itself. Construction of seaports and airport terminals has been heavily subsidized by the European Union.**[vii]** Nowadays the currency used in the DOM is the Euro. The inhabitants of the DOM are French citizens with voting rights in the French elections; they have their own representatives in French parliament. The topics these representatives raise in Paris and the way these topics are being dealt with by the French ministers concerned, receive elaborate attention in the local media on the islands; these representatives do count more than they number.

Dutch Caribbean

The Netherlands Antilles and Aruba are autonomous countries in the Kingdom of the Netherlands with each country having its own parliament, cabinet of ministers as well as local government institutions for each of the five islands of the Netherlands Antilles. These six islands are not integrated parts of the Netherlands in Europe; not the Euro but the Netherlands Antillean Florin (NAF) and the Aruba Florin (AF) is the respective national currency.

In 1954 the Netherlands Antilles and Suriname achieved the status of autonomous states as successor to the former colonial status. The Caribbean countries claimed *autonomy*, not *independence* nor *integration* into the Netherlands. They aimed to be partners on equal footing with the Netherlands. The 1954 Charter of the Kingdom designated the Kingdom as a 'more or less' federal state, comprising three autonomous countries, the Netherlands, Suriname and the Netherlands Antilles. Suriname became independent in 1975 with a majority of only one vote in the Surinamese parliament. With the benefit of hindsight, most Dutch politicians today agree that the way Surinam's independence was handled was not a grand act of post-colonial stewardship. The remaining Dutch Caribbean islands have not wanted to follow Surinam's example and become independent states. The Netherlands cannot make statehood amendments against the will of the Caribbean countries; the Charter stipulates that any changes require the unanimous consent of the parties involved. Arubans and Netherlands-Antilleans hold Netherlands' citizenship and passports and have the right of abode in the Netherlands. Aruban and Netherlands-Antillean residents in the Caribbean have no voting rights in the Netherlands elections nor do they have representatives in the Dutch parliament. Unlike the inhabitants of the DOM who feel they belong to 'Les Français', the Dutch Antilleans and Arubans consider themselves primordially nationals of their respective island who hold a Netherlands' passport.

For a long time, a system of Dutch development aid and assistance, mainly in the form of hundreds of projects of all sorts and sizes, formed the core of the Kingdom's governmental relations with its overseas countries. The Dutch aligned their aid with the development priorities as determined by the autonomous Caribbean governments and assumed that with the help of this aid, the islands would eventually become viable self-governing units. It was believed that one day the Caribbean countries would become independent, politically as well as economically. Whatever the outcome, the Dutch felt they were serving the well

being of the island communities, which made for 'one big happy family' in the post-colonial era. Nevertheless, the Dutch parliament and media did occasionally scrutinize their aid to the Antilles as the islands fell into the category of high income countries. **[viii]** Not much happened though. As long as the prospect of independence prevailed, the development aid would eventually come to a natural conclusion and so end this debate. The effectiveness of all this aid was also occasionally questioned. Did it really make a difference? This question itself mattered little since the cost of aid to the Antilles was rather insubstantial in relation to the total government budget. Financially it made little difference for the Netherlands.

The Netherlands opted initially for an overseas policy of non-interference. One of the Kingdom's ministers in those years qualified the baseline of his policy as 'three times lucky', suggesting that he would - almost - always comply with Antillean proposals when these were repeated over and over again. In his view the Antilles, not the Netherlands, must set the priorities for how the Netherlands aid budget was to be spent. Moreover, he was reluctant to enter the autonomous purview of the Netherlands Antilles: 'Even when they make a mess of it, it is still their mess'. A sentiment of 'let it be' prevailed. As a result, the transfers of resources from the Netherlands were considered by the Netherlands Antilles as by and large 'our money', to be allocated according to local decision-making.

This perspective changed when the prospect of independence faded for the overseas territories. For the Netherlands, the old system of development aid became obsolete as recognition of the obligations of good governance and the rule of law in the Netherlands Antilles and Aruba took precedence. In former years, Antillean development policy, if it existed at all, drove the Netherlands aid, resulting in big budgets directed at infrastructure such as harbors and airports, roads, houses, and the restoration of monuments. However, now the nature and direction of the aid has come under serious scrutiny. The obligation of the Kingdom to safeguard the principles of good governance in the overseas countries has become a more compelling rule of conduct with regard to the appropriation of the aid budget. All parties welcomed the turnaround in status perspective at the beginning of the 1990s, although the new direction of the aid budget created strong disagreements between the Antillean polity and the Netherlands' officials in The Hague. In the Antilles it was no longer felt that the Netherlands' aid budget was 'our money'.

USA Caribbean

The United States seized Puerto Rico from Spain in 1898 during the Spanish-American War. Today Puerto Rico is a non-incorporated territory of the United States of America. In 1952 Puerto Rico was granted *Commonwealth status* (*Estado Libre Asociado*); on 25 July 2002 the 50th birthday of the *Constitución del Estado Libre Asociado de Puerto Rico* was celebrated. Puerto Ricans hold American passports; they are American citizens (since 1917) and have unrestricted access to the USA. Island residents do not have voting rights on the mainland. The lack of voting rights was offset against the extension of the USA military draft to Puerto Ricans. At the time the military draft was still enforced in the US, Puerto Ricans were included on an equal footing with American citizens on the mainland. The *Commonwealth* has no vote in Congress; Puerto Rico elects one non-voting representative to the U.S. House of Representatives, known as the Resident Commissioner. Puerto Rico is exempt from federal income tax. U.S. minimum wage laws apply in Puerto Rico.

Various USA interests have over time dominated the relationship. Grosfuegel's socio-historical analysis points to three dominators: economic, military and symbolic. For instance, the US's symbolic interest is closely tied to the type of Puerto Rico's development model exercised during the 1950s and 1960s, the years of the cold war with the Soviet Union. To counteract the Soviet claim that Puerto Rico's status symbolized US colonial aims in the world, several local government positions were opened to Puerto Ricans. In addition, a program of industrialization through massive foreign investments was implemented. Puerto Rico's development had to be a showcase of democracy and capitalism; its 'success story' was sustained by massive USA federal assistance in areas such as housing, health and education. Puerto Rico was treated like any other U.S. state in need of federal assistance while Puerto Rico's residents did not have to pay federal taxes. This model was advertised by the USA to Third World countries as opposed to the competing Soviet model. **[ix]**

Generous US federal tax incentives, since 1976 embodied in *Section 936* of the Internal Revenue Code, have all along been the cornerstone of Puerto Rico's economic development. These incentives allowed companies to repatriate profits nearly tax free, while also permitting income generated from investments in Puerto Rico to be repatriated to their US-based parent firms. As a result, outside investment greatly increased, however without creating enough jobs to

compensate for the declining number of jobs in agriculture. Since the beginning of the twentieth century, both US investment on the island and migration to the mainland have been significant factors in Puerto Rican history.[x] Duany emphasizes that: 'Puerto Rico is a divided nation in which nearly half of its members live outside the Island. The Puerto Rican government has sponsored large scale migration to the U.S. mainland as a safety valve for the Islands' overpopulation and unemployment problems'.[xi]

Since 1952 an endless debate in Puerto Rican politics on the *status* question proceeded, by and large divided between the option of becoming an integral part (*incorporated*) of the USA in the form of a separate state, so called statehood option, or the option of retaining the *status quo* (as such, or with modifications). This debate encompassed issues as diverse as economic development, welfare, deficits, immigration, culture, and foreign policy. Of course, *independence* has its niche in this debate but has never drawn substantial attention. A fervent *independentista*, Juan Mari Bras, stated in 2003: 'I feel very happy to have dedicated my life to the struggle for independence because I know eventually it will succeed (...) maybe in seven years. Maybe in seven centuries'.[xii] The *status* issue of Puerto Rico had not come to a definitive conclusion at the end of the 20th century. Perusse's conclusion that: 'The United States and Puerto Rico have been cohabitating for nearly a century. Now is the time to get married or to separate' [xiii], rings very similar to recent commentaries in the Kingdom of the Netherlands with regard to the strained relations between the Netherlands in Europe and the Netherlands Antilles in the Caribbean. Others warn that Puerto Ricans should be wary of embracing *statehood* as a panacea for their colonial predicament. Morin, for instance, expects that in view of the Hawaiian experience, Puerto Ricans will be vulnerable to losing their language, and culture and national identity under *statehood*. [xiv] US Congress began the phase-out of the key industrial investment incentive, Section 936, in 1996. As it stands now, this incentive will end in 2006 while no clearly defined alternative economic strategy has been articulated. Baver suggest that: 'With the loss of 936, Puerto Rico's future is difficult to predict'. [xv]

British Caribbean

Britain's *permanent empire* counts 'a fistful of islands'. [xvi] The British Overseas Territories (OTs) in the Caribbean are few and with few inhabitants. The territory with the largest population is the Cayman Islands (37,000); Anguilla counts only

12,000 people while Montserrat's population figure has gone down from almost 11,000 to ca. 4,500 after the dramatic volcanic activity in 1995 when around 8,000 people left. The British Virgin Islands number 29,000 and the Turks and Caicos 20,000 people. These territories vary significantly in prosperity; the GDP per capita of the Cayman Islands is US\$30,120; of Montserrat US\$6,400; and of Turks and Caicos US\$6,000. Tourism and international finance services are by and large the main pillars of the OTs economies. For each and every OT, the constitutional relationship with the UK is tailored to its unique specifications and with different degrees of local autonomy. The United Kingdom assumes that these territories are self-sufficient; it does not provide structural aid. If aid is offered in the form of expertise or funds, it is for specific projects.**[xvii]** The money transfers from the mainland to the British OTs are next to nothing when compared to the USA, Dutch and French Caribbean. The staff of the Overseas Territories Department of the Foreign and Commonwealth Office keeps the problems of the OTs at arms length and is wary of micro-management. This relaxed frame of mind may be partly due to world-wide diplomatic service background of the OT-desk officers; the problems of the OTs fade when compared with the stark realities of development countries in the Third World.**[xviii]** All in all an ambience of *benign neglect* prevailed on the part of Britain.

These territories are the last in line; they did not follow the British colonies in the Caribbean, which became independent at various dates after World War II. In total 12 territories obtained independence and remained part of the British Commonwealth as *dominions*.**[xix]** At the time of independence, some islands seceded from the territory they were part of under the colonial regimen; they feared their domination more than the distant authority of the mother country.**[xx]** They qualify since then as separate British Overseas Territories: Cayman Islands from Jamaica, Turks & Caicos Islands from the Bahamas and, Anguilla from St. Kitts-Nevis.

For more than 20 years, until the enactment of the Overseas Territories Bill in 2002, the inhabitants of the British overseas territories did not have the status of British citizens and thus the right of abode in the UK; nor did they hold British passports. In 1981 the Nationality Act replaced full British citizenship rights with a new special status of British Dependent Citizenship. Former full British citizens born in the UK's Dependent Territories could no longer enjoy free movement between the islands and the British mainland.**[xxi]** Now that migration from Hong

Kong (since 1997) can no longer inundate the isle of Britain, a British government policy paper (1999) recognized a sense of overseas grievance and a strong desire to have these citizen rights restored. The residents of the British overseas territories were offered British citizenship and the right of abode in the UK in 2001. **[xxii]** Considering the argument that such would lead to new wave of primary emigration, the British government argued: '(...) residents of the larger and richer territories such as Bermuda, the British Virgin Islands and the Cayman Islands might well be more likely to want to stay where they are. (...) We would not expect large number of those currently resident in the less prosperous, smaller territories to take up the option of coming to live and work permanently in the UK'. **[xxiii]** Citizenship rights are non-reciprocal; residents of the UK will not have the right of abode in the Overseas Territories, as the size of the Territories and their populations would not allow the influx of possibly large numbers of outsiders. Those in the Overseas Territories who do not want full British citizenship can remain British Dependent Territories Citizens. People who do take advantage of the new status gain the right to travel freely throughout the European Union (EU) and, if they go to Britain to study, are entitled to support themselves by working during that time. **[xxiv]**

At the end of the 20th century the British government outlined a new direction for the relationship between Britain and the Overseas Territories, encouraging good government in terms of human rights, finance, combating drug trafficking and drug related crime.

The variations are many and some differences are rather surprising, also in comparison to the mainland. Fully 70% of all the people in the British Caribbean Overseas Territories live in territories with a higher income per head than in Britain. Puerto Rico's standard of living is higher than in Latin American countries but lower than the poorest states of the United States. Half of Puerto Rico's population lives under the poverty level. Aruba refuses to register same-sex couples who are married in the Netherlands, as married. Civil servants in the French DOM enjoy higher salaries than in metropolitan France. Welfare in the Netherlands Antilles is a small allowance that keeps people far below the poverty line. Homicide on Curaçao is higher (per capita) than in the Netherlands; in 2004 it was 30 times higher.

What Is the Best System?

What is the *best system*? Some maintain that a comparison of different extended

statehood systems to determine which one is the most successful should not be undertaken as this would introduce value judgments into the eminence of academia. Politicians must argue and decide what is more important: political autonomy or social security; *Patrimonio Nashonal* [xxv] or economic partnership; national identity or public safety. According to this non-judgmental scholarly position, these questions cannot be answered by academics. Moreover, such a judgment would be a very complex undertaking as it also depends upon the perspective one has. For instance the perspective of an islander will be different from that of a metropolitan citizen.

It is not only the complexity of the argument which makes this impossible, but also the fact that any judgment is inevitably normative, in the sense that one should have to weigh up ... different dimensions and decide which ones are the most important. There is no such thing as an impartial yardstick to measure the relative weight of material gains (as in financial aid, a metropolitan passport and the right of abode) against the value of genuine sovereignty and an 'authentic' cultural identity - or better, to stay away from the essentialist claims, at least a national identity, not essentially dependent on a metropolitan model. [xxvi]

There is some truth in this argument. On the other hand, this reservation ought to apply as well to academic judgment on the differences between independent and non-independent nations. Many a Caribbean scholar has not backed away from statements that the non-independent Caribbean is better off than the independent nation-states in the region. Also this study's baseline has been from the beginning that it benefits Caribbean territories to have a constitutional relationship with former motherlands. Of course, it all depends on the perspective when arguing these benefits. But one cannot maintain that all perspectives are equally essential and therefore should all be given equal consideration with as a result that no other conclusion can be drawn than that *it all depends*. Certainly there should be no hesitation in proclaiming that the island of Saba (one of the five islands of the Netherlands Antilles) with of a population of a little more than 1000 is better off to be part of the Kingdom of the Netherlands. For certain, Sabans themselves have not hesitated when voting on the island's constitutional future in a referendum in 2004. Not all, but a large Saban majority opted for the Kingdom's extended statehood option. Following this outcome and much to the chagrin of the Netherlands's minister for Kingdom Affairs, a Saban delegation paid a visit to the UN decolonization committee in New York in August 2005. Saba's complaint

was that the Netherlands has for decades dragged its feet in reconfiguring Saba's status in the Kingdom. Saba now wants to depart from the configuration of the Netherlands Antillean nation-state and become a Kingdom Territory and be administered directly by the Netherlands. **[xxvii]**

So once again, what is the *best system*: the French, British, Netherlands or American? **[xxviii]** There is no best system. Each extended statehood system is a *sui generis* system of government with different scores on a wide range of issues. The answer to such a question can only be that *when taking all into account* (which variables, and how many) *on average* system X is to be preferred over system Y. And yet this rating must be watered down with qualifications of the downsides of the *best system*. So this is not the right question, it does not help to shed light on what matters most when reviewing extended statehood in the Caribbean. A choice has to be made when comparing extended statehood in a number of perspectives in order to make sense of things that matter today.

Comparing Notes. What Matters Most Today?

The baseline of this study has been all along that extended statehood is a permanent phenomenon, not only in the Caribbean but also elsewhere. That was not always the case. For many years it was believed, at least with regards to the British and the Dutch Caribbean that the post-colonial constitutional relations with former motherlands were temporary and would one day be severed. In that transient perspective not much effort was made to define and regulate these relations. A radical exception took place in the French Caribbean where in one big sweep the Caribbean island territories became *Départments d'Outre Mer* and as such territories that are embedded in the French state.

Being *de facto* a permanent form of statehood, it matters how dependable the constitutional relationship with the metropolitan is. What is its mission and what regulatory mechanisms are in place? Can citizenship be counted upon? Are basic standards of government guaranteed? Significant is the makeover from a transient mission of de-colonization to a coherent statehood package, not a temporary arrangement but a more or less permanent institution. In many ways extended statehood in the Caribbean is a work in progress. What issues present themselves as significant characteristics of this 'work in progress'

Firstly, a review of extended statehood's 'mission' and its 'work in progress' is presented, and followed with an analysis of the unity (or fragmentation, or lack) of

policy and regulation of extended statehood. Then the 'who are we'? question of citizenship and identity will be discussed, and a synopsis is attempted of social-economic development (welfare resorts?) and public security (a far cry?) as part of the extended statehood package. A cross examination of a territory's autonomy, its allure and illusion follows next. Finally an appraisal is made of extended statehood's coherence and dependability in the Caribbean. Have some forms of extended statehood in the Caribbean become entrapped in *Gordian knots* that are difficult to cut?

Mission

Does extended statehood in the Caribbean have a mission or does it simply operate as some unruly offspring of colonial and post-colonial relationships without much reflection on how to operate in modern times? What is the message and what are the variations? The specifics of the historical background of extended statehood in the Caribbean vary. For the USA, Puerto Rico had to be a symbolic capitalistic showcase during the Cold War, and during World War II Puerto Rico was militarily significant for the USA. The French DOM's are a hanger-on of the French 'mission civilatrice' in the wide world. The British COTs are leftovers from the British Empire ('confetti of empire'). After the Allies including Britain had won World War II, the British Empire was over. Not until the USA invaded Grenada and corruption and drug trafficking had starkly manifested itself in the UK COT, was there any real interest in London for the leftover 'overseas territories'. As in The Hague, a laissez-faire attitude with regard to the Caribbean existed in London as well.

The Netherlands may not have expected, in 1954, when the Kingdom's Charter was enacted, to be still present in the Caribbean more than 50 years later. The Dutch empire had come to end when Indonesia declared its independence on 17 August 1945. **[xxix]** Surinam became independent in 1975 after the Netherlands could no longer feel comfortable possessing colonies in the Caribbean. As for the Netherlands Antilles, the Netherlands' discomfort did not matter. Gradually the Netherlands found an alternative reassurance in doing well through development aid. The Netherlands financed thousands of development projects over the years on the Caribbean islands. It was assumed that development aid prepared the islands for ascendance to independent statehood. So a benevolent mission engineered the Kingdom's operations. A 'do-good-feel-good' syndrome was manifest in Netherlands politics with regards to the Caribbean *islands in the sun*.

The Caribbean love for *Royal Orange*, the name of the Dutch Royal family, exceeded the dynastic sentiments on the mainland. In those days the Dutch were charmed by the islands, instead of being embarrassed by a quasi-colonial relationship.

Many a Dutch politician and administrator, in-office or retired, has declared that *Antillean* affairs were an enriching experience both to office and personal life. This 'feel-good' approach had no strong mission when *good governance* became an issue. The Kingdom of the Netherlands had set forth in 1954 a rather high mission of safeguarding good governance, democracy and human rights in the Caribbean countries. Since the beginning of the 1990s, it became painfully clear that the Kingdom's safeguarding role was not regulated but became incidentally activated when good governance was in jeopardy or had already been derailed. It was used as an ace in the hold, in plain Dutch *als een stok achter de deur*. As a result the Kingdom's safeguarding role has been compromised and, when acted upon, runs into a finicky debate about colonial intervention and Antillean autonomy. During a presentation of '*The Kingdom Charter*' (*Het Statuut*): *Fifty years in the wilderness* in 2004 on Sint Maarten, Netherlands Antilles, the question of the Netherlands's mission in the Caribbean *Why are the Dutch still here, please explain?* was answered concisely:

I have never been able to figure out what exactly keeps Holland involved with us. The answer I have distilled from several Dutch authors is mostly a colonial hangover that they do not know how to cure.[xxx]

For the French DOM, the extended statehood mission is in some way rather straightforward. The *départementalisation* of the Caribbean territories implies an institutional assimilation; all territorial institutions operate like their metropolitan equivalents. The principle of *republican equality* is entrenched in French West Indian citizenship and politics. Laws and regulations enacted in Paris apply automatically to the DOM. The Kingdom of the Netherlands does not recognize *equality* in social and economic terms for its Caribbean constituency. Solidarity with the outlying parts of the Kingdom of the Netherlands is expressed in the annual policy address of the Crown to Parliament, at times of disaster (hurricanes) and as well for people in need. These expressions, however meaningful, do not extend equal social-economic rights to the Netherlands Antillean citizenry. Neither do these declarations sustain a cohesion mechanism to balance the social-economic divide between the Kingdom's citizens. In the

wake of the vote in the Netherlands on the constitution of the European Union, the Dutch prime-minister felt it necessary to address the international media about the Dutch no vote and raised the question:

'What kind of European Union do we want? (...) one that pursues reform and displays solidarity with the less prosperous member states and the world around it?' **[xxxii]**

Solidarity in the European Union involves strengthening social and economic cohesion in the whole of the European Union through extensive regulation and substantial structural funds. **[xxxiii]** The Kingdom of the Netherlands does not recognize such solidarity; it is a Kingdom-lite.

America's mission to *showcase* Puerto Rico's economic development as a western capitalist alternative in the Cold War has lost its rationale. The Cold War is over and the United States of America is the only superpower left, for now. In the 1990s the symbolic and military importance of Puerto Rico for the United States became a secondary concern. Puerto Rico was perceived more as an expense to the USA than as an important military bastion or symbolic showcase. **[xxxiiii]** This changed since combating '9/11 terrorism' became a benchmark of USA foreign politics. Also USA dependency on oil from Chavez. Venezuela has made Puerto Rico once more a significant USA outpost in the Caribbean. Grosfuegel argues that *autonomy* or *independence* of Puerto Rico is today no longer an issue in U.S. politics because there is no real 'independence' or 'sovereignty' in the periphery of the modern capitalist world. On the other hand, the option of incorporation of Puerto Rico as the fifty-first state of the Union (*statehood*) is considered by some as a threat. The alleged *Latinization* of the United States influenced representatives in US House of Representatives to oppose in 1998 the option of *statehood* for Puerto Rico: 'a Spanish speaking 'Afro-Caribbean state'. The local referendums, which were held in the 1990s in Puerto Rico, included this option; the US federal government did not recognize these referendums. **[xxxv]** In the 1993 referendum, more than 70% of the electorate participated: 48% voted in favor of maintaining the Commonwealth; 46% voted for statehood; and only 4% for independence.

Extended Statehood: A Work in Progress

In both the Netherlands. Caribbean as well as the UK COT, extended statehood is a work in progress. For a long time the operations of extended statehood were

marked by 'muddling through' (in the Dutch Caribbean) and 'benign neglect' (of the British COT). An attitude prevailed that the Caribbean would eventually disappear from the British and Dutch agenda. Deliberate policy making was conspicuous by its absence. By and large, at the same time, both in Britain and the Netherlands, a more active hold on the Caribbean linkages became apparent. For the Netherlands, the decisive moment was in the early 1990s when Aruba made it clear that it did not have the ambition to become an independent nation-state. From then on it became obvious that the Kingdom's presence in the Caribbean was not going to end some day but was to continue indefinitely. In Britain, volcanic eruptions on Montserrat and several money laundering scandals in the UK COT energized Britain's engagement with the Caribbean, which concurred with the time that the New Labour government wanted to make its mark as a *new government*. Moreover, it should not be overlooked that British engagement became manifest only after Hong Kong was no longer classified as a British Overseas Territory.

On the part of the Netherlands, several attempts have been made to redefine the Kingdom. A 'Future of the Kingdom' conference in 1993 failed as the Caribbean authorities did not want to discuss the autonomous status nor the need to strengthen good governance. More than 10 years later, on the eve of the 50th anniversary of the Kingdom's Charter, the issue of the Kingdom reform once more gained momentum. Both Sint Maarten and Curaçao wanted a separate country status as Aruba had gained in 1986. This would entail the end of the Antillean nation-state comprising 5 island territories. An advisory report (Jesurun) in which all islands of the Netherlands Antilles as well as the Netherlands had participated concluded similarly but added that the Kingdom's authority should be expanded and demanded regulation and monitoring of the overseas country's public finances. Another committee of distinguished members of Dutch and Antillean civil society followed this blueprint but appended an expansion of the Kingdom's safeguards with regards to education, public health, and combating poverty. **[xxxv]**

All eyes and ears were set to know what the Netherlands' government position would be. The initial reaction was disappointing: time was needed for study and analysis. And in his letter to Parliament, a few months later, the minister for Kingdom Relations spelled out his conditions for further reform of the Kingdom in such vague and formal language that each reader could make his or her own

interpretation. **[xxxvi]** The conditions that were listed could be read as lofty principles and safeguards, which were already, enshrined in the 50 year old Charter from the start. It was lacking in operational language and did not unambiguously clarify the Netherlands position with reference to the roller coaster history of bygone years. Once again, Antillean politics had a free hand in formulating what it now wished: dismantling the Antillean nation-state, a separate Country status for Curaçao as well as Sint Maarten, and debt relief provided by the Netherlands' public coffers. As one Netherlands' insider stated, every other day another page was torn out of the blueprint for Kingdom reform. **[xxxvii]** In the meantime, referenda were held on the islands which outcomes indicated indeed that a majority of the public preferred a separation of the configuration of the Antillean nation-state. This outcome of a *separate* status was in Antillean politics immediately translated into an *autonomous* status for Curaçao and Sint Maarten, with equal or more autonomy than Aruba's *status aparte*. Apparently the Netherlands had not succeeded in putting across that since the mid 1980s times had changed and that Antillean autonomy had now to be offset against good governance, public safety, international security and European integration. The Kingdom of the Netherlands still lacks consensus on a blueprint of the kind of statehood that should be extended to the Caribbean countries. Dutch attempts to redraft the Kingdom's reform continue to be caught up in essentialist claims of Antillean autonomy first, as well as being hampered by the indecisiveness of the Netherlands itself when these things are on the agenda.

For the Netherlands' officials, any resemblance to neo-colonialism must be preempted. This attitude is frustrating the reform of the Kingdom by skeletons that are still in the Kingdom's closet. In the fall of 2005, a new Netherlands' minister for Kingdom Relations explicated firmly that any restructuring of the Netherlands Antilles as a nation state had to be preceded by addressing head-on and first the financial-economic disorder. **[xxxviii]** A few weeks later, after strong Antillean objection because 'the people had spoken', the minister agreed to a parallel trajectory of government reform and financial economic repair operations. However, the Netherlands position continued to dither when the 2006 budget of the Department for Kingdom Relations once again stated resolutely the priority of *good governance* including public finance and law and order, and a healthy social-economic order as anterior conditions for a restructuring the Antillean nation-state. Britain's reengagement with the Caribbean was more distinct and outspoken. The period of 'benign neglect' had

lasted for decades and the extended statehood package had been rather minimal. But most importantly, British new pro-active Caribbean policy carried an essentially positive message: UK citizenship rights for residents of the UK COT were going to be restored and the right of abode in Britain became once more part of the extended UK statehood package. During the constitutional review process to establish the new terms of engagement, 'red lines' were set out for the COT. It was explicitly stated that greater UK involvement might be required in some areas, which up till then the island governments may have considered their own realm. The COT push for greater constitutional autonomy was countermanded by a clear message that the UK government would not go along unless the COT embark on a process of independence. This was a road upon which the COT did not want to set foot.

In the case of the French DOM, as of 1947 a process to integrate the Caribbean territories into the French nation-state was initiated. So, in its true sense, extended statehood does not apply to the DOM configuration. Rather than some degree of extension of French statehood to former Caribbean colonies, these territories were integrated within metropolitan France, and have been regarded as European territories since 1957. French citizenship, including voting rights in the French Republic was part of the deal. Moreover, a mission to 'catch up' with France in social matters became part of DOM politics and was sustained by the mainland. The principal markers of the French state include the Caribbean *Départements* and the DOM's statehood is as such not principally different from that of the mainland; the (extended) statehood package for the DOM's is, by and large, the same as in metropolitan France. This makes for significant differences from the more loosely arranged extended statehood systems like those of the British and the Dutch.

Unity of Policy

The French unity of policy on a wide range of affairs and the regulation of its implementation accounts for a more dependable (consistent) relationship between France and the Caribbean DOM. For instance, the review and expansion policy of prison capacity of the French state extends as a *matter of course* to Martinique and Guadeloupe and includes the necessary finances. The same applies to the restoration of monuments. In the Netherlands Antilles, years of wheeling and dealing about the degree of Netherlands' colonial interference delayed the upgrade of prison conditions on Curaçao. At one point, the Antillean minister of

Justice preferred a loan from a private bank instead of public finance from the Netherlands for this reason. The provisions for the DOM are structural and embedded in the operations of the French state, which stands in sharp contrast to the day-to-day upheavals about what must be done in the Caribbean part of the Netherlands' Kingdom. All kinds of issues of Antillean government and administration present themselves to the Netherlands authorities as incidents that must be taken care of: inhumane prison conditions, inadequate hospital provision, high rates of school dropouts, oversized government bureaucracy, wide spread poverty, deteriorating neighborhoods. Crisis management instead of embedded statehood regulation frequently determines the order of the day in the Kingdom of the Netherlands in the Caribbean.

Individual projects of any kind and size have been for years the predominant format of the Netherlands financial assistance to the Caribbean countries. In the 1980s and early 1990s the Netherlands' budget was being spent on hundreds of projects, most of them decided individually and according to proposals by the islands' authorities. Every so often this format was criticized for various reasons: too labour intensive; encouraging donor micro-management; disrespecting integrated development planning; black-boxing recurrent costs etc. Despite all these objections, the *project* endured as a strong symbol of Dutch assistance. Before *recipient ownership* became de rigueur, *donor control* scored high marks in the world of development cooperation. A *project* suggested optimal donor control because of its well-defined scope, definitive size and financial specifics. This applied especially to construction projects, which initially formed the core of Dutch assistance. Also, the project format is dear to many civil servants as they can identify their professional self with *their* projects. In other words, *the project* was hard to beat. At the same time, management of the enormous project portfolio became an acrobatic exercise.

At the end of the 1990s, *The Hague* made a strong effort to get away from the task of financing hundreds of individual projects, not only because of the time consuming workload but even more so for reasons concerning the desire to have a stronger impact and coherence of the portfolio. For some, the minutia of an immense project portfolio was a self-defining asset, for others it became a nightmare. To begin with, future aid would be limited to a few specific sectors only: good governance, education, sustainable economic development, and law enforcement. For each sector, a program had to be defined and politically agreed

upon between donor and recipient. Only activities falling under these programs would be considered for Netherlands finance.

Being tired of micro-managing an immense project portfolio by the offices in The Hague and the Netherlands Representation in the Caribbean countries, the Netherlands encouraged that *Development Funds* were set up, first on Aruba and in 2004 also in the Netherlands Antilles. A formal agreement between the Netherlands and the Netherlands Antilles, respectively Aruba, concerning the specific programs that qualify for Dutch financial assistance, forms the policy framework for the Fund's operational allocations. The respective governments appoint the Board of Directors of these Funds and the administration of the Fund is handed over to an existing or a newly created local finance institution. Whether this *outsourcing* of the Netherlands financial assistance will add to a stronger local *ownership* still has to be seen. Equally uncertain is whether the elaborate project administration will be trimmed. But this move does certainly liberate the Netherlands offices in *The Hague* and *The Netherlands Representation* in the Caribbean countries from the burden of a project bureaucracy.

What emerges, as a rather surprising difference is the lack of Netherlands' policies and programs that are all-inclusive for the whole of the Kingdom, including the Caribbean parts. Every so often emergency money is thrown at a problem. Notwithstanding the patronizing overtones, the prime minister of the Netherlands Antilles was happy to take home, at the end of his visit to the Hague in August 2005, a chunk of Euro 4,5 million for combating poverty.

For Puerto Rico, USA federal labor legislation and welfare benefits had been extended to the island since the 1930s. Puerto Rico receives substantial regular transfers from the federal government as a result of various inclusive policies of the metropolitan: social security, veterans benefits, Medicare, food stamps, programs for educational grants, and mortgage and housing rent programs. The combined share of federal transfers in nutritional assistance, housing subsidies and scholarships has declined between 1980 and 2000. Duany states that most of the transfers nowadays are not *simply* welfare but earned benefits, especially social security and veterans 'benefits'. As USA citizens, Puerto Ricans pay social security contributions and receive USA social security, whether they live on the island or on the continent. Initially, USA *social security* was meant as a supplement for retirees but almost one quarter of its recipients live on *social security alone*.**[xxxix]** And the veterans benefits of Puerto Ricans who served in

the U.S. armed forces are earned benefits. The free movement of capital, goods and services has tightened the linkages between the island and the continental US. *The Free Associated Statehood* package contains inclusive policies that extend regular mainland programs to Puerto Rico.

Moreover, federal services are operating in Puerto Rico, from the postal service to the Federal Bureau of Investigations (FBI). Various USA mainland policies do include the overseas Puerto Rican constituency, though on a lesser scale than the wide ranging unity of policies between France and the DOM. In these forms of extended statehood, the overseas territories are included in mainland policies which entails that regular departmental procedures and administration, and structural financial transfers are part and parcel of extended statehood.

Who Are We? Identity, Citizenship, and Migration

In the introduction to this study Miles' question has been quoted: 'Can cultural dignity be preserved in the absence of political sovereignty?' [xl] A review of extended statehood may provide some answers. What significance does extended statehood have with regards to Caribbean identity, citizenship and culture?

Extended statehood in the Caribbean shows a wide variation in citizenship rights as well as differences with metropolitan citizenship. In various ways second-class citizenship has emerged, either by the registration as *allochthons* (foreigners) in the Netherlands statistics of people from the Netherlands Antilles who are residing in the Netherlands, or by denying voting rights for parliament and other statehood institutions as in the USA, the Netherlands and the UK, or by making a difference in withholding mainland citizenship and passports as was until recently the case in the British COT.

Recently 15 European countries became new member states of the European Union and upon that moment their peoples became EU citizens with voting rights for the *European parliament*, unlike for instance the residents of the Netherlands Antilles and Aruba, and the UK COT. The new-Europeans are now entitled to European passports, which also carry the name of the country they belong to. In a way this passport indicates a double bind, a double nationality. In the USA, the Voting Rights Act of 1965 was 'a shining moment in the conscience of man' and did more to advance equal rights in the United States than any event since Abraham Lincoln signed the Emancipation Declaration. [xli] In the Caribbean only the French have been unequivocally clear on full citizenship, including social

rights, irrespective of residence on the mainland or in the Caribbean. In contrast, the residents of the British COTs have for a long time been excluded from the privileges of British citizenship. On their part, the government of Netherlands Antilles has announced to use all options to forbid the Netherlands government to make amendments to Netherlands citizenship for any category of the Netherlands Antillean peoples. According to the Antillean government, restriction of free movement of Netherlands' citizens from the Netherlands. Caribbean isles to the Netherlands is unacceptable and will be fought up to the highest courts.

Caribbean identity and metropolitan citizenship do not necessarily oppose each other; they may go hand in hand. Martiniquans are French citizens. Even in the foreign press there is no doubt that vacationers from Martinique in foreign lands are French citizens.**[xlii]** On the other hand, Puerto Ricans remain *Puerto Ricans* wherever they travel, with American passports and as American citizens. Vacationers from Curaçao in Orlando, Florida, present themselves as *Dutch Antilleans or yu di Korsou*, and Arubans are proud to be Aruban, all with Dutch passports and Netherlands' citizenship. And the Caribbean festival in Rotterdam has become a major part of the Netherlands' festival agenda. The DOM's demand for recognition of cultural *specificity* has not been hampered by French citizenship and identity or by the political ambition to 'catch up' with France. In Puerto Rico, instead of aiming for a nation-state, a vibrant sense of cultural nationalism has been nurtured, one which unites Puerto Ricans on the Island with those in the USA. A common language, Spanish, serves as a bonding metaphor and a cultural borderline with *Yankee* USA, even though quite a number of Puerto Ricans born in the USA do not speak Spanish, at best a few words of *Spanglish* only.

Crossing the border no longer automatically changes identity. A deliberate Puerto Rican migration policy has encouraged migration to the USA when the island experienced big labor surpluses as a result of a turnaround of its agricultural economy. Migration became a survival strategy for thousands of Puerto Rican families. For Puerto Ricans circular migration, back and forth, has now become one of the characteristics of a 'nation on the move'.**[xliii]** Until a few years ago, Britain deliberately blocked migration of residents of the UK COTs to the mainland. They were denied the right of abode in Britain. Migration to the Netherlands was not sustained by any consistent policy; it ebbed and flowed in correspondence with social-economic conditions in the Netherlands Antilles and Aruba as well as such conditions in the Netherlands. Moreover, varying degrees

of separation and discrimination in the Netherlands' mainland have been significant factors in the rise and fall of migration figures. In recent years, the Netherlands made attempts to block Antillean migrants who cannot prove that they have a documented educational or employment status in the Netherlands. These attempts have severely soured relations as the Netherlands Antilles felt that a second-class citizenship was in the offing.

Until recently, migration was considered a permanent change from the (is-) land of origin to a new homeland. Children of European migrants who in the beginning of the last century settled in the USA tell over and over again that their parents had left for good and thought it better not to talk about 'home' any more. **[xliv]** These days, many people do not migrate for good and keep strong contacts with their country of origin by frequent visits, country-based media, telephone and internet. Hirsch Ballin has pointed out that in the Netherlands:

*(...) neither (migration) policy nor legislation is attuned to this; on the contrary the illusion is fostered (...) that people can only be at home in one country. This means that a major opportunity, namely the option of a transatlantic Kingdom with shared nationality, is being missed. Were this principle to be embraced, policy in all countries of the Kingdom would have to focus more on educating people in cross-border citizenship, including matters such as language skills and historical awareness. **[xlv]***

For the Kingdom of the Netherlands, something may be learned from the USA with its long history of immigrants coming from all parts of the world. Italian-American, Polish-American, Chinese-American are just a few examples of the hyphenated identities American citizens use to identify themselves. And what to think of the *Nigerian-American Muslim Integrated Community* building in Dean Street, Brooklyn, NY, next to *Bethel United Zion* church. Strong *original* identities do not necessarily put a strain on USA citizenship, integration and American identity. The notion of the *American people* has created an identity of its own which is all embracing and yet allows those millions of immigrants to remain *hyphenated* to their origin. **[xlvi]** Notwithstanding the all-embracing concept of *the American* people, American identity however still faces a strong racial divide, so much that for many Americans 'American' equals 'white':

The United States is a white country. By that I don't just mean that the majority of its citizens are white, though they are (for now but not forever). What makes the

*United States white is not the fact that most Americans are white but the assumption – especially by people with power – that American equals white. Those people don't say it outright. It comes out in subtle ways. Or, sometimes, in ways not so subtle.***[xlvii]**

Not so subtle was William J. Bennett, former Secretary for Education, who stated in public that the USA nation's crime rate could potentially be reduced through aborting black babies.**[xlviii]**

The Netherlands may find fault these days with some of the incoming Netherlands citizen-immigrants from its *own* Caribbean parts, but on the other hand, the Netherlands may have been lacking an extended statehood mission that better regulates its overseas operations in preventing school drop-outs, guaranteeing better education and fighting poverty. An advisory committee of high standing in Dutch Caribbean affairs recommended in 2004 that the Kingdom should expand its function to these areas, not to be operated on a project format but as a regular government all-inclusive provision. The promise in 1954 of equal Netherlands' citizenship for people in all parts of the Kingdom has not been substantiated in social-economic terms. Why not? This question was of major concern on a Congress on the 25th Jubilee of Queen Beatrix in 2005, and was not answered.**[xlix]** Could the answer be an echo of the Kingdom's colonial and racist past when people in the Dutch Caribbean were treated as second-class people, at best? Does there still exist a racial divide between the countries of the Kingdom that must be held accountable for these differences in Netherlands' citizenship?

Social-Economic Development. Welfare Resorts?

The extension of the rule of law of the mainland to the Caribbean islands has facilitated economic development and foreign investments in most Caribbean territories. Especially the financial offshore in the UK COT and the Netherlands Antilles which has for many years benefited from the umbrella of the rule of law of the mainland. In recent years, however, *good governance* adjustments were required to validate this umbrella in view of the standards that were applied by the regulators of the international financial market. Britain as well as the Netherlands has put pressure on the Caribbean territories to bring their fiscal regulations and banking practices in line with international standards. Extended statehood was brought into play to arrive at compliance of the Caribbean territories with these international standards. Caribbean opposition was toned down as the respective island's banking sectors were well aware of the

inevitability of upgrading the standards of banking practice in order to survive in the changing world of offshore banking.

In addition to the economic effects of the law and order component, extended statehood does effect major social-economic variations. Large differences in the mode and amount of financial incentives and transfers from the mainland to the overseas territories do exist. The British COT are by and large self-supportive and do not receive substantial transfers from London. Puerto Rico has been transformed as a result of USA federal and Puerto Rican local tax exemptions and other incentives. The economic development of the Netherlands Antilles has been rather autonomous from the input of Netherlands development aid. Numerous projects were financed every year. The total economic effect of all these projects for the islands of the Netherlands Antilles is difficult to estimate.

Until the mid 1990s a major part of the resources transferred to the Netherlands Antilles was used to finance investment in infrastructure (harbours, airports), public utilities and public housing.^[i] With regards to the Netherlands' financial input, Haan concludes, 'the case of Curaçao strongly suggests that being a recipient of lasting and substantial development aid may lead a country to cling to unproductive institutions'.^[ii]

This may apply to the DOM as well. The French DOM are integral parts of France and are thus part and parcel of the regular financial traffic within the French state. French financial input in the DOM social-economic realm, together with the transfers of the European Union, is by and large the most expansive. On Martinique and Guadeloupe, the standard of living is high, public utilities are of modern quality, the level of education is competitive, and social security is adequate. But unemployment is very high. Good education does not guarantee employment. To be employed or not does not make for lack of income. *Social security* in the DOM is guaranteed by the French state while residents of the British COT and the Netherlands Antilles and Aruba rely on the rather minimal unemployment benefits their island governments provide.

Also in Puerto Rico, despite decades of uninterrupted migration, unemployment rates are high and have never fallen below 10%. Puerto Rico receives a selective package of federal assistance. US federal minimum wage was extended to Puerto Rico during the 1970s with a result that labor intensive industries moved elsewhere in the region where wages were significantly lower.^[iii] Federal social

programs cut short the social and financial misery of being unemployed, at least in comparison to other nations in the Caribbean region. Some portray Puerto Rican demands for parity in federal assistance and funding as claims that foster a *welfare paradise* and *labor-laziness* while others maintain that Puerto Rico has been exploited by US wars and US corporations and thus deserve equal civil and social rights. According to this line of thought *labor-laziness* is in the eye of the beholder and its stereotype is used against the proponents of equal rights. **[liii]**

A territory's own economic earning power to guarantee basic levels of social services has become a nagging issue in the operation of extended statehood. To some extent the provision of basic levels of social services is a matter of political will, distribution of wealth and income, levels of taxation and the way public funds are allocated. But it may also be a consequence of being short of public revenues to meet the standards that are today applied. Especially when a territory's extended statehood entails a strong cohesion with the metropolitan, including equal social and civic rights, the standards of provision may be too high to be met out of local public coffers. Exactly this equality is for some of the territories a *raison d'être* to maintain metropolitan extended statehood. Even so, the economic order is affected as a consequence. Wage levels are out of step with the region, the motivation to work is eroding, and the trappings of a *welfare nation* manifest themselves. This perspective of unintentionally creating such economic disorder is mortgaging endeavors to turn extended statehood around to balance social differences with the metropolitan. The *law of unintended consequences* requires that a recognition of equality of basic social rights must contend with its adverse economic effects in the overseas territories.

Public Safety

Public safety is a major concern in the Caribbean, also on the islands that benefit from extended statehood relations with the metropole. The numbers of murders per capita are alarming. Puerto Rico's number of murders per 100,000 is 20.1. This is higher than any state on mainland USA, except for Washington D.C. where this figure reaches 46.2. Louisiana has the highest number among the American states: 13.4.

On Curaçao, the figure for homicides is high and has risen dramatically. During the period 1997-2001 there were on average 16 murders each year, but by 2003 the number had reached 53. The figure for 2004 was 47. **[liv]** This number equates to a murder rate of 36.2 per 100,000 inhabitants. For a large part, these

crimes are considered to be the settling of scores by those involved in the drug trade. According to the prosecutor's Office in the Netherlands Antilles, Colombians are largely involved, either as victim or attacker. **[lv]** In comparison with the independent countries in Central America, Curaçao's homicide figures are alarming. For instance, in Costa Rica it was projected that there were 260 *asesinatos* in 2004 (based on the figure of 238 per 19th December 2004). This number equates 6.1 per 100,000 inhabitants. **[lvi]** The figure of Curaçao is almost six times as high. And compared with the number of homicides in the Netherlands in 2003, Curaçao murder rate 30 times higher. **[lvii]** The homicides on Curaçao are very high in numbers, but must *feel* even chillingly higher as they happen on an island with a bit more than 130,000 inhabitants. **[lviii]** It is no wonder that more and more people are hiding behind bars, dogs and walls, when they can afford to do so. These figures raise serious questions about local autonomy as well as the real worth of Kingdom's safeguards, both at home and on the streets. Indeed, it was not until the Netherlands Antilles. Parliament unanimously asked for assistance in November 2004, that the Netherlands government initiated a 'Security Plan Netherlands Antilles' which provided for technical and police assistance, though for a limited time and under the control of the Antillean government. The murder rates of Martinique and Guadeloupe are much higher than in the metropole. Martinique saw 9.6 per 100,000 in 2001 and Guadeloupe 11.4 in 2000. In France meanwhile, a figure of 3.7 murders per 100,000 was recorded in 2001. Also noteworthy is that French Guyana on the South American continent had a much higher rate of 20.8 in 2001. **[lix]**

The drug related crimes on Curaçao and Puerto Rico are connected to the fact that these islands offer easy passage to lucrative Western markets *precisely* because of their extended statehood status. The heavy trade of drugs and towering crime figures in the Caribbean are related to easy border access over water and to the lawlessness of neighboring narcotic states in Latin America. On the other hand, the Caribbean authorities make sure to point to the whereabouts of the principal consumers of the contrabands: mainland America and mainland Europe. Where is the home of the narcostate: the country of the producer or of the consumer?

The US Coast Guard and the Royal Netherlands. Coast Guards cooperate in patrolling the Caribbean waters and seize substantial amounts of drugs. But in view of these homicide figures, overall policing is ineffective and does not

guarantee public security in the overseas territories. In particular the stark difference in number of murders per capita in the Netherlands and Curaçao signals that different standards apply in the Kingdom. Dutch public and politics would not have accepted such a degree of public disorder in the Netherlands; the policing would be intensified. But not after an unanimous Antillean Parliament had cried for help, some extra police force was sent to Curaçao in 2005, to help out for a limited time. This belated reaction, *after the fact*, is a telling moment of the Kingdom's peripheral interest in its outermost regions.

All in all, public safety as indicated by rates of homicides seems to be higher in the DOM and very low in Curaçao, the Netherlands Antilles. Puerto Rico's murder rate is also quite high but lower than on Curaçao. In the Netherlands the murder rate has fallen to 1.2 per 100,000 **[lx]** and France' murder rate stands at 3.7. The figures of all the overseas territories are painfully different from the much lower murder rates in their metropolitan. A most striking difference is Curaçao's 30 times higher rate in 2004 than the one in the Netherlands. Extended statehood of a Caribbean territory does not provide for a level of public safety that is comparable with the relative comfort on the mainland. Circumstances exist that in one way or another explain the higher rates of violence the overseas territories are living with, but such evidence does not minimize some of the stark differences with the mainland. A comparison with independent nation-states in the Caribbean is needed to complete the picture of extended statehood's (in-) significance in controlling violence.

Allure and Illusion of Autonomy

In some circles *autonomy* has become sanctified as a stand-in for political independence and dealt with accordingly. How a territory's *political status* is defined, is one of the most debated characteristics when considering extended statehood in the Caribbean. The status of a territory includes the kinds of formal statehood extensions that are in place in relation to the mainland. Various legal, constitutional and administrative terminologies are in use to denominate a territory's status such as: incorporated/integrated (Département d'outre-mer (DOM)/France), non-incorporated (Puerto Rico/USA), autonomous (Netherlands Antilles/Aruba), dependent/overseas (British territories). The term *associated* is in use as well; it applies to statehood extensions of Puerto Rico/USA and also to the constitutional arrangement of the Netherlands Antilles and Aruba's within the Kingdom of the Netherlands.**[lxi]** These definitions often carry colonial

connotations. Grosfuegel summarizes the different alternative statuses which the four colonial powers in the Caribbean pursued after World War II for their colonies: 'The British established a self-governing federation within an imperial Commonwealth community; the Dutch conceded autonomy; the French annexed the territories; and the US basically concealed its colonial relationship with the semi-autonomous 'Estado Libre Asociado', or 'Free Associated State'. [lxii]

For the island territories concerned, *status* is often dealt with as a matter of principle. Not surprisingly as such *status* is historically related to the former colonial position of a territory and its people. In many colonies in Asia and Africa the colonial status was fought with the sword and independence arrived only after protracted and bloody wars, which ended a long period of white overlordship. What is even more significant is the equation of *independence* with individual self-respect, self-determination and human rights. Consequently the peoples and territories that did not choose to become independent had for themselves to define meaningful answers to these fundamental issues. One way of dealing with non-independent *status* is to underline the territory's free choice or autonomy. Puerto Rico accentuates that its association with the USA is a *free* association; the Netherlands Antilles and Aruba claim that they are *autonomous* countries in the Kingdom of the Netherlands; the Départements d'outre-mer emphasize that they have *chosen* themselves to be part of France.

The Charter of the Kingdom of the Netherlands aimed indeed to maximize the autonomy of the Netherlands Antilles and Suriname. [lxiii] In later years, however, Antillean autonomy was questioned in view of a growing significance of standards of *good governance*. The Netherlands' insistence on Caribbean self-reliance (*zelfredzaamheid*) has done more harm than good as it resulted in a split-level Kingdom. Furthermore, the Charter's *equal partner doctrine* has mortgaged the operations of the Kingdom with false promises, which are impossible to fulfill. [lxiv] Aruba and the Netherlands Antilles, for good reasons, did not choose to become independent countries, a commendable choice. But some parties define themselves as *autonomistas* and are as such oversensitive to any Dutch involvement. Right or wrong, Antillean autonomy first. For them, it is more a mental condition than a political reality. In the past, such Antillean comportment has been duly understood and respectfully dealt with. But now that widespread poverty and social dislocation are part of Antillean life, the unbending deportment of the *autonomistas* has lost this respectability with the Netherlands' public and

policy makers alike.

In the early 1990s, the time perspective of the Kingdom's presence in the Caribbean region changed. Netherlands politics agreed to the permanency of the Kingdom's relations with the Caribbean territories. But the Charter's original definition of limited functions and safeguards was not revised. Citizenship was not redefined to include basic social provisions. Caribbean 'self-reliance' and 'autonomy' had to take care of such rights. The social and political elites in the Caribbean countries opposed an overhaul, for several reasons. It did not serve their interests and the Dutch intentions were suspected of having colonial overtones. Autonomy was there to stay and a redefinition of citizen rights was not brought up.

As a result, the intervention of the Kingdom in areas where the local governments are failing has become a very complex and very trying issue. A paradoxical situation has surfaced. The emphasis on local autonomy had not resulted in a relaxed relationship with the Netherlands. On the contrary, the wide-ranging autonomy created a very laborious and unwieldy partnership. In significant areas where the Caribbean governments' performance does not meet the standards of good governance, the Kingdom does not act to safeguard these standards and to improve the situation. The Kingdom's instruments to do so are only rarely being used as the Netherlands continues to hesitate to trespass the political borders of autonomous Caribbean countries. Half a century after the inauguration of an enlightened post-colonial order, these limitations now result in ugly scratches on one of the jewels of the Crown, its undivided and equal citizenship. What was once a progressive liberal concept has become unworkable in the 21st century. **[lxv]**

For the *autonomistas* in Antillean politics, the suggestion that the Kingdom reform must include monitoring of Antillean government practice in areas such of public finance, public health, education and law and order, has become a bone of strong contention. The *autonomistas* do not want to hear of a redefinition of the Kingdom's safeguards even when in these areas dramatic upgrades are urgently required, and that already for quite some time. The most outspoken *autonomistas* in Antillean politics demand that the Netherlands repair the public debt without strings attached or future monitoring put in place. A situation of the Kingdom monitoring essential areas of Antillean government practice is seen as undermining Antillean autonomy; no less than Antillean self-respect is at stake. A

bit of pragmatic anti-nationalism would certainly be of help in reforming the Kingdom in order to address the daunting social-economic problems. These problems cannot be fixed with some extra funds from the Netherlands but require substantial political and governmental reforms. One Antillean former administrator bluntly stated why he had left Curaçao: 'Curaçao is an island loaded with problems and complexes. I really had to leave'. Another senior head of department, and of high civil standing, forewarned that Curaçao's decline will not turn around: 'before we come to our senses, the situation has to become worse, much worse; and that will not happen in my life time'.

Much larger nation-states, in Europe and elsewhere, have opted for extensive power sharing at the expense of their national public authority. Monitoring systems are set up to preempt disruptions and to provide support where necessary. For instance, in view of European monetary policy even Paris has to comply with the financial deficit procedure of the European Union.**[lxvi]** Would this be too much to ask of the Netherlands-Antillean government? The old maxims of national autonomy and self reliance do not apply any more in a highly interactive world where trade, travel and migration, television, internet and, last but not least, terrorism and organized and corporate crime, have made border crossings much more significant than the national borders themselves.

Antillean autonomy is claimed by democratically established parties and elected politicians who, by definition and election, assume that they know what is in the public's best interest. Several politicians in the Netherlands Antilles have more than once indicated that if they had to choose between the island's standards of living and Antillean autonomy, they would prefer lower standards than having to accept Dutch interference in Antillean affairs. For certain, a politician anywhere is on average better off than his constituency. On the other hand, a majority of the Netherlands-Antillean respondents did not agree with the statement 'that Holland interferes too much in the governing of our country'. For this majority, Antillean autonomy must be balanced with the added value of the Kingdom in the administration of justice, fighting crime and corruption, and safeguarding democracy.**[lxvii]** The public's best interests may differ from a politician's claim that running their own affairs is under all circumstances of paramount importance. Autonomy is not an absolute concept, but must be mapped out in relation to other significant political benchmarks such as social-economic development, regulation of public finances, international security and the

protection of human rights. The world has changed and inter-dependence among states, from the largest to the smallest, has gained muscle over the once splendid isolation of the nation-state. **[lxviii]**

The Netherlands Antillean territories. best interest is to be part and parcel of a larger transnational public order which is dependable and in which they somehow participate in public decision-making processes. According to a review of the Council of State of the Kingdom of the Netherlands, the alternative is to be at the mercy of what other, more powerful states or transnational institutions unilaterally, or in communion with others, decide for themselves without recognition of the small-scale world of the Caribbean territories. **[lxix]** It does not make sense any more to play the drums of a quasi colonial era **[lxx]** and rigidly claim an illusory autonomous status. What matters today for the Caribbean territories is to be part of a robust constitutional order that is empowered to safeguard democracy and the rule of law as well as a public and social order that is safe and sound for its citizenry, irrespective of their residency. That is at present not the case in the Kingdom of the Netherlands.

Coherence of Extended Statehood

Over the years significant changes have taken place in various characteristics of the operations of extended statehood. The question is how coherent and dependable this form of statehood has been. Do the operations hang together with the mission that is proclaimed? Can extended statehood be counted upon?

It should not come as a surprise that the French DOM is the most integrated extended statehood system. Its mission does not divide but essentially unites the overseas territories with the metropolitan. The boundary between the DOM and mainland France is first of all a geographical and administrative distinction. For most French citizens it is rather unimaginable that this boundary will ever be applied to control the free movement of the residents of the DOM. A DOM is part and parcel of the French State and as such state actions, policies, processes and regulations sustain them as any other *Département* of the French Republic.

Puerto Rico's *Commonwealth* status is less coherent in its mission and operations than the French DOM. Citizenship rights are incomplete. Though federal taxation does not apply, a range of federal programs is extended to Puerto Rico. The USA interests to maintain Puerto Rico's extended statehood have varied over time. On the part of Puerto Rico, both Grosfuegel and Duany have arrived at the conclusion

that a redefinition of Puerto Rico's extended statehood must not be sought in essential status alternatives. Status alternatives are not essentially progressive or reactionary. More expedient is an approach that reviews what works for Puerto Rico. A pragmatic approach is to question which status alternative will protect and improve Puerto Rico's ecology, quality of life, and democracy:

Which status alternative will protect, deepen, and expand the social and democratic rights already recognized under the current colonial status (for example, federal minimum wage, unemployment benefits, social security, abortion rights, civil rights)? **[lxxi]**

The United States' interests as dominant power in the world have all along been paramount in designing Puerto Rico's status as an unincorporated territory that 'belongs to but is not a part of the United States'. On the other hand, Puerto Rico's interest requires that a range of issues must be dealt with: expansion of citizenship rights, economic development, democratic representation, social justice, and security. Duany concludes that these issues will most likely be advanced within the limits of the associated free state. The victory of the Commonwealth status in past referendum leads to a pragmatic approach in addressing the missing links in Puerto Rico's extended statehood package. But in the end the USA will determine at its convenience the options and limits of Puerto Rico's attempts to upgrade the extended statehood of its *Commonwealth*.

The constitutional arrangement of the British Caribbean territories has recently been revitalized by the restoration of citizenship rights and the right of abode in England. A *partnership* declaration by the British government defines areas with obligations and responsibilities for both sides such as the environment, financial standards, good governance and human rights. Britain has made assistance and funds available, though in moderation, to live up to these responsibilities. In few instances the UK COTs have been confronted with commands that have imposed British will in the territories. Without consult or input the death penalty for murder was abolished in the overseas territories. The UK government made clear that 'high standards of observance' were required on the part of the Overseas Territories in order to comply with the same international obligations to which Britain is subject. The British expect that the Overseas Territories will enact the necessary reforms themselves, but made clear that in the absence of local action, legislation could be imposed on the Caribbean territories.

The UK COT extended statehood seems to develop into a partnership indeed, and one with a limited set of linkages. 'To be or not to be' a UK COT is in practice rather well agreed upon without much ado about 'autonomy', 'sovereignty' and 'neocolonialism'. As long as the UK COT hold on to their partnership obligations, they are left on their own and take care of themselves.

The extended statehood of the Caribbean countries in the Kingdom of the Netherlands is by far the most ambiguous. The Kingdom's operations in the Caribbean are still caught in between a temporary development aid-shelter in anticipation of future independence and a permanent structure of extended statehood. In many ways, the Kingdom still operates as a temporary provision and its operations are often activated by incidents instead of embedded in a regulated practice. The Kingdom's operations have become compromised by ad hoc crisis management of day-to-day affairs. Unity of policy for the whole of the Kingdom is restricted, standards of government are limited and regulation of its administrative practice is deficient. For many years the Kingdom has acted as a 'project organisation' to dispense money without much underlying policy and regulation. The operations of the Kingdom basically still reflect the epoch of transitional relations: lofty safeguards, plenty of cooperation and very little regulation. The question is whether the makeover to a permanent structure of extended statehood of the Caribbean countries will ever be made.

After 50 years of Chartered rule, the public debt of the Netherlands Antilles is out of proportion to the size of the local economy. Were it operating in the Netherlands, the main hospital on Curaçao would have to close immediately, because of health hazards. This applies to Curaçao's oil refinery as well. School dropouts without any perspective on the labour market populate the drug trade in large numbers. And the number of homicides on Curaçao is staggering. The Netherlands-Antillean and Aruban insistence on being autonomous has only added to the Kingdom's deficient operations. On the other hand, the willingness of the Netherlands to expand the Kingdom's extended statehood must be doubted. Since the early 1990s, only in the margins of the Netherlands and Antillean politics, proposals have been launched to expand the Kingdom's safeguards to some basic social- economic rights of the Netherlands citizens in the Caribbean territories. It may well be that in the nature of the Kingdom Relations the option of 'muddling Through' is considered the less worse of all other options.

Extended statehood's design in the Caribbean depends in large measure on what

politicians on the mainland decide. Notwithstanding all proclamations of partnership, cooperation, consultation, solidarity and support for *their* Caribbean territories, metropolitan positions and sentiments determine by and large the statehood package that is extended. Some territories have a democratically elected representation in metropolitan institutions, but most have not. Consultation procedures, hearings and arbitration have over the years made allowances for overseas participation in the itinerant design of extended statehood. In any case the small number of Caribbean representatives becomes washed out in the metropolitan representative institutions. Exactly because of their small size and numbers, the Caribbean territories seek and maintain extended statehood from the mainland. They do not, however, have enough clout to make much difference in decisions about the nuts and bolts of what extended statehood should include and how it must operate. This imbalance in position calls for external controls and reviews, not by the existing Decolonization Committee of the United Nations but perhaps by a body along the lines of a UN Extended Statehood Committee for Overseas Territories, or by a platform organized by the territories themselves. But will the mighty powers, and the not so mighty ones, agree to such external reviews?

NOTES

- i.** Helen M. Hintjens, *Governance Options in Europe's Caribbean Dependencies. The End of Independence*, p. 543. In: *The Round Table* (1997), (pp. 533-547).
- ii.** Conference report. *The Economic development of the Caribbean overseas countries and territories: the role of the European partners*, p. 13. Ministry of the Interior and Kingdom Relations. The Hague, 20-21 June 2001.
- iii.** Conference Report. *The economic development of the Caribbean overseas countries and territories: the role of their European partners*, p. 14 (The Hague, 2001).
- iv.** Fred Réno, *Re-sourcing Dependency. Decolonisation and Post-colonialisms in French Overseas Departments*, p.10. In: *ITINERARIO Volume XXV, 2/2001*.
- v.** Justin Daniel, *Development Politics in the French Caribbean: From State Centrality to Competitive Polycentrism*, p. 98.
- vi.** Helen M. Hintjens, *Alternatives to Independence. Explorations in Post-Colonial Relations*, p. 35. Dartmouth Publishing Company Ltd, 1995.
- vii.** Helen M. Hintjens (2001), p.35. *ITINERARIO Volume XXV, 2/2001*.
- viii.** In the Netherlands Antilles the GDP per capita (1998) is around US\$ 11.000 and in Aruba US\$ 16.000. Pitou van Dijck, *Opportunities in the region*, table 1. In:

Conference report. The economic development of the Caribbean overseas countries and territories: the role of the European partners. The Hague, 20 - 21 June 2001.

ix. Ramón Grosfuegel, The Divorce of Nationalist Discourses from Puerto Rican People: A Sociohistorical Perspective, p.58. In: Frances Negrón-Muntaner and Ramón Grosfuegel (eds), Puerto Rican Jam. Rethinking Colonialism and Nationalism. University of Minnesota Press, 1997.

x. Sherrie L. Baver, The Rise and Fall of Section 936: the Historical Context and possible Consequences for Migration, p. 46. In: CENTRO Journal, Volume XI Number 2, Spring 2000.

xi. Jorge Duany, The Puerto Rican Nation on the Move. Identities on the Island and in the United States, p. 282. The University of North Carolina Press, Chapel Hill and London 2002.

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xiii. José O. Diàz (1995), p. 207.

xiv. José Luis Morín, Indigenous Hawaiian under Statehood: Lessons for Puerto Rico, p. 21/22. In: CENTRO Journal, Volume XI Number 2. Spring 2000.

xv. Sherrie L. Baver, the Rise and Fall of Section 936: The Historical Context and Possible Consequences for Migration, p. 52. In CENTRO Journal Volume XI Number 2, Spring 2000.

xvi. George Drower, Britain's Dependent Territories. A Fistful of Islands, p. 195. Dartmouth Publishing Company Ltd. 1992.

xvii. Conference report. The economic development of the Caribbean overseas countries and territories: the role of their European partners, p. 14. The Hague, 2001.

xviii. John Zevenbergen, Verslag van stage/participierend onderzoek bij de Overseas Territories Department van de Britse Foreign and Commonwealth Office te Londen, p. 7. The Hague, Report 17th November 2000.

xix. Independent became: Antigua & Barbuda (1981), Bahamas (1973), Barbados (1966), Belize (1981), Dominica (1978), Grenada (1974), Guyana (1966), Jamaica (1962), St Kitts-Nevis (1983), St Lucia (1979), St Vincent & the Grenadines (1979), Trinidad and Tobago (1962).

xx. E.M.H. Hirsch Ballin, The constitutional relationship between the Caribbean Overseas Countries and Territories and their mother countries. In: Conference Report (2001), p. 25.

xxi. Helen M.Hintjens, Governance Options in Europe.s Caribbean Dependencies.

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xxii. White Paper, Foreign and Commonwealth Office, Partnership for Progress and Prosperity. Britain and the Overseas Territories, p. 17. London 1999.

xxiii. White Paper (1999), p. 18.

xxiv. Website: <fco.gov.uk>

xxv. In the Netherlands Antilles, in 1990th labor unions and political parties acted as guardians of the Patrimonio Nashonal and successfully blocked cooperation between Antillean and Dutch companies. The Royal Dutch Airlines (KLM) was frustrated in attempts to participate and upgrade the Antillean Airline Company (ALM). The Dutch Telecom was blocked from participating in Antillean Tele companies. In: Lammert de Jong, De werkvloer van het Koninkrijk. Over de verhouding van Nederland met de Nederlandse Antillen en Aruba, pp. 60-67. Amsterdam: Rozenberg Publishers, 2002

xxvi. Gert Oostindie & Inge Klinkers 2003: p. 223.

xxvii. Saba bij de dekolonisatiecommissie VN, Amigoe, 11 August 2005.

xxviii. Inge A.J. Klinkers, dissertation, De weg naar het Statuut. Het Nederlandse dekolonisatiebeleid in de Caraïben (1940 - 1954) in vergelijkend perspectief, analyzes the Netherlands decolonization policies in a comparative perspective. When she presented the comparative findings of her study to a collective of civil servants of the Netherlands' department of Kingdom relations, mr. Jan-Paul Dirkse, the department.s director, concluded sarcastically: 'so we can not learn anything from your analysis for our work'.

xxix. In 1949, after war and bloodshed, the Netherlands finally recognized an independent Indonesia. But not until 2005 the Netherlands was prepared to acknowledge that 17 August 1945 was Indonesia's independence day.

xxx. Denicio Brison, The Kingdom Charter (Het Statuut): Fifty years in the wilderness, 2005, p. 40.

xxxi. The Dutch position in the EU. Article by the Prime Minister of The Netherlands, dr. J.P. Balkenende, as sent to the international media, 8 July 2005.

xxxii. Mito Croes 2005, p. 79.

xxxiii. Ramón Grosfuegel 2003, p. 60.

xxxiv. Ramón Grosfuegel 2003, p. 5-8.

xxxv. Comité 2004, Investeren in gezamenlijkheid, edition 041004. Website.

xxxvi. Letter to Parliament by the Netherlands minister for Government Reform and Kingdom Relations, 17 December 2005.

xxxvii. Interview with Ron van der Veer, secretary Committee Kingdom Relations, an NGO.

xxxviii. Letter of mr. Alexander Pechtold, Minister for Government Reform and Kingdom Relations to Parliament, Beleidsinzet Nederlandse Antillen, 24 August 2005.

xxxix. In 2005, the average USA Social Security payout is US\$955 a month, US\$11,460 annually. The benefit can be more or less, depending on the number of years that has been worked, how much was earned and the age of starting taking payments. If the amount is less than US\$579 one can get Supplemental Security Income. That just brings the monthly income up to US\$579. Source: AARP.

xl. William F.S.Miles, pp. 50-57.

xli. Book review of Ira Katznetson (author), When Affirmative Action was White. An untold History of Racial Inequality in Twentieth-Century America, by Nick Kotz (review). The New York Times Book Review, 28 August 2005.

xlii. A chartered airliner carrying French passengers home to Martinique crashed in Venezuela, killing all 160 people aboard. The New York times, August 17, 2005. Idem dito, de Volkskrant, 17 August 2005.

xliii. Jorge Duany 2002.

xliv. NY Times, August 2005.

xlv. Hirsch Ballin 2005, p. 11.

xlvi. Even building sites make a reference to the American people: Building for the People of the United States of America. A New US Court House. High Street, Brooklyn, NY, May2005.

xlvii. Robert Jensen, White People's Burden: It's time for white Americans to fully acknowledge that in the racial arena, they are the problem. AlterNet. Posted August 31, 2005. Editor's Note: This essay is excerpted from The Heart of Whiteness: Confronting Race, Racism and WhitePrivilege, forthcoming from City Lights, September 2005.

xlviii. The New York Times, 1 October 2005.

xliv. De Nederlandse Constitutionele Monarchie in een veranderend Europa. Congres ter gelegenheid van het 25-jarig regeringsjubileum van Koningin Beatrix. Groningen, 29 and 30 September 2005.

i. Edo Haan 1998, p. 320.

ii. Edo Haan 1998, p. 320.

iii. Grosfuegel 2003, pp. 58-59.

iiii. Grosfuegel 2003, p. 10.

liv. Bureau of Statistics of the Netherlands Antilles, Moord / doodslag pa Korsou. (Source: KPNA: bureau Communicatie en Voorlichting). The Jaarplan 2003,

Openbaar Ministerie Nederlandse Antillen, p. 8, lists for 2002 a number of 45 murders/killings. 11 February 2003. These figures have been checked and adjusted by Shaida van Triest-Martis, Department of Justice, Netherlands Antilles, e-mail to author, 27 January 2005. She lists homicides in 2002, 53 in 2003 and 47 in 2004.

iv. Jaarplan 2003, p. 8. Openbaar Ministerie Nederlandse Antillen.

lvi. For 2003 a total of 300 homicidios were registered by the Oficina de Planes y Operaciones del Organismo de Investigación Judicial (OIJ) of Costa Rica. The figure of Curaçao is almost 6 xs higher than Costa Rica's score of homicides. In the rest of Central America, the figure is much higher than in Costa Rica. According to the Organización Panamericana de la Salud (OPS), the average number per 100.000 inhabitants is 27 asesinatos. Compared with Central America's average figure of 27,6 per 100.000, Curaçao's number of 36.2 per 100.000 is still 13 % higher. Central America includes Guatemala, Belize, Honduras, Costa Rica, El Salvador and Nicaragua.

lvii. The number of homicides in the Netherlands has been rather steady. From 1996 to 2003, the highest number was 1,4 per 100.000 (in 1996). In 2003 this number had fallen to 1,2 per 100.000. Centraal Bureau voor de Statistiek, Niet-natuurlijke dood naar diverse kenmerken. Website, statline. Cbs.nl/Stat/Web/.

lviii. In 2003 the number of homicides in Amsterdam was 43, that is 6,14 per 100.000.

lix. The Ministry of Interior and INSEE (Institut national des statistiques et études économiques).

lx. Centraal Bureau voor de Statistiek, Niet-natuurlijke dood naar diverse kenmerken.

Website, statline. Cbs.nl/Stat/Web/.

lxi. The term 'associated' is also applied at one point to former British colonies before they became independent. See Paul Sutton, Two Steps Forward, One Step Back. Britain and the Commonwealth Caribbean: Britain believed the islands individually did not have the resources to sustain economic development and to carry the burden of sovereignty. It therefore evolved a novel form of 'decolonisation' (borrowed from New Zealand's arrangements with the Cook Islands in the south Pacific) of 'associated statehood' which allowed for internal self-government but reserved defence and foreign affairs to Britain, p. 43. In: *Intinerario*, Volume XXV, 2/2001. European Journal of overseas History.

lxii. Ramón Grosfuegel, Caribbean Immigrants in the Metropoles: A Research Agenda, p. 85. In: *CENTRO. Bulletin* Volume VII, Number 1. Hunter College 1995.

- lxiii.** Hirsch Ballin 2005, p. 9.
- lxiv.** Douwe Boersema, 50 Jaar Statuut en verder. In: Lammert de Jong & Douwe Boersema 2005: pp. 81-99.
- lxv.** Lammert de Jong 2004, pp. 223-241.
- lxvi.** Only because it is expected that the 2005-budget deficit will remain within the 3% norm of the Stability- and Growth Agreement, the French Republic escaped the application of the deficit-procedure in 2004.
- lxvii.** Oostindie & Verton 1998, pp. 184-186.
- lxviii.** Hirsch Ballin 2005, p. 10.
- lxix.** Raad van State, Verdieping of geleidelijk uiteengaan? De relaties binnen het Koninkrijk en met de Europese Unie, p. 8. Den Haag, februari 2004.
- lxx.** Gert Oostindie: Nog steeds woont zo'n vijftien procent van de 37 miljoen Caribiërs in niet-onafhankelijke landen. Cultureel en ideologisch kleven er grote nadelen aan hun status; natievorming onder koloniale rook is immers geen eenvoudige opgave. De teloorgang van een bijzondere relatie, p. 32/33. In: Pitou van Dijk (red.): Doe toekomst van de relatie Nederland-Suriname. Amsterdam, Rozenberg Publishers 2004.
- lxxi.** Grosfuegel 2003, p. 75.

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