

# The OECS Economic Union

## In Recognition of Sir K Dwight Venner and Ms. Alison Phills who shared the same birthday of 21<sup>st</sup> January and were nationals of St.Vincent and the Grenadines

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The late Sir K Dwight Venner, past Governor of the Eastern Caribbean Central Bank (ECCB), was a strong advocate for the Organisation of Eastern Caribbean States (OECS) Economic Union, and a protector and defender of the strong and stable Eastern Caribbean (EC) Dollar. The late Ms. Alison Phills, who served as Librarian at the ECCB, provided support to the ECCB, and to the Governor on his request for quiet time to peruse the literature she ably sourced and stored in the library. To date, the strong and stable EC dollar is the visible symbol of an integrated OECS Economic Union.

As we reflect on the movers and shakers of economic integration in the Caribbean, and the benefits and challenges of regional integration, the OECS Economic Union should be prominently featured. The 43 years of the OECS integration movement commenced in 1981 with the signing of the Treaty of Basseterre in St Kitts and Nevis. The late Maurice Bishop, the then Prime Minister of Grenada, was one of the signatories to the Treaty of Basseterre which provided for functional cooperation in critical areas such as statistics, tax administration and in the economic and social sectors among the nine countries of the OECS. The Treaty of Basseterre made provisions for institutions and organs of the OECS. The first institutions of the OECS were those that operated under the West Indies Act of 1967 which established the Eastern Caribbean countries as Associated States with the United Kingdom. The institutions that were integrated with the OECS were the OECS Supreme Court and the Directorate of Civil Aviation which became the OECS Civil Aviation Authority in 2004. The Eastern Caribbean Central Bank became an institution of the OECS in the Revised Treaty of Basseterre (2010).

In 2007, a Task Force, chaired by the late Sir K Dwight Venner, was established to review the Treaty of Basseterre (1981) with the view to establish an Economic Union. The impact of the financial and economic crisis of 2007/8 reinforced the need for the member countries of the OECS to elevate the status of the OECS to an Economic Union. Former Prime Minister Tilman Thomas was a signatory to The Revised Treaty of Basseterre (2010).

The Revised Treaty of Basseterre (2010) ushered the member countries of the OECS into an Economic Union, characterized by the free movement of the factors of production in a single financial and economic space. Currently, the people of the OECS enjoy free movement within the OECS where nationals could live and work and are granted the same treatment as nationals of that country. There is also the free movement of capital where funds in the banking system should be transferable free of cost among the countries of the OECS. The Treaty makes provision for three institutions namely, the OECS Supreme Court, the OECS Civil Aviation Authority and the Eastern Caribbean Central Bank. The structure of the OECS also comprises

- i. The OECS Authority of the Heads of Government of the Member States as the final decision-making body;
- ii. The Council of Ministers for deliberating and recommending specific policies;
- iii. The OECS Assembly for approval of specific legislation;
- iv. The Economic Affairs Council for addressing economic issues; and
- v. The OECS Commission to provide technical and administrative support to the organs of the OECS.

Over more than forty years, the OECS Economic Affairs Secretariat and now the OECS Commission, in collaboration with the institutions and organs of the OECS, provided technical support and advice to the member countries. This was more evident during the adverse impact of trade liberalisation in the 1990's; the devastation caused by hurricanes including Hurricane Ivan; the contraction in national income due to the economic and financial crisis of 2007/2008; and the social and economic disruption of the Covid-19 Pandemic. Despite these occurrences and other pressures, with the implementation of regional programmes and projects and the pooling of technical expertise, the OECS arrangement ensured that these small Eastern Caribbean countries remained a solid regional block. This regional arrangement also protected the Eastern Caribbean dollar which has remained strong and stable in contrast with the experiences of some of the larger Caribbean Countries.

A review of regional economic integration, must of necessity, explore the OECS Economic Union. This is of great significance to Grenada, as Grenadians and associates of Grenada contributed to the development and functioning of the OECS. Grenadians have played a pivotal role in the institutions and organs of the OECS as evidenced from the following:

1. The OECS Supreme Court, an institution of the OECS, has a long history of judicial service to the countries of the OECS. Many Grenadians served as Judge at the OECS Supreme Court, including the first female Judge - Justice Monica Joseph. The other judges from Grenada were Justice Albert Redhead as high court and appeals court judge and Justice lyle St Paul who served on short term appointments. Currently, Justice Rohan Phillip of Carriacou is serving as a Judge at

the Supreme Court. Also, the OECS Bar Association was chaired by Attorney Ruggles Ferguson (KC).

2. The Eastern Caribbean Central Bank, an institution of the OECS, has a Grenadian as Governor- Mr. Timothy Antoine. Among the regional institutions initiated and supported by the ECCB, Mrs. Lucia Livingston Andall is the first female to serve as Director of the Eastern Caribbean Securities Regulatory Commission (ECSRC), and Grenadian Randy Lewis is the Chief Executive Officer of the Eastern Caribbean Home Mortgage Bank (ECHMB).

3. The past Governor of the ECCB, the late Sir K Dwight Venner, who served as Governor for about 26 years and vigorously defended the EC dollar, established a consultative network of policy makers within the OECS, advocated and pushed for the establishment of a policy making framework within countries, initiated and brought to fruition the regional financial institutions, and solidly supported the OECS Economic Union was a student at the Grenada Boys Secondary School.

4. The Eastern Caribbean Civil Aviation Authority (ECCAA), an institution of the OECS, had the service of Grenadian - Mr. Ronald Mc Phail for about fifteen years, including serving in the positions of Acting Director and Director for more than ten years.

The contribution of the OECS arrangement to the member countries has been tremendous. Many Grenadians have contributed to addressing the challenges confronting the economies of the OECS to ensure that the OECS remains a formidable regional block to serve the people of the OECS. A strong OECS Economic Union was the aspiration of Sir K Dwight Venner for which he lived and worked, and he shared this aspiration throughout the OECS.

Knowledge is power and experience is the greatest teacher.

21<sup>st</sup> January 2024