

The Non-Self Governing Territories of the Caribbean and Debates over Autonomy

General Survey

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Introduction

Nineteen countries in the Caribbean region (from the Cayman Islands in the west to Martinique in the east, and from the Turks and Caicos Islands in the north to French Guiana in the south, plus Bermuda, located in the West Atlantic but often grouped with the Caribbean territories) are not independent sovereign states; rather they retain constitutional relationships, albeit under different systems, with their original metropolitan powers. At present, none of the countries wishes to make the move towards independence. However, many governments and political parties in the territories are not satisfied with the status quo, and thus there has been considerable debate with regard to the extent to which greater autonomy might be provided to them. While the metropolitan powers have been generally willing to grant more autonomy, a situation is now developing whereby further significant change is unlikely, and in some cases there has in fact been a moderate repatriation of powers. This essay considers the nature of the political relationships in place, the important reforms that are being undertaken in an attempt to re-energize and reorganize links between the non-self-governing territories of the Caribbean and their metropolitan centres, and the likelihood that an end point is being neared with regard to the awarding of further autonomy – unless of course independence becomes the favoured option. This essay also looks at the increasingly important relationship that the European Union (EU) has with some of the territories, and how this link also influences the autonomy debate.

The United Kingdom Overseas Territories

The collapse of the Federation of the West Indies precipitated a period of decolonization in the English-speaking Caribbean from the early 1960s. Despite the trend towards self-rule a number of smaller territories were reluctant to follow suit. As a consequence, the British authorities had to establish a new governing framework for them, and the West Indies Act of 1962 was approved for this purpose. The Act remains today the foremost provision for the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands. Anguilla was dealt with separately owing to its long association with Saint Christopher and Nevis, and the Anguilla Act 1980 became the principal source of authority. Bermuda's link with the United Kingdom meanwhile is determined by the Bermuda Constitution Act 1967.

The constitutions in each territory (most of which were revised in the last decade) allocate government responsibilities to the Crown (i.e. the British Government and the Governor) and the Overseas Territory, according to the nature of the responsibility. 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. The Crown also has responsibility for the maintenance of good governance. Meanwhile, 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. However, ultimate authority lies with the United Kingdom as the territories are constitutionally subordinate. Nevertheless, the arrangements were not intended to be permanent; rather, they were originally proposed as stepping stones on the route to independence, and so the balance of administrative responsibilities is in practice often ill-defined.

Further, the British Government, via its Governors, is reluctant to use its full powers, even in areas where the Governor has responsibility—rather, consensus and persuasion are preferred. The United Kingdom is aware of the importance of maintaining relations with democratically elected governments, which with the exception of Montserrat are no longer in receipt of British bilateral aid. In order to manage most effectively this sometimes difficult relationship, the United Kingdom strives to achieve a balance between allowing territories the fullest autonomy that they desire and ensuring that it can discharge its responsibilities and minimize its exposure to potential liabilities. The United Kingdom can face moral, political and legal obligations to give support when a territory's resources are insufficient to meet its commitments, and thus the former feels it must retain certain levers of control.

Despite such constraints and occasional serious disagreements over policy, such as the United Kingdom's decision to impose legislation to decriminalize homosexual acts between consenting adults in private (2001), and the acceptance by Bermuda of four detainees of the US detention centre in Guantánamo Bay, Cuba, without the British Government's prior knowledge (2009), the territories' constitutional link with the United Kingdom has largely retained its popularity, in particular, because it helps to preserve their stability. Many of the citizens within the territories regard continuing dependence as a safeguard against weak or corrupt government. The political ties are also important for the economies of the territories, as they provide a measure of sovereign protection, which helps to reassure potential investors. The influence of English law and language and the United Kingdom's responsibility for defence and external affairs have been valuable. Furthermore, the quasi-independent status that exists for the territories provides room for manoeuvre in political and economic matters and creates an ambiguity that attracts international capital. British support has facilitated the transition into successful economies of many of the territories. For example, Bermuda had a gross domestic product (GDP) per head of US \$85,302 in 2013 (according to UN estimates), and is one of the world's leading centres for international insurance companies, while the Cayman Islands had a GDP per head of US \$59,448 in 2013 (according to UN estimates), and is the world's leading centre for 'hedge funds'. In short, these territories have recognized the advantages of retaining their present status, particularly if a comparison is made with the perilous economic position of many independent Commonwealth Caribbean countries.

Although the underlying nature of the relationship has not changed significantly over the last decade and a half, a number of important initiatives were enacted by the Conservative-led coalition Government that won power in the United Kingdom in May 2010, and these are now considered. On 28 June 2012 a White Paper on the Overseas Territories, sub-titled *Security, Success and Sustainability*, was published by the Government. The White Paper set out the nature of the existing links between the United Kingdom and its Overseas Territories and the measures required to 'renew and strengthen' this relationship. The coalition Government felt—perhaps correctly—that towards the end of the previous Government's time in power relations with at least some of the territories were becoming increasingly fractious and that several political and economic problems in the territories required stronger corrective action, supported by a 'very strong positive vision'. Thus, the White Paper attempts a balance between promoting a more positive overall agenda while making clear the responsibilities and high standards of governance the territories must maintain.

From the outset, the White Paper refers to the 'valued partnership within the Realm' and the mutual benefits gained from the relationship. The White Paper also makes very clear that all United Kingdom government departments—not just the Foreign and Commonwealth Office (FCO) and the Department for International Development—are 'committed to engaging with supporting the Territories' to establish a mutually beneficial relationship. Stronger political links between the United Kingdom and the territories are also encouraged through a Joint Ministerial Council, supported by a small secretariat, which replaced the more ad hoc and rather ineffective Overseas Territories Consultative Council. Further, the White Paper highlights the British Government's desire to promote broader engagement with the territories via local government, private companies and non-governmental organizations, as well as the sharing of best practice between the territories.

In relation to specific policy areas, the White Paper includes chapters on: defence, security and safety; economic development and resilience; the natural environment; good governance; education, health, culture and sport; and the territories' links with the wider world. Within these chapters two considerations stand out. First, territories must 'abide by the same basic standards of good government as in the UK', which means, *inter alia*, maintaining the highest standards in public life, strengthening the public service, and safeguarding fundamental rights and freedoms. Second, territories must follow 'prudent fiscal management and effective fiscal planning' to become as financially self-reliant as possible; if not, the British Government will intervene. However, the United Kingdom will strongly defend the territories' offshore financial sectors and provide financial support, including investments to promote growth, when called upon.

The publication of the White Paper was timely in reaffirming the importance of the relationship and setting out clearly the priorities of the British Government. However, the White Paper is, in many respects, very similar to the previous White Paper, *Partnership for Progress and Prosperity*, produced by the Labour administration in 1999. Because there was no desire on the part of the coalition to change the fundamental nature of the relationship and little pressure to force independence, managing relations in an effective manner was the most important challenge. This remains the case under the new Conservative Government in London.

Beyond the White Paper, there have been several political and economic developments that are worth noting. In the Turks and Caicos Islands, a general election was held on 9 November 2012, just over three years after direct rule was imposed by the United Kingdom after serious allegations of corruption were revealed. The election was won very narrowly by the Progressive National Party (PNP), which had been in office when self-government was suspended in August 2009. Just prior to the election a new Constitution came into force, on 15 October 2012. Compared to the previous 2006 Constitution, the new version included stronger powers for the Governor and the British Government. The British authorities felt this was necessary to ensure that previous corruption and mismanagement in the territory could not reoccur.

With self-rule returned, but with greater British oversight, tensions were apparent between the Turks and Caicos Islands and the United Kingdom in 2013. In February Premier Rufus Ewing warned that there was a risk of 'chaos' in the country. He criticized the actions of the United Kingdom, and called for the 'full restoration' of democracy and the removal of 'colonial influences' from the Islands. In a strongly worded response, British Secretary of State for Foreign and Commonwealth Affairs William Hague accused the Premier of 'misrepresenting' the jurisdiction's situation, and he reminded him that the previous PNP Government had 'left behind a chaotic situation'. Hague continued, '[t]he UK government has invested much in helping put Turks and Caicos Islands back on the right path. I hope you will use this inheritance wisely'. The situation in the Turks and Caicos Islands remains difficult, and the forthcoming but much delayed criminal trials of former premier Michael Misick and 11 others will be an important test of the territory's fresh start.

It is interesting to note that a key reason for the delay has been a series of legal challenges by Misick regarding the decision to hold his trial without a jury. Legislation—the Trials Without A Jury Bill—was passed in 2010 which allows trials in exceptional circumstances to be held with a judge only. The British Government felt this was necessary because of fears over the impartiality of juries in such a small territory; however Misick argues that the legislation was a political act to make his conviction more likely. In May 2015 Misick lost his appeal to the United Kingdom's Privy Council and few options remain open to him. Nevertheless, the trial by jury issue has developed into a bone of contention between the Turks and Caicos Islands Government and the United Kingdom, and attempts (so far unsuccessful) have been made to repeal the legislation.

The Cayman Islands has also witnessed a period of political instability after Premier McKeeva Bush was arrested on suspicion of misusing his government-issued credit card, breach of trust, abuse of office, and conflict of interest. Subsequently, Bush lost a vote of no confidence in the House of Assembly after five of his colleagues supported the motion; those colleagues then formed a new Government. However, in a general election that soon followed the opposition People's Progressive

Movement was swept into power. The move against Bush was precipitated in part by what had happened in the Turks and Caicos Islands: Cayman politicians felt it was necessary to act first, rather than risk a repeat of the Turks and Caicos experience. Indeed, the arrest of Bush was the culmination of a period of increasingly strained relations between the former Premier and the Governor and the FCO. During his premiership Bush had taken an aggressive stance towards the Governor and the British authorities: on many occasions he had referred to 'bureaucratic harassment' and 'meddling'. It is true that the Governor and the United Kingdom have taken a more pro-active role in the Cayman Islands, but there had been legitimate concerns about the overly dominant role Bush was playing in Caymanian politics and the somewhat lax approach to budget management and government procurement. However, the United Kingdom's position was undermined somewhat by the acquittal of Bush (after a jury trial) on all eleven charges in October 2014. Bush retained his seat during the trial and is now a very vocal leader of the opposition.

The United Kingdom's engagement in the Cayman Islands was framed by the previous unattended failings in the Turks and Caicos. The arrest of Bush was unconnected to the policy clashes that had taken place, but it was a sign that greater attention was being paid to good governance, with a strong lead being taken by the Governor and the United Kingdom authorities. Bush tried, but ultimately failed, to challenge the constitutional supremacy of the British Government, and as a consequence his own position was seriously undermined. Since Bush stepped down as head of government the mood music coming out of the Cayman Islands in relation to the United Kingdom has been more positive. There are indications that many in the Caymans believe that the politics of division and conflict damaged the jurisdiction's reputation and undermined its economy. Efforts have been made to shape a more positive political climate. However, it is uncertain whether some other territories, including the Turks and Caicos Islands, will follow suit. The absence of mutual trust and confidence is a real barrier towards the awarding of further autonomy, and without improvements the British Government is reluctant to move significantly on the issue.

Economically, there have also been a number of important developments. The territories suffered during the 2008–09 global recession from reduced activity in their financial services sector and declines in tourist arrivals and construction levels. International regulatory oversight was also tightened with new initiatives such as the Foreign Account Tax Compliance Act passed by the US Congress and the Organisation for Economic Co-operation and Development's Convention on Mutual Administrative Assistance in Tax Matters. As a result, economies stagnated and fiscal deficits increased. The growing budgetary pressures were particularly acute in Anguilla, the Cayman Islands and the Turks and Caicos Islands (the latter's situation being exacerbated by the previous Government's corruption and mismanagement). This has led the British Government to take a stronger hand in economic matters. For example, in both Anguilla and the Cayman Islands the United Kingdom forced revisions to local budgets to cut spending and raise revenue. Further, the United Kingdom and all the territories (except Bermuda) agreed Frameworks for Fiscal Responsibility—legislation that commits the territory governments to be prudent and transparent on fiscal and debt management, establishes borrowing limits, and lays down the stages that must be followed in the planning, development and execution of a project. However, there has been resistance in the territories to this stronger hand, particularly in Anguilla. Responding to the British Government's decision to withhold assent of the territory's budget, in 2011 then Chief Minister Hubert Hughes called on Anguillans to 'throw off the yoke of oppression' and consider independence.

So it is clear that the level of economic oversight of the territories, both on the part of the United Kingdom and the international community, is increasing. The British Government, with its austerity policies at home, feels it is necessary to encourage greater fiscal discipline in the territories. The United Kingdom wants the territories to be financially self-reliant. However, the increasing criticism of the territories' offshore financial centres might put that at risk. Notwithstanding, the United Kingdom remains a strong defender of the territories' right to maintain their role in the offshore sector. As the 2012 White Paper suggested, the United Kingdom 'will continue to represent the interests of those Territories which meet [international standards]' and 'will strongly support their right to compete freely in international markets'. One reason for this support is that 'the international

financial centres in the territories can play a positive and complementary role to the UK-based financial services industry'. A second is that the United Kingdom wants the territories to be as economically independent as possible and the offshore sector helps them to be so.

How are the present political and economic trends impacting on the territories and their attitude towards greater autonomy? Well, over the last few years, despite a (fairly successful) attempt by the United Kingdom Government to improve the 'mood music' in relation to the territories, London's more pro-active role in both political and economic matters has caused sometimes quite serious tensions with the territories to surface – particularly in relation to Anguilla and the Turks and Caicos Islands. As a consequence, voices have been heard from some of the territories concerning a possible move towards independence. However, in no case has a proper debate been initiated, nor a clear timeline set-out. Any mention of independence has largely been used as a means of political point-scoring, often at the expense of the United Kingdom, rather than the start of a proper consideration of the issue. So it seems most likely that the route towards further autonomy, if not independence, is via incremental steps. As Mark Simmonds, then United Kingdom Parliamentary Under-Secretary of State said in 2013, "My view is that where Territories demonstrate responsible governance, transparency, efficient procurement and financially responsible management, we should look at ways of continually allowing democratically-elected Territories to have more and more control over their jurisdictions". In short, if independence is not an option the United Kingdom must be reassured that greater autonomy for the territories will not jeopardise its interests.

The Islands of the Dutch Caribbean

The Charter of the Kingdom of the Netherlands was agreed in 1954 and laid out the arrangements for a federal state, comprising three self-governing autonomous countries of supposedly equal standing: the Netherlands, Suriname and the Netherlands Antilles (Aruba, Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten). Despite changes to the membership of the Kingdom (such as Bonaire, Saba and St Eustatius becoming special-status municipalities of the Netherlands), the original Charter remains in place, in part because any reform requires the consent of all parties. In principle, although not always in practice, the countries of the Kingdom are autonomous in relation to internal matters, such as government finance, social and economic development, cultural affairs, housing and education, while the Kingdom oversees defence, foreign affairs, Dutch nationality and extradition. Beyond the country-level autonomy, the Charter stipulates areas of communal responsibility, which by statute require the partners to co-operate. In the areas of human rights and freedoms, the rule of law and good governance, responsibility is shared between each country and the Kingdom, although ultimate responsibility for safeguarding standards in public life rests with the Kingdom. In the Charter, Articles 48 to 52 allow for higher supervision—in essence a tool of last resort—which allows the Dutch Crown to impose its authority. However, as with the United Kingdom, and for the same reasons, the Dutch authorities have been reluctant to use this power.

When the Charter was signed it was expected that the Caribbean countries would seek their independence at some time in the future, and as a consequence the Netherlands agreed to give them a significant measure of autonomy. Although Suriname gained its independence in 1975 and Aruba came close (before deciding on *status aparte*—separation from the Netherlands Antilles—in 1986), in the early 1990s a political consensus emerged on both sides of the Atlantic that the Netherlands Antilles and Aruba would be better off remaining part of the Kingdom, primarily owing to their relatively high standards of living, significant financial assistance, the duty of support when faced with natural disasters, and safeguards to maintain the rule of law and good governance. Therefore the temporary nature of the provisions of the Kingdom became permanent, and the Dutch Government in turn felt that a stronger role for the Kingdom was needed to more effectively oversee good governance in the territories. However, there was very strong opposition to this from the islands, and no reform was possible. Accordingly, the Dutch Government employed its financial assistance to the region to effect changes at the local level in areas such as the organization of the Antillean Government, prison conditions, police operations and criminal investigations. However, this rather piecemeal approach was not a substitute for proper reform.

As well as problems in Kingdom relations, the operation of the Netherlands Antilles was questioned. The government structure consisted of two tiers: the national level and the island level, with elections held every four years. However, as the island elections took place during the mid-point of the national government there was little time for stable government and effective policy-making. Further, after Aruba left the Netherlands Antilles the territory was out of balance and dominated by Curaçao, the largest island by far. Curaçao felt that its interests were not being met because of the demands of the smaller islands, while those islands felt that Curaçao dominated the Antillean Government. As a result of these structural problems within the Kingdom and Antillean relationships, a number of serious difficulties manifested themselves in the Netherlands Antilles, including corruption, a substantial public debt, a high murder rate, significant levels of drugs-trafficking, inadequate environmental safeguards, and widespread social dislocation. There was also mounting public concern in the Netherlands about the situation; in part because of allied alarm over the poor level of integration of sizeable numbers of young Antillean migrants in the Netherlands. This led, in turn, to rising political opposition to the territories and their peoples.

In the face of such problems the Dutch Government made several attempts to negotiate with the islands to improve standards of governance, but initially all efforts failed. However, in 2004 attitudes changed owing to the worsening levels of violence and drugs-trafficking in the Netherlands Antilles which created a growing image of a failed state, and all parties agreed that the Antillean construct should be disbanded and a new set of relationships established. During 2004 and 2005 referendums were held in the islands and all but St Eustatius voted for the dissolution of the Netherlands Antilles; this was sufficient to bring the Antilles to an end. After a period of initial negotiations it was agreed in October 2006 that Bonaire, St Eustatius and Saba would become part of the Netherlands as special-status municipalities. This meant that the islands would be overseen by the Netherlands while retaining local government functions. Then, in November, the two larger territories, Curaçao and St Maarten, signed an agreement with the Dutch Government to become autonomous islands within the Kingdom, a similar status to that of Aruba. However, there was a pact that the Kingdom would (temporarily) oversee the public finances and the rule of law of the two islands. It was also agreed that the public debt of the Netherlands Antilles and of the island governments would be largely forgiven.

Despite expectations, the deadline of 15 December 2008 for the dissolution of the Netherlands Antilles was not met, following a series of disputes between the Kingdom partners. A new date of 10 October 2010 was then set for dissolution, and this was kept. However, the process continued to be difficult. For instance, there was strong opposition in those islands becoming Dutch municipalities to the introduction of gay marriage, abortion and euthanasia, but these changes were enacted in order to allow Bonaire, St Eustatius and Saba to accede to the Dutch Constitution. Further, on 15 May 2009 Curaçao voted in a non-binding referendum to support the island becoming an autonomous territory, but around 48% of voters rejected the plan. Opponents denounced the planned increase in administrative powers for the Dutch as 'neo-colonialism'. Another dispute arose in October 2009 when Bonaire's new Government, led by the Aliansa Demokrátika Bonairiana (as the Partido Demokrátiko Boneriano was known from 2009 to September 2010), a progressive social democratic party, dismissed the idea of becoming a municipality of the Netherlands and instead argued for 'free association' status to provide the island with greater autonomy. Unsurprisingly, the Dutch were dismayed by the *volte-face*, arguing that everything had been agreed, and if public authority status was not acceptable the only other option would be independence. In the end, Bonaire agreed to adhere to the original agreement.

Since the dissolution of the Netherlands Antilles tensions remain, many stemming from the 2006 agreements. For example, both Curaçao and St Maarten have seen several draft budgets blocked by the Dutch financial supervision council. The council has felt the two local governments have not done enough to balance their budgets, although their financial positions have improved in the last couple of years. Despite both St Maarten and Curaçao agitating for the termination of the Kingdom law on financial supervision, strong Dutch oversight remains. Further, the Dutch have concerns over the poor level of governance, particularly in St Maarten. In a parliamentary debate in April 2013, Minister of the Interior and Kingdom Relations Ronald Plasterk stated that there were too many rumours about

corruption and violation of human rights in St Maarten. Plasterk cautioned '[t]his causes much damage to the reputation of the Kingdom. The situation is very worrisome'. Since then new rules have been introduced to help clean up the political system. In Bonaire, St Eustatius and Saba, significant funds are being disbursed by the Dutch Government to improve schools, prisons and hospitals. However, the populations are not happy with other aspects of the relationship, from retail price increases to what is seen as Dutch dominance in many areas of policy.

In Aruba, meanwhile, the Prime Minister Mike Emam went on hunger strike for several days in mid-July 2014 in protest against alleged interference from the Dutch government. The hunger strike began after Aruba Governor Fredis Rufenjol announced an independent investigation into the sustainability of Aruba's budget. It ended when Governor Rufenjol agreed to a more light touch inquiry. The subsequent report highlighted several problems, most particularly an estimated budget deficit of 9.3% of GDP and a national debt of 80.8% of GDP. In response it was agreed that there would be greater oversight of Aruba's budget from The Netherlands.

Up until now, for territories of the Dutch Caribbean, separation from each other—rather than independence from the Netherlands—has been the key concern. The subsequent process of reform has been very protracted and divisive, and the degree of autonomy awarded to each island after the dissolution of the Netherlands Antilles has been strictly limited, despite what many of them originally wanted. However, it is worth noting that, in the end, the Dutch metropolitan administration acceded to something it had resisted for many years—the islands enjoying separate relationships with the Netherlands.

However, there remains considerable dissatisfaction on all sides. In the Netherlands there are growing voices, including from within the Volkspartij voor Vrijheid en Democratie (People's Party for Freedom and Democracy), the largest party in government, that looser ties between the Kingdom partners (though some sort of Commonwealth) should be introduced, and that limitations be placed on the free travel from the islands to the Netherlands. Such views a decade ago would not have been contemplated. An underlying problem is that the metropolitan Government still does not have a clear and positive vision for the Kingdom. On the other hand, as highlighted above, there is unhappiness over the Netherlands' strong role in the islands. The percentage of Antilleans supporting independence, or at least greater autonomy, has increased. The largest party in Curaçao's coalition Government, Pueblo Soberano (PS), is a pro-independence party and has called for a referendum on independence. However, the party won only 23% of the vote in the 2012 general election, so it appears that there is some way to go before independence is a truly credible option. The PS has stated that independence could be achieved within 10 years if the economy is strengthened. A majority of the Dutch parliament would support Curaçao if it decided to go its own way. Meanwhile, in the three Dutch municipalities elections have recently been held, and in each the results showed clearly an increase of support for anti-Dutch parties opposed to municipal status and in favour of more autonomy from the Netherlands. Further, in St Eustatius a status referendum was held in December 2014 and a clear majority of those who took part favoured the option of becoming an autonomous territory within the Kingdom. However, turnout was significantly less than the required 60% for the vote to be binding. Nevertheless, it is clear that across the Dutch Caribbean there is growing dissatisfaction with the various current arrangements.

The French Overseas Departments

Unlike the British, Dutch and US territories, the French Overseas Departments in the Caribbean are actually part of France. However, the political, economic and social challenges facing the Départements d'Outre-Mer (DOM) are similar to those in the other non-sovereign countries in the region. The law of assimilation of 19 March 1946 granted Martinique, Guadeloupe and French Guiana (together with Réunion in the Indian Ocean) the administrative status of Department so that all territorial institutions operate like their metropolitan equivalents in France. In addition, laws and regulations enacted in the metropolitan Government in Paris apply automatically to the DOM. A Prefect nominated by Paris represents the State and has responsibility for foreign relations, defence, law and order, and the provision of the national service. A Conseil Général (General Council)

manages each Department. Directly elected by the inhabitants of the Department, the Council controls a local budget and oversees social issues, economic initiatives and day-to-day administration. Also, locally elected deputies and senators represent each DOM in the French parliament. In 1982 French President François Mitterand introduced greater decentralization into the system which established a new level of government—the Region—with a directly elected body, the Conseil Régional (Regional Council), whose main role was to promote social, economic, cultural and scientific development of the Region. In principle, each Region was to cover a few Departments. For geographical and political reasons it was impossible to incorporate the four DOM within a single Region. Thus four overseas Regions were established; one for each DOM. Martinique, Guadeloupe, French Guiana and Réunion each then became a Department and a Region. The Region operates on the same geographical territory, same population and same electorate as the Department. This reform has caused significant problems for the DOM in terms of overlapping activities, increased administrative costs and local political rivalry.

Aware of the bureaucratic tensions in the DOM Prime Minister Lionel Jospin and his socialist government established a new programme for the territories in 2000, entitled Loi d'Orientation pour l'Outre-Mer, or LOOM. This gave members of the General Council and Regional Council in each DOM an opportunity to discuss and submit to the Prime Minister any proposal regarding an evolution of their status, including a move towards independence. However, the changes suggested were rather moderate, and focused on administrative reform. Notwithstanding, with the defeat of the Socialists in the 2002 French parliamentary elections, the LOOM process was halted and the Conservatives introduced a new decentralization reform. In response, the elected representatives of Martinique and Guadeloupe submitted a request for local referendums to take place on the evolution of their status. They asked for the reunification of the General Council and the Regional Council within a single elected assembly. In December 2003 the votes were held, but the results were unexpected as the proposed change was rejected in both territories. The outcomes highlighted the concern of voters that, if any alteration were made, the social and economic advantages emanating from the French state might be threatened, and that the gathering of local power in the hands of one person could lead to a decline in democratic standards and to a risk of autocracy. The voters appear to have thought that keeping two local bodies with two presidents would guarantee a certain degree of competition considered to be positive for the management of their Department.

Although the administrative structures of Guadeloupe and Martinique remained unchanged, Saint-Barthélemy and Saint-Martin, two islands administratively attached to Guadeloupe, used their right under the decentralization reform to revise their status. Both islands expressed a wish to escape Guadeloupe's management and become two distinct territories. During the local referendums that took place both electorates voted overwhelmingly in favour of this new status that would allow them legislative speciality, more local power and a more direct link with the metropolitan Government in Paris. On 7 February 2007 the French Parliament approved legislation granting Saint-Barthélemy and Saint-Martin their new status. They are now known as French Overseas Collectivities (Collectivités d'Outre-Mer or COM).

The political and legal assimilation of the DOM has taken place along with enormous injections of money from mainland France and increasingly from the EU, which has produced high levels of development. Financial transfers are spent on social security, health care, education, tax breaks and public employment. However, there are concerns about a model that does not allow the DOM to achieve self-sustained development despite good rates of growth. Indeed, growth is paradoxically derived from a considerable decline in the productive capacities of the territories. Thus, the significant monetary transfers provided have actually impeded economic development. In particular, the implementation of social legislation conceived for a developed country (i.e. mainland France) has distorted the economic performance of the small and formerly underdeveloped DOM. Therefore, they have been transformed from producer economies to heavily assisted welfare-based ones. The result is that 80% of required foods are imported, exports amount to only one-seventh of imports, high unemployment is endemic, and crime levels are increasing.

Some of these structural problems, exacerbated by the effects of the global financial crisis, were the cause of widespread protests in the DOM during the early part of 2009. Guadeloupe, in particular, was badly affected by a six-week general strike. Workers demanded action over low wages (in comparison with mainland France rather than with the rest of the Caribbean) and the high cost of living, which was, in part, caused by the high level of imports from France. Agreement was reached on a number of issues, but the protests also re-opened the debate about the DOM's relationship with France. In Martinique and French Guiana it was agreed that referendums should be held on whether the Departments should have greater autonomy and become autonomous territories governed by Article 74 (rather than Article 73) of the French Constitution. However, in January 2010 the voters in both Departments rejected the proposals by a convincing margin, but then subsequently agreed to the less significant reform of merging the Regional Council and General Council into a single body. The French Government accepted the results of the votes and suggested this now concluded the debate over Martinique's and French Guiana's constitutional relationship with France. The merger of the two bodies will take place in December 2015 when elections are held for the new single assemblies. In Guadeloupe, meanwhile, it was decided that a referendum was not appropriate. Rather, it was felt that a period of reflection and consensus-building was needed after the violent protests and civil unrest. This was reinforced in the elections for the Regional Council in March 2010. Victorin Lurel's left-wing coalition retained power with an increased share of the vote, while two parties led by key figures in the Liyannaj Kont Pwofitasyon, or 'Collective Against Exploitation', which organized the unrest, gained only 3% between them. Thus, the opportunity for further autonomy was not seized. Notwithstanding, there is discussion over whether the Regional and General Councils should be merged, but a final decision has yet to be taken.

The European Union, the Overseas Countries and Territories and the Outermost Regions

Positioning itself within this complicated set of relations is the European Union (EU), which has separate links with the Overseas Countries and Territories (OCTs) and the outermost regions (ORs). The non-self-governing OCTs are not part of the EU and thus are not directly subject to EU law, but they do have associate status (under Part IV of the Treaty on the Functioning of the EU) and this provides an increasingly important level of economic and social support. In addition, there are the ORs which are integral but distant regions of EU member states, and include the French DOM and one COM (Saint-Martin). Unlike the OCTs, the ORs must adhere in full to the rights and obligations arising from the European Treaties.

Links with the OCTs were established in 1957 and for many years they were mainly 'light' versions of the agreements with the African, Caribbean and Pacific (ACP) group of countries. In addition, the administering powers, rather than the OCTs, led negotiations with the EU. However, more recently, the OCTs have gained a stronger voice within the EU. One consequence of this has been a new agreement—Council Decision 2013/755/EU on the Association of the Overseas Countries and Territories with the EU, adopted on 25 November 2013. The agreement aims to modernize the relationship between the EU and the OCTs, 'moving beyond development cooperation and focusing on a reciprocal relationship based on mutual interests'. The key provisions of the Decision include the establishment of closer economic relations between the EU and the OCTs, such as through an improvement in market access for OCT goods and services, and relaxation of the rules of origin. In addition, the agreement includes: enhancing OCTs' competitiveness; the strengthening of OCTs' resilience and reduction of their vulnerability; and the establishment of more reciprocal relations between the EU and OCTs based on mutual interests and shared values. There are also several financial instruments linked to the new Decision. Total EU funding for OCTs via the 11th European Development Fund (EDF, 2014–20) is €364.m., a sizeable increase on the previous allocation. Two-thirds of that amount will be allocated to individual OCTs. In addition to the EDF money, the OCTs will receive funding under programmes by way of the EU's general budget. The new Decision has been largely welcomed by the OCTs and will provide an important additional level of support above and beyond the metropolitan powers.

The ties between the ORs and the EU are obviously much closer. In the EU Treaty the ORs are covered by Article 349, which requires that EU policies must be adjusted to the regions' special circumstances. The EU believes that the regions face several difficulties in moving towards full development, such as remoteness, insularity, climate, economic dependence, and a narrow productive base. As a consequence, several programmes are in place to provide funding to support their development. Between 2007 and 2013 over €11,000m. was provided to the ORs; a figure very much higher than the amount going to the OCTs. In October 2008 a new Commission policy paper, 'The Outermost Regions—an asset for Europe' set two objectives: first, address new difficulties facing the ORs, such as globalization, climate change, demographic trends, and migratory flows; and second, exploit the regions' assets to boost economic development, with particular focus on sectors with high added-value, such as the agri-food industry, biodiversity, renewable energy, aerospace, and seismology, and to promote the regions' role as outposts of the EU in the world. For the ORs, this level of support is significant, and would be lost if they gained independence. One final point here is that, interestingly, Bonaire, St Eustatius and Saba could become ORs because of their special municipality status, but at present continue to be OCTs. They are hesitant to make the change because they feel the dominant image of the EU is one of excessive regulation, potentially increased intervention, and less autonomy. Thus, for the time being, more autonomy is preferable to greater levels of financial aid. A similar view is held by Saint-Barthélemy. It was originally classified as an OR, but then negotiated a change in status to become an OCT on 1 January 2012. Nevertheless, whether a territory is an OCT or an OR, the link with the EU is an important and additional benefit, which it otherwise would not have.

Puerto Rico and the US Virgin Islands

The other remaining metropolitan power in the Caribbean is the USA, with oversight of Puerto Rico and the US Virgin Islands. The current status of the Commonwealth of Puerto Rico was established in 1952, under Law 600. After the USA took control of Puerto Rico in 1898 and until 1952, the territory had little autonomy. Despite this, Puerto Ricans were granted US citizenship in 1917. Hence, they are US citizens by statute, and can move freely to the USA. When Law 600 was passed, it set out a new structure for relations that remains in place today, providing a degree of autonomy, although Puerto Rico's status means that it is neither state, nor federal territory nor colonial possession. Rather, it is an 'unincorporated' territory: the US Government has the authority to undertake unilateral action on a range of issues, including the right to revoke any law inconsistent with the Constitution of the USA, and to award or rescind regulatory privileges or advantages, such as US citizenship. The US Congress may even repeal Law 600 or annul Puerto Rico's Constitution. More specifically, the USA retains control over issues such as citizenship, defence, diplomacy, currency, immigration and foreign trade. Puerto Rico, meanwhile, has limited self-government in areas such as taxation, economic development, education and culture. The territory's current status provides also for local gubernatorial, legislative and mayoral elections, but not the right to vote in US federal elections. However, Puerto Ricans living in the USA are able to vote for the US President.

As the Cold War came to an end the question of Puerto Rico's status emerged as a key issue, and several attempts were made to resolve it in the early 1990s. In 1993 a referendum was held which offered three options: statehood (complete annexation to the US federal system as a state), independence, or remaining a commonwealth but with increased federal funding and autonomy. Neither statehood nor the commonwealth option enjoyed a clear majority, with the support of 46.2% and 48.4% of voters, respectively, while independence scored a mere 4%. A second referendum was held in 1998, but again the result was not decisive. This time there were five options on the ballot paper (statehood, independence, two definitions of commonwealth status, and 'none of the above'); 'none of the above' was the most popular, obtaining 50.2% of the vote, compared with 46.5% for statehood. This was a consequence of serious dissatisfaction regarding the design of the referendum by the administration of Pedro Rosselló without the agreement of the other political parties. In the decade that followed, the question of Puerto Rico's status declined in prominence as a political issue.

There were several reasons for the downgrading of the status issue. First, there was no consensus on the best way forward—either in Puerto Rico or the US Congress. Second, Puerto Rico accrues substantial economic benefits from its relationship with the USA and many in the territory were concerned that political change would undermine these benefits. For example, 30% of Puerto Rico's budget is accounted for by US federal grants, much of which is distributed as social welfare programmes to a large proportion of families. Third, national identity among the Spanish-speaking Puerto Ricans is strong, with a majority seeing themselves as a distinct nation and sharing a Puerto Rican, and not a US or Latino identity. However, Puerto Ricans do not wish to relinquish their US citizenship and the advantages that come with it, including significant circular migration between Puerto Rico and the continental USA. Puerto Rico has been called 'the nation on the move'. Thus, the paradoxical nature of national identity helped to muddy the political waters.

However, the status issue has now once again taken centre stage. One reason is that the territory is in the midst of its worst economic crisis in modern history. The Government of Puerto Rico is nearly bankrupt and the island's GDP has decreased by over 10% in the past decade. The result has been worsening social conditions with rising unemployment, significant poverty, drugs-trafficking and a high murder rate, prompting uneasy speculation in Puerto Rico that the lack of consensus on the status issue has caused a dangerous degree of stagnation to set in. A second and related reason is that funding caps have been placed on federal programmes, such as health care and housing schemes, owing to Puerto Rico's commonwealth status, which puts it at a disadvantage vis-à-vis other parts of the USA. Further, because the USA has signed a number of free trade agreements with other competitor jurisdictions in the region (such as Mexico and the Dominican Republic), Puerto Rico has lost its privileged trading position in the US market and its economic competitiveness has been negatively impacted. In addition, because the US Congress has ended the schemes that granted federal tax exemption to US corporations for earnings gained in Puerto Rico, the territory's status is now much less important to the USA.

There has also been an increased level of political support to address the status issue. For example, prior to his election victory in 2008, US President Barack Obama pledged to resolve the territory's status question. While on a visit to the island in 2011, Obama stated '[w]hen the people of Puerto Rico make a clear decision, my administration will stand by you'. Furthermore, the US House of Representatives considered the issue in 2009 and 2010. This all led to a new vote on Puerto Rico's status in November 2012. The ballot included two questions. Voters were asked first whether they wanted the current territory status to continue: 54% said 'no' and 46% said 'yes, a clear rejection of the current status. Voters were then asked to give their preference among the three alternatives to the current status and the results were as follows: statehood, 44.4%; independence, 4.0%; and free association (or sovereign commonwealth status), 24.2%. Blank votes accounted for a significant 26.5%. So yet again the vote was inconclusive, and interestingly the share of the vote for statehood actually decreased by 2.1% from 1998.

In the absence of a clear result, President Obama and the US Congress did not comment on the 2012 vote. However, in April 2013 the US Administration announced the allocation of US \$2.5m. 'for objective, nonpartisan voter education about, and a plebiscite on, options that resolve Puerto Rico's future political status'. There are discussions ongoing about another vote—possibly in 2016—but there is no consensus over what form the vote should take. The Governor, Alejandro García Padilla, of the Partido Popular Democrático, which favours the current political status, has suggested a vote offering a variety of status options—including a 'new' commonwealth status. However, the opposition Partido Nuevo Progresista, which supports statehood, prefers a simple statehood 'yes' or 'no' vote. The feeling of déjà-vu is clear, and the lack of any common way forward on the suggested plebiscite, let alone the status question, will make it very difficult for any near- or medium-term resolution to be achieved. This is particularly concerning at a time when Puerto Rico is desperate to find a way out of its present economic malaise. However, because of its status the US Government and Congress are reluctant to intervene, and Puerto Rico maybe unable to restructure its debts. Unlike a US city it cannot declare bankruptcy as it does not enjoy the same sovereign rights that are afforded to states by the US Constitution.

In contrast to Puerto Rico, political status is not an issue in the US Virgin Islands, which includes St Thomas, St Croix and St John. The lack of a strong, distinct national identity, the use of English (but spoken with an 'African-derived' accent), its small size, the limited population (109,000—compared with 4m. for Puerto Rico) and its narrow productive base (mainly tourism) make it very difficult for the islands to move to either statehood or full independence. At present the islands are an organized non-incorporated territory, governed by a US Congressional Organic Act, and overseen by the US Office for Insular Affairs. This legal and administrative structure means that the US Virgin Islands has less political and economic autonomy than Puerto Rico.

Conclusion

In many respects the non-self-governing territories of the Caribbean, regardless of the metropolitan power with which they are associated and the specific nature of that relationship, have a privileged position within the international system. The territories' citizens have a final guarantee against autocracy and economic collapse (even for Puerto Rico this is probably the case); many territories receive sizeable monetary assistance which has helped them in creating relatively high levels of development; and nationals possess the citizenship of their metropolitan powers, and in the case of the British, Dutch and French territories have freedom of movement across the EU. The EU also provides significant financial support and privileged access to its market. Consequently, there are no significant demands for independence in any of the territories. However, debates over the most appropriate level of autonomy continue. Despite a recent period of constitutional change, the territories overseen by the United Kingdom and the Netherlands are agitating to various degrees for further autonomy. The metropolitan powers are not necessarily against this in the medium-term, but they are wary of affording additional powers when concerns remain over local standards of political and economic governance. In addition, any really substantial changes will most likely come only with independence. In the French DOM there is no widespread desire for further autonomy, as clearly evidenced in a series of local referendums. Finally, the situation in Puerto Rico is more difficult to predict. There is potentially greater room for manoeuvre than for the other territories in terms of changing status—perhaps to statehood—but the lack of consensus in Puerto Rico over the issue is a sizeable barrier to change. Further, it is perhaps not unsurprising that the territory with the greatest economic problems is Puerto Rico, whose political status is least settled.

Beyond the debates over the particular relationships that are in place between certain territories and their metropolises, it is worth noting that some of the islands—particularly those formerly part of the Netherlands Antilles and Guadeloupe—have broken away from their neighbours and established direct links with the metropolises. Thus, inter-island antipathy and rivalry, and insular particularism, also seem to be significant motivators for a change in status.