

FEATURED Q&A

Would the Dominican Republic Benefit From Joining Caricom?

Q The Dominican Republic has reapplied to become a member of the Caribbean Community (Caricom). The organization is expected to consider the application in July. How would joining Caricom affect the Dominican Republic's economy? How has the country fared during the global economic downturn, and would Caricom membership help the Dominican Republic during future economic cycles? How would Caricom membership affect the country's foreign policy?

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A **Guest Comment: Ronald Sanders:** "Recognizing a new market opportunity, the Dominican Republic has applied to join Caricom. While a free trade agreement exists between the DR and Caricom countries, it covers only trade in about 400 products; it does not cover services. But, since the European Union insisted that the DR be part of the Economic Partnership Agreement (EPA) with Caricom signed last year, Caricom countries are compelled to liberalize goods, services and investment with the DR at the same rate as with the EU. From the DR's viewpoint, it makes sense to join Caricom whose member countries could become a valuable market given their proximity. However, the DR's membership in Caricom would retard the development of a Single Market and Economy on which Caricom has embarked over the last two years. The DR would have little interest in a Single Economy with the rest of Caricom. It would require tax harmonization, a single currency and free movement of people for approved categories of workers. The Caricom Treaty also requires the coordination of foreign policies of member states, and while coordination is not harmonization it does call for a fairly close alignment of policies. The DR could hinder the development of foreign policy of Caricom countries, which have been moving to pool their individual sovereignty in supranational institutions to bargain collectively in the international community. Then there are labor and migration problems between Haiti—already a member state of Caricom—and the DR. Even if other Caricom countries would be willing to

allow the DR's membership in Caricom limited to its Common Market aspects only and not to the community dimension that would include foreign policy, it is unlikely that Haiti would agree to DR membership without binding assurances on these two issues."