



[After Brexit: What happens next for the Caribbean?](#)

The Caribbean's place in a standalone Britain is unpredictable after the UK's vote to leave the European Union.



Yesterday, by a small majority, the British people voted to remove themselves from the European Union (EU). The decision has major consequences for the Caribbean.

After a vitriolic campaign and the tragic murder of one member of Parliament, a hugely divided Britain decided by 52 per cent to 48 per cent that it would stand alone and reset its relationship not just with Europe, but with the whole world.

DAVID JESSOP While London, Scotland, Northern Ireland and the vast majority of the young voted in favor of remaining in, those who had not benefitted from the EU relationship and economic globalization in the country's old industrial heartlands, the coast and rural fringes, voted to leave.

A huge factor was a fear of immigration. Although many voters' emotional response on this issue was linked to concerns about overcrowded schools, hospitals and difficulties in obtaining housing, such views were significantly less common in the country's cosmopolitan urban centers where the migration from Europe and other parts of the world has been at its highest.

What happens next is far from clear, with even the outline of the two-year process of leaving uncertain. But having voted for Brexit, as one US commentator noted, a long earthquake will now begin. It will change the way the British see each other, probably break up the Union with Scotland and the other component parts of the UK, damage the British economy, and perhaps mortally weaken the already shaky foundations of European unity.

Despite all living British Prime Ministers, all of the major political parties, the majority of business and most world leaders, including President Obama, seeing value in the UK remaining a part of the EU and saying so, the majority of the British electorate rejected the view of what many saw as remote elites, and followed a populist call for change that bears little resemblance to the way that Britain presently relates to the world.

As far as the Caribbean is concerned, it is clear from the experts, politicians and officials that I have spoken to over the months since the campaign began, that significant uncertainties and problems will now arise for the region's relationship with the UK and with the rest of Europe.

The Caribbean will be affected in a number of ways. These include a possible negative impact on trade and development flows; a diminution in the region's ability to influence thinking on its policy concerns in Europe; a specific range of problems for the UK's overseas territories in the region; and a long period of uncertainty as Britain's foreign, trade and development policy is reoriented.

British withdrawal could also have wider consequences, for example for Europe's future relationship with the African Caribbean and Pacific grouping of states, and accelerate the EU's general trend towards dialogue with Latin America and the Caribbean as a single region, rather than two distinct blocs.

To begin to understand what may now happen it is necessary to know something of the process involved in the UK ceasing to be a member of the EU.

Immediate impacts of Brexit

After a period of reflection and political and economic turmoil, and the Prime Minister, David Cameron stepping down in October, the UK will have to invoke the relevant article of Europe's Lisbon Treaty and embark on an unclear two-year process of withdrawal, renegotiation, and instability.

While the desired objective of most of those who supported exit seems to be to achieve a free trade relationship with the EU — or one close to what the UK has at present, but without the automatic adoption of EU regulations and laws and the financial cost involved — how this or other requirements that aim to end free movement can practically be achieved is far from clear.

It is also not certain how other EU member states will react to UK politicians seeking a new relationship. This is because some countries such as France and Denmark, ruling parties face elections against groups with views similar to those in Britain who promoted a changed relationship with the EU.

Reprioritizing Britain's priorities

Critically, for external partners like the Caribbean, the UK would also have to decide whether it would re-join the European Customs Union which determines Europe's common external tariff and common external trade policy; or as some in the exit camp suggest, will operate its own external trade policy.

If this were to happen and the UK were to leave the EU customs union, Britain would have to agree bilaterally or multilaterally, or negotiate again, some or all of the international trade arrangements it has previously with other EU states been a co-signatory to.

This would include the CARIFOUM Economic Partnership Agreement (EPA), the association agreements with Central and South America, but more importantly those arrangements Britain would wish to keep with its major global trading partners. It would be a process that could potentially amend existing levels of access or asymmetries, challenging the UK's limited trade negotiating capacity, most likely giving priority to the relationships that matter most.

The UK would also have to reapply to join the World Trade Organisation (WTO) in order to ensure its bindings, tariff levels and other WTO related agreements remain in place as its present membership is in the context of the EU.

In all of this much, will now depend on how those in the UK who will steer the exit process decide to give new weight to the relationship with the US or the Commonwealth. Brexit will also see the UK cease its major contribution to European development funds and probably develop new bilateral programmes of its own.

It is also possible to imagine complications if the parties to any existing bi-regional or bilateral agreements with Europe wanted the same or better terms or in the case of development-linked agreements sought higher levels of support.

Preliminary conclusion

What this vastly over-simplified sketch suggests is that while preferential arrangements would continue to be offered, at a regional level CARIFORUM will have to undertake a rapid analysis of the significance of Britain outside the EU's customs union to its flows of trade in goods and services; whether its companies with manufacturing or other investments in the UK would suffer if free movement into the EU was not available; and determine whether the UK would seek to change any of its transitional measures with, for example, competitor nations in Latin America or elsewhere.

Just as importantly, because the relationship with a diminished EU would remain in place, the Caribbean will have to decide how it ensures its relations with the rest of Europe remain strong. This is because for many years Britain's voice for the Caribbean has been significant in Council meetings in Brussels, and with the European Commission and many other EU institutions, helping ensure that the region has had a better hearing among an increasingly skeptical group of member states, that for the most part have no relationship with the region.

Brexit also arises at a time when a wholesale review of EU foreign policy is being undertaken, European trade priorities are being reconsidered, the future of the ACP relationship with Europe is in doubt, and new approaches are being developed to respond to the recently agreed UN sustainable development goals: all matters which requiring a supportive voice for the Caribbean inside the EU.

All of which are themes this column will return to.

David Jessop is a consultant to the Caribbean Council and can be contacted at david.jessop@caribbean-council.org. Previous columns be found at www.caribbean-council.org

June 24th, 2016