

## The UK: No Longer a Benevolent Patron

Written by Peter Clegg

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PETER CLEGG, MAY 17 2018

In recent decades, with the notable exception of the volcanic eruption on Montserrat twenty years ago, there has been relative social, economic, environmental, and political stability in the Territories. Similarly the academic community which has written on the Territories has highlighted the advantages of their particular status. Godfrey Baldacchino has argued that non-sovereignty offers “the best of both worlds” with the support of a “larger, benevolent ‘mainland’ patron”.<sup>1</sup> However, the Territories are now facing a number of challenges, which highlight certain vulnerabilities that come with their close ties to the United Kingdom, and increasing questions are being raised about the UK’s benevolence. This has led the Territories to explore new avenues of support.

Since the UK’s accession to the EU, the EU has been a key partner for the Territories, and in recent years the bonds between them have strengthened in several key respects – in relation to trade, aid, free movement of citizens, and policy dialogue. None of the Territories were in favour of Brexit, and of course with the exception of Gibraltar, none had a voice in the decision to leave the EU. Currently, the Territories are pushing the UK government to remain as close to the EU as possible, as an official from the Territories has stated, “In many cases some territories benefit more from the EU relationship than the relationship with Britain”. For example, some Territories receive development assistance from the EU but not the UK.

The impact of Irma on Anguilla, British Virgin Islands, and Turks and Caicos Islands was very serious. In the immediate aftermath there was criticism of the UK’s response, both in terms of preparing for the coming of Irma and the humanitarian aid effort that followed. One concern was the Territories lack of access to reconstruction funds. They were frustrated by not being able to benefit from funds from the UN donors conference in November 2017. Blondel Cluff noted:

[We] witnessed \$1.4 billion being awarded to Barbuda and Dominica, and we could not utter a word. Nor could we receive funds without the UK’s permission, which was not granted ... This is an example of our political voice being mute.<sup>2</sup>

Another, is the emphasis placed on the Territories themselves in the reconstruction effort. As one FCO official explained,

A lot of our focus is on supporting [the Territories] to make their own preparations and have their own disaster infrastructure in place”.<sup>3</sup> Some support has been given by the UK but for the British Virgin Islands, for example, it has come in the form of a £300 million loan guarantee and a private sector task force. One official from the Territory noted that “the problem [should not be] pawned off on the private sector.

Over recent decades both Conservative and Labour governments have largely shared the same policy approach to the Territories. However, that consensus has started to crack. The Labour Party led by Jeremy Corbyn, has been more forthright in its criticisms of some of the Territories, arguing that if they do not make radical changes to their financial services industries then direct rule from London should be considered. It is clear that the UK’s approach to several of its Territories may well be quite different going forward. Perhaps a first sign of this was the UK government’s decision on 1 May 2018 to accept an amendment to the Sanctions and Anti-Money Laundering Bill that required the Territories to establish publicly accessible registers of the beneficial ownership of companies, which had

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support from Labour, but also crucially a handful of Conservative MPs.

The UK's decision to leave the EU, in particular, has initiated a set of centrifugal forces in the relationship between the UK and its Territories. Of course the process is not uniform, and the underlying ties remain intact, but the Territories are certainly looking for new paths of influence and new opportunities to best secure their own development. So for example, in May 2017 Anguilla introduced a change to allow French nationals from French Saint Martin to travel freely to the Territory, without the need for passport controls. Anguilla hopes that some kind of common travel area can be maintained after Brexit. Anguilla is also examining the option of being part of the European Grouping of Territorial Cooperation, which might also be open to Gibraltar, and Pitcairn with its desire to keep strong links with French Polynesia.

Other options to maintain a relationship with the EU are being considered by Anguilla and the British Virgin Islands in particular. Both are already associate members of the Organisation of Eastern Caribbean States and the Caribbean Community (CARICOM), and would like to deepen and broaden those links – for example becoming an Associate Member of CARIFORUM (CARICOM + Dominican Republic) and an Observer of the African, Caribbean and Pacific (ACP) group of states. By aligning with these groups there might be a possibility of benefiting in some way with these organisations' existing agreements with the EU.

I have provided a snap-shot of some of the serious issues facing the Territories, which are putting a degree of pressure on relations with the UK. This is not at all to say that there will be a fundamental break in ties going forward, and not all Territories are being affected in the same way. Nevertheless, the Territories are exploring new options to advance their interests that at the very least are pushing against the limits of their relations with the UK. Returning to the observation of Baldacchino it is clear that the UK is no longer such a benevolent patron as in the past.

## References

1. Baldacchino, G. (2006a) Managing the hinterland beyond: two ideal-type strategies of economic development for small island territories. *Asia Pacific Viewpoint*, 47, 1, p. 49, and Baldacchino, G. (2006b) Innovative Development Strategies from Non-Sovereign Island Jurisdictions? A Global Review of Economic Policy and Governance Practices. *World Development*, 34, 5, p. 861.
2. Foreign Affairs Committee (2018) Oral Evidence: The UK's Response to Hurricanes in its Overseas Territories, HC 722, Q 59, 16 January, House of Commons. Available at: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/foreign-affairs-committee/the-uks-response-to-hurricanes-in-its-overseas-territories/oral/76973.pdf>.
3. Foreign Affairs Committee (2018) Q 44.

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