The Developmental Benefits of Strategic Decolonization in the Caribbean

B. James Foster

Follow this and additional works at: https://scholarlycommons.susqu.edu/supr

Part of the American Politics Commons, and the International Relations Commons

Recommended Citation
Available at: https://scholarlycommons.susqu.edu/supr/vol9/iss1/3

This Article is brought to you for free and open access by Scholarly Commons. It has been accepted for inclusion in Susquehanna University Political Review by an authorized editor of Scholarly Commons. For more information, please contact sieczkiewicz@susqu.edu.
The Developmental Benefits of Strategic Decolonization in the Caribbean

By: B. James Foster

Abstract

Due to its uniquely heterogeneous developmental environment, complex political and economic history, and continued inequality in resource balancing and economic development, the Caribbean is a fascinating subject for studies on decolonization. Though many authors have argued over the value of close relationships between Caribbean states and their Former Colonial Powers (FCPs), no comprehensive study has been undertaken to compare the effects of involuntary and 'strategic' decolonization in the Caribbean. In a wide variety of developmental literature, authors identify a fundamental change in decolonization thought in the period immediately following WWII and the formation of the United Nations.

This paper examines the 22 sovereign nations and 9 semi-autonomous dependent territories that border the Caribbean sea to determine the presence of significant structural differences between Caribbean nations that gained sovereignty during the pre-1945, 'early-period'-characterized by violent, unplanned popular uprisings; in the post-1945, 'late-period'-characterized by diplomacy and favorable economic and political relationships between young nations and FCPs; and semi-autonomous territories still under the control of colonial nations.

Based on data from the World Development Index, World Governance Index, Human Development Index, and created dummy variables to control for sovereignty changes and intrinsic
differences between different FCPs, I have identified very strong evidence that early-period independent nations have significantly lower economic development, score significantly lower on indicators of good governance, and have had significantly slower progress in industrialization and technological advancement than both late-period independent nations and semi-autonomous territories.

This research challenges long-held thought about decolonization strategies, provides valuable insight into the value of relationships between young nations and their FCPs, and identifies potential hazards of poorly planned decolonization.

Introduction

The Caribbean is a truly unique place to study development and decolonization. Unlike colonies in Africa, Asia, and the mainland Americas, both the narrow geographical body of the Central American Isthmus and the insular nature of the Caribbean islands were allowed to develop separate, distinct cultural identities during colonization based on the culture of their colonial parent nation and the diverse identities of the settlers and indentured laborers inhabiting the region (Klose 2014). Though the islands and the Isthmus together compose a small geographic area, they have a complex political and economic history that has led to one of the most unequal and discrepantly developed regions in the world. This history, and its effects on modern development, is something that has been woefully neglected in development research.
Many authors\(^1\) have examined the decolonization of the Caribbean and the value of close relationships between Caribbean states and their Former Colonial Powers (FCPs). Others\(^2\) have studied a break point in decolonization correlated to the sudden loss of imperial authority in Europe after the Second World War. However, no comprehensive study has been undertaken to compare the effects of early-period involuntary, and later-period 'strategic' decolonization in the Caribbean.

This panel study examines the 22 sovereign nations and 9 semi-autonomous dependent territories that border the Caribbean Sea to determine the presence of significant structural differences ‘early-period’ and ‘late-period’ independent nations. Decolonization in the pre-1945, ‘early-period’ was characterized by violent, unplanned popular uprisings, or as Shepard (2008) refers, “winnings of independence”. These movements differ significantly from decolonization in the post-1945, 'late-period'. With a new regime of international human rights from the United Nations and budgets stripped by a succession of world wars, European colonial powers found themselves unable to prevent independence movements with force. As a result, this period was characterized by diplomatic, strategic separations and favorable economic and political relationships between young nations and FCPs, as Shepard (2008) refers to as, “transfers of power”.

Using data from the World Development Index, World Governance Index, Human


Development Index, and created dummy variables to control for sovereignty changes and intrinsic differences between different FCPs, three hypotheses have been tested: (1) Early-period independent nations have significantly lower economic development. (2) These countries score significantly lower on indicators of good governance. (3) These nations have had significantly slower progress in industrialization and technological advancement than both late-period independent nations and currently semi-autonomous territories.

Valuable insights gained from this study about decolonization strategies, the value of strong relationships between newly-independent colonies and their FCPs, and potential hazards of poorly planned decolonization can hopefully be extrapolated to studies of other decolonization movements throughout the world that have gone and go through many of the same struggles encountered by the states selected in this study.
Literature Review

While many authors, such as Smith (1978), Shipway (2007), and Klose (2014), have identified a discrete ‘break point’ in decolonization in the beginning of what Klose identifies as ‘third-wave’ decolonization (between 1914 and 1945), all have ignored the Caribbean when evaluating developmental consequences. Meanwhile, though Ramkissoon (2002), Kendall (2008), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) (2012), and others provide excellent interpretation of Caribbean economic development patterns, no scholars of Caribbean development have looked to changes in decolonization strategies as a potential factor of developmental discrepancies. I intend to harmonize these two schools of thought to form a more complete narrative of the developmental history of the Caribbean as a function of decolonization.

As Klose (2014) defines the phases of decolonization, the Caribbean states remained largely insulated from the violent upheavals of the ‘second-wave’ of decolonization in the early 19th century, with the notable exceptions of the Haitian Revolution in 1804 and the tumultuous division of Spanish America between 1808 and 1826. As Klose (2014) notes, with Africa divided, Asia quelled, the Spanish Empire broken, and the United States slowly rising to dominance in the north Atlantic at the turn of the 20th century, the colonial heyday of Europe was already coming to a close. However, as Kitchen (2014) cites, the ‘End of Empire’ did not truly begin until the destabilization of the First World War. While Europe was occupied in conflict, already unstable colonial relations began to quickly deteriorate, and, without the needed post-war funds or attention, the great colonial empires of the 19th century were relics of a bygone era by the close of the Second
In Smith (1978), the effects of the transition to ‘third-wave’ decolonization are described for the first time in an interpretive study. Smith cites that “the material hardships following the Second World War, combined with the clear ascendance of the two ‘anti-imperial’ powers, the United States and the Soviet Union, and the increased maturity of nationalist elites forced a decided retrenchment of Europe overseas.” In this large-scale reorganization, Smith observes that colonial powers were “concerned not whether the colonies would be free, but rather which local nationalist factions they would favor with their support” (p. 70-71). Smith is supported in his findings by Shipway (2007), who discovers statistical evidence that World War II was central to decolonization and had both “devastating immediate consequences and others that took time to work themselves out” and acted as an “accelerator of imperial change.” (p. 234-235)

Though European colonial powers were most certainly disquieted by the growing sphere of American influence in the Caribbean, there was little they could do to stop it. As stated in United States Office of Historian (USHO) (2017), without the necessary funds, and facing unrest and violence at home, as well as in their holdings in Africa and Asia, European colonial powers were forced to negotiate many early withdrawals with their former Caribbean colonial subjects over the period 1945-1980 - what Shepard (2008) describes as “transfers of power”.

Added to the economic and political pressures European nations faced at home and abroad, both Klose (2014) and USHO (2017) cite the vital role of the United Nations and a system of international human rights in the formation of more favorable severance of colonial rule in the
third wave of Caribbean decolonization. By 1970, UN membership had expanded to include nearly 130 states - many of which had freshly obtained independence from former European colonial powers. Though these young nations were incredibly diverse, they were united in their desire for an end to European colonial rule, pushing the UN towards accepting resolutions for the independence of colonial states and creating a special committee on colonialism.

Turning to other factors affecting Caribbean economic development in the seven decades since the beginning of the third wave, Ramkissoon (2002) finds that smaller Caribbean states have seen steadier economic development from reliance on well-protected tourism industries while agriculturally-dependent, larger states have been generally less economically develop. However, he excludes Cuba and includes the continental nations of Belize, Suriname, and Guyana in his study, potentially skewing his findings. Building on this, Zappino (2002) finds that the Caribbean tourism sector has been the most stable industry over the years, and while agriculture and manufacturing have consistently gone through major market failures, tourism has been consistent-citing it the best vehicle for sustainable economic development in the island Caribbean.

In contrast, Kendall and CariBank (2008) point out the flaws and vulnerabilities presented by relying on a singular industry, such as tourism, for growth and suggest increasing diversification and export production flexibility with new domestic production initiatives and inter-Caribbean free trade deals such as the Caribbean Communities (CARICOM). This perspective is reinforced in a study by the Economic Commission for Latin America and the Caribbean (ECLAC) (2012). ECLAC finds that investment in high-value export industries and promotion of inter-Caribbean
trade deals have been the most important methods of economic development. Though both ECLAC and Kendall and CariBank cite the need for increased inter-Caribbean free trade, Sutton (2000) argues that the island nature of Caribbean states prevents open inter-Caribbean cooperation and that these states will always assert their differences, instead of cooperating regionally, to incentivize trade deals with major foreign powers in Europe and North America.

Data Overview & Operationalization

In this observational, panel study, I will be examining the 22 sovereign nations and 9 semi-autonomous dependent territories that border the Caribbean Sea:

<table>
<thead>
<tr>
<th>Antigua &amp; Barbuda</th>
<th>Aruba</th>
<th>Barbados</th>
<th>Belize</th>
<th>British Virgin Islands</th>
<th>Cayman Islands</th>
<th>Colombia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>Cuba</td>
<td>Curacao</td>
<td>Dominica</td>
<td>Dominican Republic</td>
<td>Grenada</td>
<td>Guyana</td>
</tr>
<tr>
<td>Haiti</td>
<td>Honduras</td>
<td>Jamaica</td>
<td>Mexico</td>
<td>Nicaragua</td>
<td>Panama</td>
<td>Puerto Rico</td>
</tr>
<tr>
<td>Sint Maarten (Dutch)</td>
<td>St. Kitts and Nevis</td>
<td>St. Lucia</td>
<td>St. Martin (French)</td>
<td>St. Vincent &amp; the Grenadines</td>
<td>Suriname</td>
<td>Trinidad &amp; Tobago</td>
</tr>
<tr>
<td>Turks and Caicos</td>
<td>US Virgin Islands</td>
<td>Venezuela</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note to above table: See appendix 1. Red represents early-period independent nations, blue represents late-period independent nations, and green represents currently semi-autonomous regions.

Omitted from this study are the independent nations of the Bahamas and Guatemala due to a lack of commonality with the other nations in this study; Guatemala only holds the small port town of Puerto Barrios on the Caribbean Sea and hold more in common with Pacific Latin American
states than Caribbean ones. In like manner, the Bahamas has been excluded due to its location in
the Atlantic Ocean, and has developed in a different manner than the Caribbean states selected in
this study. In addition to these sovereign nations, the dependent territories of the former
Netherlands Antilles (Bonaire, Sint Eustatius, and Saba), Anguilla, French Guiana, Montserrat,
Navassa Island, and Saint Barthélemy) have been omitted due to a lack of autonomy. These
territories historically report data as a direct part of their parent nation and are widely considered
fully dependent.

These 31 individual countries will be observed over 12 time-periods, taken every five years
from 1960 to 2015. This creates a maximum of 372 possible observations for every variable.

To test my hypotheses that early-stage decolonization has led to reduced economic
development, good governance, and industrialization progress, I have operationalized my
dependent variables using the following data.

For economic development and industrialization, I have sourced data from the International
Monetary Fund and World Bank World Development Index (WDI) for GDP and per capita GDP
(annual growth and current level), GNI, land area, population count and density, agricultural land
area and composition, tourism receipts and spending, overall number of tourists, sector
employment and composition, and life expectancy. I have obtained data from the United Nations
Development Program (UNDP) Human Development Index (HDI) for an aggregate composite of
life expectancy, education, and per capita income. The HDI is measured on a scale from 0.000 to
1.000 and is organized into four tiers. Scores from 0.000 to 0.549 are considered developmentally
low, 0.550 to 0.699 are considered medium, 0.700-0.799 are considered high, and 0.800-1.000 are
considered very high. Most Caribbean states fall in the ‘high’ range, with the exceptions of Haiti,
Honduras, and Guyana. HDI omits the dependent territories of Aruba, British Virgin Islands, Cayman Islands, Curacao, Puerto Rico, Sint Maarten, St. Martin (French), Turks and Caicos, and the US Virgin Islands.

To quantify quality of governance, I examined the World Bank World Governance Index (WGI). The six indicators of the WGI are rated on a scale of -2.5 to 2.5. For my analytics, I examined both the WGI scores and the percentile rank (1-100) of the country observed in comparison to other countries. These six indicators are Voice and Accountability, Control of Corruption, Government Effectiveness, Political Stability, Absence of Violence and Terrorism, and Regulatory Quality. WGI omits the dependent territories of Sint Maarten, St. Martin (French), Turks and Caicos, Curacao, and the British Virgin Islands.

Two dummy variables were created to test the hypotheses presented in this study. The Sovereign 1945 indicator takes a value of 1 if the nation declared independence before the break point, in the ‘early-period’ before 1945, and a value of 0 if that nation declared independence after the break point, in the ‘late-period’ after 1945, or is still a semi-autonomous territory. The second, the ‘Independent’ indicator, is largely collinear with Sovereign 1945 but is employed to examine the economic effects of decolonization after the break point. This variable takes a value of 1 if a state was independent at the time of observation, and a value of 0 otherwise.

In addition, two dummy variables were created to account for major structural differences between states. The Island indicator takes a value of 1 if the territory is located on an island and a value of 0 otherwise. Assuming there are inherent differences in the manner in which different colonial powers dealt with their colonial subjects, both during direct rule and after it, colonial power variables were created to control for this. The dummy variables for the colonies of the
French, British, Dutch, Spanish, and U.S. take a value of 1 if the nation was the final (or is a current) colonial ruler of the territory and a value of 0 otherwise. This variable omits the short-lived Federal Republic of Central America. This union only lasted about 20 years and is indifferent from similar Spanish-held territories.
## Results

**TABLE 1**  
*OLS Estimates of the Effect of Sovereign 1945 Break Point Variable on Per Capita GDP and Life Expectancy*

<table>
<thead>
<tr>
<th></th>
<th>GDP Per Capita</th>
<th>Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign 1945</td>
<td>-8481.584***</td>
<td>-1.835698*</td>
</tr>
<tr>
<td></td>
<td>(46.86)</td>
<td>(0.012)</td>
</tr>
<tr>
<td>Population</td>
<td>4.216231***</td>
<td>0.002343***</td>
</tr>
<tr>
<td></td>
<td>(0.034)</td>
<td>(0.000011)</td>
</tr>
<tr>
<td>Overall-R2</td>
<td>0.1225</td>
<td>0.0007</td>
</tr>
<tr>
<td>Observations</td>
<td>69</td>
<td>67</td>
</tr>
</tbody>
</table>

*Using country and time fixed effects*

TABLE 1: Notes to Table 1. Standard errors reported in parentheses. Data obtained from the World Bank World Development Index (WDI) includes 31 states measured every five years from 1960-2015. The ‘Sovereign 1945’ dummy variable equals 1 if the nation in question gained sovereignty before 1945, and a value of 0 otherwise. GDP and tourism receipts are reported in millions of 2010 USD. Per capita GDP is measured in actual 2010 USD. Population is reported in thousands of persons. The regression includes controls for land area in thousands of square kilometers, GDP in millions of 2010 USD, per capita GDP in actual 2010 USD, GDP and per capita GDP growth in annual percentage, and country and year fixed effects, applied due to a significant chi-square (to an alpha of 0.05) in a Hausman test. A coefficient that is statistically significant to a p-value of 0.01 or less is denoted by three stars (***), a p-value of 0.05 or less is denoted by two stars (**), and a p-value of 0.10 or less is denoted by one star (*). Coefficients listed without stars are statistically insignificant.
### TABLE 2: OLS Estimates of the Effect of Sovereign 1945 Break Point Variable on WGI

#### Accountability, Control of Corruption, Effectiveness, Rule of Law, Regulatory Quality, and Stability Percentile Ranks

<table>
<thead>
<tr>
<th>Sovereign 1945</th>
<th>Accountability Rank</th>
<th>Corruption Rank</th>
<th>Effectiveness Rank</th>
<th>Rule of Law Rank</th>
<th>Regulation Rank</th>
<th>Stability Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0.4601)</td>
<td>(0.4924)</td>
<td>(0.5156)</td>
<td>(0.3587)</td>
<td>(1.2755)</td>
<td>1.6782)</td>
</tr>
<tr>
<td>Overall- R2</td>
<td>0.7043</td>
<td>0.633</td>
<td>0.5904</td>
<td>0.4461</td>
<td>0.2421</td>
<td>0.5168</td>
</tr>
<tr>
<td>Obs</td>
<td>57</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>57</td>
</tr>
</tbody>
</table>

Using country and time fixed effects

*** Statistically significant at the 1% level.
** Statistically significant at the 5% level.
* Statistically significant at the 10% level.

TABLE 2: Notes to Table 2. Standard errors reported in parentheses. Data obtained from the World Bank World Development Index (WDI) and World Bank World Governance Index (WGI) includes 26 states measured every five years from 1960-2015. The World Governance Index omits the dependent territories of Sint Maarten, St. Martin (French), Turks and Caicos, Curacao, and the British Virgin Islands. WGI percentile ranks are reported on a scale of 1-100. The ‘Sovereign 1945’ dummy variable equals 1 if the nation in question gained sovereignty before 1945, and a value of 0 otherwise. The regression includes controls for GDP in millions of 2010 USD, per capita GDP in actual 2010 USD, GDP and per capita GDP growth in annual percentage, and country and year fixed effects, applied due to a significant chi-square (to an alpha of 0.05) in a Hausman test. A coefficient that is statistically significant to a p-value of 0.01 or less in denoted by three stars (***) , a p-value of 0.05 or less is denoted by two stars (**), and a p-value of 0.10 or less is denoted by one star (*). Coefficients listed without stars are statistically insignificant.
### Accountability, Control of Corruption, Effectiveness, Rule of Law, Regulatory Quality, and Stability Scores

<table>
<thead>
<tr>
<th>Sovereign 1945</th>
<th>Accountability</th>
<th>Corruption</th>
<th>Effectiveness</th>
<th>Rule of Law</th>
<th>Regulation</th>
<th>Stability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-0.9758***</td>
<td>-1.0666***</td>
<td>-0.7455**</td>
<td>-0.9042***</td>
<td>-0.7187**</td>
<td>-0.7399**</td>
</tr>
<tr>
<td></td>
<td>(0.0076)</td>
<td>(0.0087)</td>
<td>(0.0081)</td>
<td>(0.0074)</td>
<td>(0.0082)</td>
<td>(0.0079)</td>
</tr>
<tr>
<td>Overall-R2</td>
<td>0.6155</td>
<td>0.6298</td>
<td>0.6562</td>
<td>0.4921</td>
<td>0.3064</td>
<td>0.4562</td>
</tr>
<tr>
<td>Obs</td>
<td>57</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>57</td>
</tr>
</tbody>
</table>

*Using country and time fixed effects*

*** Statistically significant at the 1% level.
** Statistically significant at the 5% level.
* Statistically significant at the 10% level.

**TABLE 3: Notes to Table 3.** Standard errors reported in parentheses. Data obtained from the World Bank World Development Index (WDI) and World Bank World Governance Index (WGI) includes 26 states measured every five years from 1960-2015. The World Governance Index omits the dependent territories of Sint Maarten, St. Martin (French), Turks and Caicos, Curacao, and the British Virgin Islands. WGI scores are measured on a scale of -2.5 to 2.5, with 2.5 denoting best governance in policy areas. The ‘Sovereign 1945’ dummy variable equals 1 if the nation in question gained sovereignty before 1945, and a value of 0 otherwise. The regression includes controls for GDP in millions of 2010 USD, per capita GDP in actual 2010 USD, GDP and per capita GDP growth in annual percentage, and country and year fixed effects, applied due to a significant chi-square (to an alpha of 0.05) in a Hausman test. A coefficient that is statistically significant to a p-value of 0.01 or less is denoted by three stars (***), a p-value of 0.05 or less is denoted by two stars (**), and a p-value of 0.10 or less is denoted by one star (*). Coefficients listed without stars are statistically insignificant.

<p>| TABLE 4 | OLS Estimates of the Effect of Sovereign 1945 Break Point Variable |</p>
<table>
<thead>
<tr>
<th>Sovereign 1945</th>
<th>Employment Agriculture %</th>
<th>Employment Industry %</th>
<th>Employment Services %</th>
<th>Trade Services %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.3889*</td>
<td>-1.1313</td>
<td>-11.8498***</td>
<td>-28.9422***</td>
</tr>
<tr>
<td></td>
<td>(0.3760)</td>
<td>(0.8735)</td>
<td>(0.0891)</td>
<td>(0.1281)</td>
</tr>
</tbody>
</table>

### Overall R2

<table>
<thead>
<tr>
<th>Obs</th>
<th>Employment Agriculture %</th>
<th>Employment Industry %</th>
<th>Employment Services %</th>
<th>Trade Services %</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>0.1089</td>
<td>0.0922</td>
<td>0.1602</td>
<td>0.4161</td>
</tr>
<tr>
<td>102</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>101</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>148</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Using random effects**

- *** Statistically significant at the 1% level.
- ** Statistically significant at the 5% level.
- * Statistically significant at the 10% level.

**TABLE 4:** Notes to Table 4. Standard errors reported in parentheses. Data obtained from the World Bank World Development Index (WDI) includes 31 states measured every five years from 1960-2015. The ‘Sovereign 1945’ dummy variable equals 1 if the nation in question gained sovereignty before 1945, and a value of 0 otherwise. Trade in services is reported in percentage of overall trade and sector employment is measured in percentage of overall employment. The regression includes controls for agricultural land in percentage of overall land area, population density in persons per square kilometer, agricultural land in square kilometers, land in square kilometers and random effects, applied due to an insignificant chi-square (to an alpha of 0.05) in a Hausman test. A coefficient that is statistically significant to a p-value of 0.01 or less is denoted by three stars (**), a p-value of 0.05 or less is denoted by two stars (**), and a p-value of 0.10 or less is denoted by one star (*). Coefficients listed without stars are statistically insignificant.
**TABLE 5**  
*OLS Estimates of the Effect of Sovereign 1945 Break Point Variable on Tourism Receipts, Tourism Spending, and Tourists*

<table>
<thead>
<tr>
<th>Sovereign 1945</th>
<th>Tourism Receipts</th>
<th>Tourism Spending</th>
<th>Tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2833.491***</td>
<td>1665.859**</td>
<td>3066.293**</td>
</tr>
<tr>
<td></td>
<td>(20.8972)</td>
<td>(14.3011)</td>
<td>(22.6282)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj-R2</th>
<th>0.0542</th>
<th>0.0462</th>
<th>0.0147</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs</td>
<td>81</td>
<td>73</td>
<td>82</td>
</tr>
</tbody>
</table>

*Using country and time fixed effects*

*** Statistically significant at the 1% level.  
** Statistically significant at the 5% level.  
* Statistically significant at the 10% level.

**TABLE 5**: Notes to Table 5. Standard errors reported in parentheses. Data obtained from the World Bank World Development Index includes 31 states measured every five years from 1960-2015. The ‘Sovereign 1945’ dummy variable equals 1 if the nation in question gained sovereignty before 1945, and a value of 0 otherwise. Tourism receipts and tourism spending are reported in millions of 2010 USD, and tourists in thousands of persons. The regression includes controls for growth in services sector in percentage, per capita GDP in actual 2010 USD, population density in persons per square kilometer, and individual and year fixed effects, applied due to a significant chi-square (to an alpha of 0.05) in a Hausman test. A coefficient that is statistically significant to a p-value of 0.01 or less is denoted by three stars (***), a p-value of 0.05 or less is denoted by two stars (**), and a p-value of 0.10 or less is denoted by one star (*). Coefficients listed without stars are statistically insignificant.
Conclusion

Before 1945, decolonization was violent and tumultuous. With hostile relations between newly independent states, their former colonial masters, and their allies, economic development was hindered, as evidenced from the results in Table 1. Technological exchange, skilled work force flows, subsidies, and other valuable benefits of a more-developed colonial master were cut off completely and early-period independent nations were largely left to fend for themselves in a space still dominated by European colonies. Without any support, governance quality was hindered, and life expectancy dropped due to internal violence and decreased quality of life, discovered in results from both Table 1 and 2. In Tables 2 and 3, it is observed that late-period independent nations far outperform early-period independent nations across all good governance factors. According to Table 2, late-period independent states are estimated to be nearly 30 percentile ranks higher across all governance indicators.

Without good governance, consistent economic growth, trade relationships, and technological exchange, industrialization progress was slowed. As findings from Table 4 support, early-period independent nations are significantly reduced in services production as compared to late-period independent nations. With more employment in agriculture and less in services, early-period nations have less stable economies and are more vulnerable to economic shocks from market fluctuations and natural disasters than their late-period counterparts, further reducing economic development.

Results from Table 5 show a positive relationship between early-period independence and increased tourism revenues and overall tourist numbers. This is contrary to my hypothesis and the
results of Table 4. As I would be led to believe from my literature review, less well-developed countries without close ties to wealthy European nations (and their wealthy tourists) would be subject to reduced tourism as opposed to their late-period counterparts. This is reinforced by the depressed service sector identified in Table 4. These results require further testing.

In the future of this study, I plan to include data on GNI Per Capita, Education, and Literacy, and Colonial Power dummy variables as controls for all regressions. In addition, though HDI was intended to be the primary measurement of economic development in this study, the lack of by-year data from 1990-2015 led to an extreme lack of significance across all HDI regressions. I plan to expand the data set to every year to get more accurate and complete results from HDI indicators. I also plan to employ enhanced autoregressive testing to ensure data is not skewed from multi-year shocks. I would also like to examine more closely the presence of observed drops in imports, tourism, and good governance when late-period independent nations declare independence from their FCPs using the created ‘independent’ dummy variable. Lastly, I want to include a variable for years of autocratic rule after independence, possible from the Polity Project to determine effect.

According to Shepard (2008), there is a difference between decolonization as the “winning of independence” and decolonization as “transfers of power”. For the first time in the Caribbean, this difference has been observed and quantified. There are statistically significant decreases across economic development, good governance, and industrialization indicators for early-period independent nations in comparison to late-period independent and currently semi-autonomous states.

Works Cited
development-index/
   From http://www.caribbank.org/uploads/publications-reports/staff-papers/GCIA.pdf
   International Encyclopedia of the First World War. From https://encyclopedia.1914-
   1918-online.net/article/colonial_empires_after_the_war/decolonization
   decolonization-and-revolution
   Caribbean Economies. Center for International Development. Retrieved from
   https://sta.uwi.edu/conferences/financeconference/Conference Papers/Session
   http://www.jstor.org/stable/178322
   Studies. From http://www.socialstudies.org/sites/default/files/publications/se/6402/640202.html
    (2012, December). Development Paths in the Caribbean. From
    http://www.afd.fr/webdav/shared/PORTAILS/PAYS/ALC/pdf/etude-CEPALC-
    Development-paths.pdf
    From https://history.state.gov/milestones/1945-1952/asia-and-africa
12. World Development Indicators| World Bank. (n.d.). From
    &country=
    Center for Development Policy Management. From http://ecdpm.org/wp-