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Legal Resources Needs for Alternative Production Enterprises: Issues Raised by Project Experiences in Jamaica

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LEGAL RESOURCES NEEDS FOR ALTERNATIVE PRODUCTION ENTERPRISES: Issues Raised by Project Experiences in Jamaica*

Dr. Allan N. Williams **

INTRODUCTION

The countries of the Commonwealth Caribbean[1] reflect some of the basic contradictions of Third World economies in the 1980s. They are predominantly agricultural economies, or have a significant proportion of their population in agricultural activities, yet they are faced with the problem of adequately feeding themselves. Their agricultural resources are employed primarily in the production of a few export commodities, e.g. bananas, sugar, spices, the world market prices of which have been in a long-term downward trend. At the same time a major proportion of their fuel, food and capital goods have to be imported with foreign exchange which is becoming increasingly difficult to earn.

A new factor that is causing some concern is the susceptibility of Caribbean economies to physical dislocation from major natural disasters, such as hurricanes, earthquakes, and volcanic activities. Each year, during the period June to November, over twenty significant tropical storms pass through this region, each with a potential to develop into a hurricane of major proportions. Each year some part of the physical infrastructure of one of the Caribbean islands is destroyed by either the rains from a tropical depression, or the winds of an hurricane - the most recent of

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1. The countries of the Commonwealth Caribbean comprise the English-speaking territories of this region that were formerly colonies of the United Kingdom.

which has been Hurricane Gilbert, which devastated portions of the island of Jamaica in September 1988.

The concept of alternative production structures as a viable complement to the macro economic programmes has always had some appeal to low income groups. In the Caribbean, we have tried various types of development projects aimed at promoting such enterprises among the rural poor. These have included farmer settlement schemes, production cooperatives, state run farms, community-based businesses, and fully self-managed enterprises. We conceptually group this amalgamation of efforts under the umbrella of "alternative production structures." The underlining assumption in all of these projects has been to organize persons who have no income-earning assets (besides their labour), into productive enterprises, without assigning the leading role to the owners of capital.

To date, the initiative to promote such enterprises remains largely within the realm of the State.[2] Many examples abound of the State promoting new enterprise formation from above, supporting organized self-development efforts coming from below, and also using its powers to blunt the initiatives of individuals and groups to control and use productive resources. We have also witnessed the corollary of this approach, which is efforts by the State to encourage *job creation* through the more conventional corporate expansion.

There are many resource needs that can be identified in the process of promoting alternative production structures in Third World economies. One of these, which is often poorly defined, to the detriment of the project, is that of legal resources. Legal resources have been aptly defined as a functional knowledge of the relevant law and the skills to USE and DEVELOP law in order to promote and protect shared group interests and rights. Some of the aspects of alternative production structures are inconsistent with the established regulations that ensure that capital ownership means control of the production process. Consequently, a legal resources framework becomes essential if non-propertied individuals are to gain access to, and maintain the right of use of productive assets, without necessarily having to own them.

The State is the embodiment of the legal arrangements in the society, and these legal arrangements span both social and economic relations. The State promulgates laws in its efforts to promote job creation by the conventional corporate structures. It does likewise, in its efforts to facil-

2. Even revolutionary movements which culminate in the capture of land resources by farmers and workers are usually quickly brought under the regulations of the State.

itate alternative production enterprises. In fact, in most cases the major capital assets are usually owned by the State. Thus, although such enterprises are expected to be autonomous of the State, that does not mean that State intervention should be viewed in a similar way as Thomas Aquinas did when he analysed taxation under the heading "*Utrum Rapina Possit Fieri Sine Peccato*" - whether there could be plundering without sin! What is required more is action by all parties involved to ensure that the legal arrangements are consistent with sustaining such enterprises.

WHY JAMAICA IS ILLUSTRATIVE

This paper reflects on some efforts by a previous Jamaican Government to promote alternative production structures in an effort to promote the economic development of the people of that island. These efforts were undertaken during the period 1972 - 1980, but the experiences still hold some lessons for us in 1988.

There are some very good reasons to look at Jamaica's experiences once more. In the period 1970 to 1988, successive Jamaican Governments faced similar problems but conducted diametrically opposite experiments to resolve these issues.

In the period 1972 - 1980, the Government of Prime Minister Michael Manley was faced with, among other problems, a high unemployment rate and poverty among the rural inhabitants of Jamaica. Under the title of Democratic Socialism, this Government attempted to support individuals and groups in the rural communities to gain access to land resources for the purpose of promoting new productive enterprises. By 1980 it was quite clear that these efforts and other programmes were a total failure, as the population resolutely voted the Prime Minister out of office.

The following eight years, 1980 - 1988, the Government of Prime Minister Edward Seaga, under its ideology of private enterprise capitalism, sought to resolve the unemployment situation through job creation. The experiments of the previous regime were allowed to disintegrate, while emphasis was placed on attracting foreign capital in order to create new jobs. By mid-1988, opinion polls conducted by Dr. Carl Stone of the University of the West Indies were indicating that this Government was as unpopular as was the Manley Government when it was voted out of office.

So it appears that in these sixteen years, neither approach won. Added to this, however, is the fact that Hurricane Gilbert seriously dislocated the productive structure of the economy in September 1988, raising once more the need to restructure the productive system in the country. Even though we do not advocate a simplistic return to the policies of the 1970s, one still ought to reexamine them for the lessons that they hold.

LESSONS FOR PROJECT PLANNERS

Over the last two decades, the design and implementation of economic development projects have revealed the pervasiveness of three main concerns. The first concern has been with ECONOMIC GROWTH. Development projects have all been expected to make positive contributions to one of the many indicators of economic growth, viz., gross domestic output, per capita income, balance of payments.

The second concern has been with ECONOMIC EFFICIENCY. Development projects are also expected to bring into productive use some of the portions of the nation's economic resources that are presently unutilized or under-utilized. The third concern is that development projects function within the market mechanism for DISTRIBUTION and EXCHANGE. This means that the project must become viable within the market economy and not become a drain on the resources of the State.

These basic principles of development projects were adopted by both Jamaican Governments, leading one to believe that they were not inconsistent with either form of enterprise being promoted. Projects have always been seen in terms of increasing, in both quantitative and qualitative terms, the capital stock of the nation, whether expressed in factories, machinery, skilled labour, or cultivated acreage. However, it is clear that foreign capital and the need for high rates of return have tended to skew the preferences away from rural based (agricultural) enterprises. However, nothing in the experiences of the Jamaican Sugar Producers Cooperatives, for example, would indicate that such enterprise structures are inconsistent with the notion of capital formation, even though the horizon may be much longer.

The question, therefore, is not whether Jamaica should rely on one type of productive initiative as against another. Of more importance is the question of whether the legal framework so familiar in the case of capital-based initiatives is consistent with supporting a productive initiative by people based solely on their ability to work. People-based initiatives have certain aspects not found in capital-based initiatives.

The first of these aspects is POPULAR PARTICIPATION. This theme suggests that individuals in the projects be permitted to exert direct control over the resources they utilize. From the point of view of promoting alternative production enterprises, operationalizing this theme means a less hierarchical enterprise structure, more decentralized decision-making mechanisms, and on the national level, effective devolution of economic power and enterprise autonomy. That would mean that planners are restricted in their ability to prescribe the use of the assets before inviting persons to use them.

The second aspect has to do with the broader concept of EQUITY and SOCIAL JUSTICE. Participation in production, whether as owners of labour or capital, is a major source of personal wealth. When the social ethos is for a more equitable distribution of the goods and services in society, the productive enterprise becomes more than a focal point for the exchange of resources. Alternative production enterprises must also be conceived of as effective delivery systems for public goods such as education, health, transportation, information, etc., as well as an organized base for the public distribution of essential commodities, especially in times of natural disasters.

One can easily see some of the ramifications of developing alternative enterprises with these qualities. We first have to ensure that individuals' rights of use of productive assets are not abridged by the ownership rights of someone else. That implies a clear distinction in the production process between ownership of productive ASSETS and control of the production PROCESS. Then there is the question of distribution within the enterprise between individual remunerations and collective consumption. The former may be based on one's work while the latter may be based on one's social (family) responsibilities.

The structure of an enterprise is partly prescribed by its laws and regulations. That is the de jure structure. The de facto structure is the one that evolves on the basis of accepted practices. The extent to which project planners, who are promoting alternative production enterprises, fail either to understand or to address these issues, will determine the extent to which the de facto structure fails to fulfill the expectations of all involved.

LESSONS OF PROJECT LAND LEASE

One of the first lessons from Jamaica's experience has to do with who determines the actual form in which the State's commitment to a domestic transfer of productive resources is realized.

Project Land Lease was established by the Government of Jamaica in February 1973. The objective of the project was *to lease properties un/under utilized by their current owners and to sublet them to farmers for the purpose of producing domestic food crops.*[3] The Project, therefore,

3. "An Evaluation of Project Land Lease and Project Food Farm."

acquired parcels of land that the large landowners were willing to lease to the Government on a short-term (five-year) basis. What happened was that most of the lands acquired were of marginal worth to their owners, hence their willingness to lease it.

Table 1 shows the grading of properties leased by Project Land Lease, according to the land capability criteria of the Agronomy Division of the Ministry of Agriculture of Jamaica. Lands with serious limitations of drainage, erosion, adverse soil conditions or very low rainfall were classified as "FAIR." In total, about one-third of the lands leased were unfit to be used, another 45% could only be used with major investments, and at most 22% may have been considered as providing a viable economic base.

TABLE 1

GRADING OF PROPERTY ACQUIRED UNDER PROJECT LAND LEASE

Category	*Percentage*
Very Good	5.7%
Good	17.0%
Fair	45.3%
Poor	20.7%
Very Poor	11.3%

Source: An Evaluation of Project Land Lease & Project Food Farms, Agricultural Planning Unit, Ministry of Agriculture, Government of Jamaica, p. 5, (July 1974).

In the first place, the participants in this project lacked the ability to gain easy access to the decision-makers to ensure that the project transferred productive land resources. Furthermore, tenant regulations that did not distinguish qualitatively between different parcels of land, left those within the fair or poor land category at a serious disadvantage. If the intention of a project is to support the development of the land resource, to make it more fertile over time, then it involves a long-term commitment. It cannot be accommodated under a five-year lease. Indeed, one who knows that his use of the land is limited to five years would be rational in not undertaking any serious investment decisions to improve the quality of the resource, unless of course provisions were made in the agreement to recompense him at the termination of his tenancy. Thus the instruments that guarantee the right to use a productive resource must make that right consistent on a time basis with the task of developing the resource into a productive asset.

Another issue that arose was whether the State should transfer the total cost of its land acquisition to the beneficiaries. Now that must be distinguished from efforts of the State to recuperate its acquisition costs through legal economic agreements with the beneficiaries. What happened in the former case was that the State used its monopoly position to impose a unilateral tax on participants in Project Land Lease under the pretext of a land rental. The "rent" charged tenants was actually the per acre cost to the Government of acquiring (leasing) the land from the owners.

Land rentals should be based on the potential value of the land and the estimated income stream from its use. There is no free market mechanism under which the State could have been able to sublet some of the poor quality land for a positive fee. If the State did not have the unilateral power of taxation, Project Land Lease administrators would not have leased some of the poor quality lands. Consequently, we have learned that alternative production enterprises must ensure that their resource base is not undermined by the unilateral imposition of administrative or institutional costs that accompany the domestic transfer of productive resources.

There is a special feature that distinguishes land resources from labour and capital. Land may be transferred in ownership through legal instruments but never in physical location. That means that it always remains within the jurisdiction of the State. This fact provides the State with ample reasons to participate in the improvement of the productivity of land resources, even though it does not control its use. In other parts of the economy, tax incentives, education, transportation, and health services are all efforts by the State to improve the real human resources made available to entrepreneurs. In Project Land Lease, the entire burden of developing the resource was being transferred to the proposed entrepreneur.

One of the reasons for this was that the promoters of the project never really conceptualized these resources as being at the disposal of the State for any long-term period. This was so because the lease instrument could not be expected to make the separation between ownership and control. This would have required a more extensive law that would define a new category of resource, call it SOCIAL PROPERTY[4] if you will, and place un-utilized land under this law before distributing it out to users.

What happened in Project Land Lease was that a significant amount of credit had to be directed to farmers to improve the quality of the land over which they had only a short-term right of use. In the first year of operations the total expenditure of the project was J$507,491. Of this

4. Attention is drawn to the Social Property Laws promulgated by the Military Government of Peru in 1970 as part of its policy of introducing cooperatives into that country's sugar cane production.

amount J$320,029 was extended in credit to farmers. Furthermore, 60% of all credit (J$190,941) was for land clearing and ploughing.[5]

It is of interest to note that had the credit to the farmers been handled by an independent source, the question of the land tenure would have certainly arisen. However, this did not occur, because those who administered the credit were also those who were promoting the settlement of farmers on the land. Because the farm analysis for credit would have strained the administrative resources of the project, a system was devised whereby the farmer signed an "Authorization" allowing the project to debit his account for the inputs delivered. The practice that developed was for the farmer to sign the authorization form first, and for the amounts to be entered later on. While this system did function with a minimum amount of paperwork and administrative personnel, most farmers were found to have had no idea as to the extent of their indebtedness, nor of a breakdown of the costs being incurred in the various activities.

It is obvious that the authorization document resolved the pending administrative difficulties of extending credit. However, from the point of view of their collective interests, the farmers clearly lacked the legal resource skill to implement a better reporting of their debt position. Therefore, information never entered effectively into their decisions concerning production costs.

The credit system did not cater for one more important need of the small farmer in any land settlement scheme. That is the need for a short-term living allowance or what the Jamaicans called "carrying-on allowance." In a subsequent survey of farmers in the project,[6] 10% of them attributed their failure to the fact that they had to seek alternative employment between the time of planting and harvest, in order to feed themselves and their families. This in effect reduced their ability to tend to their crops, affected their yields, and created confusion as to which was their real income earning activity. In the first year of operations, sixty farmers were caught in this contradictory position and were evicted for lack of performance, while another seventy-nine had warnings pending.

Here is where we enter some new considerations, not found in other enterprises. A producer/worker has cash needs based on his three essential roles:

a. The entrepreneur/risk taker;
b. The producer/worker;
c. The householder/consumer.

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5. *See* Government of Jamaica, Ministry of Agriculture, "An Evaluation of Project Land Lease and Project Food Farm."

6. *Id.*

As the controller of the productive asset, the worker or workers are expected to devote an adequate amount of their time to the productive use of the asset. As risk taker, their returns from this activity are neither guaranteed in absolute terms nor in terms of regularity. But as consumers, their cash needs are continuous. If no arrangements are possible for the individual to fulfill his basic needs, he will either have to seek alternative employment or divert some of the investment credit to consumption. Therefore, such alternative production enterprises must transcend the narrow concept of being organized institutions for the exchange of productive services and also become effective institutions for distribution as well. One can easily see how this consideration becomes more important when the economy is attempting to recover from a natural disaster that has laid waste most of the alternative employment options.

This is not only a question for credit but for the entire system of distribution of enterprise income. Furthermore, it is not a question of distinguishing between consumption and investment needs. Rather, it is one of determining which needs will be financed on a long-term and which on a short-term basis.

Project Land Lease therefore raised five issues that must be addressed in the legal framework. The first is that qualitative as well as quantitative distinctions be made with respect to the assets being transferred into alternative use. The second is that the time period for the right of use of the assets be consistent with the timespan of investments in the assets. The third is that there is a social requirement that the State participate in the improvement of the assets. The fourth is that credit be based on the productivity of the enterprise's assets and that it address the full complement of consumption and investment needs. The fifth is that enterprises should also perform distribution services in addition to the exchange of resources.

LESSONS FROM THE SUGAR WORKERS COOPERATIVES

A second major issue in developing alternative production enterprises is to be found in the economic arrangements necessary to maintain the INTEGRITY of the enterprise. By integrity we mean the WHOLENESS of the product unit, as defined by the set of complementary production activities. There is a tendency on the part of planners and State decision-makers to dismember traditionally integrated rural enterprises, e.g. estates and factory production, and to reorganize these separate operations under different enterprise structures.

Usually, the more labour intensive activities, where the economic returns are very low, tend to become the prime targets for cooperatization by state planners. The more lucrative value-added sections would remain under the corporate organization structure. Legal instruments are then used to bind the two into marketing arrangements which sometimes place one or both in a disadvantaged position. This was essentially the experience with the Jamaica Sugar Cooperatives.

Sugar production in the Caribbean is an industrial process whose history is as bitter as its output is sweet. In the early 1970s, the Jamaica Sugar Companies, all foreign owned, faced a crucial crisis. The production of sugar cane under the then existing structure was uneconomical, while the production of sugar remained viable. Thus the factories were subsidizing the production of their raw material. One option for the owners was to mechanize the sugar cane production, i.e. particularly in terms of harvesting, thus reducing the required work force and consequently the costs.

A solution that reduced the work force was not consistent with efforts of the Government of Prime Minister Manley to increase employment. The Government, therefore, decided to purchase the estate lands, and to organize the production of cane along cooperative lines. In the first two years of operation, the cane fields were therefore organized as cooperatives, while the factories remained under the standard corporate structure.

Twenty-two cooperatives were created in 1975 on three of the largest sugar cane estates. These estates were Frome, Monymusk, and Bernard Lodge. Each cooperative was given 2000 acres of land which was considered the economically viable size of operation. All workers on the estates at the time of transition were incorporated into one or another of the cooperatives so that no one suffered involuntary separation from his source of employment.

In addition to all this, each cooperative had to maintain the original production relation with the factory. The lease agreement specified that the cooperatives were required to maintain their lands in the production of cane, and could only diversify insofar as the yields in the remaining acres had improved to compensate for any loss in cane production. So we started out with supposedly autonomous enterprises having certain decision-making rights abridged by legal instruments. These rights included:

a. Rationalizing the use of all resources;
b. Rationalizing production decisions;
c. Rationalizing marketing decisions.

Let us examine some of these, starting with the use of its land resources.

The factors to be considered in the production of cane were as follows:

a. The yield per acre (Tons Cane(TC)/Acres);
b. Transportation costs to the factory;
c. Cost of production of one ton of cane;
d. Price paid by the factory.

A team of sugar cane technologists had studied a subdivision of the Monymusk lands, and had come up with some interesting guidelines. They had suggested that the threshold point for viable cane production was a yield of thirty tons per acre. They also noted that, given their projections of expected cane prices over an eight-year period, only high yielding farms which were within three miles of the factory would be operating profitably.

TABLE 2

ECONOMIC PERFORMANCE OF THE COOPERATIVES AT MONYMUSK (J$)

	GREENWICH		BOG		SPRINGFIELD		HILLSIDE	
	1975/76	1976/77	1975/76	1976/77	1975/76	1976/77	1975/76	1976/77
Cultivated acres	1,911	1,798	2,180	2,169	2,127	2,104	1,967	2,001
Tons per Acre	33.0	16.7	32.7	20	30.5	20.1	29.7	21.2
Cost per Ton	$27.76	$53.67	$23.67	$37.91	$24.01	$32.95	$26.12	$40.19
Price per Ton	$18.64	$16.25	$18.65	$16.25	$18.68	$16.30	$18.65	$16.45
Profit (loss) per Ton	($9.12)	(37.42)	(5.02)	($21.66)	($5.33)	(16.65)	($7.47)	($23.74)

	EXETER		MORELAND		SALT SAVANNAH		MUMBY	
	1975/76	1976/77	1975/76	1976/77	1975/76	1976/77	1975/76	1976/77
Cultivated acres	1,888	2,040	1,977	1,658	1,659	1,558	1,797	1,702
Tons per Acre	29.2	22.1	26.7	19.9	23.2	11.5	22.4	12.6
Cost per Ton	$25.35	$31.48	N.A.	38.19	$31.29	58.82	30.76	44.07
Price per Ton	$18.63	$16.25	18.54	16.25	$18.65	16.3	18.53	16.45
Profit (loss) per Ton	(6.72)	($15.23)	$18.54	($21.94)	($12.64)	($42.52)	($12.23)	($27.62)

Source: The Rescue and Development of the Sugar Cooperatives, Report of the Committee, April 1978. Annex 3, Tables IV & V.

Table 2 shows us the situation as it began to develop on the estate of Monymusk. Between the two cropping seasons, 1975/76 and 1976/77, the total cultivated acreage fell in all but two of the estates. More important is the fall in yields realized (TC/A: Tons of Cane per Acre). Futher aggravating the situation was the 10% to 12% fall in the price paid by the factory over the same period.

It should be pointed out that the cooperatives took control of the assets in January 1976. This means that the 1975/76 corp was essentially planted under estate management, and only the harvesting was done under cooperative management. The results for the 1975/76 season, therefore, reflect more the efficiency of the former estate operations. Given the suggested cut off point of thirty tons per acre, all but three cooperatives should have been considering diversification options. By 1977, the performance in all of the cooperatives failed to reach this benchmark.

The question is where was the adjustment to poor performance and falling market prices to be instituted? The cooperatives essentially had two routes. The first would have been through a programme of gradual diversification out of sugar cane production, with a compensatory mechanism being in place if they were to continue to provide the volumes to make the factory viable. The second would have been to adjust their costs structure, which would have meant an adjustment in the labour costs incurred in the production of cane.

There was no doubt that the cooperatives were operating at cost which were as much as 55% higher than other cane farms in the area. Table 3 illustrates this.

TABLE 3

COMPARATIVE PER UNIT COSTS OF CANE PRODUCTION

1975/76 Crop, for Cooperative and Farms in the same region

	BERNARD LODGE		FROME		MONYMUSK	
COSTS PER TON	Sugar Coops.	Other Farms	Sugar Coops	Other Farms	Sugar Coops	Other Farms
Cultivation	$12.07	$7.30	$9.78	$8.60	$9.43	$12.48
Harvesting	$6.40	$4.42	$7.62	$5.60	$7.56	$6.48
Overheads	$9.65	$6.32	$7.92	$6.49	$9.73	$5.13
Total	$28.12	$18.04	$25.32	$20.69	$26.72	$24.09
Average Price	$18.70	$18.70	$18.59	$18.59	$18.62	$18.62
Net Returns	($9.42)	$.66	($6.73)	($2.10)	($8.10)	($5.47)

Source: The Rescue and Development of the Sugar Cooperatives, Report of the Committee. Annex 4 "Cane Production on the Cooperatives" (April 1978).

The production costs of the sugar cooperatives continued to be higher than those of other farms for very many reasons. In the firt case the cooperatives were grossly inefficient, a reflection of internal disorganization and the absence of production planning. However, there were other reasons directly related to decisions made at the factory level.

As was stated above, the legal arrangements had preempted any other market options by the cooperatives. These arrangements were designed to guarantee the viability of the factory operation, and this translated into an obligation to supply the factory with cane for grinding. The overriding importance of this obligation was based on two factors. First of all, the factories were very old and had breakeven points above 70% of capacity utilization. Secondly, these breakeven capacities translated into a land requirement in cane in excess of 75% of the land resources of the cooperatives.

TABLE 4

BREAKEVEN POINTS IN FACTORY OPERATIONS

	BERNARD LODGE	FROME	MONYMUSK
Capacity operation for Breakeven	.7	.77	.81
% Coop Land required in Cane for Factory	.84	.76	.92

Source: *Institutional and Economic Aspects of the Jamaican Sugar Cooperatives* by Vincent Richards & Allan N. Williams, in PARTICIPATION & SELF-MANAGED FIRMS: EVALUATING ECONOMIC PERFORMANCE. (Derek Jones & Jan Svejnar eds. 1982).

The operation of delivering cane to the factories had another twist to it. The independent cane farmers were unwilling to supply cane to the factories during the weekends. Thus, in order to reduce downtime, the factories enforced their agreement with the cooperatives, particularly with respect to weekend supplies. To the cooperatives, this meant harvesting during a premium wage-rate time period. The questions is why the cooperatives were paying their own members premium wage rates to deliver weekend cane when their financial situation could hardly afford it. The answer to this question brings us to our second adjustment option, which was to reduce costs by rationalizing the labour input.

Let us first understand what are the average labour requirements of a 2,000 acre cane farm.

TABLE 5

NON-MANAGEMENT LABOUR REQUIREMENTS
FOR A 2,000 ACRE CANE FARM

REAPING:	Cutters	105
	Transport	4
	Supervision	3
CULTIVATION:	Spraying, Fetilizing	10
	Irrigation	10
	Tractor	4
	Supervision	4
SERVICES:	Mechanics	2
	Service Helpers	3
	Carpenter-Maintenace	1
	Compound Security	1
OFFICE:	Accounting/Typist	1
PEAK REQUIREMENT		148
MINIMUM REQUIREMENT		36

Source: "The Subdivision of Monymusk Lands: Agricultural Organizational and Economic Considerations" prepared by team Reginald Burgess et al., under the auspices of the Jamaica Association of Sugar Cane Techologists. [Private Circulation (no date)].

A team under the auspices of the Jamaica Association of Sugar Cane Technologists prepared the breakdown. This breakdown suggested that the maximum labour requirement was 148 workers, with a minimum core of 36 workers. As can be seen, the significant upsurge in labour needs occur during the harvesting of the cane, i.e. cutters. Under the old estate structure a major proportion of these were migratory workers.

When the cooperatives were formed, however, all persons working on the estate were included. This meant membership levels ranging from 150 to 230 per cooperative; definitely too large for the prescribed pattern of production. The cooperative law only provides for involutary separation of members under very stringent conditions. What would have been required was for the management of the cooperative to institute a rational policy for the utilization of labour, shifting some of the excess workers into alternative production activities. But, as we have said before, diversification in the use of the land resources was very restricted.

Although the cooperative structure was imposed, the day to day management of these enterprises still remained in the hands of the former estate managment staff. These individuals were not entitled to join the cooperatives, nor were they officially hired by the cooperatives. The workers could not fire them. Thus it is not surprising to find that the workers continued to view the management structure as the same as before. They, therefore, continued to pay their union dues and to demand that the cooperative management pay wages and benefits commensurate with those successfully negotiated on the remaining unionized sugar estates. Thus weekend workers demanded overtime pay.

CONCLUSION

The experiences in the Sugar Cooperatives shows the disasters that await us when expediency rather than rational and consistent arrangements are used to recognize production enterprises. The tendency towards expediency is enhanced when workers are not permitted to be part of the planning process, but are invited to participate only after the experts have completed their plans. This approach has strong roots in the administrative structures of the State. As such, it is essential that workers be supported in the area of legal resources to ensure that the arrangements under which they gain access to productive assets are consistent with their own development goals.

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