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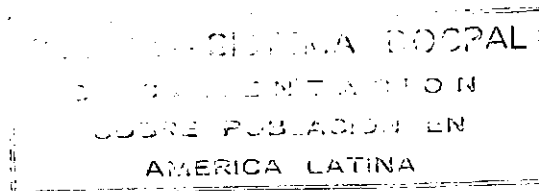
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ECONOMIC COMMISSION FOR LATIN AMERICA
Office for the Caribbean

THE CARIBBEAN
and
THE DECADE OF THE 80's



Prepared by
S. St. A. Clarke
Director

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The Caribbean
and
The Decade of the 80's

A setting of conflict

The decade of the 80's will see the intensification of a struggle in the Caribbean that will very largely determine whether these small economies will emerge to an acceptable measure of economic independence and self-determination, or whether they will remain the wards and vassals of metropolitan powers.

The struggle, which already has been gaining in intensity, will revolve around the single issue of the extent to which these countries can choose their own path for their social and economic organization, or have to accept the external models that continue to be imposed on them.

The majority of the Caribbean countries are in the situation that exploitation of their best natural resources are controlled from the outside, and large important sections of their economic apparatus are owned and controlled by external interests. Minerals, agriculture, industry, also trade - almost all the financial infrastructure, and in some cases even significant public utilities, have been largely outside the ownership and control of their peoples and governments. This has negated the effectiveness of the processes of planning and decision-making.

The real irony consists in the internationally imposed pressures dictating the maintenance of value and living patterns beyond the current capacity of the peoples and the natural resources of these countries. The local efforts to restructure the economies and to bring concordance between the internal resources and the value patterns of the people lay at the centre of the struggle. Further, declared policies to achieve control of their economies has stimulated reaction, which is at its greatest against measures directed towards more egalitarian distribution of wealth.

In the Caribbean can be found the widest spectrum of shades of political and economic organization, from traditional colonial status through to centrally planned government. Against this background there can be no doubting that the progressive emergence to independence of the West Indies Associated States will attract a stepping-up of political activity by some metro-

politan countries. Negotiations around the accession to Statehood of the Netherlands Antilles, the Belize negotiations, the independence issue for Puerto Rico, the nascent independence movements in the French Departments, and the accommodation that the great powers are prepared to give such aspirations, cannot fail to be affected by the paths chosen by the newly independent States.

No great perception is required to see the emerging pattern of polarization, and efforts towards the creation in the Eastern Caribbean of a "show-window" to counterbalance the "Cuban influence." In this situation the Caribbean becomes merely the battleground, and the choices of the Caribbean peoples themselves become matters of secondary (perhaps even tertiary) importance.

It is beneath the trampling of the giants that the Caribbean peoples have to forge their path towards co-operation and co-ordination. The obstacles are enormous, for it has to be done in the face of a new phase of balkanization, where the external influences are emphasizing the differences between the countries and giving denial to the commonalities among the countries that make them as a group a unique entity.

It remains to be seen whether the acquired Caribbean ability for being politely courteous, while ignoring as far as possible imposed solutions and situations, will be strong enough to withstand the pressures, and give them sufficient elbow room to advance their cause of co-operation and the articulation of the Caribbean identity.

The Socio-political scene

In large part most Caribbean countries are still enchained in relics of the social structure born of the plantation system, in which the symbols and the traits of some ethnic groups have been devalued and primacy is given to European values. The developments in the last two decades have put much pressure on that structure, but in most of the countries the people seem to prefer to remain with the known evil rather than move to uncertain alternatives. This parboiled state of national identity will continue to be just this until adjustments are made in the societies in bold social and economic terms.

It seems hardly necessary to recount the long tale of exploitation for external interests that constitute the history of the Caribbean. The gradual decline in the plantation system left a society structured round rich families whose privileges were never questioned. They continued to profit from their investments ploughing little back into the economies - keeping the bulk of their cash abroad - and often eventually migrating to the metropolitan centres. With the pressure for egalitarianism under the awakening of social and cultural consciousness, this pattern of movement has been more pronounced, to include even some who did not have the wealth but only the aspirations.

The legacy of colonialism clearly seen in the extreme maldistribution of land and wealth, represents a central problem which must be moderated if these economies are to survive. Alongside conspicuous wealth are some 80% of the common labourers who are unskilled, earning \$20 a week when they do get work.^{1/} Add to this the permanently under-employed and the unemployed, and what emerges is a socio-political situation that is a headache for a young nation. Wage differentials are probably among the most alarming in the world. Those with some profession or skill can receive as much as a hundred times more than the unskilled. It is in this setting that the Caribbean governments are faced with instituting programmes to absorb some of the unemployed labour force - but with inflation and recession, and few sources of revenue, such programmes will remain stymied for some time to come.

Many minority groups are beginning to show a bold rejection of the old established mores, and consequently are seen as deviants from the old "inviolable" norms. They are in their way a barometer of social and economic pressures in the society, chiefly among the segment of the population which has long nurtured a feeling of having been wronged and deprived. The continuation of a state of economic want and social humiliation reinforce their "moral" position.

They are aware of their role as a movement for change.

The social and cultural schizophrenia where the foreign patterns and values stand side by side with the basic realities of life, accentuates the significance of such minority movements as instruments of social change. Consequently, the Caribbean societies are undergoing dramatic social changes,

^{1/} This substantially understates the case in some of the islands.

many indirectly brought about by the challenge of oppressed groups to the lifestyle that once existed.

For the first time in most of these economies there is a conscious indigenous attempt to grapple with the problems of the underprivileged majority in such things as land reform, education, housing, medical care and even equitable justice. It is unavoidable that such a process towards social transformation must harness the traditional grass-roots elements in its cultural milieu.^{2/} When sufficiently grounded the power of such groups to challenge the status quo often triggers a negative response from the privileged groups in the society. If there is over-reaction, the privileged groups will find they have created a climate of growth and acceptance for the movement from the depressed group.

As with all change there is dislocation, and in this chaos emerge the people who have always been denied a share in the wealth and who are determined to get a piece of the pie by any possible means. Within this framework "socialists" of many shades emerge, all offering their solution to redress the serious imbalances. But in the circumstances of the Caribbean countries anything short of breaking the control of transnationals and dislodging inherited prerequisites of the privileged will be merely a salve to a deep wound.

Therein lies the frustration. If there is an emerging Caribbean ideology it would have to be defined in terms that those who had the privilege of amassing wealth at the expense of the majority who are poor, must now see that a portion of this wealth is utilised in lifting the economic levels of the "have nots". The alternative if this is not achieved will be increasingly larger social conflicts.

It is useless to state that this kind of philosophy is not popular to the holders of substantial wealth. But present trends towards equity of opportunities need the support of the enlightened elite if the disagreeable situations that accompany all social change is to be minimised.

^{2/} It is a truism that great social developments are not always made in the halls or parliaments or in the citadels of learning. These institutions merely react to the dreams of the creative masses.

No simple answer is likely to emerge out of the textured complexities that characterize the Caribbean. But in examining the situation it will be useful to dissolve the current image of sandy sunlit playpens for the affluent from the North Atlantic, and bring into sharp focus the predicament of resourceful but frustrated groups of people who are determined to break the protracted malady of poverty and an imposed self-doubt. So long as the underlying social and economic problems remain, so will the potential for those frustrations to grow.

Up to now the activities of the developed nations in the Caribbean are directed towards maintaining the status quo. Their misreading of the internal situation, or their unconcern, can result only in plunging these small nations into deeper social and economic turmoil.

The Caribbean societies have a strong predisposition to a spirit of moderation in handling their political affairs. Closely associated with this is the strong pragmatism in the leadership of most political parties. Paralleled with this political practicality one finds that a distrust of ideas and ideology has been a dominant feature in some major wings of Caribbean politics. With this goes a corresponding preference for institutions which work, over and above those prescribed; and an almost exaggerated respect for the intuitive approach in national decision-taking. In short for many "theory must follow fact", and not vice-versa.

Should the forces for social change succeed and a "steady state" come into being where all the citizens are seen as equally meaningful to the future of the Caribbean States, then the repressed energies that go into "movements" could be loosed into creative channels. The central point for Caribbean peoples is to accept what they have, and to build their future with it. In the last analysis no one can do for the Caribbean except the Caribbean peoples themselves. Equally, the Caribbean peoples cannot indefinitely maintain values and consumption patterns that the resources of their countries cannot support.

External realities

It is not by accident that the Caribbean countries have arrived at a situation where there is marked disparity between their consumption patterns and their resources endowment. Their original emergence as plantation

economies that were merely extensions of the economies of the related metropolitan countries, meant that focus was put on producing and exporting the goods that were required abroad, while the Caribbean was supplied from abroad for their consumption needs. There was no great emphasis on indigencus production for local consumption. And in the trade exchanges they have been continually in a disadvantaged position as the result of the relationship of the prices they get for their exports as against the prices they must pay for imports. In addition, the progressive changes in manufacturing and consumption patterns in the metropolitan countries nurtured imitative consumption in the Caribbean, and progressively widened the gap between consumption patterns and resources endowments.

One result, in sharp contrast to the countries on the Latin American continent, is that the Caribbean countries have been forced to give much greater primacy to trade matters, and to efforts to maintain specially favourable arrangements with metropolitan trading partners. Participation of most Caribbean countries in the Lomé Convention which regulates their relations with the EEC is a case in point. In fact the traditional metropolitan linkages are reflected in this relationship.

But even more significant, the urgent need to emerge from beneath the feet of the giants and to be able as sovereign states to chart their own paths, has forced the Caribbean countries to seek independent support, mainly through the opportunities that are offered by multilateral relations. In the case of Lomé, they participate within the ACP group; and further afield they all seek some definite relationship with the Group of Non-aligned countries. Irrespective of political coloration, the Caribbean countries seek a self-determined path. There is no Caribbean country that has not at some time in its policy statements, declared its desire to be left aside from the political controversies of the large countries. Consequently, the concept of non-alignment has strong Caribbean support, and the majority of the countries participate either as members or as observers of that group.

This need is not felt so acutely by the countries on the Latin American continent, primarily because they have not been so cruelly exposed to the games that big countries play with little ones. It is no exaggeration to say that the Caribbean countries have achieved some measure of leadership in that Group, and that this external accordance will be a factor in the activities of

the metropolitan countries in the Caribbean in early years of the Decade.

While it is true that already the Caribbean presents the greatest concentration of small independent states anywhere in the world, it is also true that they have been more exposed to the dominance of other countries than any other single group. In previous centuries they were prizes for which imperial powers fought. In this century they have been occupied and manipulated. Their small size and their political weakness compel them to seek alternative means to achieve some measure of effective self-determination.

On issues where they stand together as a bloc, they have been able to influence the outcome in international fora; and there is every reason to expect this to be more pronounced as the number of independent Caribbean states increase. But perhaps even more important than their number is the extent to which they span a range of cultures, giving them a facility to communicate with Europeans, Africans and Asians, and so make them a potent factor in those fora. The multiplicity of cultures that can be traced in the Caribbean, is at the same time a weakness and a strength.

It is notable that the matters on which their common external policies are focused have a direct relationship to their own experience. At the UN level, colonialism, apartheid, sovereignty over natural resources, special measures for developing countries, and changing the rules of the international economic game, are issues on which they share a common view and assign a high importance that derives from their own situation. It is also notable that it is in the financial institutions, (the World Bank and the International Monetary Fund) that they are at their weakest, with their voting strength dissipated over various groups, rather than acting together, largely due to old metropolitan linkages.

The urgent need to achieve some restructuring of their economies has stimulated participation in most of the multilateral mechanisms that deal in one way or another with developmental issues. The great necessity is to offset some of the old bilateral relations with more multilateral ones. Consequently, action through special mechanisms like the Caribbean Community, the Caribbean Development Bank and even the Caribbean Group for Cooperation in Economic Development at the World Bank was hoped to be means of placing some buffers between the donors and the Caribbean countries. The fact, however, is that this strategy has not markedly succeeded, because the bilateral

relations continue to be imposed even through the fabric of these groupings.

The more ambitious objectives for closer relationships among the Caribbean countries themselves, whether bilateral or multilateral, through such mechanisms as the Caribbean Development and Co-operation Committee within the UN umbrella, is therefore in direct confrontation with the desires of the metropolitan countries. And ironically, in their efforts to manipulate the Caribbean countries they, perhaps unknowingly, arrest the process of change and stimulate the process of social and economic erosion.

At the level of Latin American regional institutions much attention has been drawn to their "Caribbeanization" as the number of small independent Caribbean States has increased, giving them relatively greater voting strength. But this very factor has stimulated the counter-reaction to keep them apart and to minimize their effect on the traditional policies. A common situation is that Caribbean countries find themselves categorized even before they have stated their choice of option; and often after the choice is stated it is circumvented. Further, these countries find that they have inherited some external problems of metropolitan countries for which they must find solutions to ensure their own integrity. Within the OAS for example, arise issues of claims to territorial rights, which were inherited at independence, and which in one case acts as a limit on participation in the institution, in another case is the cause of delay of independence.

From the economic standpoint, the Caribbean countries suffer some disabilities which do not appear to have been fully perceived by various institutions, for which one example may suffice. These countries have traditional production structures which were based on a narrow range of products, and which have changed little despite efforts to diversify and modernize the economies and to develop manufactures. These processes, however, depend very much on imported inputs. The maintenance even of the levels of manufacturing depends in large part on export earnings from primary products. Deterioration in the terms of trade therefore directly reduces the capacity for production.

Aside from such structural problems there are current ones for which the Caribbean countries have no near solutions. Described as open economies, their condition from year to year is determined as much by events abroad as by the efforts of their own peoples. International monetary disequilibrium,

inflation, recession are all directly reflected in the current performance of these countries, for there are no cushions against those external factors. The impact of fuel prices has been so enormous that many Caribbean countries now find as much as one-third of their earnings from exports disbursed on this single item. This immediately restricts the amount that is left from purchase of inputs for the production sectors and for food imports.

The net result is that they face serious balance-of-payments problems, which in the circumstances cannot be regarded as temporary. In fact the panorama for the decade is one of serious balance-of-payments deficits, worsening with every increase in fuel prices. It is in this context that one must view the efforts to seek amelioration of the situation by obtaining financing for balance-of-payments support through international arrangements like the CCGED and the IMF. And yet it is in just such areas that the clash between traditional orthodoxy and dynamic change seems to lack a suitable resolution.

But these various aspects cannot be viewed in isolation from the interests of the metropolitan countries. It should not be forgotten that the Caribbean continues to be an important source of primary products for the North Atlantic countries, particularly in minerals. Neither should it be forgotten that foreign militarists continue to view the Caribbean as a strategic area for their own purposes and designs.

All these complexities put the Caribbean countries in the unenviable position, that the internal forces for change confront external pressures resistant to change, and face them with the grave dilemma of sustaining a system that they can ill afford. Fundamental social transformation and improving the quality of life for the majority of Caribbean peoples is the issue for the 80's. And the margin the Caribbean governments have for manoeuvre is extremely slim - very slim - indeed.

Summing up

Nothing can be gained by ignoring the realities that have been summarized in these pages. Internally all the countries will have to cope with the dynamics of social change. Their efforts to reorient patterns within their economies will have to be achieved in the face of structural deficiencies, persistent payments problems, international economic

conditions which affect them and which they cannot influence, reactions to social and economic change, and external pressures that limit their possibilities for co-operation.

The outcome will depend on the extent to which the priorities of the Caribbean peoples themselves can be pursued.



