

Notes for a Retrospective on the Theory of Plantation Economy of Lloyd Best and Kari Polanyi Levitt¹

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1. Overview of the Best-Levitt models of Plantation Economy

The Best-Levitt plantation economy studies sought to identify the structural constraints on the growth and transformation of Caribbean economies that arise from the historical legacy of the plantation system and the pervasiveness of plantation-type institutions in the contemporary economy in the form of the multinational corporation (MNC). It was also the intention to specify the features of a self-reliant, self-sustaining Caribbean economy that functions in the interests of the majority of the population.

The analysis drew from a wide range of economists and historians and a variety of intellectual traditions. From Marshallian microeconomics it drew the analytical device of the representative firm, which in this context was the plantation in the hinterland economy. From Keynesian macroeconomics it borrowed its mechanisms of income creation and multiplier effects, which were held to take place largely in the metropole. Its structuralist flavour—dependence on a single export crop that is reproduced over time in a dynamic of growth without development--was strongly influenced by the work of Dudley Seers and the Latin American school, especially Celso Furtado.

Drawing on the work of the American anthropologist Charles Wagley, Best and Levitt developed their typology of hinterlands of conquest, of settlement and of exploitation, the plantation economy being an example of the last. From a detailed study of the work of the West Indian historians Eric Williams, Elsa Goviea and Douglas Hall, they took their specifications of the “Pure Plantation Economy” of the period of chattel slavery.

They refined their analysis of the impact of the export staple by drawing on the insights of Canadian economic historians such as Mel Watkins. Leontief’s input-output analysis was adapted to construct an accounting framework for Pure Plantation Economy (Model I) and Plantation Economy Further Modified (Model III), meant to be an empirical frame for data collection and analysis. The work was eclectic in the best meaning of the word, blending a variety of analytical approaches, or paradigms, to produce a distinct model of its own.

To the collaboration, Kari Polanyi Levitt brought a tradition of transdisciplinary political economy inherited from her father Karl Polanyi, author of *The Great Transformation* and other celebrated studies. She brought her intellectual grounding in the staple theories of the Canadian economy, her own original work on the MNC in Canada, and her skills in input-output analysis that had been honed in her statistical work on the Canadian Atlantic provinces.

¹ This paper draws on my earlier paper “Kari Polanyi Levitt And The Theory Of Plantation Economy In Contemporary Perspective” to be published in a collection of papers honouring Kari Polanyi Levitt by Queen’s University Press in 2000.

Lloyd Best for his part brought not only his skills as an economist but also his deep knowledge of Caribbean economic history together with an absolute irreverence of established ways of looking at the world and a total determination to conduct unique and original theorising.

It was a fertile collaboration whose results influenced a whole generation of Caribbean students and scholars² including the present writer. The plantation economy models of Best and Levitt together with the work of Beckford provide a powerful set of expository devices for explaining the persistence of underdevelopment and dependence and the dysfunctional behaviour of different agents in contemporary Caribbean economies.

It is worth asking therefore, why the Plantation Economy approach went into apparent decline and lost its currency from the 1980s on. First, there was a very practical reason: the original set of studies by Lloyd Best and Kari Polanyi Levitt was never published and made accessible to a wide variety of scholars. Second, the 1980s-1990s saw a resurgence of neo-liberal thinking and associated decline in the status and popularity of dependency-type thought. A third factor, which I explore in these notes, were changes in the reality that the models purported to represent, and to inherent problems in the models themselves.

2. Generality vs specificity

First, I suggest that there has been a marked increase in the tension between the generality of the plantation models and the specificity of the experiences of individual islands and territories. The Caribbean now contains a number of small island dependencies and mini-states that specialise in exports of services and have relatively high per capita incomes. The more populous islands and the Guianas, on the other hand, still have large agricultural sectors and relatively low per capita incomes. In between the two are oil-rich Trinidad and Tobago, economically diversified and relatively well-off Barbados, the banana producing Windwards islands, and industrialised Puerto Rico. Divergent trajectories of development of make it more and more difficult to handle the Caribbean experience within the framework of a single, all-encompassing paradigm.

Economic diversity within the Caribbean reflects the inequalities and uneven development characteristic of the world capitalist economy as a whole. And intra-Caribbean diversity was in fact addressed in the plantation economy models. The “Modified” version explored the different patterns of adjustment of “mature” as compared to “new” hinterlands; and the “Further Modified” version discusses the “new export staples” of petroleum, bauxite, and tourism, as well as “branch plant manufacturing”. The argument was that the modified versions of plantation economy remained constrained by the legacy of the original pure form, that the new export staples essentially replicated the behavioural patterns of the original sugar sector, and that the MNCs are the 20th century version of the Joint Stock Trading Company. Hence the theme of continuity with change—the emphasis being on the former.

² I.e. through the late 1960s to the end of the 1970s.

This was the source of the power and appeal of the models: everything could be explained in terms of the plantation. But it may also have been a weakness. Subsequent studies of Caribbean economies and export industries show the complexity of contemporary adaptations of structures arising out of the interplay of external institutions and internal processes. The oil industry of Trinidad and Tobago, the bauxite industry of Jamaica and the tourism industries all over the Caribbean do indeed differ widely from the original plantations in the details of their economic impact (taxation and labour employment, for instance), as well as in their social structure and labour relations. More and more, they demand analysis *sui generis* rather than in terms of a model originally based on the slave plantation. By extension, this also applies to analysis of the societies as a whole. And it probably helps to explain the waning appeal of the models to subsequent generations of Caribbean scholars in the 1980s and 1990s.

3. The models as a guide to policy

The use of the models as a guide to policies and strategies of transformation was hinted at, but never fully elaborated as an operational framework. Presumably it would have been the basis for Model IV, the so-called “anti-model” (Levitt 1998: 1). The hints relate to the argument that the true potential for transformation lay in what was called the “residential” sector, which originated in the peasant economy established in the post-Emanicipation period. What exactly constituted the residential sector in the contemporary economy, however, was never fully specified. Is it ownership (local), race (Black/East Indian), class (peasantry/workers), or market orientation (domestic) or a combination of all four? The work of George Beckford goes further in calling for the “freeing up” of the residential sector, by which he meant essentially the activities of poor black people both rural and urban, including the informal economy. But there are some intriguing questions that arise out of this position:

- When small farmers (or small producers generally) participate in production of an exported commodity such as sugar-cane and bananas, this is residential in ownership but not in market orientation. Does this limit the potential of this activity to contribute to economic transformation?
- How can large-scale industries such as petroleum and bauxite be made “residential”? Does this not involve the role of the state?
- Are all residential activities to be regarded positively? What about crime and drug trafficking for example?
- What about the issue of class—is the residential sector to be promoted regardless of the possible emergence of a native capitalist class that is exploitative in its labour relations and socially irresponsible in its economic practice (as in Jamaica in the 1990s for example)? If not, what does this imply about the role of the state?
- What about the Caribbean diaspora overseas, whose population and economic significance rivals that of the resident population—are they not, in essence, an “overseas” residential sector of the Caribbean?

4. Role of the state

Best and Levitt's plantation economy studies did not say much about the role of the state. This figured more prominently in the work of George Beckford (Beckford 1972), C.Y. Thomas (Thomas 1973) and myself (Girvan 1970). During the 1970s several Caribbean governments³ adopted policies of localisation and nationalisation of foreign-owned industries. It is probably true to say that these were inspired at least in part by the plantation school, though there other contributory influences including the Cuban Revolution, the Black Power movement, Caribbean Marxism and Third World radicalism. On the whole the results of these experiments ranged from the disappointing to the disastrous. The reasons for this included:

- opposition from established interests among the MNCs, the local private sector, and the US (cases of Jamaica and Guyana)
- corruption, patronage, and political authoritarianism undermining the profitability of state-owned enterprises (especially the case of Guyana)
- absence of a coherent economic model and management (case of Jamaica in particular)
- state trying to do too much too quickly with too much money (case of oil-rich Trinidad and Tobago in the 1970s)
- internal social and political contradictions (cases of Grenada and Jamaica)

In retrospect, the advocates of statist policies (including myself) were unduly optimistic about the capacity of state-owned enterprises to be agents of economic transformation, in abstraction from the political cultural context in which they would function. In fairness, it should be pointed out that Best and Levitt did not themselves advocate policies of widespread nationalisation although there were some vague references to localisation.

5. Regional economic integration

This was another strategy recommended by the studies. The experience with this has also been disappointing. The Caribbean Community (Caricom), formed in 1973, did not live up to its original promise to forge a strong regional grouping with coordinated development of agriculture, industry, and natural resources. But it would be unfair to use this as evidence of the faultiness of the plantation economy analysis. Best and Levitt saw regional integration as a complement to changing internal structures of production and accumulation. Caricom never went beyond liberalisation of intra-regional trade in its internal economic management, and has focused much of its efforts on the coordination of external trade negotiations and foreign policy, and on functional cooperation in social affairs.

Caricom Governments have been preoccupied with preserving and maximising the short-term benefits of preferential trading arrangements with the metropolitan centres including Lome, the CBI and Caribcan. Business interests have also focused on their linkages with the developed countries. Hence policies have been constrained by the imperatives flowing from inherited structures of the plantation economy in its successive versions. The growing heterogeneity of Caribbean economies

³ notably Guyana, Jamaica, Trinidad and Tobago, and the People's Revolutionary Government (PRG) of Grenada.

has also impeded the integration process. The tourist and service-oriented economies of Caricom had more to lose than to gain from a strong common market, which would have mostly benefitted the larger agricultural and manufacturing exporting member countries.

There have also been divergent policy agendas. In the 1970s Trinidad and Tobago was pursuing energy-based industrialisation, Jamaica was experimenting with Democratic Socialism and campaigning for a New International Economic Order, and Guyana was trying to build Co-operative Socialism while Barbados was following more orthodox policies. In the 1980s integration was undermined by the effects of structural adjustment programmes, which privileged trade liberalisation with the rest of the world and a retreat from interventionist policies. By the 1990s Caricom had largely embraced the new orthodoxy of open regionalism. Yet it is arguably the case that the current pressures of market globalisation have reinforced the need to consolidate the Community into a coherent economic bloc in the shape of the Caricom Single Market and Economy.

6. Class and race

The plantation economy school (and here I include George Beckford) is at its strongest when it analyses the coincidence of class and race relations in plantation societies and the bases of ethnic antagonism in ethnically plural plantation societies like Trinidad and Tobago, Guyana and Suriname. A good example is the case of contemporary Jamaica, which is arguably in a process of social fragmentation. On one side there is a parasitic ruling class depending on the state and on financial capital and which is largely the product of the policies of structural adjustment and liberalisation. This class was consolidated out of the remnants of the old plantation-mercantile system in Jamaica together with a new brown and black bourgeoisie emerging out of financial liberalisation and privatisation.

On the other hand there is the majority black population experiencing varying degrees of social and economic exclusion. The core resides in the inner city communities in Kingston and adjacent areas, where alternative systems of economy and social authority outside of the law have become established. These communities are in a state of endemic revolt against the official system of justice and politics. The attitudes of the Jamaican ruling class towards the inner city communities are, in the main, characterised by a mixture of indifference, contempt and fear; bearing close resemblance to the attitudes of the planters towards the slaves some two centuries ago.

7. In conclusion

I will now attempt to bring together the points made above in the form of some concluding observations.

1. The theory of Plantation Economy is most accurately regarded as part of the tradition of critical analysis of the emergence, spread and consolidation of world capitalism from its original mercantile form to its present form of globalised finance capital in crisis (Lenin, Baran, Gunder Frank, Furtado, Amin, Wallerstein). It is unique and *sui generis* to the extent that (I) it

employed a unique blend of different approaches, and (ii) the specific form of capitalist economy and organisation it sought to analyse was itself unique and *sui generis*. The claims to original theorising are, therefore, bounded by that historical reality.

2. Hence plantation economy theory can be located within the context of the critical discourse on global capitalism and the alternative non-neoliberal paradigms, including Marxism and neo-Marxism, evolutionary economics, institutional economics, structuralism and neo-structuralism. It needs to be revisited, therefore, in the context of the growing critique of globalisation and neo-liberalism.
3. The model may be strongest in its Pure Plantation Economy version where it represents the situation of island economies in which slave plantations were the dominant unit of production, as in the British and French West Indian islands. Where slave plantations were not as dominant, as in the Hispanic islands, or were part of continental hinterland, as in Brazil and the US South, the “Pure” model applies with lesser strength.
4. There is a tension between the elements of continuity and change as Model I evolves into Model II and Model III. Continuity is represented by the plantation legacy on structures, culture and patterns of behaviour. Change is manifested in new industries, new institutions, new ideologies and the resistance and survival strategies of the population.
5. The possibility must therefore be conceded that at some point the elements of change may supercede the elements of continuity and make necessary a Kuhn-like paradigm shift. Some would argue that this is in fact what occurred in the 1980s. This view must be qualified by the consideration that the paradigm shift towards neoliberalism in the 1980s was a global phenomenon. From a Caribbean social sciences perspective it was not a spontaneous development but was an imposition from without. There is evidence that by this time the Plantation Economy school in the Caribbean was running out of steam, but this may have been due to the absence of innovation based on the original model, in part due to the unavailability of the material in published form.
6. The absence of an anti-model (Model IV) is a major impediment in appraising the prescriptive value of the theory. It may well be that the specificity of particular plantation societies in politics, social structure, economy and in relations with the world economy, are of equal or greater importance than the plantation legacy in determining appropriate strategies and policies of transformation. Judgement on this question should be suspended pending elaboration of a Model IV.

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