

Understanding Development Challenges of the Caribbean

By Havelock R. Brewster¹

I did not feel that I would add too much of value to this event if I were merely to complement the excellent economic contributions of the regional organizations and the World Bank. Instead, I want to take the issue of development challenges onto a different dimension- one that could be of interest to politicians. The figures and analyses speak for themselves, and the prescriptions, particularly those focusing on a “strategic agenda” for improving competitiveness, and the various factors to which it is closely related, are undoubtedly well founded, and have to be taken seriously, and acted upon. But in my own reflections I have wondered also whether the story begins and ends there. Whether all these intelligent economic expositions would not in the end be much more than, as the Caribbean saying goes, trying to ‘spin top in mud’?

Some of my thoughts center on our weak sense of purpose, deteriorating community values, and a paralytic deficit in democracy, reflected, in particular, in the dysfunctional politics of race and small size.

I want to say a little about each of these challenges. I offer them tentatively to provoke your own reflections. But I do not intend, on this occasion, to indulge in the luxury of making prescriptions. It is a rare occurrence for me to have a captive audience of politicians, and so I intend to make good use of the opportunity.

¹ Prepared for an OAS/ World Bank Forum for Parliamentarians on ‘Shaping A Trade Agenda To Promote Regional Integration And Competitiveness For CARICOM, St. Lucia, May 17, 2007. Correspondence to hrbrewster@aol.com

As I was preparing for this event I was invited by a certain regional organization to participate in an examination of very important regional development issues, for which, it was said, “external funding” was being sought, and which I myself was invited to vigorously pursue. This is symptomatic of the broader penchant for mendicancy that has developed over the years and become endemic, and is now the automatic response given by our politicians and bureaucrats to all our problems. A mendicancy that is unmindful to our place in the world, and to the self-reliance and global perspective and responsibility that should now be a mark of a society like ours, a “civilization”, according to Prime Minister Gonzalves.

But when I read a recent press report (The Barbados Advocate Business, May 14, 2007) I began wondering whether it was, in all cases, mendicancy on our part. For I saw an announcement that the European Commission had committed to Barbados- that congenial, beautiful, inviting tourist paradise of 250,000 people, with a GNI pc of nearly US\$20,000 a year- BDS\$91.8 million (2007-2010), not including a previous sum of BDS\$45.5 million, with the promise of yet more to come. All this in the form of grants - and presumably in aid of poverty reduction.

Or, is this largesse stimulated by donors’ self interests and their own agenda. For the truth seems to be that the financial beneficiaries are mostly EU citizens and companies. So, does this, has this, become a self-sustaining vicious circle of generous grants-in-aid, fat contracts for the nationals of EU countries, and continuing ‘recipient country’ dependency?

This year, four CARICOM countries- Antigua and Barbuda, the Bahamas, Barbados, and Trinidad and Tobago- will fall into the World Bank's category of "High Income Countries". Five- Belize, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines- will be in the category "Upper Middle Income Countries". And two- Guyana and Jamaica- in the category "Lower Middle Income Countries".

The GNI pc of Caribbean countries in the first two categories will range approximately from US\$20,000 to US\$ 5,000 a year. Even the lower end is more than twelve times greater than the GNI pc of the 40 odd Least Developed Countries of the world. And it exceeds or equals that of countries like Mauritius, Malaysia, Turkey, Venezuela, Argentina, Russia, Brazil, Iran, Thailand, China and India. Many of the important Millennium Development Goals of the United Nations, relating to , for example, poverty and hunger, primary education, maternal mortality, child mortality, gender equality, governance, have not only been exceeded, but surpass the indicators even of some developed countries.

Greater self-reliance would not only be morally satisfying and good for our self-respect and sense of responsibility, but would have a salutary effect on some of the very failings identified by the World Bank, such as productivity and competitiveness, wage and consumption restraint, government revenue, public debt, domestic saving and investment. Already, for example, we can see the positive effect the withdrawal of preferences is having on the sugar and banana industries, and on diversification, in some countries.

So, dear friends and colleagues, is it not “time to take in the begging bowl”? Time to set up a modest CARICOM external development aid fund for poor countries? Time for the donors, especially the European Commission, to engage in a less self-serving partnership, in a way that strengthens, rather than undermines, the very qualities on which sustainable, self-reliant development is built?

Many Caribbean countries have made impressive strides in GNI pc over the past decade or so. For example, Barbados’s GNI pc has increased about three-fold over the past twelve years. Most of the income increases in these countries has come from tourism, and in the case of Trinidad and Tobago from petroleum, virtually without trying, certainly without sweat and tears, without really being put to the test of creating development. Two of these countries aspire to so-called “developed country status” in ten to fifteen years. One of them boasts of being in the process of creating a “world class society”. Yet, it is far from clear what societal values these two countries, and indeed all CARICOM countries, already have, or aspire to? Do they aspire to be another Singapore, Hong Kong, Sweden, Majorca, Ibiza, Bermuda, Dubai? What norms is the political leadership trying to inculcate in their people? What sort of society do the people themselves want, apart from one that satisfies their basic needs and not so basic greed?

Those who study development have placed much importance on societies working purposely together for the attainment of collectively endorsed goals. This quality is often identified as “social capital”. More generally put “social capital refers to the features of social organization, such as social networks, social trust that increase a society’s productive potential”....

‘relationships among people that create a capacity to act for mutual benefit or common purpose’.

Yet, notwithstanding the impressive growth of income in Barbados, we find a deep concern being expressed publicly and almost daily about what is taking place in that society. Let me give you just a couple of examples out of hundreds of public statements: “In many urban areas, there is no sense of cohesion, and community spirit is at an all-time low, in fact I dare say that it ceases to exist.....times have truly changed in Barbados..... all in all, this appears to be the price that we have to pay for progress. The more developed the country becomes, the less our people stick together” (Barbados Advocate, January 21, 2006). And the Prime Minister himself was moved to say at the National Consultation on Societal Issues (November 28, 2006) that “there are insidious forces at work in Barbados which, if unchecked, could undermine the very foundations of our society”. He went on to express concern about the “bashment” mentality Barbadians were adopting, stating that “any society that promotes the ‘any numbers can play’ lifestyle and fails to correct unacceptable extreme behavior is a society that will disintegrate into chaos”.

If Barbados is viewed as a prototype of future Caribbean economic progress, and near-developed-country status we are truly in deep trouble. For we face:- problems of environmental sustainability, beach erosion, coastal degradation, damage to the landscape; a pressing need for more and bigger roads, as the motor vehicle population escalates, circulation is paralyzed, and the air polluted; vocal demands for larger airports, power plants, sewerage plants, hospitals; mounting pressure on the water supply, increasing

dependence on fossil fuels, prohibitively high prices for housing, excluding ownership by young people, diminishing land availability for house construction, overvaluation of the exchange rate, loss of competitiveness and poor service in a services-based economy, and the exploitive use of migrant 'low-qualification' labor from neighboring Community States, even as they are welcomed with xenophobic hostility.

Or, look at Jamaica. This country now has the unenviable distinction of languishing in a state of virtual economic stagnation for some four decades, notwithstanding tens of billions of dollars of external multilateral, bilateral, and private financial inflows. A country you might say that, unlike its antithesis Barbados, tries without succeeding. The poverty of social capital is mirrored in its prolonged stagnation. "Two Jamaicas" is a term that aptly describes the bifurcation of that society. One of these Jamaicas is such that it produces a sub-set of values whereby, for example, some 84 percent of all births is out of wedlock, while the fathers of close on 80 percent of these children do not even bother to claim them. The other Jamaica barricades itself behind burglar-bars, terrorized by and living in fear of crime, and violence and murder of the most horrific kind.

Here we find a two-party system of politics that corrupts local community needs and priorities, and stifles enterprise and responsibility. Working together as one in Jamaica is further crippled by a climate of hostile industrial relations, anger and resentment over inequality and social injustice. It says something about a society when gangs purveying violence are perhaps its strongest associations. Here too we find a society in which large segments of the youth population do not seem to feel they have a fair

stake or any stake at all, in society. A society in which personal success appears to be something quite separate and apart from the success of the community. A society in which any real broad-based development, and sustained poverty reduction efforts are pre-empted by a strangulating debt service burden swallowing up much the greater portion of government revenue.

Or, let us take the Eastern Caribbean States. The decline of traditional agriculture (bananas, sugar) seems to have loosened community bonds, the social glue that holds society together. Social networks are being weakened or disappearing, and with that such values as reciprocity and trust. The sense of a common purpose seems to be fast declining as a mentality of free-riding takes hold. All this is being manifested in a variety of social dysfunctions, such as criminality, drugs production and use, prostitution, AIDS/HIV, family disintegration and an indifferent work ethic. With the growth of a new services-based economy new areas of tension are being created – alienation through dependence on employment by impersonal, unknown hotel corporations, the visibility of enormous disparities in lifestyle and its correlation with skin-color; a sense of social inferiority; and growing internal inequality. These developments corrode self-esteem, especially in societies already depicted as largely devoted to providing menial service to white folks, and to a new form of piracy- servicing the ill-gotten gains of tax-evaders, money launders, and drug traffickers. These tendencies seem to be very much in tune with the way society has been developing in prototypical Barbados, and in Jamaica.

Caribbean States have made a great virtue, have boasted loudly in United Nations forums, of their devotion to the practice of “democracy”- meaning adult suffrage, regular four-yearly general elections, majority based, representative governance. Barbados in particular prides itself on having the third oldest Parliament in the world. Although the present features of governance are lauded, and approved by the Western Community, they are but the minimum acceptable requirements of a truly democratically functioning State. The fact that there has been no profound advancements in this form of democracy over the centuries in all but a handful of Western societies is by no means a presumption that that particular form is best or even well adapted to the needs of all societies, and in particular to societies with such peculiar features as sharp racial polarization, and to micro-communities.

It is by now evident that racial division in Guyana and Trinidad and Tobago, in both of which the two major races constitute near-equal proportions of the population, is a recipe, under the present democratic form, for economic and social paralysis (in Trinidad and Tobago staved off or postponed by the insulation of petroleum wealth). No one ethnic group, in a situation like this, ultimately can govern effectively, and with the legitimacy that ensures broad-based development, and a secure and trusted feeling of social and political inclusiveness.

In the micro-communities of Barbados and the Eastern Caribbean States that form of democracy also imposes a kind of rigidity that makes it impossible to resolve major cross-cutting problems (e.g. the exchange rate, motor-vehicle congestion and circulation gridlock, residential, agricultural,

commercial, utilities and school zoning, the environment, education policy, and waste disposal). The result is that in these micro-communities governments avoid tackling virtually the really crucial and contentious issues. Governance becomes confined to second-tier issues that then take on an urgency and political heat of their own. This is not, it should be said, an occurrence peculiar to the Caribbean. It is a matter actively debated in such other economically prosperous micro-communities as Iceland and the Spanish Balearic Islands.

The problems that now lay siege to these micro-States are resolvable only by more advanced democratic governance- by participatory democracy, by societal consensus, by abolishing class stratification into governors and the governed, politicians and citizens, the government and opposition, and by speed decision-making. In fact, you might even say, in the final analysis, by advancing the “end of politics”. For the truth is that in these micro-States politics and what we now call democracy so often results in a citizenry , in an “opposition”, in an under-class of the governed, that has little voice, and, indeed, sometimes literally no voice at all.

Barbados

May 14, 2007