NAME OF AUTHOR/NON DE L'AUTEUR: THOMAS WILTON GITTENS


UNIVERSITY/UNIVERSITÉ: Carleton University

DEGREE FOR WHICH THESIS WAS PRESENTED/ GRADE POUR LEQUEL CETTE THÈSE FUT PRÉSENTÉE: Master of Arts (M.A.)

YEAR THIS DEGREE CONFERRED/ANNÉE D'OBTENTION DE CE DÉGRE: 1978

NAME OF SUPERVISOR/NOM DU DIRECTEUR DE THÈSE: Ms. Winston King

Permission is hereby granted to the NATIONAL LIBRARY OF CANADA to microfilm this thesis and to lend or sell copies of the film.

The author reserves other publication rights, and neither the thesis nor extensive extracts from it may be printed or otherwise reproduced without the author's written permission.

DATED/DATÉ: 25/9/78

SIGNED/SIGNÉ: [Signature]

PERMANENT ADDRESS/RÉSIDENCE FIXE: 1845 Baseline Rd. Apt. 518

Ottawa, Ontario, Canada K2C 3K4
The quality of this microfiche is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us a poor photocopy.

Previously copyrighted materials (journal articles, published tests, etc.) are not filmed.

Reproduction in full or in part of this film is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30. Please read the authorization forms which accompany this thesis.

THIS DISSERTATION HAS BEEN MICROFILMED EXACTLY AS RECEIVED

La qualité de cette microfiche dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originelles ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de mauvaise qualité.

Les documents qui font déjà l'objet d'un droit d'auteur (articles de revue, examens publiés, etc.) ne sont pas microfilmés.

La reproduction, même partielle, de ce microfilm est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30. Veuillez prendre connaissance des formules d'autorisation qui accompagnent cette thèse.

LA THÈSE A ÉTÉ MICROFILMÉE TELLE QUE NOUS L'AVONS RECUE
THE CARIBBEAN COMMUNITY AND COMMON MARKET:
ITS PROBLEMS AND ITS PROSPECTS

by

Thomas W. Gittens

A thesis submitted to the Faculty of Graduate
Studies and Research in partial fulfillment
of the requirements for the Degree of Master
of Arts, International Affairs

Norman Paterson School of International Affairs
Carleton University
Ottawa, Canada
The undersigned hereby recommend to the Faculty of
Graduate Studies and Research acceptance of this thesis, submitted
by Thomas Wilton Gittens, in partial fulfilment of the requirements
for the degree of Master of Arts.

John H. Sigler
Director,
The Norman Paterson School of International Affairs

Winston King
Supervisor
ABSTRACT

The content of this thesis does not pretend to discuss the day to day problems facing the integration movement in the Commonwealth Caribbean, but rather, seeks to examine the generic or "macro" problems and obstacles to integration in the region. As such the thesis is divided into two parts. The first part deals with the economic, social and political context within which integration is expected to take place and the constraints this context places on the conception and progress of integration. The second part looks in some detail at the structure and performance of the grouping in an attempt to see how this structure has informed its performance since its inception.

This thesis is based on two arguments and indeed seeks to provide proof of their validity. It firstly argues that the historical experience of the region has produced a peculiar political-economy characterized among other things, by external dependence and a ruling elite whose conceptions of integration and development are inadequate in terms of solving the developmental problems of the region. It secondly argues, that the essentially "bourgeois" mentality of the governing elite has produced a laissez-faire type of integration grouping whose structure is basically incapable of promoting the type of development needed in the region, or even that which was promised in the Treaty. The above two points in this writer's estimation, comprise the two most serious obstacles to the integration process in the region, and indeed it is argued in this thesis that unless these obstacles are resolved, the prospects for integration in the region are indeed dim.
ACKNOWLEDGEMENTS

It is with deep appreciation that I must express my
gratitude to the Faculty of Graduate Studies and Research, Carleton
University, for making it possible for me to spend a year at the
Norman Paterson School of International Affairs during which time
this thesis was researched and written. In similar vein, I would
like to express my thanks to the Director and staff of the School
who have been of tremendous assistance to me during the course of
the year. To my supervisor, Mr. Winston King, and my advisor Professor
Arch Ritter I must say a special thank you, for they have been of
enormous assistance to me during the course of the writing of this
thesis. To my friends in the School and in the Department of Political
Science, I must say what a pleasure it was to "live" with you during
this year. Finally, to my relatives and friends, whether at home in
Guyana or in "exile" in North America. I say an extra-special thank
you, for the assistance and support, both moral and material, which
you have afforded me during what has been a strenuous, albeit stimulating,
year for me. No names have been mentioned but you know who you are.

T.W. Gittens
TABLE OF CONTENTS

ABSTRACT .......................................................... ii
ACKNOWLEDGEMENTS ............................................... iii
TABLE OF CONTENTS ............................................... iv
LIST OF TABLES ...................................................... vi

CHAPTER

INTRODUCTION ..................................................... 1-5

1 THE CARICOM ECONOMY AND INTEGRATION-
A SECTORAL APPROACH ........................................... 7-53
1.1 Introduction ................................................... 7
1.2 The Agricultural Sector ....................................... 10
1.3 The Manufacturing Sector ..................................... 19
1.4 The Mining Sector ............................................. 24
1.5 The Tourism Sector ........................................... 30
1.6 The Transportation Sector .................................... 35
1.7 Conclusions .................................................... 42

2 HISTORY, CULTURE AND POLITICS IN THE
COMMONWEALTH CARIBBEAN: THE SOCIOLOGICAL
AND POLITICAL OBSTACLES TO INTEGRATION
................................................................. 54-102
2.1 Introduction ................................................... 54
2.2 A Summary History ............................................ 57
2.3 Commonwealth Caribbean Culture
and Society ....................................................... 68
2.4 Politics and Political Culture in
the post-World War 2 Period ............................... 82
2.5 Summary and Conclusions ................................. 96

3 INTEGRATION, DEVELOPMENT AND THE
INSTITUTIONAL STRUCTURE OF THE CARIB-
BEAN COMMUNITY AND COMMON MARKET (CARICOM)
................................................................. 104-151
3.1 Introduction ................................................... 104
3.2 The Political Economy of the
Caribbean ...................................................... 106
CHAPTER

3

3.3 Existing Theories of Integration and their Relevance to Integration among Developing Countries .......... 113
3.4 The Institutional Structure of CARICOM .................................................. 130
3.5 Conclusions ........................................... 144

4 THE PATTERN OF DISTRIBUTION WITH CARICOM 152-181
4.1 Introduction ........................................... 152
4.2 Intra-Regional Trade .................................... 154
4.3 Corrective and Distributive Mechanisms with CARICOM .......... 165
4.4 Summary and Conclusion .............................. 177

5 SUMMARY AND CONCLUSIONS: THE PROSPECTS OF CARICOM ....................... 182-192

TABLES ............................................................... 193-216
APPENDICES ....................................................... 217-225
BIBLIOGRAPHY .................................................... 226-231
## LIST OF TABLES

### Chapter I

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.1</td>
<td>Basic Indicators: CARICOM Countries</td>
<td>193</td>
</tr>
<tr>
<td>I.2</td>
<td>Distribution of Land Holdings</td>
<td>194</td>
</tr>
<tr>
<td>I.3</td>
<td>Production and Export of Main Agricultural Commodities I966-I972</td>
<td>195</td>
</tr>
<tr>
<td>I.4</td>
<td>Exports and Imports of Agricultural and Food Products I965-I972</td>
<td>196</td>
</tr>
<tr>
<td>I.5</td>
<td>MDCs - Production and Export of Selected Commodities I972</td>
<td>197</td>
</tr>
<tr>
<td>I.6</td>
<td>MDCs - GDP in Manufacturing I966-I972</td>
<td>198</td>
</tr>
<tr>
<td>I.7</td>
<td>Percent Distribution of Working Population by Industrial Group I970</td>
<td>199</td>
</tr>
<tr>
<td>I.7a</td>
<td>Total Working Population by Industrial Group I970</td>
<td>200</td>
</tr>
<tr>
<td>I.8</td>
<td>Jamaica and Guyana - Output of Mining and Refining I973-I976</td>
<td>201</td>
</tr>
<tr>
<td>I.9</td>
<td>Selected Data on Petroleum and Natural Gas I972-I976</td>
<td>202</td>
</tr>
<tr>
<td>I.10</td>
<td>CARICOM Countries - Tourist Bednights I972</td>
<td>203</td>
</tr>
<tr>
<td>I.11</td>
<td>Selected Tourist Statistics I973-I976</td>
<td>204</td>
</tr>
<tr>
<td>I.12</td>
<td>Leakage of $I Tourist Expenditure</td>
<td>205</td>
</tr>
<tr>
<td>I.13</td>
<td>The Development of WISCO Freight Costs and Revenues I968-I971</td>
<td>206</td>
</tr>
</tbody>
</table>

### Chapter 4

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>CARICOM: Percentage Composition of Intra Regional Exports 1974</td>
<td>207</td>
</tr>
</tbody>
</table>
CONT'D

4.2 Intra-Regional Trade: 1970-1976 (Exports F.O.B.) .......................... 208
4.4 Trinidad and Tobago's Trade Balance with other MDCs: 1970-1976 .... 210
4.5 Intra-Regional Trade Balance: 1970-1976 ................................. 211
4.6 CARIPTA Matrix of Trade in Manufactures: 1971 .......................... 212
4.7 Jamaica and Trinidad & Tobago: Production and Export of Manufactures: 1970-1976 .............................................. 213
4.9 Distribution of CDB commitments: 1972-1974 ............................ 215
4.10 CDB Loan Approvals: 1972-1975 ............................................. 216

LIST OF APPENDICES

Chapter I

I.1 Area Balance on Merchandise Trade: 1969-1975 ............................ 217
I.2 Trinidad & Tobago: Overseas Trade Indices and Terms of Trade: 1970-1976 ......................................................... 218
I.5 Contribution of Agriculture to GDP: 1973-1976 ............................ 221

Chapter 3

3.1 Notes Towards a Theory of Integration for Developing Countries ........ 222
INTRODUCTION

Over the past two decades or so and especially with the initiation of the European Economic Community in 1958, the study of integration movements has become increasingly important. Thus the late 1960's and early 1970's witnessed a flurry of intellectual activity which unfortunately tended to concentrate overwhelmingly on integration in Western Europe. This preoccupation resulted in a lack of understanding of the important operative variables involved in integration attempts in different types of political-economies. Thus it was naively thought that the conclusions based on observing the operations of the EEC were equally applicable to less developed, Third World countries. Indeed, it was thought that the European model could be adopted with slight modifications, to inform integration attempts in other parts of the world. This naive view of the universality of the process has fortunately given way to a more mature appreciation of the important fact that the process varies considerably between different types of political-economies and more fundamentally, between developed and underdeveloped economies.
It is with the above in mind that this writer has approached this study of the Caribbean Community and Common Market. Thus the European integration model which essentially incorporates a *laissez-faire* approach to integration has been explicitly rejected as being inherently inapplicable to the Commonwealth Caribbean. In its place this writer has espoused an explicitly *dirigiste* approach which he believes is the only one capable of fulfilling the essentially developmental and distributional aims of integration movements among developing countries. The integration process among developing countries differs fundamentally from the process among developed countries and the reasons for these differences are to be found primarily in the aims of integration. In a literal sense there are no developed countries, for all (the very rich and the very poor) are constantly striving to develop improved processes and to increase the nation's capacity to produce more wealth. In terms of expressing the differences between the First and the Third World, however, the words 'developed' and 'developing' assume crucial dimensions. And it is precisely at this point that the differences in the aims of integration become evident. For, to the developed countries integration is a means of maximizing within essentially unchanged structures, the productive capacities of a set of countries which have achieved a phenomenal level of economic development. For the developing countries, on the other hand, integration represents a collective approach to their development, which approach has become increasingly
important in the light of the low levels of development, poor production structures, and the shortage of capital, technology and personnel which characterize the majority of the developing countries.

The ensuing study of the Caribbean Community and Common Market is undertaken essentially within the above framework. It, however, goes further than this. Thus, the writer accepts as an article of faith the desirability and necessity for some form of economic integration among Commonwealth Caribbean countries. Indeed, the crucial issue which this study seeks to address is how the peculiar political-economy of the region affects the performance of the integration process. But before this question can be answered it is first necessary to understand in precise form what constitutes the nature of this peculiar political economy. It is thus with this end in mind that Chapters 1 and 2 of Part I examine in some detail the economy, and the history, culture and politics of the region. In both chapters the discussion is fairly detailed and the areas discussed have been carefully chosen. Thus the approach to the discussion of the economy has been a sectoral one concentrating on the most important sectors; while the discussion of Commonwealth Caribbean history and society has concentrated on the most important trends in the historical evolution of that society. In this section the argument is that the history of the region has produced a type of economy and certain socio-cultural and political responses which militate against any thorough-going
integration movement.

The second part of the thesis is designed to examine in closer detail the actual performance of the integration movement to date (or as far as data will permit). At this point the writer admits to an overwhelming emphasis on the economic aspects of integration to the almost total exclusion of developments in the realm of social and cultural integration. This is both deliberate and unavoidable, for in the first instance the greater emphasis to date has been on economic integration (notwithstanding the influence of West Indian cricket teams, and the Caribbean Festival of Creative Arts held in 1972 and 1976). Secondly, the available literature on social and cultural integration has not been easily accessible to this writer which has also contributed to the economic bias of the study.

Chapters 3 and 4 of Part II look respectively at the present framework within which integration is expected to operate, and the performance of the grouping to date in terms of the distribution of the gains so far generated. Chapter 3 involves in addition, an attempt to develop a theoretical definition of what the integration process ought to be, given the economic realities of the Commonwealth Caribbean. Thus the CARICOM Treaty is here examined against certain theoretical desiderata of the process among developing countries. The basic conclusion of the chapter is that the structure of CARICOM is incapable of providing the benefits which are implicit in the
Treaty, nor can the grouping in its present form provide the benefits which its various members expect. For this to happen, a more dirigiste, explicitly production-oriented grouping is necessary. Chapter 4 is designed to test the theoretical conclusions of Chapter 3.

The concluding chapter in brief form attempts to integrate Parts I and II. Essentially the question addressed here is whether or not the obstacles to integration as brought out in the first part can be sufficiently overcome to permit the implementation of the type of integration movement which this writer perceives as necessary given the underdeveloped nature of the region and the necessity for an equitable distribution of the gains from integration especially among developing countries. Essentially the chapter addresses the question of the prospects of CARICOM given the problems identified in the preceding chapters. Finally, attention will also be paid to the possibilities for widening the grouping to include other Caribbean countries presently outside its orbit, and the problems involved in its process for the regional grouping.
PART I

THE ECONOMIC, SOCIAL AND POLITICAL CONTEXT OF INTEGRATION
IN THE COMMONWEALTH CARIBBEAN
CHAPTER 1

1.1 Introduction

In the following pages an attempt will be made to survey in a brief form the economies of the CARICOM countries. To attempt an economic analysis of a group of twelve countries scattered over a wide expanse of land and ocean, and still pay respect to brevity could perhaps be considered a folly. But fortunately for this writer the collectivity of countries known as the Caribbean Community and Common Market (CARICOM) is a fairly homogeneous collectivity. A parallel history of slavery and colonialism; of the plantation and the mercantile systems; the same metropolitan colonizing master for the past one hundred and fifty years or so; and similarities of climate and geography, have all produced a set of economies which are fundamentally similar to each other. The CARICOM countries are essentially primary producers of agricultural staples and mineral raw materials basically for export to a metropolitan market. Their economies are lamentably undiversified, and indeed where manufacturing is a significant contributor to G.N.P. it is largely of the final touch, branch plant type. The heavy dependence on staples for export has resulted in the
fact that even though CARICOM countries are predominantly agricultural producing economies, an overwhelming proportion of domestic food requirements has to be imported. This situation has been described as a lack of congruence between the structure of domestic demand and the structure of domestic production and resource use. In addition to this, the structure of ownership of the factors of production (i.e. capital and resources) still retains its historical pattern, whereby foreign agencies and actors still maintain control over production (although the governments of Jamaica, Guyana, and Trinidad and Tobago to mention a few, have been busily establishing national or local ownership) and in particular the marketing of the products produced in the region.

This similarity of economic history and present production and marketing structures, and the fact that economic structures are largely similar throughout the CARICOM region have all led to the emergence of a set of structural problems which are common to the region as a whole, albeit, with variations in intensity. Thus today, high rates of open unemployment; a growing food import bill symptomatic of the inability of domestic agriculture to feed the growing population; fluctuations in foreign exchange earnings (and hence in total G.N.P.) consequent on the reliance on a range of staple exports whose prices are highly volatile; and lack of backward and forward linkages between sectors and economic activities, are only some of the structural defects exhibited by these economies. In addition to
these common structural problems, there is also the question of size and the limitations that size, geography and resource endowments have placed on the potential for structural transformation of any one of these economies individually. As can be seen from Table 1:1 these countries in terms of land area and population, are small by international standards. Again, the range of known natural resources in these territories is also pretty small. Such considerations have led to the growing conviction that the economies are too small (whether it be in terms of land area, population or resource base) to pursue individually any viable and self-sustaining process of economic development. Thus economic integration of their production structures and the pooling of their resources has been recommended as the only viable strategy to promote the economic development of the region and the countries situated in it.

The ensuing analysis of the economy of the CARICOM countries has two basic aims. Firstly, in brief form, it will attempt an analysis of the nature and level of economic development in the region. Secondly, it will seek to elucidate some of the possible development benefits that can accrue from an integrated (or regional) approach to development. In an overall sense the analysis is designed to test the often asserted hypothesis that the integration of production structures holds many possibilities in terms of rounded development and reduction of dependence for the CARICOM region as a whole and the individual countries which comprise the regional grouping. Again,
this writer holds no claim to originality since the data and analyses will be drawn substantially from regional studies and reports done over the past decade or so. This chapter is by way of a summary of the work of these assiduous and dedicated workers who have so providently produced a sizeable amount of literature on the economy and economic problems of the CARICOM region. Finally the approach adopted will be a sectoral one, limited to the five major areas of economic activity in the regional economy—agriculture, industry, mining, tourism, and transportation. These areas have been singled out first and foremost because they allow that brevity of presentation which this writer seeks. Almost equally important, however, is the fact that these are the sectors and areas which have most often been represented in the literature as possessing the most potential for meaningful integration in the CARICOM region. The following section will attempt an analysis of the agricultural sector.

1.2 The Agricultural Sector

The CARICOM agricultural sector is characterized by a "dualism" as between the domestic agriculture sub-sector and the plantation or export agriculture sub-sector. This dualism arises as a consequence of historical differences in policy emphases between the former (the peasant sub-sector) and the latter (the plantation export sub-sector). Thus traditionally, the plantation export sub-sector has always been favoured to
the extent that the best lands are under plantation crops, the best transportation, irrigation and marketing facilities have been provided for the export sub-sector, and the bulk of research and development facilities have been utilized for its benefit. The land tenure and distribution structures, as well as the levels of capitalization, also bring out the dualism between the two sub-sectors. Thus, in addition to being in possession of the generally poorer soils, the peasant sub-sector also utilizes a disproportionately small amount of the available agricultural lands (see Table 1.2), the average size of farms is small as compared to the plantation sub-sector, and the plantations (until quite recently) were predominantly owned by expatriate interests. Through their external links, the plantations have traditionally been able to secure more funds for capital investments than the peasant sub-sector, and this has led to marked differences in factor utilization and efficiency between the two sub-sectors. Thus the plantation sub-sector is generally considered to be more productive than the peasant sub-sector, and in general, wages and profits are much more remunerative in the former than in the latter. Commenting on the production and productivity differences between the two sub-sectors, Brewster and Thomas noted:

The factor proportions utilized in the plantation sector are very "superior" to those of the peasant farming sector and the techniques utilized are such as to make for relatively high labour productivity in this sector. Moreover, in a
dynamic sense it may be noted that post-war technological innovation has been strongly biased in favour of high labour productivity in the plantation sector.

The traditional emphasis on the plantation sub-sector and the consequent disadvantaged position of the peasant or domestic sub-sector have led to certain structural defects of the agricultural sector as a whole within the CARICOM countries. The following are some of the more important of these structural defects.

1) The emphasis on plantation agriculture for export and the consequent de-emphasizing of the domestic sub-sector has resulted in low levels of production and productivity in the domestic or peasant sub-sector.

2) This low level of production and productivity of peasant agriculture has meant that much of the domestic food requirements of the region have to be imported.

3) The historical favouring of the plantation export sub-sector in regard to capitalization and inputs, and the consequent greater productivity and returns to that sub-sector have resulted in income disparities between the two sub-sectors with the result that domestic agriculture is becoming increasingly unattractive to the rural populations.

4) Increased capitalization, the adoption of more capital intensive techniques in the export sub-sector, and the drift away from peasant agriculture are resulting in the ever increasing inability of the agriculture sector as a whole to
absorb the growing labour force in the rural areas. Thus the levels of open unemployment and underemployment of the rural labour force have been increasing.

5) The export orientation of plantation agriculture and the processing of these products in metropolitan and other centres (sometimes justifiable on grounds of efficiency), has resulted in the fact that plantation agriculture has established very few backward or forward linkages in the CARICOM countries. Thus primary production for export by the plantation sub-sector robs the region of employment opportunities and income earnings, since the further processing carried out in other centres really reaps the financial rewards of the plantation sub-sector.

Thus it has been argued that the above structural defects of the agricultural sector have led to growing unemployment, a high import bill for agricultural products, and wildly fluctuating foreign exchange earnings as a result of the volatile prices for most primary products on international commodity markets. The above factors describe in large measure the operations of a dependent economy. Dependence among CARICOM countries is as a result of their history of colonialism and monocrop plantation agriculture. The structures created in the agricultural sector (which as can be seen from Table 1. is in most cases the most important sector in terms of employment and export earnings) have resulted in the location of the dynamic of the CARICOM economies externally, and the creation
of defects which can scarcely be eradicated until and unless the pattern of control has been repatriated and the peasant sub-sector revitalized. This calls for the development of a type of agriculture more attuned to the needs of the CARICOM countries, that is capable of utilizing indigenous inputs, and that contributes to rounded economic development. Until recent years, what have been developed are relationships of dependence between the CARICOM agricultural economies and metropolitan actors, within the framework of preferential trade agreements, guaranteed markets, and external ownership and control. It is the above which have contributed to the under-development of the region and to the dependent nature of its economy.

1.2.1 Agricultural Production - The Export Sub-Sector

Table 1.3 gives a rundown of the production and export figures for the region's six most important agricultural exports. As can be seen from the figures, a sizeable percentage of the production of these crops is exported (except in the case of citrus). But what is even more significant is that these commodities go through a minimum of processing before being exported. Obviously this type of production for export without any extensive domestic processing lacks the ability to create the required number of jobs within the domestic economy, has contributed marginally to the process of regional capital accumulation, and thus has little potential for transforming the domestic economy into one that possesses its own internal
dynamic, for the linkage effects associated with the processing
of domestic production are foregone when these commodities are
exported in a primary or semi-processed form. In addition to
the above, the volatile nature of prices of primary commodities
(as has been amply brought out during this decade) has meant
that the earnings of the exporting countries are subject to
great fluctuations depending on conditions in the developed
countries where most of these primary exports are sold. CARICOM
exporting countries are therefore caught in an unenviable bind.
The traditional orientation of their economies has been in the
direction of production of primary products for export. As
such the profits from these commodities come not from processing,
but from sale in their primary or semi-processed form. These
commodities, however, are notoriously unreliable as earners of
foreign exchange. Thus, capital for structural transformation
and diversification of their economies which many countries expect
to obtain from the sale of their primary commodities is often
meagre and uncertain. The present balance of payments crises
experienced by most CARICOM countries (which in itself is a
consequence of a diminution or stagnation of export earnings,
and a steep rise in the prices of imports over which they have
little control)\textsuperscript{10} have served to highlight the level of dependence
and openness\textsuperscript{11} of the regional economies, and also the need to
restructure these economies to escape that crippling dependence.
1.2.2 Agricultural Production - The Domestic Sub-Sector

As has been noted above, the domestic agricultural sub-sector has been traditionally discriminated against in favour of the export sub-sector. This has meant that the domestic sub-sector today is incapable of producing enough to satisfy the domestic market for products which can be produced locally, but which for reasons noted above are not being produced in sufficient quantities. The peasant sub-sector produces at low levels of productivity for a number of reasons such as poor farming techniques, lack of necessary farming aids, low prices for their products and undercapitalization, to mention a few of the problems. These are all indicative of the neglect which has characterized official attitudes towards this sub-sector. Indeed it is only within the last decade or so that some attention has been paid to the problems of the peasant farmer (the agricultural banks and extension services developed recently attest to this).

Tables 1.4 and 1.5 which respectively look at the agricultural balance of trade of a few CARICOM countries and the production and imports of certain selected agricultural products, well exemplify the malaise of the domestic agriculture sub-sector. Table 1.4 admittedly makes no attempt to disaggregate the domestic and export sub-sectors and thus the positive regional balance of trade in agricultural products up to 1969, masks the fact that export prices were somewhat buoyant during that period. Table 1.5, however, is more illustrative since
it clearly brings out the inability of the domestic agriculture sub-sector to provide the region with the necessary levels of basic foods. These shortfalls in production cannot be blamed on a shortage of agricultural lands or farmlands, for it has been noted that since the beginning of the decade of the 1960s, regionally, over 500,000 acres of agricultural lands had been taken out of production. Thus the problems of the domestic agricultural sub-sector are structural and capable of solution providing that there is a radical change in policy bias. These problems are part and parcel of the traditional export orientation of CARICOM economies, the neglect of the peasant domestic sub-sector, and the consequent dependence on imports to feed the local populations. The above situation exposes the true nature of CARICOM economies which are both export and import dependent.

Thus to summarize, the agricultural sector in CARICOM countries is now at the stage where because of the historical neglect of the domestic sub-sector, a huge portion of domestic food requirements has to be provided from outside sources. As regards the export sub-sector, the reliance of CARICOM countries on preferential trade agreements and the fluctuating nature of the prices of their exports, have resulted in the situation where production for export is not the potent agent of development as was hoped. The balance of payments crises and the subsequent derailment of development plans in Jamaica and
Guyana as a result of reduced foreign exchange earnings, well support the above contention.

What seems evident in the first instance is that the domestic sub-sector needs to be revitalized. The two most important aspects of this process must be to increase both production and productivity. Whether it be the production of more vegetables, more beef or more eggs, it would seem that agronomic standards need to be raised, through the provision of extension services to teach improved techniques; research efforts to upgrade the present quality of breeding stocks and eradicate crop diseases; the promotion of more efficient-sized farms through a land reform programme; the provision of loans and necessary agricultural inputs to assist the peasant farmer who is invariably undercapitalized; and finally of crucial importance, the provision of proper transportation, irrigation and marketing services to crop and animal farmers. Equally important also, the peasant farmer must be guaranteed returns to his labour which would make such labour attractive and remove the stigma of poverty which the domestic sub-sector has acquired over the years. However, the above themes will be elaborated on in the final section of this chapter on a regional approach to production.

As regards the export sub-sector, it would seem that it must play a greater role in terms of the development of the region. The CARICOM primary producer is "short-changed"
because of the fact that his primary product goes through final processing in a foreign country, which makes the greater gain in terms of employment creation and profits. Thus in an overall policy sense more processing of regional production needs to be carried out in the region. The emphasis therefore, is not on de-emphasizing the production of export crops (indeed present levels of output need to be increased) but rather on processing that output locally (perhaps a thriving confectionary industry on the basis of Caribbean cocoa and sugar production; producing and packaging more refined types of sugar) and then exporting the further processed product. Naturally, there are certain problems associated with these types of activities; problems such as capital for investment, skills, machinery and markets. However, these are by no means insurmountable. The writer intends to return to this later on.

1.3 The Manufacturing Sector

In keeping with the normal evolution of colonial societies the CARICOM countries were never encouraged to develop an industrial or manufacturing sector, for the dominant local groups were not interested in anything other than plantation agriculture and commerce (which were closely allied), while metropolitan manufacturing interests stoutly guarded their markets in the colonies. Thus, it was only in recent years as a result of the shortages during World War II (this was the pattern in most colonial societies) that an embryonic manufacturing
sector developed. In the decade of the 1950s, Jamaica and Trinidad and Tobago proceeded apace in their processes of industrialization. This was no accident, since in terms of market size and available capital and other resources, these economies were perhaps the most favourably placed of all the CARICOM countries.

This new manufacturing must at once be distinguished from the limited processing operations which had always been a part of the sugar industry. In the latter case the sugar cane was crushed at the mills, the juice extracted and "clarified" and raw and semi-refined sugar produced. In addition rum was also produced as a by-product of the sugar industry. Again, in Guyana where the cultivation of rice had become important in the course of the early 20th century, rice milling had emerged as a manufacturing process. Thus, throughout the region, low level processing of products for export within a factory system, on the one hand, and cottage-type industries and small manufacturing establishments to cater for domestic consumer requirements, had antedated the development of the present manufacturing structures.

However, what distinguishes this latter development from its precursor is the fact that it was largely of the branch-plant, import-substitution type, utilizing predominantly imported inputs, relatively capital intensive, and largely foreign owned and controlled. This new manufacturing structure
was therefore constructed by foreign entrepreneurs using imported materials, contributing little in the way of local value added, creating few backward and forward linkages in the CARICOM economies, and opening up very little in the way of employment opportunities. Essentially, therefore, the new manufacturing failed to alleviate the level of dependence of the CARICOM economies on metropolitan centres (which export agriculture had created and nurtured) and indeed increased that dependence by promoting the imported consumer tastes of the colonial era, perpetuating the disintegration of the national economy by creating little or no linkages between sectors, and (by its high imported input coefficient) heightening the import dependence of the CARICOM economies. In addition, the emphasis on light, final touch manufacturing meant that the low level processing which characterized the export agricultural sub-sector was perpetuated, and industrial activity in the manufacturing sector failed to develop an internal dynamic of its own.

Between 1966-1972 the manufacturing sector grew at rates well exceeding 5% per annum for most of the more developed CARICOM countries (excluding Guyana) while its share of total G.D.P. for the MDCs as a whole grew by about 2% (see table 1.6). Appendix 1.3 shows the manufacturing sector contributing between 15-16% of MDC G.D.P. between 1973-76. Thus the manufacturing sector for the MDCs as a whole is the third largest individual sector after transportation and distribution, and mining and
quarrying (in terms of contribution to G.D.P.). Available data indicate (see Table 1.7) that in terms of employment it is the third largest contributor in the MDCs, while for the LDCs it ranks even lower. This is indicative of the small contribution of manufacturing to G.D.P. in the LDCs.

The above rundown of the manufacturing sector has concentrated primarily on the MDCs since as was pointed out before the sector in the LDCs is very small. Again it must be noted that although the figures given are for the early 1970s,¹⁴ the structure of MDC manufacturing has not changed fundamentally since that time. In recent years the sector has been assuming increased importance in the economy of Barbados to the extent that she exports a significant portion of her production to the LDCs. The sector in the Guyana economy (as can be seen in Table 1.6) has experienced only moderate growth over the period. Indeed, while the figures are not readily available, the impression is that there has been little change in this unimpressive performance in terms of expansion of the sector since the 1973 oil 'crisis', and the Guyana Government's nationalization programme of the mid-1970s. Trinidad and Tobago's oil wealth has spawned many plans to launch into heavy industries and has supplied some capital for the expansion of the manufacturing sector. The problem, however, is that in the wake of balance of payments problems in Guyana and Jamaica, the market for Trinidad's manufacturing exports has contracted drastically.

As for Jamaica, socio-political unrest, industrial strikes, the
adoption of socialist policies by the Government and the consequent flight of middle class capital, have all contributed to an economic climate which has not been favourable to an expansion of the manufacturing sector.

But more fundamentally the manufacturing sector in CARICOM countries suffers from several severe structural problems. These problems stem largely from the small market size of the individual territories; the shortage of entrepreneurial (in terms of manufacturing) and technical skills; the lack of adequate quantities of resources in the individual countries and the need to import most inputs; the unavailability of capital for investment; and, regional excess capacity in certain light manufacturing industries due to the duplication of these activities within the context of individual national attempts to construct an industrial base. Cumulatively, these have resulted in a high-cost, import dependent, capital intensive manufacturing sector which is largely foreign owned and controlled. In addition, because of its import dependence it creates very few linkages within the domestic economy, since although substitute materials may be available locally, they are seldom utilized by the foreign entrepreneurs. This of course means that the structure of regional production is relatively unrelated to the structure of regional resource endowments. Socially, this capital intensive type of enterprise does little to ease the unemployment problem, creates an 'aristocracy' of relatively better paid factory workers
(thus contributing to social tensions between classes and groups), and perpetuates a system of consumer tastes which are patterned after metropolitan values and incongruent with the realities of the developing economies of the CARICOM countries.

The above observations would seem to indicate that there is need for the creation of a manufacturing sector which is capable of utilizing local materials, and creates more linkages within the domestic economy; and which is owned and controlled by CARICOM nationals - in short, a type of manufacturing sector which is capable of promoting balanced and self-sustaining development within the region. Within the context of the small underdeveloped economies of CARICOM (small in every economic sense) an autarkic process of development seems scarcely viable, and hence the integration of production structures would seem to be a viable strategy for development.

1.4 The Mining Sector

The mining sector within CARICOM economies has traditionally been and still remains an enclave type of economic activity dedicated towards the production of primary products for export. Until the early 1970s the sector was totally-owned and controlled by foreign multinational firms located in North America, the U.K., and Western Europe. The major mineral resources of the CARICOM region are bauxite, petroleum and natural gas. In addition, Guyana produces a small quantity of gold and diamonds (although her reserves of other important
minerals are said to be significant), Jamaica produces gypsum, while Trinidad and Tobago also produce asphalt. However, in terms of the three major minerals listed above, Guyana and Jamaica produce bauxite, while Trinidad and Tobago produce petroleum and natural gas. While bauxite production in Guyana was begun in the second decade of the present century, the petroleum and bauxite industries in Trinidad and Tobago and Jamaica date from around the second World War.

The mining industry within these three countries (especially in the case of bauxite) has developed only to the stage of primary or low level processing. Thus in the case of the bauxite industry, the bulk of the exports are in the form of bauxite with a small portion of alumina being exported (see Table 1.8). This is indicative of the export orientation of the industry and explains why bauxite has acted so little as an agent of industrialization and development. In the early 1970s it was estimated that 1 ton of raw bauxite when further processed produced aluminium sheetings which were at least twice the value of the bauxite. It goes without saying that since this part of the processing is carried out in metropolitan centres, this potential value added is lost to the regional producers of the primary product. Table 1.8 also reveals that bauxite and alumina production in Jamaica and Guyana fell somewhat in volume between 1973-76, although the money value increased. This increase must, however, be weighed against increases in the cost of machinery and other inputs which must be obtained from metropolitan
countries, as well as the higher transportation costs which the industry has faced over these years.

The petroleum and natural gas industry in Trinidad and Tobago, after having been in the doldrums in the late 1960's and early 1970's experienced a dramatic increase in profitability as a result of the OPEC price increases in 1973. Thus in 1970, the contribution of the mining and refining sector (which also includes asphalt although its inclusion does not distort the general conclusions) to G.D.P. was TT $M 350.6 representing 21.1% of G.D.P. In 1976 it was TT $M 1588.0 representing 31.5% of G.D.P. In terms of Trinidad and Tobago's total exports by SITC sections, mineral fuels, lubricants and related raw materials (all part of the petroleum industry) accounted for approximately 80% of all exports. The increased profitability of the petroleum and natural gas industry has not been the result of increased production or increased refinery output (as Table 1.9 reveals), but rather a consequence of price increases over the period 1974-76.

The mining sector within these three countries is a highly capital intensive sector. While recent data are not readily available, it would seem that for 1970 the sector for Jamaica, Trinidad and Tobago and Guyana, employed respectively 1.5%, 5.2%, and 4.9% of the total working population. It seems hardly likely that employment percentages would have changed substantially over the period since 1970, and thus it can be
assumed that the capital intensive nature of the sector remains as it was. But by its enclave nature the sector also contributes to wide income disparities within the domestic economy as between workers in different sectors. Thus workers in the mining sector are much better paid than those in the other sectors. This often has a demonstration effect on workers in other sectors who either desert the less remunerative sectors (e.g. the drift from domestic agriculture) or demand comparable wages to those in the mining sector.

Thus, because of the way it has developed in the CARICOM countries, the mining sector exhibits certain structural defects which prevent it from playing a more vital role in terms of the development of the economies in which it is present. The sector is firstly a primary producing sector whose commodity is exported in primary or semi-processed form, to the metropolitan countries where further processing is carried out and the real financial rewards reaped. One might be tempted to argue that the refining operations in Trinidad belie the above conclusion. However, it must be noted here that it was the action of the OPEC oil cartel which has lent profitability to the oil industry in Trinidad and Tobago, and that a petro-chemical industry which has always been and still remains the most profitable aspect of the petroleum industry, has not as yet been made a viable industry in Trinidad and Tobago. Thus it can be argued that the mining sector (especially where bauxite is concerned) has traditionally produced very few linkages within CARICOM economies.
The second major structural defect of the sector is the fact that it is perhaps unavoidably capital and technologically import intensive. Much of the machinery used in the sector has to be imported because of the absence of heavy industry enterprises in the region. This means that despite the fact that the sector is now largely owned and controlled by the respective governments of the region, the choice of technology utilized is still influenced and perhaps dictated by the pattern of historical dependence on external sources. In certain cases expertise must be imported (although the bauxite industry in Guyana is overwhelmingly operated by nationals) in addition to machinery, which means cumulatively that the profits of the industry are still escaping the region. Again, in the case of bauxite, the marketing arrangements are in the hands of metropolitan agents and in recent years the international market has been a buyer's rather than a seller's market. The latter comment leads into the third major structural defect of the sector, and that is that its export orientation (this refers specifically to bauxite) leaves regional economies open to the buffettings of the international primary commodity markets. The terms of trade for primary commodities are notoriously unstable and more often on the negative side for primary exporters. Thus, the present balance of payments problems of Jamaica and Guyana have in part resulted from a fall in the price of bauxite during 1975-76 (as well as production shortfalls due to inclement weather) and this has had detrimental effects
on the self-reliant strategy of development adopted by these two countries. Thus it would seem that the sector, through its openness and the consequent danger of fluctuating prices, is somewhat incapable of providing capital for development for any prolonged period of time (unless another OPEC situation develops in other primary products) and thus promoting the structural transformation of the CARICOM economies.

Out of the above observations the following conclusions seem to emerge. It would seem evident that the region must engage in more processing of its primary products. Again, the sector must be made to contribute more to employment within the region. Thirdly, more linkages must be created between the mining sector and other sectors especially as far as inputs are concerned. Fourthly, the import intensivity and technological dependence of the sector must be reduced to reverse the foreign exchange drain which the sector encourages. Finally, the structure of ownership, control and marketing must be reformed to ensure maximum domestic benefit from the sector. History has shown that foreign control of any aspect of the sector in CARICOM countries leads to a siphoning off of the benefits. At the same time, however, economic considerations seem to indicate that the sector needs huge infusions of capital and expertise which the individual economies scarcely possess (Trinidad and Tobago can perhaps at present supply a considerable portion of its capital requirements). In addition
to the above point, in view of the fact that the few available resources of the region are scattered randomly over its wide area, there seems to be need for the integration of production structures as a viable strategy to promote regionally oriented and autonomous development.

1.5 The Tourism Sector

Tourism in CARICOM countries, although a phenomenon throughout much of the 20th century, really developed into a thriving industry in the 1960s as a result of the influx of North American tourists into the Caribbean vacation spots. Most of the islands of the region are naturally blessed with pleasant temperatures, beautiful beaches and warm sunshine all year round. Thus it was that many of the Caribbean islands developed in the 1960s as favoured wintering grounds for frozen North Americans and Europeans. It would seem that the area in general, in addition to its advantage of proximity to North America, was also considered ideal by developers and tourists because of the relatively stable socio-economic and political conditions on most of the islands. Thus in the late 1960s and early 1970s the Industry in CARICOM countries expanded in terms of the annual increase in the number of tourist arrivals which grew at an average of 11.6% per annum between 1968-1972.18 Table 1.10 which gives a run-down of the distribution of tourism capacity and percentage shares of the individual CARICOM countries, shows the MDCs as accounting for over 80% of CARICOM bednights and over 75% of tourist arrivals. This is obviously
well within the pattern of development of the individual CARICOM countries. and also serves to reinforce the MDC/LDC dichotomy. It must also be noted that Guyana and Belize (the two mainland countries) do not share in the tourism industry, for such reasons as lack of a competitively marketable tourist package and a traditional lack of emphasis on this sector. Table 1.11 which gives figures for the period 1973-1976 also seems to indicate that the pattern of distribution as between the CARICOM countries has remained substantially the same. It also supports the often stated contention that the tourism sector has registered a decline both in terms of tourist arrivals and tourist expenditures in the post-1974 period as a result presumably of the economic recession in metropolitan countries during that period.

The tourism sector in CARICOM countries exhibits certain structural defects which have made its contribution to the region's economies less satisfactory than it could have been. In the first instance the structure of ownership and control is such as to leave the development of the sector outside of the control of regional bodies and governments. Thus, as a result of generous incentives offered by governments in the 1960s large North American and European corporations set up hotel chains in the CARICOM countries. Today, a dichotomy exists in the structure of ownership with the larger hotels (100 rooms and over) being largely owned and controlled by expatriate interests and the smaller hotels and guest houses
(under 100 rooms) being owned by nationals. Data for Jamaica in 1972 indicated that some 50% of room accommodation was owned by expatriate interests. On the basis of projected construction, however, it was estimated that the percentages in 1975 would have been over 65% foreign-owned and less than 35% locally-owned. These figures must also be viewed against the fact that the foreign-owned hotels are more likely to attract the majority of the tourists since their facilities are often more attractive than the often undercapitalized local operators, and also due to the fact that the package tour deals offered by the large chains allow them to outcompete the small operators. This predominance of foreign ownership and control has had serious effects on the contribution of the sector to the local economies.

Firstly, it has meant that the tourist industry (which is often tied into an integrated MNC operation) contributes little towards integrating the local economy. The MNC investor imports most of his inputs—from construction materials through managerial skills to food and consumer requirements. Thus the industry is extremely import dependent, for even when available, local inputs are not sufficiently utilized. Indeed, over the years Caribbean tourism has become noted as high-cost, and almost a transference of metropolitan conditions to a tropical and more congenial atmosphere. In many instances the favouring of imported inputs is a deliberate process although in others
it is unavoidable, because of low standards and insufficient production within the national or regional economy. However, the cumulative effect is to reinforce the import dependence of the region on imported foodstuffs and other consumer goods. Available data on the leakage abroad of tourist expenditure indicate that the problem is quite a serious one as compared to other tourist centres where leakage is negligible. Table 1.12 presents these data, where leakage is defined as "... the extent to which revenue from tourism is repatriated in the first round of expenditure by receipts." It must be noted also that leakage in an all-inclusive sense, would also include transportation costs to the islands (mostly on foreign-owned airlines), and profits, dividends and debt payments abroad. Thus unofficial estimates place the leakage as high as 70% of gross receipts.

A second structural defect of the industry is the demonstration effect it has on consumption patterns within the region and the effects of this on other economic sectors. The tourism sector is considered a most potent agent of the dissemination of North American life-styles and consumption patterns. Thus the native West Indian is constantly being bombarded by a visual demonstration of the affluent society, to which he has learned to aspire without acquiring the will to toil. Thus, a "quick grab" money mentality has developed which has precipitated the desertion of other less remunerative and more strenuous
(in terms of human energy) sectors like agriculture, which has in turn contributed to the rising unemployment figures in the Caribbean. Available data indicate that in terms of contribution to total exports and employment (see Tables 1.1 and 1.7), the tourism sector contributes substantially to the CARICOM economies. Indeed, its contribution in the LDCs is markedly more significant than to the MDC economies which are more diversified. Thus the tourism sector by its import dependence and its demonstration effect on consumption patterns, has helped to perpetuate the internal disarticulation of CARICOM economies and their external dependence. This is not to say that the sector is totally responsible for that condition. There is, however, the implicit contention that the sector can make a significant contribution to economic growth and development of the region only when its structure of demand and resource use is more in congruence with the resources of the region.

More specifically, there is need to develop a tourism sector which is linked more closely with other sectors of economic activity and uses more local inputs. This would naturally require the production of more local materials to supply the sector's requirements, but perhaps more importantly, a fundamental change in the orientation of the industry from one which seeks to provide a North American or European type vacation in a Caribbean setting to one which provides an authentically Caribbean style vacation in a Caribbean setting. Such
a change in orientation would most likely necessitate a change in the structure of ownership and control in the industry. However, in terms of the creation of more linkages within the domestic economy, it would appear that structural transformation of the tourism sector requires a parallel structural transformation of other sectors (agriculture to provide more food inputs, industry and construction to localize tourism infrastructure), since it is only in this way that the leakage of tourist expenditure abroad can be arrested. Again, the transportation of tourists and the marketing of the tourist "package" would seem to need some localization, since transportation and the organization of package tours (invariably undertaken by a metropolitan agent located in the metropoles) account for a significant portion of tourism receipts and represent important areas of leakage of revenue out of the region. In the areas of provision of local inputs, organization of tourist "packages", transportation and marketing, there would seem to be immense scope and advantage in regional cooperation among CARICOM countries.

1.6 The Transportation Sector

The ensuing section on transportation within CARICOM is necessarily a superficial one which makes no claims to represent the full complexity of the transportation problems of the region. At best it is illustrative of the sorts of problems which face the sector, and in terms of its recommendations merely offers general policy outlines. Again, this section
pays little attention to internal transportation in the respective member countries, but instead concentrates overwhelmingly on intra-regional and extra-regional transportation. The following brief overview of the transportation sector suffers like the previous sectors dealt with, from a lack of up to date data to substantiate what may be perfectly legitimate conclusions. Within the context of the purpose of the survey, however, (which is purely illustrative), this lack of adequate statistical substantiation is perhaps not so serious a shortcoming. On the question of internal transportation (which will be touched on only in passing) it must be noted that by and large the countries enjoy a reasonably adequate system of paved roads and lesser feeder roads (they do of course need expansion and improvement), which as was to be expected, were developed to support the export agriculture and (recently) the tourism sectors. In the urban centres, and with the increase in the use of motorized transport, a serious traffic problem has been developing over the years, since the road networks existent today were not constructed to anticipate the increases in road traffic that have occurred over the past few years. There is urgent need to revamp the existing road and transportation systems in most CARICOM countries.

Historically, intra-regional communication and transportation links have always been rather poorly developed because of the fact that during the colonial era the islands and colonies were more closely linked to the colonial power than to
each other. Since trade with each other was minimal, it was only to be expected that the communication and transportation links would be poorly developed. Also, the fact of geographical dispersion over a vast expanse of sea tended to act as a serious barrier to inter-territory communication and the development of transportation links. Over the past few decades, however, (especially in the post-World War 2 period) there has been a marked increase in demand for transportation facilities as a consequence of the increased interaction among CARICOM countries. Attempts at integration even from the time of the West Indies Federation (1958-62) recognized the need to develop transportation facilities to service the growing interaction among the countries. Thus, the Federation had created the West Indies Shipping Council (WISCO), which later became known as the Regional Shipping Council (RSC). The Council administered a regional shipping line which began with two ships donated by the Canadian Government. This organization survived through the 1960s and into the 1970s. In 1973 the RSC was designated an "Associate Institution" of the Caribbean Community and expanded into the Regional Transportation Council (RTC) with responsibility for WISCO and also the coordination of other aspects of transportation (e.g., air transport) within the region.

As was mentioned above, WISCO was established to improve transportation links among Commonwealth Caribbean countries. It confined itself exclusively to intra-regional traffic and indeed WISCO operated predominantly among the larger MDCs of
the grouping. Despite the establishment of this regional shipping line for almost two decades now, in 1973-74 it accounted for only 20-25% of total intra-regional traffic; foreign-owned ships and shipping lines accounted for some 30-40%, while the small privately owned ships of nationals of the region (which mainly service the LDCs) accounted for between 40-50% of that traffic. Indeed, WISCO has been attempting to reduce regional transportation costs to the extent that it charges rates which are below those charged by the foreign lines. To date, this has not made much of an impression on the structure of intra-regional rates (because WISCO's share of the traffic is small) and in fact has merely caused WISCO to operate over the years at a recurring deficit which has to be made up by contributions from regional governments. Table 1.13 presents available data on WISCO's operations, and indeed supporting data suggest that the practice of subsidizing WISCO's operations still persists although rates have been increased since 1972.

While regional operators share in the regional trade, extra-regional trade is largely controlled by the foreign lines. The metropolitan lines servicing the CARICOM region came together to form what is known as the "Conference" which has enabled them to dictate freight rates to the region. One report stated that rates were raised some five times between mid-1970 to mid-1972 with the increases ranging from 1.5% to 14%. Indeed, it would seem that regional governments
have little input in terms of the fixing of rates, for these lines are often operated by the same companies which market the region's products and thus there are real possibilities of transfer pricing. Considerations such as the above have prompted regional governments to attempt to break into the extra-regional carrying trade especially for their exports. Thus the Government of Guyana operates a shipping service for the bauxite industry in collaboration with a Scandinavian shipping line, and the Government of Trinidad and Tobago recently announced plans to develop a shipping line in cooperation with an American corporation. Certainly, control of transportation links is a vital first step in terms of ensuring that the region benefits from what it produces, but one wonders how much effort is being put into developing regional facilities which already exist but are in need of greater capitalization.

Air transportation in the region in terms of its present status is broadly similar to sea transportation. In addition to the international airlines which serve the CARICOM region (B.O.A.C., Pan Am, Air France etc.) certain CARICOM states have established their own airlines. In 1961 the Government of Trinidad and Tobago bought out the sole regionally based carrier, British West Indies Airways (B.W.I.A.) from its parent company B.W.A., and this airline up to 1978 (the company ceased operations earlier this year following a strike by its pilots although it has since resumed operations on a limited
scale) continued to serve the region as the oldest and largest regionally-based carrier. There is also Air Jamaica established in 1963, which was largely aimed at servicing the tourist trade from North America. Barbados and Guyana have also in recent years established their own national airlines (although while the Guyana airline operates largely within the region, the Barbados airline, like the Jamaica airline, services the tourist trade from areas outside the region). The Governments of the region also own a small airline, the Leeward Islands Air Transport (L.I.A.T.) which was purchased from Court Lines in 1974 after the company had put the airline into liquidation because the service was considered unprofitable. It was felt that L.I.A.T. could not be allowed to simply disappear since it represented a vital means of air communications serving the smaller islands predominantly. Unfortunately, statistics as regards the respective shares of the regionally based and internationally based airlines are not readily available, but the indirect evidence suggests overwhelmingly that the internationally based carriers because of greater capitalization and physical facilities corner a larger percentage of regional air traffic (this includes intra-regional as well as extra-regional traffic). One is not certain what the respective figures would be if disaggregated, although it would not be surprising if the same trend as noted in sea transportation continues as regards air transportation.

As was noted above, the development of transportation
links between and among CARICOM countries has been constrained by the historically low levels of communication among these countries, and the fact that traditional links have not been with each other but with their respective metropolitan trading partners. Since it is evident that communication and transportation links develop largely as a result of a demonstrated need for them, it is here argued that the low level of development of these links is a direct outcome of the level of trade and interaction between and among these countries. Thus, the nature and structural characteristics of the development of CARICOM trade and communications have informed the development of the regional transportation sector. At the present point in time the need for increased and improved transportation facilities is well recognized (witness the operations of the R.T.C. and WISCO) and it is evident that the problems of the transportation sector per se are more physical relating to capacity, then structural relating to organization (not that the structural problems such as duplication as in air transport are not important).

To be specific, in terms of carrying capacity, port facilities, storage facilities, types of craft, time tables, skills and capital for development, the transportation sector faces severe physical constraints which prevent it from expanding its capacity. WISCO's most serious problem is the fact that it is rather undercapitalized thus preventing it from increasing
its share of the regional carrying trade. A serious obstacle
to the development of increased transportation and communication
services to the LDCs is the fact that in most of them port and
storage facilities are sadly inadequate. As regards air transport
similar problems arise in that many of the smaller islands do
not have adequate airport and landing facilities. In addition
there is the serious problem as regards duplication of air
transport facilities consequent on the development of individual
national airlines in the MDCs. Such a process is merely a
wastage of scarce skills and capital resources within the region
since it is recognized that a merging of these separate air-
lines and the working out of a coordinated regional air service
to eradicate duplication, will have positive results in terms
of the quality of the present service and the profitability
of that service. As it stands, most of the national airlines
are presently heavily subsidized by their respective governments.
Thus, in terms of carrying capacity and the efficiency of that
service (both air and sea), a greater regional effort would
seem to be necessary since no single country can expect to do
it on its own. The transportation sector in terms of the intra-
regional carrying trade and communications (and eventually ex-
tending to the extra-regional carrying trade) seems to hold much
scope for benefit from a regional approach to its development. 27

1.7 Conclusions

The preceding sections which have attempted to deal with
the agricultural, manufacturing, mining, tourism and transportation sectors are admittedly general. They have, nevertheless, brought out several important characteristics of the CARICOM economies. In an overall sense the survey has brought out the fact of the serious structural defects existent in these economies (a consequence of their history of colonialism and external politico-economic relations) and the need for a thorough going structural transformation of these economies to create an internal dynamic and thus to foster balanced and self-sustaining economic growth and rounded development of these societies. In a more specific sense, however, the survey has revealed:

(a) That in order to promote structural transformation in the sense of creating more inter-sectoral linkages, there is need to carry out more processing of regional production within the region itself;

(b) That there is need to utilize more local and regional raw materials in industrial and manufacturing processes being undertaken in the region to further promote inter-sectoral linkages;

(c) That the historically disadvantaged position of peasant agriculture has resulted in the low levels of production and productivity of the domestic agricultural sector to the extent where domestic (and regional) production cannot satisfy domestic (and regional) demand, thereby necessitating importation of foodstuffs. This in turn has demonstrated the
need to increase the present levels of production and productivity
in the peasant agricultural sub-sector;

(d) That in view of the fact that the region's net terms
of trade (i.e. prices of major non-oil exports as opposed to
prices of extra-regional imports) have in recent years swung
against the region, there is need to increase the region's bar-
gaining position through collective action, and also to attempt
greater regional control of transportation and marketing of
regional production to maximize regional gains from these
products;

(e) That in terms of the high import content in much of
regional production (whether it be manufacturing or tourism)
and the consequent revenue leakage this involves, more
regional inputs need to be utilized thus increasing regional
value added;

(f) That the present expatriate ownership and control of
certain areas of national and regional production contributes
to the creation of certain socio-economic distortions in CARICOM
economies (viz. foreign consumer tastes, high income disparities
between sectors, import intensivity, lack of inter-sectoral
linkages, foreign exchange leakages). There is therefore
need for more local and/or regional control of this production
which is a precondition for structural transformation of the
national and regional economies;

(g) That there is need to rely on more national and
regional sources of capital, and to develop a more regionally
oriented (preferably labour intensive) type of technology which would alleviate the presently high unemployment rates in the region.

The above conclusions spring directly from the types of structural and physical problems evident in the region today. What must be borne in mind also is the size of the individual economies of the region, and indeed the region as a whole. In terms of market size and resource endowments, the economies of the region must be considered small by international standards. Thus size assumes great importance in terms of a strategy for structural transformation and development of the CARICOM countries. Thus, from Professor Arthur Lewis' work on the industrialization of the West Indies, through the seminal work of Brewster and Thomas on West Indian economic integration, some ten years ago, and even up to today, the arguments have raged furiously. Professor Lewis is normally represented as proposing a strategy of West Indian development based on the setting up of light manufacturing industries, for domestic consumption as well as for export, à la Taiwan or South Korea. As Brewster and Thomas have pointed out, Lewis' strategy did not recommend that export agriculture be discriminated against. Overall, Lewis' strategy was more nationally than regionally oriented. Brewster and Thomas in their work dismissed the import substitution, final touch element of the Lewis strategy as producing horizontal rather than vertical growth, and thus not fundamentally affecting the structure of the economies.
Working on the premise that a mature industrial base is constructed on the basis of a small range of basic materials (iron/steel and textiles as well as a few others), they argued, firstly, that what the West Indies needed was to launch into heavy industries to construct such an industrial base; and secondly, that in view of the small market size and resource endowments of the individual countries, that a regional approach was the only viable one.

Yet another strategy for Caribbean development was contained in a 1975 multi-volume report on CARICOM commissioned by the IBRD. Like Brewster and Thomas, the mission saw structural transformation and development of the CARICOM grouping as a task which could only be viable within the context of the integration of production structures and the coordination of economic planning. The mission, however, disagreed with the Brewster-Thomas strategy in terms of the erection of heavy industries, and instead argued that a more viable course would be the development of manufacturing and industrial activities based on the processing of the region's agricultural and other production. They further argued that the present market size of the region is scarcely sufficient to support a viable steel mill (where scale considerations are so important), and as such to follow the Brewster-Thomas strategy would mean that the region's consumers are likely to end up supporting a high-cost industrial base. In anticipation of such a charge, Brewster and Thomas had argued that
to make the sacrifice at an early date was eminently better than to postpone it to a later date when the costs are likely to be much higher.

This writer makes no pretence at being able to evaluate the relative merits of the latter two strategies. At best, he can say that he supports totally the idea of the integration of production structures of the CARICOM economies. For reasons of resource endowments, market size, availability of capital, skills and technology, (and equally important) bargaining in international markets, some measure of integration of production structures and coordination of marketing efforts would seem to be indispensable. The history of individual attempts at development has shown that this course is littered with many serious obstacles upon which individual efforts have in the past floundered, and in future are likely to continue to flounder. What seems to be at issue, therefore, is not whether there is to be integration of production structures but to what extent and in what areas. Already most governments of the region have happily recognized the need for such integration. Starting in 1974, there have been plans to integrate the bauxite and petroleum/natural gas industries of Jamaica and Guyana, and Trinidad and Tobago, respectively, to further process the region's bauxite production into alumina and aluminium. In like manner, a commitment has been made to adopt a regional approach towards a solution to the region's agricultural
and food problem. Functional institutions and organizations already exist in areas of regional transportation, education, health and scientific enquiry. The above examples illustrate a recognition of the need for such integration.

Despite this recognition, however, consensus on a viable strategy of integration still has not emerged. This failure has two aspects; firstly, the purely technico-economic; and secondly, the political. In the first of these, the economists and technicians may legitimately argue over whether or not the region's market size and resource endowments are capable of supporting the heavy industries of the Brewster-Thomas strategy. In the second, however, it is largely the political issues which come to light. In this, questions such as power, prestige, subordination, rivalry, self-interest and the like loom large. Indeed, the IBRD Mission put the matter cogently when it commented, "There is a commitment to integrate although the strength of this commitment varies between national governments. The economic options have to be viewed in this context." Thus there is much to be said for adopting a strategy which is consistent with the political realities of the region. What confuses the issue even further, however, is the fact that what may be defined as political reality is a rapidly changing set of conditions, which may conceivably support an option tomorrow, which yesterday was considered unacceptable. Whether or not the thorough-going Brewster-Thomas strategy or some modified variant is eventually pursued is an issue whose solution is to
be found in the nature of West Indian society, politico-economic history and external relations. By definition those questions fall outside of the scope of the present chapter and will therefore be dealt with in a subsequent chapter.
FOOTNOTES:


2 Quantitative data on foreign investments in CARICOM are sadly lacking. For an indication of the magnitudes of past foreign investments in the region see the works of Watson and McKintyre, and Chen-Young as listed in the Bibliography below.

3 See Appendix 1.1.

4 By structural transformation is meant the process of developing an economic system which is diversified, utilizes domestic inputs as much as possible, contributes to full employment and an equitable distribution of incomes, balanced as between different sectors of the economy, and relatively resistant to the buffetings of the international economic system. Such transformation would lead to the development of a mature economy which has its own internal dynamic and is capable of self-sustaining growth and balanced development.

5 Development is here used to mean not simply economic growth in terms of GNP, but economic growth which is accompanied by a raising of standards, a more equitable income distribution pattern, and the satisfaction of socio-economic wants within the total society.

6 A dependent economy is one which lacks an internal dynamic of its own, which is closely tied in a relationship of subordination to an external economy (or economies), and which consequently responds to developments in that external economy without being able to exert a comparable influence on that economy. There is therefore no mutuality between the two economies.

7 Much of this section (and the following sections) comes from Brewster, H., and C.Y. Thomas, The Dynamics of West Indian Economic Integration, Chapter 2; and Caribbean Regional Study, Vol. 3: Agriculture, (and the other volumes on Industry, Tourism, Transportation, Population and Employment).
8 Brewster and Thomas, op. cit., p. 109. This writer does recognize the fact that such "peasant" export oriented crops like bananas, rice and spices are as efficient as the plantation sub-sector but these are exceptions to the general rule.

9 Unofficial estimates of unemployment figures today range between 15-20% of the labour force. In 1971 the figure was approximately 10%. Vide Caribbean Regional Study, Vol. 1: The Main Report, p. 3.

10 Vide Appendix I. 2 on the terms of trade for Trinidad and Tobago for the period 1970-76. These figures when petroleum is excluded are broadly representative of most CARICOM countries, although bauxite and alumina production would produce somewhat different results depending on price levels.

11 A.G. Hopkins identified five major characteristics of an open economy as the concept applies to colonies. Of these characteristics four are applicable to CARICOM countries. These are: (1) the export of a limited range of agricultural and mineral products in exchange for a variety of manufactures, chiefly consumer goods; (2) expatriate interests usually dominate one or more sectors of the economy; (3) the major industrial powers are able to exert considerable influence over economic policy; and (4) the monetary system is closely tied to that of a major power, while banking arrangements are concerned mainly with financing the activities of expatriate firms. Vide A.G. Hopkins, An Economic History of West Africa, Longman, 1973, pp. 168-169. See also W.G. Demas, The Economics of Development in Small Countries with Special Reference to the Caribbean, McGill University Press, 1965.


13 See Table 1.1.

14 Appendix IV gives data for the manufacturing sector of Trinidad and Tobago which indicates very little structural change since the early 1970s. Once again these figures are broadly representative of the other MDCs.

Until quite recently it was not unusual for machinery to be sent abroad for repairs instead of utilizing local expertise which was either available locally or otherwise could have been developed.


Ibid. p. 15.

Much of Tourism's contribution to GDP is included in the contribution of the service sector especially in the LDCs. The figures in Table 1.1 therefore only tell a part of the story.

For a fuller discussion of this aspect of the region's transportation problems with reference to Barbados and the LDCs, vide Appendix 5, Caribbean Regional Study, Vol. 5: Transportation.

Metropolitan colonial policy not only contributed to the underdevelopment of the region in terms of the structural defects evident today, but also further exacerbated the effects of geographic isolation and disaggregation, by actively discouraging links between and among the colonies. Thus they were all equally dependent on the metropolitan power and scarcely any regional interdependence was allowed to develop.

For a history of WISCO vide Appendix 1, Caribbean Regional Study, Vol. 5: Transportation.

Ibid. p. 2.

The "conference" lines account for the bulk of extra-regional shipping.


This is not to deny that the presence of such facilities may of their own accord encourage increased interaction, but by and large the reverse situation is the more common.
The coordination of development efforts in the sectors discussed above leads to the question of the movement of capital and labour. The following is simply an illustrative note on the approach adopted to date to the movement of capital and labour. Movement of capital and labour within CARICOM is rather restricted and subject to special agreements. For instance the CARICOM Treaty recognizes the desirability of freer movement of capital and to this end recommends that double-taxation agreements (i.e. agreements not to tax in two different countries profits from capital invested in either one) between individual countries be agreed on to facilitate the movement of capital for investment purposes from one member to another. Again while the Treaty does not recognize free movement of labour, the corporations envisaged under the Regional Enterprises Scheme agreed to in 1976 will be allowed to move personnel freely among the members of the grouping to fulfill the labour needs of these enterprises.

CHAPTER 2
HISTORY, CULTURE AND POLITICS IN THE COMMONWEALTH CARIBBEAN:
THE SOCIOLOGICAL AND POLITICAL OBSTACLES TO INTEGRATION

2.1 Introduction

In the concluding paragraph of the preceding chapter on the economy of the CARICOM countries, the author noted that the choice of a thoroughgoing programme of integration of production structures a la Brewster-Thomas strategy was an issue which could not simply be seen in terms of technico-economic viability, but more intrinsically, lay in the nature of West Indian society, politico-economic history and external relations. It is therefore with the above in mind that this chapter will attempt an examination of the history, culture and politics of the CARICOM countries. As the title of the chapter implies, the discussion is premised on the view, and indeed seeks to support the hypothesis, that a combination of socio-cultural and political factors whose roots lie in the historical evolution of Caribbean politics and society, have conspired to produce a set of characteristics, (a peculiar political culture, as it were) which has informed CARICOM (and indeed Caribbean) attitudes to integration and development.
Thus ironically, despite a common history of colonialism and plantation monoculture, of imperial domination and underdevelopment, and in the face of a community of culture based on language, racial origin and metropolitan imposed cultural values and mores, the CARICOM peoples (and especially their leaders) are still impelled by a peculiar, almost unbelievable desire to be separate, different and parochial. Historians and social scientists have attempted to explain this insularity as stemming from geographical separateness or as a consequence of the economic disaggregation of the region that was practised during the colonial era. The above, however, do not adequately explain why despite increased economic interaction and the vast improvements in inter-territorial transportation and communications, this centrifugal pressure is still exerted on the regional integration movement. In this writer's view, the explanation of this cult of insularity must be sought in the nature of the historical experience of the region, and more precisely, in the attitudes, values and other socio-cultural characteristics which over the decades have shaped Caribbean society and which give it meaning.

It might be argued that the task being undertaken here is a monumental one requiring reams of pages and eons of intellectual inquiry. To a large extent this is correct. Indeed, whole books have been written on the subject but a large number have nevertheless failed miserably to bare the soul and
driving force of Caribbean culture and society. This failure has been one of analysis rather than narrative, for many have found it relatively simple to narrate the course of Caribbean history and society without actually understanding its true meaning and motivation. Thus, against the charge of attempting too much in the face of great limitations of time and space, this writer will argue that it is the analytical framework which gives meaning to any intellectual inquiry and not the fact of having written copiously. The approach adopted in this particular survey will be a historical one, as opposed to the empiricism of the social scientist. This is not to say that it is purely speculative. By historical is meant an examination of the course, movements and trends throughout the history of the region, since its "discovery" and settlement in the middle of the seventeenth century, to the present day, in an attempt to see how history has shaped present reality. Both history and present reality are of overwhelming importance, for it is this writer's view that the future can be moulded into a new reality that is substantively different from present reality, but this can only be achieved if the operative elements and causal factors involved in shaping that present reality are adequately known. To use an analogy, one cannot cure the disease unless one can accurately and adequately diagnose the cause of the disease. And so it is with the body politic. The following section will attempt a brief summary and analysis of the West Indian historical experience from the period of
settlement and colonisation to the immediate post-World War 2 period.

2.2 A Summary History

One analyst of Caribbean history and society has argued that "... Caribbean history throughout has been, first, the history of European imperialism, and, second, the history of slavery."¹ Behind this aphoristic statement is a keen appreciation of the motive forces which have shaped Caribbean society and culture from the mid-seventeenth to the mid-nineteenth century. For in short, it was European imperialism which introduced monocrop agriculture, constructed and perpetuated the lines of dependence between the region and its several metropolitan masters, produced the present underdeveloped structures that persist today (the concepts of dependence and underdevelopment were defined in the previous chapter), shaped the peculiar mix of socio-political institutions and value systems of today, and perpetuated the disaggregation of the regional economy and society. In similar fashion, it was slavery² which introduced the racial varieties of which the Caribbean society consists, informed the relationships between and among racial groups, and overwhelmingly contributed to the social attitudes and characteristics of West Indian social classes and groups.

West Indian history as we know it today began with the
settlement of the islands of Barbados, St. Kitts and others in the Windward and Leeward groups, beginning in the mid-1620s. This earlier settlement was qualitatively different from the later colonial impositions which developed after the 1650s, for it was marked by a white peasant cultivation of cash crops for export to Europe within a relationship of interdependence between the West Indian producer and the marketing agent in the metropole. Again, slavery or forced labour in these early settlements was relatively unknown, for the immigrants were poor European peasant farmers who had come to the "promised land", the "New World" to seek the opportunities of, and the fruits attendant on hard work and personal exertion. It must be noted also that these settlers were somewhat removed from the rivalries and jealousies which had in the first instance prompted British, French and Dutch encroachments on what was considered a Spanish preserve by rights of discovery and/or conquest. Indeed, these settlements represented a tacit acceptance of the alternative of settlement and hard work as opposed to robbery, pillaging and buccaneering.

The introduction of sugar as the main staple and more importantly, the high demand for it in European markets, lent immediate importance and profitability to the sugar producing Caribbean islands, and led to two monumental consequences for the region. Firstly, it led to the adoption of the plantation system of cultivation since it was found that sugar demanded
larger acreages than other peasant crops such as coffee. Secondly, this increase in land under cultivation and the labour intensive nature of the technology utilized meant that a larger, more readily available, and more easily controlled labour force was needed, over and above what could be provided by the now displaced white peasant farmers and white indentured servants, and the few remaining indigenous Indians of the area. Indeed, the Caribbean Islands (except for the larger ones such as Cuba, Hispaniola, Jamaica) were at that time sparsely populated and the indigenous populations that existed were either unaccustomed to the harsh conditions of plantation labour, or otherwise easy prey to European transmitted diseases. In both instances the results were the same: inability or unsuitability for plantation labour, the depletion of indigenous populations, and the consequent need for a new labour force. Thus, the second consequence of the introduction of sugar cultivation was the imposition of the Atlantic Slave Trade and the institution of slavery. The choice of slavery as opposed to wage labour was as much a consequence of economic considerations of supply/demand and manipulation of the labour force, as it was an indication of seventeenth century morality.

Thus by 1700, the Caribbean was characterized politically by the presence of relationships of subordination and superordination between the colonies and their mother countries: socially by a rigid and inequitable stratification system on
the basis of race and economic function, as between the slaves and plantation owners/administrators/colonial civil servants/ and other supporting staff (between black and white); and economically, by a system of plantation monoculture, directly tied to the metropolitan economies for markets and sources of supplies, in a mercantilist relationship whose terms of trade were very much against the plantation economy. Indeed, it is to this mercantilist essentially dependent relationship that much of the characteristics of the present Caribbean economy owe their origins. For the "mercantile system" which was the credo of imperial trade from the 1750s onwards to the 1840s, saw the development of industry and the diversification of production in the colonies as unnecessary and indeed inimical to its own interests (as the American colonists were to discover). Hence the historical roots of the present underdeveloped, unintegrated economy of the CARICOM countries.

The island societies were characterised by the same institutional rigidity that was noted in the external relationship of the colonies to the metropoles. In terms of internal politics, the latter half of the 17th century witnessed tremendous political storms as the white planter classes attempted to extract political rights of self-government from their respective governments. This quest for self-government was more a desire to control their own local affairs and an attempt to fashion them to their own liking by the resident plantocracy,
rather than a manifestation of a desire to sever the imperial connection. Indeed, the genesis of this struggle in the English islands (for essentially only the English planters gained any measure of self-government) lay in the mid-seventeenth century squabble between crown and parliament, when consequent on an influx of Royalists especially to Barbados, the colonies attempted to remove themselves from tight imperial control. Nowhere was there a rejection of the imperial connection or the "laws and customs" of England. However, what was ironical and paradoxical about eighteenth century British Caribbean history is that it is characterized on the one hand by the most fiery of squabbles between the local legislatures and the home government, while on the other hand there existed alongside this quest for self-government by the whites, a most abject and total denial of the most elementary social, political and human rights of the masses of black slaves and the few fortunate free coloureds. Under these conditions a parallel history of struggle developed in the Caribbean Islands (French, English and Dutch); a history of bloody slave revolts put down with equal ferocity. The 1763 Berbice Slave Rebellion in present day Guyana; the St. Domingue Revolution which gained independence for Haiti; the Maroon Movement and wars in the hills of Jamaica; the "Bush Negroes" or escaped slaves in the jungles of Surinam are just a few of the many movements of protest of the period. In the face of these movements, eighteenth century West Indian society was harsh and brutal, characterized by a fearful white
plantocracy attempting to hold in subjection a proportionately overwhelming black population through the instrumentality of law, organized brutality, cultural deprivation, and various forms of subtle and/or abrasive psychological conditioning.

The eighteenth century, on the one hand, saw the consolidation of the plantation and mercantile systems, the entrenching of the racial and class distinctions that separated black from white, the development of the corresponding mentalities of the oppressed and the oppressor (of slave and master), and the development of a peculiar type of society that gave rise to the excesses and moral outrages of the white slave master, as well as the attitudes of irresponsibility, shiftlessness and lack of will to work unless forced to do so on the part of the slave. Thus analysts speak of the slave mentality of the present day West Indian who (it is argued) will work only when forced to do so and (apparently) has no natural volition to toil. This was the domestic picture within the islands or territories. On the other hand, the eighteenth century was marked by an unbelievable degree of imperial and colonial rivalry between and among the European countries which frequently saw colonies changing hands with almost monotonous regularity. The West Indian colonies were truly the prizes and pawns of much of eighteenth century colonial rivalry. Economically, these wars and transfers had severe effects on the fortunes of sugar. War in Europe always meant high prices
for sugar. Ironically it also meant high prices for slaves and estate supplies since naval wars disrupted the whole pattern of trade and hence supplies of inputs.5

The eighteenth century thus saw severe fluctuations in the fortunes of the sugar barons. By the end of the century, the successive wars, the high prices for slaves and other inputs, the conservatism of the West Indian planter and the lack of technological progress in the industry, had all conspired to produce a situation where West Indian sugar had become rather expensive, and the industry as a whole, less competitive than the rising beet industry in Europe, or East Indies cane sugar which was being produced using wage labour. Coupled with the above, the first three decades of the nineteenth century saw the abolitionist outburst first against the slave trade itself, which culminated in the abolition of the trade in 1807 in the British colonies, and the emancipation of the slaves in the said colonies by an Act of the British Parliament in 1833. Eric Williams has argued quite convincingly that the Act of Emancipation was not simply a case of the British Parliament suddenly acquiring a conscience, but a manifestation of the growing strength of British manufacturing interests and the rising free traders who had no sympathy for what was essentially an archaic method of production (inefficient also), which perpetuated restrictive consumption patterns (a slave society is inherently less consumption oriented than
a "free society") and thus was inconsistent with the needs of the rising British manufacturing interests. 6 Certainly, there is much validity in this thesis, although the Anti-Slavery Movement was indeed a force to be reckoned with.

A British colonial administrator of the time coined the now famous truism that Emancipation has freed a race, but that it had not created a society. Thus Emancipation represented the granting of legal freedom to the former negro slaves and little more. There was little attempt to correct the ravages of some two centuries of economic and educational deprivation. Indeed, the negro was declared a free man (after a period of Apprenticeship was ended in 1838) but he was not given the rights of a citizen. He was expected to be the master of his own destiny without being provided with, or allowed to develop the tools to forge that destiny. 7 In the view of the Colonial Office and the plantocracy, the "natural station" of the negro was that of a plantation labourer. Thus, he would have little need for education, and very little was provided; as a plantation labourer he already had a job and thus the sale of crown lands to negroes was made difficult to the point of discouraging the development of an independent peasantry. The plantocracy/Colonial Office alliance of the immediate post-Emancipation period was aimed at ensuring a steady supply of labour to the plantations. Official policy was thus inherently status quo oriented. Where there was an actual shortage
of labour as in Trinidad and British Guiana (either because freed negroes still managed to escape the plantation or because of a naturally inadequate labour force), immigration and indentureship were allowed whereby, first Madeirans, later East Indians and Chinese, were enticed to immigrate to the colonies on the basis of extravagant and often dishonest promises, induced to sign a contract of indentureship for a period of five to ten years, and thus to sign away their freedom for a contractual slavery, which was no less dehumanizing than the negro slavery which was just abolished.

If the 18th century was characterized by prosperity and the rise of sugar, the 19th century saw its decline and fall. Again, if the former century saw the economic and cultural rejection by the negro in the Caribbean of slavery and the white value systems, the 19th century saw a conscious attempt to approximate to these values. Indeed, the 18th century consummated the economic and political domination of the region by the metropolitan power, while the 19th century saw consummated the cultural domination and enslavement of the negro. For this is the period when the black and coloured masses in the British West Indies, consciously attempted to copy the values and mores of their erstwhile masters. The century saw the development of negro education and the emergence of the coloured middle class "gentleman". It witnessed the further stratification of colonial society along lines of colour and
colour gradations, and the entrenchment of class distinctions on the basis of nearness to white and to the dominant white culture. Politically and constitutionally, the century saw the retreat of the white populations and the imposition of crown colony government in most of the colonies as a result of the fear of numerical domination by such coloureds and blacks who had 'learnt' their lessons well. Thus the 18th century fear of slave uprisings gave way to the 19th century fear of coloured and black electoral domination.  

Yet throughout all of this, the century was one of severe hardship for the black masses. Sugar declined even further and they were the first to bear the economic hardships. Low wages and conscious attempts to restrict their job opportunities to the plantation sector meant rural poverty. Where the system of indentureship existed as in Trinidad and British Guiana (and Jamaica to a much lesser extent), these immigrants served to depress (and were intended to) the wage levels then obtaining, and this competition laid the foundations for much of the present racial tensions. Thus it was that the cultural "pluralism" of Trinidad and Guyana was created. It took, however, deliberate colonial manipulation to produce the consequent racial antipathies and ethno-centrism of today. And yet both Negro and East Indian were equally deprived. The tragedy in the history of race relations in the Caribbean (as between Negroes and East Indians) lies in the fact that
there was and still is so much to unite the oppressed racial
groups but they seem incapable of appreciating this. Certainly
Guyanese of all races would benefit from this realization.
Thus, despite being equally oppressed and suffering in equal
measure the ravages of an exploitative colonial system, the
old and new elements of West Indian society in the 19th century
("creole" and immigrant) failed to coalesce and unite.

And so the 19th century dragged on and came to a close.
At its close Caribbean society exhibited a moribund plantation
economy; an impoverished peasantry; grave social and class
distinctions on the basis of colour and education; the scourge
of indentureship and a growing racial disunity; and a political
system marked by Colonial Office government in the form of the
despotic crown colony system. The War came in 1914 and there
was a temporary revival of the sugar industry. In 1917 East
Indian indentureship was brought to an end. Then there was
the Great Depression of the late 1920s. These three events
seemingly unrelated, were nevertheless the foundations upon
which what was later to be known as Caribbean nationalism
developed. The War dealt a serious blow to the accepted myth
of the superiority and benefits of British rule and spawned
the rejection of British rule by such middle class intellec-
tuals as Captain Marryshow. The end of indentureship marked
the rise of East Indian consciousness and the beginning of
their incorporation into the society of the region. While the
Great Depression further exacerbated the already appallingly
poor working conditions of the urban as well as rural workers, that throughout the region starting around 1935, were witnessed explosions of social protest in the form of riots and other acts of violence which not only highlighted the bankruptcy of the colonial socio-economic order, but more importantly, gave impetus to the development of the Trade Union Movements of the late 1930s and early 1940s. It was the Union movement which when captured by or otherwise allied with the middle class and rising lower class intellectuals, that provided the basis of what started off as movements for greater internal self-government, and later were expanded into the movements for independence and national liberation of the post-World War 2 period.11

2.3 Commonwealth Caribbean Culture and Society

The preceding section on the history of the CARICOM countries, although necessarily brief; nevertheless attempted to bring out the main trends in the evolution of that history up to the end of World War 2. This section represents an attempt to build on the preceding one, by way of identifying and extracting from the historical experience as outlined above, the specific socio-cultural attitudes, values and institutions which are directly attributable to that experience and which exert such tremendous pressures on present CARICOM developments and reactions. It thus attempts to identify and explain the socio-cultural legacy of the Commonwealth Caribbean historical experience. In this, the following will be examined:
(a) class formations and social stratification;
(b) the new elites;
(c) racial and cultural pluralism and its problems;
(d) inequality and social mobility through education.

2.3.1 Class Formations and Social Stratification

As was mentioned in the preceding section, the 19th century represented the period in Commonwealth Caribbean history when the blacks and coloureds consciously attempted to copy the dominant white culture. Thus the century also saw the fundamental realignment of the society from one exhibiting a clear black/white dichotomy (not that there were not social divisions within each half of the dichotomy), to one in which more complex class realignments had developed involving distinctions on the basis of nearness to white and acceptance of white values (which were often seen as coincidental). Thus in most of the territories, there was a three-tiered stratification system involving whites as the dominant upper class, coloureds and privileged blacks as the middle class, and the bulk of the black population as the lower class. In such colonies as British Guiana and Trinidad where substantial numbers of East Indians, Portuguese (Madeirans) and Chinese existed (the latter in Jamaica, along with Jews and Syrians), the stratification system was somewhat different. Thus in the above cases, the East Indians were considered as lower class often being placed below the Blacks, while the Portuguese,
Chinese, Jews and Syrians were considered middle class, often being placed slightly above the coloured members of the community. 12

This system of stratification, however, had as its dominant ethic white value systems and mores, to which all aspired and fully supported. The East Indians until the first decades of the 20th century were largely outside of the West Indian culture system and seemed not very interested in joining. In this quest for position and acceptance the vehicles were (in addition to the ascriptive elements of colour and race) education, and success in joining and manipulating the commercial and export oriented economy of the colony. Thus the coloureds sought higher education through which they gained admittance to the professions and the colonial civil service, while the Chinese, Portuguese, Jews and Syrians took to commerce. Thus, throughout the 19th and into the 20th century, this highly stratified society developed and ossified. Yet West Indian society never formed an integrated and distinct unit. While the black, coloured and other elements of the society had some input into it in terms of the determination of its culture, the main ingredients were foreign. Thus the dominant values of the society were always those of the imperial power, and the loyalties of those who aspired to and supported these values were directed towards the mother country. 13 This more than any other factor explains why West Indian nationalism when it
did develop was aimed at political rather than cultural independence, for the nationalist struggles were led by people who had drunk deeply of, and had well assimilated the cultural values of their colonial masters and mentors.

For, the middle classes in the Commonwealth Caribbean were (and still are) essentially culture imitators rather than innovators. Historically they have always seen their worth in terms of being accepted by the white colonial upper class. Their means to advancement have always been based upon how well they assimilated the colonial type education and the cultural values of the mother country. Hence, the importance of education and the emphasis on the arts and classical studies (as well as law and medicine). It was as if they had consciously set out to erase the memory of their slave ancestry. Commendable, yes. But in doing so they sought to deny their inherent "blackness" or peculiar cultural tradition, and vied to see who was best at internalizing "whiteness". Thus the West Indian middle class was conceited and snobbish as only the nouveau riche can be. It was fawning and obsequious to the white upper class, and contemptuous of those below it (the black lower class); it aspired to, and embraced every element of white culture, and despised, rejected and denigrated anything that was intrinsically black; it embraced British and foreign institutions with a fiery passion and implicitly denied its own ability to be equally creative; it cherished its role as colonial office boys and storekeepers and thus denied its own
dignity. As for the commercial elements, they developed the
conservatism and guile of the trader, rather than the adven-
turism and flexibility of the entrepreneur and industrialist,
for essentially they operated within and benefitted from the
process of dependent underdevelopment, which characterized
the state of the colonies and the nature of the relationship
between center and periphery.

2.3.2 The New Elites

The values and orientation of the coloured and other
middle class groups as described above, have over the past few
decades (in the post World War 2 period) been largely trans-
ferred to the new elites who form the politically dominant
part of the present middle classes. Commonwealth Caribbean
society may be more socially mobile today yet its present
middle class is perhaps no less exclusive and externally oriented
than formerly. This seeming paradox has arisen because despite
the fact that the middle class is no longer comprised of the
coloured and near white elements of the society, and despite
the fact also that ascription is rapidly giving way to achieve-
ment (whether black, brown or pink in colour) as the ideal means
of social mobility, what is being aspired to is not an intrin-
sically new value system but essentially the bourgeois mentality
of the old colonial society. This orientation has developed
largely because of the fact that the education system, the
system of tastes, the society's ethic, almost everything that
characterizes the new "Commonwealth Caribbean", has either been adopted, or patterned after what obtained in former times. Independence and the birth of new states did not represent a radical break with the past but a smooth transition to what is essentially a modified version of that past.\textsuperscript{15} The nationalist leaders (and the whole movement will be discussed below) were men who either belonged to the middle class or who soon graduated into it. Thus these leaders inherited and in turn transmitted the traditional values of this class. Thus Gordon K. Lewis quipped that West Indians have been shaped mainly by England and are "... not the least English when they are in revolt against the system England has created."\textsuperscript{16} In similar vein another commentator noted that English West Indians have always displayed a preference for English and American ideas and models and "... have always deprecated the type of republican nationalism that has been common on mainland Latin America."\textsuperscript{17}

Thus, despite the fact that the new elite is largely black from the formerly lower class elements of the society, the historical precedent of the former coloured middle class adopting metropolitan value systems seems to be recurring like a bad dream.\textsuperscript{18} Frantz Fanon in an incisive analysis of the nationalist struggles and new elites and middle classes of recently independent countries notes the process of "embourgeoisement" whereby these nationalists become as reactionary and conservative as their erstwhile colonizers. In a rather violent,
though nevertheless valid section, he notes:

Because it is bereft of ideas, because it lives to itself and cuts itself off from the people, undermined by its hereditary incapacity to think in terms of all the problems of the nation, the national middle class will have nothing better to do than to take on the role of manager for Western enterprise, and it will in practice set up its country as the brothel of Europe.

In another passage Fanon noted that in an underdeveloped country an "authentic" middle class ought to see as its bounden duty the task of educating and leading the people, and helping to erase the legacy of colonialism and imperialism. He continues:

But unhappily we shall see that very often the national middle class does not follow this heroic, positive, fruitful and just path; rather it disappears with its soul set at peace into the shocking ways - shocking because antinational - of a traditional bourgeoisie, of a bourgeoisie which is stupidly, contemptibly, cynically bourgeois.

In the context of the Commonwealth Caribbean, the new elites - the government ministers, the senior party members, the senior civil servants, business executives, professionals and managers of state enterprises - have quickly become status quo. As will be argued when discussing the post-independence governments, the nationalist parties had no platform except political independence. Thus questions of economics and a new internal economic order were irrelevant at that point in time.
As the present economic condition of the region demonstrates (although some attempts have been made of late to transform the economies) the years since independence have seen little definite efforts to radically transform the regional economy and to institute really broad-based reform. Thus the favourite developmental model in the post-independence period has been the Puerto Rican model of "industrialization by invitation". This is indicative of two things. The "laissez-faire" nature and conception of economic development in the region; and secondly and more fundamentally, the essentially bourgeois cast of mind of the national leaders and the new elites and middle classes. Equally importantly, the above indicates the bankruptcy of that leadership and the fact that it can scarcely be expected to promote benefits for the people as a whole. In like manner its laissez-faire, bourgeois approach to development has serious ramifications in terms of the thrust towards regional economic integration. But this will be dealt with later.

2.3.3 Racial and Cultural Pluralism and Its Problems

The Commonwealth Caribbean countries are bedeviled by a twin manifestation of racial discord. On the one hand there is the historical racial struggle between black (and coloured) and white, which seldom in the post-Emancipation period developed into violent proportions since the coloureds and blacks often accepted the inferior position which the white
dominated society assigned to them. Today, there is little animosity between white and black for independence and universal suffrage have allowed the coloureds and blacks to assume political power within West Indian society, and this has also meant the exclusion of the whites from political office. On the other hand there is the development of racial and cultural conflict between Negroes and East Indians (also Chinese, Portuguese, Syrians to a lesser extent) which is a feature of political and social life in Trinidad and Tobago and Guyana. The Negro/East Indian racial conflict has its roots in the conditions in which East Indians were introduced into these societies, as it were comprising "strike breakers" and competitors in the realm of plantation labour. For much of the 19th and early 20th centuries the incidence of conflict between the two racial groups was marginal since the blacks largely withdrew from plantation labour, and either became peasant farmers or migrated to the towns where they sought employment as craftsmen, stevedores, domestics and office messengers, and in general attempted to acquire status through the medium of education. 21

In the period after the end of indentureship in 1917, however, the East Indians gradually began to be incorporated into the larger society. This involved acquiring education and entering the professions, or joining the middle class business group. In this manner the East Indians in Trinidad and Guyana came into contact and consequently direct conflict
with the coloureds and blacks. This collision course was, however, greatly accentuated with the entrance of East Indians into the civil service and the direct competition this represented to the coloureds and blacks in an area which they had long seen as their principal means to social advancement.

Thus as Lewis argues:

It was the breakdown of that separation, increasingly after 1945, under the pressure of new occupational and geographical mobilities that set the stage for the present-day ordeal of Guyana. 22

In the above quotation the author was referring to the racial violence which occurred in Guyana in the early 1960s. To be fair this racial conflict was as much the result of direct manipulation during the late 1950s as it was the consequence of two hitherto historically separate groups coming into collision over the distribution of limited resources of power and position within a colonial society about to emerge into statehood. Again, it must not be thought that it was all a question of competition. Indeed, even up to today there still exists a great degree of occupational differentiation between the two groups. In both Trinidad and Tobago and Guyana, the East Indians are occupied largely as sugar plantation workers (and rice farmers in Guyana), while the negroes are the industrial workers in the bauxite and petroleum industries of Guyana and Trinidad and Tobago respectively. It must be noted, however, that there is considerable interpenetration,
One is still left, however, with the task of explaining the reason for the persistence of racial cleavages even in the post-independence period and despite the growing intermixing and interpenetration that this period has witnessed. Indeed, it is quite true to say that both the East Indian and Negro elites subscribe to the same bourgeois ethic and that their aspirations and consumption patterns are broadly similar. To a large extent the persistence of more than a marginal portion of the original East Indian culture goes a long way towards explaining the continuing manifestation of inter-racial conflict. And yet, "cultural pluralism" does not sufficiently explain the failure of the races to coalesce since as has been noted above their elite value systems are both patterned on the perviously dominant white ethic. Thus Lewis perhaps comes closest to explaining this seeming paradox when he notes:

"...In a society like the West Indian, still full of rural poverty, urban rootlessness, mass unemployment and social insecurity, the haven of race as much as class, frequently remains the only known and available hiding place."  

Implicit in the above is the view (which this writer supports) that racial and cultural antagonisms and divisions will only disappear when the society can adequately satisfy the needs of its diverse racial and cultural groups; in short when the advantages of cooperation can be seen to outweigh those of competition. Thus racial and cultural unity is also dependent on the development of the society and the equitable distribution
of benefits within it.

2.3.4 Inequality, and Social Mobility through Education

The foregoing sections on culture and society have already brought out certain aspects of the questions of inequality, social mobility and education. For instance it has been noted that West Indian Society was, and still is, a highly stratified society, and that in recent years (in the post-1945 period) members of the predominantly Black and East Indian lower classes have been advancing up the social ladder through the medium of education. Thus, much of the background to this section has already been laid out. It is therefore proposed to examine two important aspects of the whole question of education and social mobility. Firstly, prevailing attitudes towards acquiring an education; and secondly, the values which are transmitted by the content and the manner of administering an education to its recipients whether from the lower or middle classes.

In the first instance, education is undoubtedly seen as a means to social advancement. During the colonial period there was attached to the process of acquiring an education a certain awe and respect to the extent that the person who acquired a degree or certificate of education was looked up to in awe and respect. Thus what was important was not the content of that education but the possession of the certificate; not
whether or not the person was socially useful, but that he was "educated". Education, it was thought, unlocked all doors and entitled its recipient to a share of the spoils of society. Society had a duty to reward its educated scions whether or not they contributed to increasing the product of that society. This attitude has largely continued into the present day and goes a far way towards explaining the process of "embourgeoisement" as noted above. It is this attitude that the mere fact of having acquired an education entitles one to an easy life (which often means the lifestyle of the middle class), that has given rise to the "irresponsibility" of the present elite and its lack of appreciation of its social duty to a society which in the first place paid for that education.26

In the second instance, this attitude of "having arrived", of being entitled to enjoy a superior standard of living, (which predictably involves foreign consumer tastes, luxury goods, fancy cars, large houses and foreign holidays) is in itself an indication of the uselessness and dysfunctional nature of that education. The most persuasive testimony to the correctness of the above contention can be discerned from the record of the post-independence, elite-dominated governments. As was noted above, these governments have largely failed to promote any meaningful and broad-based type of development within Commonwealth Caribbean society. Unemployment is still high and continues to increase. The economies of the separate units are sadly unintegrated and the ordinary Commonwealth Caribbean
citizen is in a state of demoralization as brought out by political apathy and seeming indifference to the constant exhortations of the leaders to work harder. This demoralization has stemmed largely from an instinctive dissatisfaction with the failure of independence and national governments to bring them adequate benefits. But perhaps too much was expected of the elites given their general characteristics. Thus to quote Lewis once again:

There is a sort of pre-established harmony between West Indian developmental policy and the general character of the social and economic elites that run West Indian governments. Being essentially middle class, the members of those elites are at once psychologically disposed to and naturally benefitted by a policy which (1) tends to increase cultural dependency on the 'higher' external societies, and (2) exaggerates their traditional tendency as the high income component of the economy, to spend lavishly on imported luxury goods to the detriment of a successful programme of import substitution.  

Since the Black Power explosions of the late 1960s and early 1970s (which will be dealt with later) there have been attempts by the ruling elites to be more socially responsible. Thus there has been an apparent move to the left by the governments of Jamaica, Guyana, Grenada and Trinidad and Tobago (until the oil windfall of the post-1973 period). So far, however, the situation as described above has not been tremendously affected.
2.4 Politics and Political Culture in the Post-World War 2 Period

The discussion to date on the history and society of the Commonwealth Caribbean has been necessarily extensive, since it is this writer's view that it has tremendous explanatory value in terms of what is to follow in this section. In short it is the writer's view that if one wants to understand much of the actions and reactions of the politicians, the elites and the people in the contemporary Commonwealth Caribbean, then it is necessary to understand the historical and cultural forces which have shaped the present society. In this section, therefore, the writer will attempt an analysis of three of the major political events or processes which the region has gone through in the post-World War 2 period. The discussion has two overriding aims; firstly, to draw explicitly the link between the social and political culture of the region; and secondly and more fundamentally, to show how this peculiar socio-political culture has shaped the conception of integration (and development) of the regional governments and elites. Implicit in this latter aim is an attempt to assess the chances of a thorough-going process of integration being implemented. But this will be dealt with in section 5 by way of a summary and conclusion to the chapter. The three major political events and processes to be dealt with in this section are (a) the movements for self-government and independence, (b) the West Indies Federation and the integration movement, and (c) post-independence government and politics in the region.
2.4.1 Self-Government and Independence

As was noted in section 2 dealing with the history of the region, the nationalist and self-government movements in the Commonwealth Caribbean developed out of and/or in alliance with the Trade Union movements, which in turn had been given strength by the socio-economic unrest of the late 1930s. Thus from that time up to the present day there has always been a link between the politicians and the trade unions. The nationalist leaders of the early post-World War 2 period were men of essentially middle class origins or pretensions. On the one hand there were the middle class intellectuals of the society who had gained an education abroad (essentially metropolitan oriented) and had returned to the region fired with heady ambitions. On the other hand there were the union leaders who may originally have had some affinity to the poor workers they represented, but this was soon erased by their physical removal from the work place to the union offices. Thus, representing the first of these two categories were such people like Norman Manly, Grantley Adams, Albert Gomes, Eric Williams (after the early 1950s) and Forbes Burnham, to mention a few. In the second category were men like Alexander Bustamante, Hubert N. Critchlow and Uriah Butler.

Both the middle class intellectuals and the union leaders were aware of the serious economic problems facing the region. For many of them the cure to these problems lay in the assumption by people within the region of the task of governing the
respective colonies. Few of these early nationalists perceived a revolutionary solution to the problem. The main exceptions were the Jagan/Burnham coalition of the early 1950s in Guyana, and the Fabian Socialist faction of Manley's People's National Party in Jamaica. The split between Jagan and Burnham in 1956 saw the latter adopting a less revolutionary posture, and the ejection of the main leftist elements of Manley's PNP during the mid-1950s also signalled a comparable loss of revolutionary fervour in that party. Thus essentially, the established parties in the 1950s (except the Jaganite party in Guyana) were avowedly moderate parties. Their programme of action was strictly constitutional preferring to negotiate piecemeal with Britain for more broadly-based representative institutions. Again, they perceived their future tasks as simply governing, without regard to the objectives of that government. The social backgrounds of their leaders ensured that the breadth of their horizons would be narrow and confined to the traditional conception of the role of government (an essentially Western conception). But as was established in the previous chapter and in section 2 of this chapter, the economic problems of the region stemmed from the nature of its economy which was, and is in need of far-reaching structural change and transformation. The nationalists were, however, incapable of appreciating this.

To return to Fanon, he has argued that a nationalist movement that was scrupulously constitutionalist and non-violent
was essentially a movement which, not having been baptised in
and purged by violence, could not make that break with the
past which a nationalist independence movement needs to make
if it is to be able to conceive of its essentially revolu-
tionary developmental role. Fanon has been severely criticized
on this count, for it has been pointed out that violent revo-
utionary movements in Latin America in the early 19th century
and in Algeria and Egypt in the last few decades, have never-
theless tended to lose their revolutionary fervour after having
gained independence. Certainly, this criticism is most valid,
for it points to the fact that the violence of the struggle
does not necessarily promote a self-sustaining revolutionary
consciousness. But the Socialist revolutions in Cuba, the
U.S.S.R. and the People's Republic of China seem to have added
some strength to Fanon's thesis. Indeed, what distinguishes
these from the revolutions that have been "betrayed" is not
simply the fact of violent struggle, but the fact that the
former had a thorough-going and far-reaching programme for
restructuring the society. Thus Tanzania which knew very
little violence, has managed to adopt a revolutionary path
precisely because its leaders had a revolutionary conception
of their function as leaders, and were prepared to make that
break with the past. And as will be shown later, the recent
revolutionary postures of some regional governments have been
founded on a new awareness of their revolutionary roles.
Thus, beginning with the advanced Jamaican constitution of 1944 which gave internal self-government to that colony, through similar reforms for Trinidad and Tobago, the suspended British Guiana constitution of 1953, and constitutional advances for the smaller islands, there is that thread of constitutionality and the emphasis on obtaining concessions from the British government. Indeed, the supreme testimony for the essentially political and mildly reformist nature of the nationalist parties, lies in the fact that the constitutional instruments granted at independence were solidly based on British institutions, and the programmes instituted after independence were essentially a reflection of traditional Western approach to development. A most incisive study done by Lindsay of the nationalist struggle in Jamaica well brought out this narrowness of vision and action. For he noted with reference to the two nationalist parties, Manley's People's National Party and Bustamante's Jamaica Labour Party that when in power (despite seeming differences in their political postures) they did essentially the same things. In a final judgement he argued:

Independence, of the type we have been describing, acts as a barrier to political development. For it serves to generate the myth that substantive changes have taken place, and that cherished goals and objectives have been achieved when in reality nothing of the kind have occurred.
2.4.2 The West Indies Federation and the Integration Movement

The issue of federation and integration is not a new one in the annals of Commonwealth Caribbean history. Indeed, in the late 19th century, the British put forward the idea of combining the smaller islands of their Caribbean empire, as a means of economizing on the expenses of financing the separate island administrations. In the early decades of the present century the idea of federation was still alive, seen as before, as an administrative and political convenience. It must be noted that the imperial conception of federation in no way perceived the explicitly developmental benefits of integration which is the basic thesis of this dissertation, and which is the main concern of regional integrationists today. The idea of federation was once again overtly voiced in the Recommendations of the Moyne Commission Report of 1940, which to be fair, saw it as representing more than an administrative convenience, but as being a pre-requisite for the coordination of the essentially "welfare type" economic assistance, which the region was to receive from the Colonial Development and Welfare Fund which was to dole out assistance to the depressed economy of the region.

The idea of federation, to be fair, also had a considerable amount of appeal to the nationalist and trade union leaders of the post-1945 period. For them it meant that they could count on the solidarity of other leaders in the other territories.
Thus what interested them most was not integration per se but cooperation. Out of this community of interests was born the Standing Closer Committee of the mid-1940s. In similar vein, a series of conferences were held over the years which culminated in the 1956 conference which agreed to set up the Federation. Historians of the federal venture are fond of pointing out the fact that successful federation was held out to the West Indian leaders (or they preferred to think so; there is much confusion on this point) by the British Government as a prerequisite for the granting of independence to any of the territories of the region. As this is it may, there is little doubt that the association of federation and independence made the acceptance of the former much easier for the nationalist leaders. Thus, the essential point must be made at this stage that West Indian politicians accepted federation, as it were, because it seemed a necessary accompaniment to the granting of independence (as a political device), and not because they genuinely wanted West Indian unity and integration, or saw federation as a means to the development of the regional economy.

A number of causes have been put forward as explanations for the demise of the Federation. By and large, the favourite explanation has been the competing nationalisms of ardent insularist states. In summarizing the factors responsible for its failure Elizabeth Wallace argued that this stemmed from:
... inadequate finances, uneven economic and political development in the constituent units, the clashing personalities of its chief architects, and above all from a lack of any positive fellow-feeling among its scattered peoples.34

Eric Williams put forward the following interpretation of the demise of the Federation. He argued:

... a combination of centuries-old inter-island jealousies, inept federal leadership and the desire of units to continue pursuing competitive rather than complementary strategies of economic development conspired to produce an early demise of the Federation.35

Knight also supports the explanation of competing nationalism but further argues that:

Because the federal government lacked either the authority or the military might to restrain the centrifugalism of the core units — such as the North-erners had in the United States civil war against the South — it had to accept its own demise.36

All of the above explanations contain some element of truth but they nevertheless fail to uncover the true reasons for the failure of the Federation. The failure of these explanations stems largely from a failure to appreciate fully the motivation of the Commonwealth Caribbean leaders in terms of agreeing to form a federation. For essentially the Federation failed because of the restrictive and myopic view of integration held by the federal leaders and elites. It failed not simply because the leaders of the separate units were too
nationalistic or insular, but more intrinsically because their insularism was so strong as to totally emasculate the institutions and powers of the Federation and to render it incapable of surviving. But this does not answer the fundamental question as to why the leaders were so insular and nationalistic. For this, one needs to delve into the political and economic history of the region and into the psychology of its leaders and elites. The history of the Commonwealth Caribbean has been one of political and economic disaggregation perpetuated by and for the benefit of the colonial power. This has been already established. The psychology of the Commonwealth Caribbean leaders is one of personal ambition and selfish competition aimed at the preservation and advancement of self. To a large extent the former has conditioned the latter response. But the fundamental explanation of the psychology of the Caribbean leaders and elites must be sought in the cultural values and responses instilled in them by the historical conditions under which they developed as a class. These values have already been mentioned—the aspirations to metropolitan lifestyles, the parasitic mentality, the selfish individualism, the desire for power and status, and the lack of social consciousness.

It was the above values which informed the commitment to and conception of Federation among the Caribbean leaders and elites. For essentially, as was noted above the politicians and civil service elites supported the federal idea insofar as
it contributed to their narrow ambitions of independence, power, and status. A thoroughgoing programme of integration was seen as iminical to the interests and positions of these elites in their respective territories. It involved the possibility of sharing power with persons from some other unit. Thus federation had to be made consonant with their own narrow ambitions. In similar fashion the business groups viewed the idea in terms of whether or not it affected their positions in their respective areas of operation. The federal discussions were confined to the above groups. Little effort was made to educate the masses as to what it meant for them. But this was not a sin of omission but of commission, for essentially little thought was given to what federation meant to the masses as a whole, as opposed to what it meant for other sections of the population. Thus the federal venture was essentially an exclusive one confined to certain narrow class and sectional interests in the region. Indeed, it was not so much competing nationalism but conflicting sectional interests which was responsible for its demise. Commenting on the generic roots of this failure Lewis noted:

There was, in truth, a total absence in any of the various reports put out during the period of drift between 1945 and 1958 of any clear, elevated comprehensive conception of what federation was designed or expected to do.
The revival of the idea of integration which took place from the mid-1960s purported to approach the question from a new angle. Thus the governments involved in the initiation of the Caribbean Free Trade Association (CARIFTA) implicitly and explicitly recognized the economic functions and rationale of integration. The approach in both CARIFTA and CARICOM has been essentially economic. Despite this seeming change in direction, however, there has in practice been little fundamental change in the insularism of the Federation days. Thus Commonwealth Caribbean integration efforts today are essentially laissez-faire with a verbal commitment to thorough-going integration, the realization of which seems as illusive as discovering the proverbial fountain of youth. The three most important leaders of the region have all expressed their commitment to such a thorough-going scheme, yet today the movement is displaying signs of stagnation and/or retrogression. Thus far the movement has been able to substantially increase the flow of trade as between the various units. But this has largely benefitted the business interests (the manufacturers) in the region who have been responsible for the increase in intra-regional trade. Despite ten years of effort, there is not one regional integration industry, and the region is just as dependent on the outside world and the Commonwealth Caribbean peoples have seen no real benefits. The explanation of this leads necessarily into a discussion of the link between the ideology of the post-independence ruling classes, and their conception of integration.
and development.

2.4.3. Post-Independence Government and Politics in the Region

The discussion in the previous two parts of this section has touched more than cursorily on the performance of the post-independence governments in the region. The latter have been singled out as opposed to the remaining colonial territories of the region since it can be argued that they at least have no external constitutional limits to the domestic politics within their respective countries. Statehood has conferred this right on them.\(^{41}\) All in all, however, the post-independence showing has been rather dismal. Indeed, the main thesis of this chapter has been that this showing has been dismal largely because of the policies implemented by the governments and elites, who in turn have been constrained by the essentially bourgeois conception of their role - this being a reflection of their class bias. The cumulative effect of this lack of congruence between the aims of the governing elites and the needs of the societies has been a visible lack of improvement in the general living standards of the majority and the lack of any real development of the regional economy.\(^{42}\) Thus the argument is that their failure to adopt a thorough-going programme of structural transformation of the economies, and their inability or reluctance to implement the type of economic integration which the region needs for its collective development, are both attributable to this narrow-mindedness of mind of the governing elite.
The shortcomings of these elites have led to that demoralization of Commonwealth Caribbean society noted above. This demoralization in some cases has meant open rejection of the status quo. Thus the Black Power explosions witnessed in the late 1960s and early 1970s, although spreading from North America, nevertheless were based on solid grievances. Black Power in simple terms (especially in Jamaica) was a manifestation of that growing rejection by the predominantly black lower class populations (although the Black Power inspired February Revolution in Trinidad and Tobago received much support from the East Indian population) of the economic and social deprivations which they were suffering as a consequence of the continued domination of the society, by alien economic interests in alliance with the new elites. Thus the main targets were the governments and foreign business. The explosions of violence in Jamaica in 1968 marked the declaration by a radical movement (and the marginalized Rastafarians) that they were no longer going to endure. In similar fashion the February Revolution in Trinidad and Tobago was a most visible manifestation of that rejection, representing as it were, a popular judgement of the eight years of post-independence government under Eric Williams' People's National Movement (PNM). As Manyoni summarized the situation, "The fuse that blew the powder keg in Trinidad and Tobago was the economic and political shortcomings of an administration that had promised so much when it took office at independence."
The late 1960s and early 1970s were a period of turmoil in the Commonwealth Caribbean: riots in Jamaica, revolution in Trinidad and Tobago. The banning of intellectuals from other parts of the region who dared to speak out on behalf of the people, and the hasty passage of anti-sedition laws designed to suppress those legitimate demonstrations of popular dissatisfaction. These reactions marked a sad day for the hopes and aspirations of those who had thought that they had escaped the indignities of the colonial era. But perhaps the real tragedy of Commonwealth Caribbean government and politics during the period was brought out in stark relief by the spectacle of the Prime Minister of Trinidad and Tobago inviting American troops to enter the country to put down a popular uprising of its people against an administration (a system) which they found intolerable. And yet, despite the fact that these movements may have failed, they nevertheless have produced some reaction on the part of the governing elites. The growing sense of social responsibility of some regional governments has already been noted. The planned economy approach and the attempts at structural transformation of the economy in Guyana, Jamaica and Trinidad and Tobago bear testimony to this. There is thus a new awareness of the needs of the common man and his right to a share of the fruits of development as brought out in a book written by Prime Minister Michael Manley of Jamaica:

He must also believe in the connection between effort and reward and be confident that he is part of the social
group which manipulates its environment as distinct from being a member of a part of the social group which is manipulated along with the environment along with the rest of the social group.45

2.5 Summary and Conclusion

This chapter has attempted to trace the thread of continuity that runs through Commonwealth Caribbean history in terms of the cultural values of its governing elites, and to show that the present governing elites are in many ways little different from their colonial forbears. There is thus perceived a distinct link between the socio-cultural conditioning of these present governments and elites and the policies which they are willing to support and implement. More intrinsically, however, the chapter has attempted to demonstrate (especially the preceding two sections) that there is a growing lack of congruence between what the total society needs, and the efforts so far of these governing elites. In the field of broad-based rounded development, their efforts have been far short of what is needed. Similarly, in the realm of the regional integration movement, there is still that historical reluctance to promote that type of integration which the small market size, scarcity of capital and other resources, wide dispersal of resources and such other factors as noted in Chapter 1, seem to demand if the people of the region and ipso facto the region itself is to develop. Again, in the wider international context, as Prime Minister Burnham so
Eloquently put it:

Either we weld ourselves into a regional grouping serving primarily Caribbean needs, or lacking a common positive policy have our various territories and nations drawn hither and thither into, and by, other large groupings where the peculiar problems of the Caribbean are lost and where we become objects of neo-colonialist exploitation, and achieve the pitiable status of international mendicants. 46

Thus, the fundamental question facing the region today is whether the old leadership needs to be overthrown or replaced, or whether or not it can reform itself sufficiently to enable it to play a positive role in the service of Caribbean unity and development.
FOOTNOTES:


2 Slavery in this context is used to include East Indian indentureship which has been described as a new form of slavery. For a discussion of the horrors of indentureship see Weller, J.A., The East Indian Indenture in Trinidad, Institute of Caribbean Studies, Puerto Rico, 1968.

3 Much of this historical summary is taken from Eric Williams, From Columbus to Castro: The History of the Caribbean 1492-1969, Andre Deutsch Limited, London 1970; and Lewis, op. cit.


5 For a history of the region with emphasis on the European wars of the period see Sir Alan Burns, History of the British West Indies, London, George Allen and Unwin, 1954.

6 Williams, Eric, Capitalism and Slavery, Chapel Hill, University of North Carolina Press, 1944.


10 For immigration in British Guiana see Adamson, op. cit. for Trinidad and Tobago see Weller, op. cit.


12 The literature on race and social stratification in the Caribbean is extensive and of high quality to say the least. Thus there has been much sociological debate on the issues of cultural pluralism (R.T. Smith, M.G. Smith); class stratification (Lloyd Braithwaite, Malcolm Cross); East Indians in Trinidad and Guyana (Leo Despres, Judith Weller); the Rastafarian Movement (L.B. Barrett, Wendel Bell). A comprehensive bibliography of this literature is contained in Readings in Government and Politics of the West Indies, (1971 edition), T. Munroe & R. Lewis (Ed.), University of the West Indies, Jamaica, 1971, pp. 263-266.


14 Vide Braithwaite, Lloyd, "Social Stratification in Trinidad," op. cit. (excerpted as "Psychological Characteristics of the Middle Class," in Government and Politics..., op. cit., pp. 7-11.)


16 Lewis, op. cit., p. 69.

On a conceptual level it must be noted that the concepts of 'elite' and 'middle class' are not necessarily coterminous, for while the latter does encompass the former it is more generic and fits into the traditional theoretical framework of a three-tiered class stratification system, while the former 'elite' refers more to a socio-economic group within a wider class system. It is used throughout this chapter to refer to the new government functionaries and corporation managers of the post-independence period.


Ibid. p. 189.


Lewis, op. cit. p. 261.

R.T. Smith and M.G. Smith (see footnote (12) above) were engaged in the 1960s in what has become known as the pluralism debate as to whether or not the existence of several cultural groups in the Caribbean qualifies the society as a culturally pluralistic one. Basically the former took the view that the society was not culturally pluralistic because there was a dominant cultural ethic to which all aspired, while the latter preferred to down play the cohesive force of this common cultural ethic.

Lewis, op. cit. p. 44.

It is well recognized (although not well documented) that nepotism and such other forms of corruption are important vehicles of upward social mobility. Having a highly placed 'godfather' or patron is undoubtedly a vital asset, and bribery and corruption is widely believed to be quite common in the society, perhaps approaching unmanageable proportions.

See C.L.R. James, "The West Indian Middle Class," Government and Politics..., op. cit.
Thus what interested them most was not integration per se but cooperation. Out of this community of interests was born the Standing Closer Committee of the mid-1940s. In similar vein, a series of conferences were held over the years which culminated in the 1956 conference which agreed to set up the Federation. Historians of the federal venture are fond of pointing out the fact that successful federation was held out to the West Indian leaders (or they preferred to think so; there is much confusion on this point) by the British Government as a prerequisite for the granting of independence to any of the territories of the region. Be this as it may, there is little doubt that the association of federation and independence made the acceptance of the former much easier for the nationalist leaders. Thus, the essential point must be made at this stage that West Indian politicians accepted federation, as it were, because it seemed a necessary accompaniment to the granting of independence (as a political device), and not because they genuinely wanted West Indian unity and integration, or saw federation as a means to the development of the regional economy.

A number of causes have been put forward as explanations for the demise of the Federation. By and large, the favourite explanation has been the competing nationalisms of ardently insularist states. In summarizing the factors responsible for its failure Elizabeth Wallace argued that this stemmed from:
27. Lewis, op. cit., p. 409.

28. Vide Lindsay, L., op. cit., for a discussion of this aspect of the nationalist movements.


30. For a discussion of this aspect of Fanon's thesis see Lindsay, op. cit., pp. 5-12.


32. Lindsay, op. cit., p. 50.


34. Ibid., p. 221.

35. Williams, E., From Columbus..., op. cit., p. 508.


37. It was this same attitude that informed the constant squabbles over the siting of the federal capital and the powers of the federal organs.

38. Lewis, op. cit., p. 373.


40. This point will be elaborated and substantiated in chapter 4 on the distribution of benefits and costs from integration.
This is not to deny that foreign governments can bring pressures to bear on independent countries to change their policies. Tied loans and aid have been used by many developing countries. This is not to say, however, that such governments have no choice but to accept such "satellization".

Chapter 1 has already dealt with the CARICOM economy in some detail.


Ibid., p. 107.

Manley, op. cit., p. 93.

Burnham, op. cit., p. 246.
PART II

THE STRUCTURE OF CARICOM, THE PROBLEMS OF DISTRIBUTION,
AND THE FUTURE PROSPECTS OF THE GROUPING.
CHAPTER 3
INTEGRATION, DEVELOPMENT AND THE INSTITUTIONAL STRUCTURE OF THE CARIBBEAN COMMUNITY AND COMMON MARKET (CARICOM)

3.1 Introduction

As the wording of the chapter suggests, there is a perceived link between integration and development in the setting of Caribbean and indeed Third World integration. This link is made both implicitly and explicitly by intellectuals, technocrats and politicians alike. In simple terms, integration or the pooling of resources on a regional scale, is seen as a means of creating the dynamic conditions under which growth and development can take place in a much less painful and more autonomous fashion (that is free from extra-regional control) than if such growth and development were to take place on a national scale. Summarizing this strategy of growth and development, Axline notes that:

Successful import substitution on a regional level, taken together with regional use of resources, allows for a more efficient combination of factors of production through increased capital imports from foreign exchange savings and production for a regional market. These effects also contribute to the possible expansion of exports as production increases and cost curves shift downward.
This aim was explicitly voiced by the signatory countries to the Treaty establishing the Caribbean Community when they agreed that one of the objectives of the Community was "the economic integration of the Member States through the establishment of a common market regime..." aimed at "the strengthening, coordination and regulation of the economic and trade relations among Member States in order to promote their accelerated harmonious and balanced development." Thus, so far, two things have been established. Firstly, that from a theoretical point of view, integration among developing countries is considered a viable strategy of development. And, secondly, that CARICOM has been explicitly conceived as a means towards the development of the area which it encompasses.

This chapter is aimed principally at demonstrating whether there is that necessary congruence between the developmental aims of CARICOM and the structure of the institutions and instruments which were created by the Treaty of Chaguaramas, July 4, 1973, which established the Caribbean Community and Common Market. To this end a detailed analysis of the structure and provisions of the treaty will be undertaken since it is recognized that the institutional structure of the grouping sets the parameters within which the grouping will operate at any given point in time. But it is also recognized that simply analysing the institutional structure of the grouping does not necessarily answer the basic "question" of this paper. For the capacity of the institutional structure of the grouping for promoting development
of the grouping must be seen in the light of the problems of
development of the region. Thus a brief analysis of the political
economy of the region will also be undertaken. This
analysis is not meant to be a repetition of Chapter 1 but
more specifically to bring into focus the developmental pro-
blems of the region. Again, in order to place the discussion
within theoretical and structural parameters, a short dis-
cussion will be undertaken of some of the existing theories
of integration in terms of their relevance to the aims and
attendant problems of integration among developing countries.
Also, there will be an attempt made to outline the basic in-
gredients of a viable and relevant theory of integration among
developing countries. Thus as a preliminary to the discussion
of the institutional structure of CARICOM, this paper will
first deal with the political economy of the region, and then
launch into an examination of some of the existing theories of
integration in terms of their ability to solve the developmental
problems of developing countries.

3.2 The Political Economy of the Caribbean

According to Levitt and Best, the Caribbean economy is
still largely a plantation type or staple economy (at best a,
 quasi-staple economy with the initiation of branch plant
import substitution industrialization), which is still very
much tied to the metropolitan countries in a scarcely disguised
dependent relationship, for its markets and supplies of food
and manufactured goods. This type of economy is a legacy of the period of colonization when the West Indian islands and the mainland colonies existed for, and thrived on the production of sugar (or another such staple) for metropolitan markets. This production was organized on the basis of the plantation, a total institution (in the sense that it was a society in microcosm) whose emphasis on the export of one basic crop created a peculiar structure which linked the colony directly with the mother country and concentrated activities within the colony, around the production of the staple. Thus the historical links of Caribbean countries have been not with each other, but with their respective metropoles, each territory in competition with the other, for they produced essentially the same staple. In more recent times with the decline of sugar and the rise of such other "staples" as bananas, bauxite and petroleum, the general picture has changed somewhat in that markets are more diversified but the structure remains the same.

Concomitant with the rise of these new staples, and the development of tourism and branch plant manufacturing, there has been a gradual devolution of imperial control especially over the last few decades. However, new forms of domination have emerged and new ties of dependence have been developed. The new agent of domination and dependence is the North American, British or European based multinational corporation. To quote Levitt and Best:
The predominance of the metropolitan subsidiary and the branch plant in the Caribbean economies reinforces fragmentation. Each territory tends to engage in terminal activities of resource extraction at the one end of the spectrum and distribution and final assembly of imports at the other. Linkages both within and between Caribbean economies remain feeble, and metropolitan domination persists.5

Indeed, it is not only the branch plant subsidiaries which perpetuate this domestic and regional disarticulation, but also the typical enclave mining and other extractive industries as well as the new commercial type large-scale plantations. In addition, the system of preferential trade agreements between the territories (collectively and/or individually) and selective metropolitan buyers serves to boost up the inefficient production structures of these territories, in turn further maintaining the links of dependence on external actors and preventing necessary changes in their economies and societies, which would promote balanced growth and development.6 Thus, as a result of their external links, which have their origins in the history and development (or underdevelopment a la Furtado) of the region, the political economy of the Caribbean displays certain structural and institutional features. Demas has summarized these as follows:

(a) external decision-making by large corporations and a shortage of local entrepreneurship, local technological innovation, and appropriate local institutions;

(b) fairly high per capita income (ranging from US$200 to
US$600), as compared with most Third World countries, the
result of a very long history of economic contact with the
metropolis;

(c) fairly rapid rates of growth in recent years of the
modern sector - mining, tourism, manufacturing, and government;

(c) a relatively undiversified and unintegrated structure
of production, and a heavy dependence on exports and imports;

(e) deep-seated and growing structural unemployment and
underemployment;

(f) a very undeveloped domestic agricultural sector
(producing food for local consumption);

(g) apart from the usual 'class' inequalities, growing
inequality as between the privileged workers in the modern
sector on the one hand, and the urban unemployed and persons
in the rural sector on the other hand;

(h) a high-cost export agriculture highly dependent on
preferential shelter in metropolitan markets;

(i) a pattern of consumer tastes and aspirations heavily
influenced by those in developed metropolitan countries. 8

From the above list there seems little doubt that the
Caribbean countries display most (if not all) of the classic
characteristics of dependence and underdevelopment as defined
by Furtado and others (export and import dependence, disarticu-
lated economic structures, external control of the economy,
skewed-income distribution patterns etc.), but what is more
crucial is the fact that the region as a whole since the decade
of the 1960s has been experiencing grave social, economic and political problems which are largely a product of the contradictions inherent in its underdeveloped structures and have undoubtedly served to highlight its experience of dependence and underdevelopment. Thus today, the region as a whole is experiencing a rate of open unemployment of between 15-20% of the labour force.\(^9\) Again, despite being an agricultural producing area, the region imports an inordinate proportion of its food requirements. The net terms of trade for its traditional exports, as compared to imports, (except petroleum which only Trinidad and Tobago and Antigua benefit from) have swung drastically against regional exporters thus giving rise to massive balance of payments deficits. To confound matters further, the prices of manufactured and other capital goods which the region imports from the metropolitan countries have risen phenomenally during the present decade, further compounding the balance of payments problems. Such considerations have prompted the search to find a regional solution for it is recognized that due to their small size, poor resource endowments in capital, natural resources and skilled manpower, and weak economic power in the face of huge MNCs and metropolitan interests, that there is need for a new strategy of development (not simply growth) which Demas would define as:

... economic growth generated from within a country as well as growth which results in diversification in the sense of the creation of more interdependence or 'linkages' between
the different industries and activities within a given country.

While the above characteristics can be said to apply to the CARICOM countries in a general sense, there are, however, certain differences among them which are extremely crucial, for these are differences in levels of development, resource endowments and production capacities. Thus the CARICOM members have been dichotomized into LDCs and MDCs on the basis of the disparities in the levels of economic development. Table 1 of Chapter I reveals the basic differences between these two sets of countries within the regional grouping.

Firstly, it must be noted that the G.N.P. of the LDCs is miniscule as compared with that of the MDCs. Secondly, the population of the LDCs combined total slightly over half a million, while the combined population of the MDCs is nearly four million. Thirdly, the average per capita G.N.P. of the MDCs is almost twice as great as that of the LDCs. Again, agricultural exports as a percentage of export G.D.P. among the LDCs is on average much greater than the percentage for the MDCs. This by and large is a reflection of the undiversified nature of the economies of the LDCs, and the fact that the MDCs export on average a wider range of products. To the above, one might also add that the LDCs collectively do not comprise more than 10% of the land mass of the grouping and scarcely possess any mineral resources in commercial quantities.
However, what distinguishes the two groups most is the level of industrial production found on average in each. As was mentioned above, it is only in recent years that CARICOM countries have begun to construct industrial bases. These developments have, however, been confined to the larger and more populous MDCs in general, with Jamaica and Trinidad and Tobago possessing the most advanced industrial structures. Thus the freeing and expansion of regional trade that has taken place to date, has tended to benefit these territories which were more advanced in terms of their production structures, and were therefore in a position to benefit from the increased production opportunities attendant on freer trade. Indeed the Caribbean Free Trade Association (CARIFTA) 1968-1974, which had been little more than a classic laissez-faire free trading zone, had by 1972 more than borne out the point that a regional grouping conceived along such lines would be more to the benefit of those members whose production structures placed them at an advantage vis-a-vis the other regional members. Thus in the old CARIFTA grouping, the MDCs were those best able to take advantage of the freeing and expansion of regional trade. The above discussion brings out two crucial points. Firstly, that in a laissez-faire integration movement comprised of members at disparate levels of development, that the more developed members are likely to be able to reap more benefits from the freeing and expansion of regional trade. And, secondly, that unless the grouping is rendered less dependent
on market forces, by the inclusion of adequate corrective and compensatory mechanisms within its structure, that there is the continued danger than the less developed and more disadvantaged members will scarcely gain from the process. Obviously this has further implications for the avowed developmental aims of integration among Third World countries. However, this aspect of the question will be treated more elaborately further on. It is now proposed to consider some of the theories of integration that have appeared to date, in terms of their ability to explain and inform integration movements among developing countries, bearing in mind the developmental aims of such integration movements.

3.3 Existing Theories of Integration and Their Relevance to Integration among Developing Countries

3.3.1 Introduction

This section of the paper is designed to fulfill two main aims. Firstly, it is hoped to review the relevant literature to date, and to gain some insight into the various theoretical approaches to integration that have been offered as explanations of the process. This is obviously important since (good) theory has a special place in ordering the disparate trends of reality into a coherent whole and thus making that reality more intelligible. Secondly, it is envisaged that the theoretical discussion will provide a focus and parameters within which to assess the institutional structure of CARICOM, both in terms
of its ability to promote the development to its members, and also to share equitably among its members the benefits of that development. The above point can be seen as a means of linking theory and reality. In it there is the implicit hypothesis that the structure of a regional grouping is a determining factor in terms of the ability of that grouping to fulfil the aims and objectives for which it was founded. Thus the ensuing theoretical discussion will be aimed, in a general sense, at ascertaining whether or not the theoretical constructs that have been proposed by various theoreticians are indeed capable of fulfilling the aims of Third World integration. It must be borne in mind that this is seen as a necessary preliminary to the discussion of the structure of CARICOM.

3.3.2 Integration in Less Developed Countries

Developing countries are seen to face many serious constraints in terms of their developmental processes, as a result of the operation of a number of variables which stem largely from the nature of their economies. By definition, they are countries which have been unable to achieve the type of development described in Chapter I. They are however prevented from doing so by any combination of the following factors: (a) limited market size (b) poor resource endowment (c) un-integrated economic systems (d) scarcity of investment capital (e) export dependence on a limited range of primary products subject to violent price fluctuations (f) high rates of
unemployment (c) small and undeveloped industrial bases (h) highly skewed income distribution patterns, and (i) high consumer and/or capital goods import bills. It is therefore under such conditions that economic integration schemes become attractive, since it is largely recognized that against such odds, few LDCs can afford an independent course of development. Thus according to Axline "... there are gains other than the traditional welfare gains which these countries can hope to realize through economic integration: gains of development and reduction of dependence." In the typical free trade area or customs union, it is often envisaged that the freeing of regional trade and its protection from extra-regional competition would go a far way in terms of creating a regional market for regional products, while at the same time (through a regional C.E.T.) protecting the infant industries within the region. The expansion of the market size is obviously important in terms of taking advantage of economies of scale and external economies, and can also through competition, force an increase in efficiency of national firms now being forced to compete regionally. At the same time it is recognized that extra-regional sources may have been cheaper, but this is thought to be cancelled out by the welfare gains to the region in terms of employment, income distribution and foreign exchange earnings for more vital capital goods imports. It must be stressed at this point that the above conception of integration is solidly within the traditional conception of
economic integration, for it implies a free market laissez-
faire system with a minimum of regulation.

Integration is also seen as potentially a means of pro-
moting development through the envisaged pooling and combining
of resources on a regional scale, and thus mobilizing disparate
national resources for regional development. Thus another of
its development aspects is the perceived opportunity for joint
regional ventures aimed at coordinating the use of scarce capital,
human and natural resources, and hence avoiding the wasteful
duplication of industries, each producing for its own domestic
market over and above the absorptive capacity of that individual
market. This is an explicitly production oriented conception
of economic integration along the lines of that advocated by
Brewster. It involves a certain degree of central control
of economic activity within the region, and also implies that
the allocation of benefits and costs will not be left to the
market (as in a laissez-faire conception of integration), but
that allocative formulae will be worked out beforehand. In
this writer's view, this type of integration movement has a
better chance of fulfilling the developmental needs of its
members, as well as promoting an equitable distribution of the
benefits of integration, than the traditional laissez-faire
type of grouping.

Yet another perceived benefit of integration among LDCs
is the degree of collective strength and independence it is
thought to confer on countries which otherwise in a disaggregated form would have been incapable of withstanding the buffettings of the international economic and political systems. Thus Vaughan Lewis argues that:

... political integration among small developing states is concerned with the attaining of collective viability (lack of viability being defined as 'inadequate cultural integration and insufficient economic coherence'), rather than subordination of national identity.  

In an international system in which the smaller states may be constantly at the mercy of economic forces over which they have little or no control, it is thought that integration would not only allow them to bargain for fairer terms of trade, but also to impose greater control over the exploitation of their resources by foreign companies which often take advantage of their weak bargaining positions. Again, integration it is hoped would allow the members to reduce the level of their dependence on external actors, and also to mitigate the openness of their economies.

In contrast to the above aims, integration among developed countries is seldom undertaken as an explicit strategy of development. Granted, some of the weaker members may perceive benefits along these lines, but by and large, integration in the EEC for example, took place initially for security and trade reasons. In recent years the EEC has been seen as a counterpoise trading bloc to both the U.S.A. and the Eastern European
countries. Thus in this sense the focus of integration is completely different. According to Jaber, the traditional theory of customs unions has had to deal with industrial economies "... whose problem is not primarily one of economic development but of marginal adjustments in production and consumption patterns." An important concomitant of this has been the danger of polarization which is a feature more of integration movements among LDCs rather than the developed countries. Polarization in integration movements comprised of LDCs at varying levels of development seems to be a very real problem for the theory as it applies to LDCs. Any theory must take note of the fact that laissez-faire market forces are likely to distribute benefits inequitably. The theories that have been put forward scarcely pay attention to this point. For this reason, their relevance to the LDCs is highly questionable. But this point will be elaborated later on.

3.3.3 The Traditional Theories

Anyone attempting to assess the literature to date is faced immediately with tremendous problems in terms of summarizing what the traditional theories basically hold. By and large these difficulties arise because of three different orientations that can be discerned in the literature. They relate to the problem of defining the dependent variable or objective of an integration movement. Firstly, there is that school which sees integration in purely economic and trade terms. Secondly,
there are those theorists who see the process in purely political terms as resulting in a security community. Thirdly, there is that school which combines the economic and the political, with the latter being the terminal point along the continuum along which the integration process travels. These schools correspond roughly to (a) the Traditional Theory of Customs Unions (b) the Federalists and Transactions theories, and (c) the Neo-Functionalist approach (which has its roots in the older Functionalist theories). But there is yet another serious difficulty. This relates to the "fluidity" of these theories, which is a consequence of the fact that many of their major exponents have attempted to construct one master theory to fit all integration efforts, and also due to the fact that in the wake of the many criticisms levelled against the theories' relevance to developing countries, these exponents have attempted to stretch the theory to make it fit and to prune it where necessary. It is with some amusement that one can note the contradictions and successive reformulations of many of the exponents as brought out in their writings of roughly similar vintage. Philippe Schmitter is perhaps one of the best examples of this. 23

By and large, however, only the first and the third of these approaches seem to hold any relevance to the process of integration among LDCs (or even among developed countries). The Federalist approach has been criticized as concentrating too much on the purely political and constitutional, dwelling more on the form rather than the process and having too much
faith in the power of political constitutions to weld together and maintain an integrated grouping. It must be remembered that the Federalist theories sprang up at the time when the first attempts were being made to integrate the Western European countries. The Federalist theories gained much mileage from the apparent ease with which the integration process was initiated. However, the Federalists obviously failed to recognize that while a security community was perhaps relatively easy to attain in a crisis situation (defence and reconstruction), that the dynamics of international interaction dictate that States will prefer to remain autonomous as long as they can get away with it. Thus the economic field is a difficult one in which to achieve agreement to give up sovereignty. Haas summarized the Federalists as showing:

... a concern with the primary importance of institutions and institution building; ... They are preoccupied with the merits of rival methods of representation and elections; they devote much attention to the proper division of powers between the federal, the "national", and the local authorities; and they are concerned with checks and balances between organs of government.24

This approach with reference to the developing countries25 has also been criticized on the basis of the fact that these countries rarely enter into integration schemes for such political reasons:

The Transactions or Pluralist approach has in like manner
been made short shrift of by Haas. He argued that this approach:

... does not tell us the content of the messages and their imputed relationship to the evolution of capacity on the part of regional institutions. It does not explain how and when trust and responsiveness among actors, elites as well as masses, are to occur.  

In this Haas is arguing that increases in transactions between a set of countries does not necessarily make for their integration. One might also add that the pluralistic setting within which the increased transactions are expected to take place is seldom such a well defined reality in developing countries.  

More importantly, however, in terms of developing countries, there is seldom that level of transactions among regional partners, and thus to use transactions flows as an indicator of the progress of integration could lead rather naively to the conclusion that little or no integration is taking place. Thus by a process of elimination one is left with the Neo-Functionalist theory (theories?), and the Traditional Theory of Customs Unions. These have been singled out because firstly, they seem to be the more popular of current theories; and secondly, because they display more theoretical refinement than those already dismissed.

3.3.4 The Traditional Theory of Customs Unions

The theory holds that the creation of a customs union and the consequent erection of a C.E.T. is likely to result in two main consequences: Trade creation and/or trade diversion.  

Trade creation refers to the view that with the lowering of
tariff walls between members, competition within the region is likely to lead to the higher cost local product being outcompeted by the lower cost product from any one of the partner countries. Thus countries will be forced to produce only such products in which they have a comparative advantage vis-a-vis their regional partners. It is this purchase of lower cost products from regional partners, which previously would have been produced behind high tariff walls (in short the expansion of regional trade) which is referred to as trade creation.

Trade diversion refers to the view that the external tariff erected by the grouping, in that it "artificially" raises the price of more efficiently produced goods from third countries vis-a-vis regional production, leads to the diversion of trade from more cost competitive extra-regional-producers to less efficient regional producers who are now protected by the C.E.T. Jaber noted that the main concern of the theory "... is to evaluate the desirability of a customs union from the world's welfare viewpoint using static effects as criteria." 29

Thus the theory holds that the world's welfare would be increased if trade creation effects outweighed trade diversion effects.

The theory has been criticized on several counts. First of all it has been criticized as rather static, in that it seems to conceive of integration as basically the freeing of regional trade and the allocation of the market through the operations of the inexorable law of comparative advantage. By conceiving the consequences of integration solely in terms of
trade creation and trade diversion, the model inherently assumes a stage of development of the members at which point they have largely exploited their resources. This is perhaps more applicable to a customs union among developed countries where more static effects are likely to occur due to "... the welfare gains or losses from a marginal reallocation of production and consumption patterns ...". 30 In our typical LDC, however, integration it is hoped will contribute to development. The issue is therefore, not whether trade creation or trade diversion will occur, but rather how an enlargement of the production possibility frontiers of the individual economies through this pooling of resources will contribute to their individual and collective development. Thus static assessments of comparative advantage implicit in the theory do not take into account the dynamic changing conditions of the LDCs in their process of development. 31

Again on another level the traditional theory assumes that trade diversion is bad if it exceeds trade creation. As Third World scholars have pointed out however, trade diversion is really the process of import substitution industrialization on a regional scale, 32 which while it might be less efficient by world standards, nevertheless has other welfare and dynamic effects on the regional economy in the areas of increased employment, more equitable income distribution patterns and a more integrated regional as well as national economy. The above are
by and large some of the more pressing developmental aims of the LDCs. Again, this regional production needs not be so high cost for measures can be taken to increase its efficiency. Furthermore, the argument of a decrease in world welfare can be counteracted by noting that trade diversion does not mean an absolute drop in extra-regional trade since it would normally free the region to import more necessary capital goods for its development, which it must continue to receive from external sources.

The whole conception of integration in terms of customs unions and free trade associations, is however, on a more general level inapplicable to LDCs. One of the most severe consequences of the free trade approach is that it leads to polarization of benefits since not all of the LDCs might be in a position to compete effectively with each other. This point was alluded to in the section on the political economy of the Caribbean, where it was noted that there exist significant disparities in terms of the level of development between the members of CARICOM. Thus the stronger partners within the grouping are likely to be able more easily to expand their production at the expense of the weaker ones. Once development has begun in any one set of territories it tends to be concentrated in that area. Among developing countries which see integration as a strategy of development, the distribution of gains produced by the integration process assumes crucial and overwhelming importance. Bearing in mind the tendency
towards polarization; it is therefore evident that the traditional free trade approach has serious limitations. Necessarily, integration must be considered in a more structured and planned form. Thus, speaking of the Caribbean, Brewster notes that what the region needed was not an integration movement which spoke of expanding trade on laissez-faire principles, but a policy to coordinate and expand production, using regional resources and adopting a regional perspective of basic needs.

In short, it is this writer’s opinion that with its static assumptions and its tendency to result in polarization because of its inherent free trade ideology, that the traditional theory of customs unions is hardly likely to promote balanced economic development among LDCs, and is therefore inappropriate as a theory of integration among developing countries.

3.3.4 Neo-Functionalism

As mentioned above, the traditional theories are characterized by an overwhelming degree of confusion and contradictions. Neo-Functionalism is no exception to this. In an attempt to escape from the analytical barrenness of its precursor, Functionalism, in terms of explaining the progression from integration of economic and functional sectors to political integration, the shifting of political loyalties from the nation-state to a new supranational centre, the theory seems to have exchanged rigour for fluidity, and parsimony for tortuous and meaningless elaborations: The theory, (or is it pre-
theory as Haas has suggested, of Neo-functionalism holds — insofar as its central tenets can be discerned — that the integration of functional tasks leads through "... processual linkage or linkages ... (to) ... succeeding stages of integration along a postulated continuum of task expansion, increased controversy, and institutionalization of decisional capacity." Its theorists have constructed a plethora of background and process variables which in various combinations and concatenations are expected to lead to certain fairly predictable outcomes. Even in this, however, they claim no predictive certainty since the theorists readily admit that "... the findings of regional integration studies, insofar as they are understood and accepted by all students, are thus no more than empirical generalizations." The crucial linkage in the development of further integration according to the Neo-functionalists is the concept of spill-over. Schmitter defined this as:

... the process whereby members of an integration scheme — agreed on some collective goals for a variety of reasons but unequally satisfied with their attainment of these goals — attempt to resolve their dissatisfaction either by resorting to collaboration in another related sector (expanding the scope of the mutual commitment) or by intensifying their commitment to the original sector (increasing the level of their mutual commitment) or both.

Thus, the initial frustration and/or dissatisfaction leads to a commitment to higher forms of integration, which in turn increases the politicization process by the greater controversy
of increasingly important areas of integration. This politici-
zation in turn increases the range of interest groups supportive
of or against integration. It is this operation of the frustra-
tion and spill-over syndrome which leads eventually to the
dependent variable which is seen as a political community.
Recent formulations have noted that spill-over is one of a
number of possible outcomes in any given situation depending
upon the variables in operation. Thus, there is also the pos-
sibility of spill-back, spill-around or encapsulation. As
Pentland noted:

Spill-over, it is argued, need not
imply a smoothness, linearity or
inevitability in the integration
process; it is merely an organizing
concept or hypothesis about the
likelihood of integration when
certain specified conditions are
present.\(^4\)

Caporaso in an attempt to further refine the theory, has argued
that the more functionally specific the task or area, the less
likelihood will there be of spill-over into other sectors or
areas. To quote him:

The most differentiated sectors
will be the most adaptive to
changes in the environment, but
once the integrative process is
in motion, these sectors will
have the least impact upon
activities in other sectors of
the same system.\(^4\)

The first objection to the theory is on a general level,
its definition of the dependent variable. There is little in
the actual process of integration among LDCs which suggests
that political integration is the final goal. They speak of coordination of foreign and domestic policies, but one is not certain whether they envisage political union as desirable or acceptable. The main criticism of the theory however, can be levelled at its central concept of spill-over. In terms of its application to integration among LDCs, this concept is based upon two erroneous premises. Firstly, that LDC governments are free to choose whatever alternatives they wish in a crisis situation facing their movement, irrespective of external forces. Schmitter himself invalidated this premise when he noted with reference to the Central American Common Market that their agreement in 1968 to increase the scope of their commitment was in no small measure "encouraged" by the presence of U.S. President Johnson at their meeting, and his "offer" of US$65 million.43 Obviously, conditions of external dependence are extremely important conditioning factors on the actions of LDC governments in terms of the operation of the so-called frustration mechanism.

The second erroneous premise of the spill-over concept is that agreements to resolve the dissatisfaction at a higher level must necessarily result in a loss of national sovereignty to a central body. CARICOM's experience on this count is most instructive, for in its progress from a free trade association to a customs union in 1973, no appreciable increment in the powers of the central body resulted. Thus the premises upon which the concept is based, of independence of decision-makers
from external influences and increasing power to the central institutions are seen to be faulty. This stems in large part once again from a misunderstanding of the determinants of policy among dependent LDCs. Thus Brewster has argued that:

... in the context of individual, small open states in the Caribbean the question arises as to how wide their degrees of freedom really are, or otherwise vital concerns such as external and internal economic policy, military strength, defence arrangements and foreign policy, and therefore about their ability to take and implement significantly divergent decisions.44

Another implication of this is that spill-over - in the sense of the upgrading of interests - can occur but for different reasons than those of the Neo-functionalist (perhaps out of a common perception of a common problem).

Again, with reference to the concepts of automaticity, externalization and politicization, there are several objections to the theory. The former, automaticity, is described as the

"... high probability that spill-over and its complementary processes, externalization and politicization will occur."45

As has been shown, however, spill-over, if and when it does occur, is a consequence of factors over which Third World actors have little or no control. Thus to say that automaticity refers to the high probability that spill-over will occur tells us very little about the operative factors which can trigger off this spill-over. Therefore the concept of automaticity has little or no usefulness. Externalization and politicization refer respectively
to the ability of the grouping to project an image to the outside world and to perceive itself as a grouping, implying group identification; and, secondly, to the view that the integration process becomes more and more politicized as the areas of integration attempted by the group become more controversial. The former concept, externalization, as defined above is possible even within the broader framework of Third World solidarity and cooperation (The Group of 77, the ACP countries, the Non-Aligned Countries) and thus tells us very little about the process of integration; while the latter concept, politicization, implies that as a result of greater controversy of the integration process, that the contending parties will seek to resolve the conflict by granting more authority to central institutions. As has already been noted, this does not necessarily happen. Thus it would seem that the basic tenets of Neo-Functionalism do not fit the reality of integration efforts among LDCs. The apparent encapsulation (loosely translated as the inability to progress or achieve 'transcendence') of the ECCE seems to indicate the limitations of the theory even with reference to developed countries. In the following section the institutional structure of CARICOM will be analysed.

3.4 The Institutional Structure of CARICOM

3.4.1 The Community and Common Market

The Treaty of Chaguaramas (July 4, 1973) created the Caribbean Community and the Common Market. In many ways these
are two distinct and separate institutions with individual juridical personalities. As mentioned above, the Community's aims are (a) the economic integration of the Member States through the establishment of a common market regime; (b) the coordination of the foreign policies of the members; and (c) the promotion of functional cooperation among the members. It must be noted that the establishment of the Common Market is viewed as a task of the wider Community. The Annex to the Treaty, however, created the Common Market which, as was mentioned above is in many respects separate from the Community. For example, the membership of the Community is in no way identical to that of the Common Market, for while the former is comprised of thirteen members, the latter has only twelve members (the Bahamas being a member of the Community but not of the Common Market). This ambiguous situation is explained by the fact that the Community is seen as the agent of the political and cultural cohesion of the Caribbean countries, to the exclusion of the explicitly economic aspects of integration, while the Common Market is seen as the means of achieving the latter end. Thus a member state of the Caribbean basin which might subscribe to closer links among Caribbean countries, but not to the aim of economic integration, may join the Community and is in no way constrained to join the Common Market. It must be noted that the reverse is not possible; that is, a state cannot be a member of the Common Market and not of the Community.
Despite their juridical separation, however, the hierarchy of authority and power as regards the two institutions is fairly well defined. The principal organ of the Community, the Conference of Heads of Government (the Conference), is superior to the principal organ of the Common Market, the Council of Ministers (the Council). Thus Article 8, Section 3, Chapter 2, of the Community Treaty defining the functions and powers of the Conference clearly states that:

The Conference may issue directions of a general or specific character as to the policy to be pursued by the Council and the Institutions of the Community for the achievement of the objectives of the Community, and effect shall be given to any such directions. 48

The juridical distinction between the two is further blurred by the fact that while the Council has the right to conclude treaties and agreements on behalf of the Common Market, such treaties and agreements must be with the cognizance and approval of the Conference. 49 On another level they are welded closer together due to the fact that the Secretariat and its Secretary-General are the administrative agencies of both the Community and the Common Market, 50 and their offices cater to both of these institutions. Thus for all intents and purposes the Community and the Common Market are indivisible. Since the Common Market is specifically the agent of economic integration, much of the analysis will be (and normally is) with reference to that institution. The acronym "CARICOM" while strictly speaking combines both the Community and the
Common Market, is in ordinary usage employed with reference to the Common Market.

3.4.2 The Institutions

The Conference of Heads of Government

As was mentioned above, the Conference is the principal organ of the Community and de facto (although not de jure) of the Common Market. The functions and authority of the Conference lie in the areas of (a) general policy; (b) the establishment and designation of institutions of the Community; (c) the issuing of directions to the various lesser institutions; (d) the final authority for the conclusion of treaties; (e) the final budgetary and financial authority of the Community; (f) the regulation of its own procedure and the admission of observers and representatives to its deliberations from non-participating states. The following points must be made on the basis of the above. Firstly, as the principal organ of the Community, the Conference and hence the individual states have retained the right to order and direct the pace and the progress of the integration movement. Secondly, that this structure indicates an intention to retain such authority in the hands of the national governments. This is no accident, for it conforms with the prevailing unwillingness of Third World states to alienate their sovereignty which in most cases has only recently been gained or regained. Again, the voting procedure in the Conference further reinforces this
point. Decisions and recommendations are to be made by unanimous voting, although one may abstain in which case it is not to be construed as a negative vote. It must also be noted that the decision or recommendation can only be carried if no more than two or less of the MDCs abstain. It has been noted that unanimity indicates an unwillingness to have oneself committed to decisions which may be against one's interests.52 In the light of the above point that these states are jealous of their sovereignty, it is therefore not surprising that they reject policies that may be perceived as detrimental to their sovereignty and interests. It is seldom that one finds the majoritarian formula in operation among LDCs and CARICOM is no exception to this rule.

The Council of Ministers.

The Council is the principal organ of the Common Market and as such its functions and powers are (a) to exercise the powers and perform the duties as outlined in the Annex establishing the Common Market; (b) to ensure the efficient operation and development of the Common Market including the settlement of problems arising out of its functioning; (c) making proposals to the Conference for the progressive development of the Common Market; (d) reviewing and considering allegations of breaches of the obligations under the Annex; and (e) making proposals to the Conference to facilitate the establishment of closer economic and other ties with other states, association of states
and international organizations. It must be noted that the Council is composed of one minister each from each of the member states of the Common Market. Again, as in the case of the Conference, the Council is also paramount within its sphere of activity (except of course subject to the decisions of the Conference). Its voting procedure is once again by unanimous vote and with similar provisions for abstentions. Once again, the same observations can be applied to the Council as were applied to the Conference. In addition to the Conference and the Council, there are also ministerial standing committees on health, education, foreign affairs, agriculture, economic development, trade etc. which meet periodically to discuss questions arising under their portfolios. Their procedure is inter-governmental as in the case of the Council and the Conference.

The Secretariat and the Secretary-General

The functions and powers of the Secretariat bear out the observations on the question of the sovereignty of the member states, for the Secretariat is a purely administrative body with little powers of initiation. Its functions under the Annex are (a) to service meetings of the Common Market Council and its committees; (b) to take appropriate follow-up action on decisions arrived at these meetings; (c) to initiate, arrange and carry out studies on questions of economic integration relating to the region; (d) to provide services to member states.
at their request; and (e) to perform such other duties as may be assigned to it by the Council. Article 15 of the Community Treaty which lays down the functions of the Community Secretariat and its Secretary-General (this in no way conflicts with the provisions under the Annex and they are indeed complementary) notes that (a) the Secretary-General shall act in that capacity at all meetings of the Community (including the Council); (b) the Secretary-General and his staff shall neither seek nor receive instructions from any government and they are responsible only to the Community; (c) that the Member states undertake to respect the international character of the Secretary-General and his staff and will not attempt to influence them in any way. Thus while the Secretariat and the Secretary-General have been rendered impartial, they have also been made relatively impotent. They have little powers of initiation and can exert little direct influence on the course of the integration movement. This is indeed far removed from the concept of the central supra-national institution of the Neo-Functionalist, which is seen as the emerging power and the heir to the power of the previously sovereign states. This apparent distrust of the powers of central institutions, and the jealous guarding of national sovereignty has several implications for the aims of integration among LDCs, which will be touched on later.
Associate Institutions

Under Article 14 of the Community Treaty, several associate institutions were designated (and provisions made for the future designation of others). By and large these were institutions which were either already in existence or in the founding stage. While not being formally under the Treaty, and thus subject to the direction of its organs, they were nevertheless seen as important contributors to the process of Caribbean integration. Some of those named at the time were (a) the Caribbean Development Bank (CDB); (b) the Caribbean Investment Corporation (CIC); (c) the West Indies Associated States Council Ministers (basically comprised of the representatives of the remaining British Colonies in the Windward and Leeward Islands); (d) the East Caribbean Common Market Council of Ministers; (e) the Universities of Guyana and the West Indies; (f) the Caribbean Meteorological Council; (g) the Regional Shipping Council; (h) the Caribbean Examinations Council; and (i) the Council of Legal Education. These were largely functional organizations and institutions, which were expected in some way to contribute to the process of integration, and indeed in certain instances comprised parts of the corrective and compensatory mechanisms of the grouping designed to mitigate the effects of polarization.

It must be noted that their functioning was autonomous and their operandi intergovernmental, in that no government controlled their operation, although all concerned were involved in the mapping out of policy. Some of these will, however, be further
discussed in the following section.

3.4.3 Mechanisms of the Community and Common Market

As was mentioned above the Community Treaty concerned itself largely with the explicitly non-economic aspects of integration while the Common Market Treaty was concerned with that. Thus this section dealing with the economic aspects will concentrate largely on the Common Market Annex to the Community Treaty. The discussion will be divided into three sections: (a) mechanisms created to facilitate the freeing and expansion of regional trade; (b) corrective and compensatory mechanisms designed ostensibly to mitigate the effects of trade liberalization, and to provide advantages for the development of the less developed countries within the grouping; and (c) coordination of economic policies and development planning. The basic contention of this section is that despite the inclusion of corrective and compensatory mechanisms ostensibly aimed at benefitting the LDCs, that the basic orientation and indeed conception of CARICOM is essentially laissez-faire.

a) Mechanisms to Promote the Freeing and Expansion of Regional Trade

The primary mechanisms for the freeing and expansion of regional trade are the regulations regarding the imposition of import and export duties, export drawbacks, dumping and subsidization of exports, government aids to exports, restrictive
business practices, revenue duties and internal taxation, and an agreement on the designation of goods as being of Common Market origin. Collectively, these are designed to ensure that goods can circulate freely within the regional markets without discrimination and checks, and not subject to any impediments of the market. However, certain concessions are made for goods coming from, and entering the LDCs, but these will be discussed in the following section. Other than this, members may not engage in discriminatory practices or impose import restrictions, except in cases of balance of payments problems, or to protect their national security, or for the protection of 'public morals'. In terms of the protection of the regional market, a common external tariff was agreed to, which was to be erected by the MDCs within a year of the signing of the treaty. The LDCs were granted an extended period in which to bring their C.E.T. in line with the regionally agreed C.E.T. Montserrat and Belize, for example, have until 1985 to do so. Chapter 5 of the Annex dealt with the question of the movement of factors of production and the establishment of enterprises by nationals of one member state within the territory of another. Freedom of movement of labour was explicitly rejected in the Treaty (perhaps understandable within the context of endemic Third World unemployment), while capital was to be moved according to regulations to be worked out by the Council. By and large, however, except for the concessions made to the LDCs, the treaty created a typical regime for the
freeing and expansion of regional trade.

3) Corrective and Compensatory Mechanisms

Chapter 7 of the Annex entitled "Special Regime for the Less Developed Countries" was an attempt to recognize the economic disparities existing within the grouping and to grant certain concessions to the LDCs on this basis. Indeed, during the negotiations for the CARICOM Treaty in 1973, the LDCs baulked at going any further in the process of integration unless they received such concessions. These concessions took the form, by and large, of differential concessions for the application of the regulations and mechanisms of the Common Market. Thus under certain circumstances, the LDCs are allowed to impose import duties, revenue duties and internal taxes on Common Market goods. In terms of the designation of goods as being of Common Market origin, the LDCs were allowed as low as a 40% local or regional content on manufactured goods, while the content requirement was 50% for the MDCs. Under certain circumstances they were allowed to grant government aids and subsidies for the promotion of exports, except for goods consigned to Barbados which was considered the weakest of the MDCs. Again Annex 2 of the Community Treaty contained a list of industries which were specifically reserved for development in the LDCs. Thus if the MDCs chose to establish similar industries the products would be discriminated against in favour of the products of the LDCs.
Also in Chapter 7, the regulations regarding the harmonization of fiscal incentives to industry (to be discussed in the following section) were differentially applied, with the LDCs being allowed to grant more generous tax holidays than the MDCs. Provision was also made for the LDCs to receive financial assistance from the MDCs and to have free access to their technological and research facilities. Other corrective and compensatory mechanisms existed outside of the Annex in the form of the "associate institutions" of the Community. Thus the CDB was to pay special attention to the development needs of the LDCs in terms of the granting of loans, it being explicitly agreed that the bulk of the Bank's 'soft loans' would go to the LDCs. Again the CIC which was established in 1976, was seen as an institution for providing loan and equity capital (coming largely from the MDCs on easy terms) for the development of industries in the LDCs. In addition to the above there were also the Agricultural Marketing Protocol and the Oils and Fats Agreement, which were aimed at ensuring a secure market at reasonable prices for the agricultural and vegetable oil products of the LDCs. From the above it would seem that fairly elaborate provisions were included in the Treaty to assist the LDCs, and also to ensure that they benefitted equitably from the integration process. However, despite these mechanisms the LDCs have failed to benefit substantially. The reasons for this will be elaborated later.
q) Coordination of Economic and Development Planning

Article 39, Chapter 6 of the Annex dealing with the coordination of economic and development planning requested members "as far as possible" among other things to:

(1) Coordinate their economic policies and for this purpose facilitate cooperation between appropriate ministries, administrative departments; and

(2) Coordinate their positions and presentations at all international economic, financial and trade meetings at which they are represented.

To this end the Council was to make recommendations to Member States "... on matters relating to those policies and on how best to achieve such coordination and collaboration." Chapter 6 of the Annex continued by outlining certain mechanisms of coordination such as the harmonization of fiscal incentives to industry, agriculture and tourism, especially as regards foreign investments. Thus the LDCs were allowed to offer tax holidays of up to 15 years, Barbados up to 10 years, while the MDCs were allowed up to 3 years.

Again they agreed to negotiate agreements to prevent double taxation, especially as regards investors based in the MDCs who wish to invest in the LDCs. This was seen as one of the mechanisms to encourage "the regulated movement of capital within the Common Market." There was also provision for the future harmonization of laws regarding companies, trade marks, patents, designs and copyright, industrial standards, marks of
origin, labelling of foods and drugs and so on. Article 43, Chapter 6 of the Annex, dealt with the question of monetary, exchange rates and payments policies, simply constraining the members to "undertake to permit" freedom of payments on current and capital accounts. They were also to "examine" ways to harmonize their monetary, exchange rates and payments policies. Articles 45, 46 and 47, dealt respectively with the coordination of national development planning, Common Market industrial programming and joint development of natural resources. These were, however, cast in the future and in a very loose fashion. They recognized the desirability of these things, but simply constrained governments to "undertake" to consult each other, and to coordinate their plans, without actually setting up any specific mechanism for this purpose. In like manner the marketing of agricultural products and the rationalization of agricultural production were recognized as vital areas by the Treaty, but no adequate provisions were made for streamlining this vital area. Thus the Treaty was extremely vague on the question of the economic development of the members of the grouping and the coordination of that development. It was as if Chapter 6 dealing with this was added as an afterthought. Thus by and large, the emphasis of the treaty was on the typically "negative" aspects of integration with insufficient commitment to "positive" integration.
3.5 Conclusion

The discussion in the previous section emphasized that essentially and intrinsically, the structure of CARICOM is undoubtedly laissez-faire. While some attention was paid to the question of coordination of development planning, this was still within the structure of intergovernmental consultation with a loose undertaking to initiate some form of coordination of development policies. The most emphasis was placed on the issue of the freeing and expansion of regional trade with the typical mechanisms to ensure that all discriminatory and restrictive national trading practices be eradicated. Thus the way was made clear for the operation of market forces to allocate benefits and costs. Of course some attention was paid to the problems of the LDCs. They were allowed concessions in terms of the application of the regulations of the Treaty, which were expected to ensure that they were not disadvantaged by the freeing of regional trade. These concessions were viewed against the background of the disparities in levels of development between the CARICOM countries (as noted in section 2 above) and also in the light of the fact that these countries had previously gained much of their revenues from the imposition of customs and import duties, which were now severely reduced under the common market regime.

As will be argued in the following chapter, however, these concessions to the LDCs have in no way affected the distribution
of costs and benefits within the grouping. Indeed, commenting on the mechanisms designed to assist the LDCs as contained in the Treaty (the concessions as regards the imposition of the CET, aid to exporters, freedom to impose import restrictions and the like) Goodwin and Bake argue, "Marketing arrangements are basically supportive in nature. They presuppose that a level of production exists with the capacity for satisfying demand." They continue:

What was therefore, urgently needed in the integration arrangements were measures capable of transforming the productive sectors of the LDCs which would have enabled them to seize the new opportunities. The measures that were designed to achieve this transformation are all dependent upon forces of the marketplace.73

The above quotations strike at the core of the problems facing developing countries—unequal levels of development. Firstly, such movements must be specifically production oriented if they are to attack the problems of underdevelopment in developing countries. Secondly, the process of distribution of costs and benefits must be a deliberate dirigiste process, which does not rely on market forces to distribute such benefits and costs. In the absence of deliberate attempts to distribute costs and benefits equitably polarization within the grouping seems to be the logical outcome. The following chapter will review the record so far of the distribution of benefits within CARICOM.
NOTES:


4. Ibid. p. 37.

5. Ibid.

6. Ibid. p. 38.

7. See Table I, Chapter I for more recent per capita income figures.


10. Demas, op. cit. p. 6. To this specifically "production" oriented definition of development, this writer would like to add the welfare and distributional aspects of development which he considers as crucial aspects of any development programme which seeks to satisfy the basic needs of all.

11. The Community Treaty, Article 3, Chapter 1.


16 Axline, op. cit. p. 83.

17 Ibid. p. 85.


21 Goodwin and Lake, op. cit. p. 4.


Haas, op. cit. p. 20.


Haas, op. cit. p. 22.

"Pluralism" in most LDCs is often confined to voting at elections for political personalities rather than policies. Thus for the rest of the time the dominant groups or 'elites' (especially with reference to the Caribbean) are the ones in whose interests the society develops. Thus the hypothesis of equally powerful competing groups is not quite accurate.


Jaber, op. cit. p. 254.

Axline, op. cit. pp. 85-86.

Robson, op. cit. p. 40.


Haas, op. cit. pp. 32-33.

39 Maas, op. cit. p. 10.

40 Schmitter, "Three Neo-Functionalist Hypotheses...", op. cit. p. 162.

41 Pentland, op. cit. p. 119.


45 Schmitter, "Three Neo-Functionalist Hypotheses...", op. cit. p. 164.


47 Vide the Preambles to The Community Treaty and The Common Market Annex.

48 The Community Treaty, Article 8, Section 3, Chapter 2.

49 Ibid., Article 8, Chapter 2.

50 Vide Article 16, Chapter 2; and Article 10, Chapter 2 of The Community Treaty and The Common Market Annex respectively.

51 The Community Treaty, Article 8, Chapter 2.

52 Pollard, op. cit. p. 45.


54 The Community Treaty, Article 10, Chapter 2.

55 The Common Market Annex, Article 10, Chapter 2.
In July 1968 the LDCs excluding Belize came together to form the Eastern Caribbean Common Market, which in many respects is a much more integrated grouping than the wider CARICOM. It includes a common monetary system and a greater degree of functional cooperation among its members. Thus the ECCOM is a common market within the wider CARICOM, which serves to form a joint group to negotiate with the larger MDCs.

Vide Annex 2 to The Community Treaty, "Industries for Promotion in the Less Developed Countries."


Vide Schedules 8, 9 to The Community Treaty.

Emphasis added.

The Common Market Annex, Article 39, Section 1, Chapter 6.

Ibid., Article 39, Section 2, Chapter 6.

Caribbean Regional Study, op. cit., p. 23.

The Common Market Annex, Article 37, Chapter 5.

Ibid., Articles 39-47, Chapter 6.

Ibid., Articles 48-49, Chapter 6.

CHAPTER 4

THE PATTERN OF DISTRIBUTION WITHIN CARICOM

4.1 Introduction

The basic hypotheses that underlay many of the conclusions of Chapter 3 were firstly, that given the essentially laissez-faire structure of CARICOM, and also, despite the inclusion of certain concessionary mechanisms designed ostensibly to benefit the weaker members of the grouping, that CARICOM could scarcely contribute to the development of its members. Secondly, (and also of crucial importance since it would affect the stability of the grouping) given the unequal levels of development of the members, that the polarization of benefits would occur as between those who were capable of taking advantage of the market mechanisms of CARICOM and those who were not. It is thus with the above hypotheses in mind that this chapter will review the performance of the grouping to date in terms of the distribution of benefits. In brief terms, the analysis is designed to provide answers to the following questions. Firstly, who have been the major beneficiaries of the integration process to date. Secondly, what is the nature of those benefits. Thirdly, what factors have dictated the nature of the distribution.
of benefits. And finally, what is the relationship between the nature of the grouping and the distribution of benefits. Implicit in the above is the tacit commitment to suggest ways in which the distribution of benefits within CARICOM can be more equitably effected. Over and above this, however, the writer is still firmly of the opinion as was argued in Chapter 3, that the present structure of the grouping is incapable of providing the benefits which its less developed members expect, nor is it capable of promoting any real development within the region.

The issue of the distribution of costs and benefits is an extremely crucial one. Thus Lizano has remarked that the problem of distribution, "has been at the root of the major crises that have occurred and are still occurring in several integration schemes ..." By and large distribution assumes crucial importance because in the context of economically poor developing countries, any developmental opportunities accruing to certain members are likely to be viewed with envy and suspicion by the others. Very often, it is the perception of the distribution of benefits and costs by members (a perception which is subjective and hence subject to error) rather than the actual or real distribution of benefits and costs which is important. Thus, while to the observer, figures are perhaps the most tangible way of assessing the distribution of costs and benefits within the grouping, perceptions must also be taken into account.
whenever it is possible to do so.

It has been argued that "... the benefits of integration consist largely in the opening up of new development opportunities for the member countries." Ultimately, therefore, this is what will be considered in relation to CARICOM. Thus the operations of the CDB, the CIC, the Oils and Fats Agreement, the Agricultural Marketing Protocol and the other functionally specific institutions will be considered. At the same time, however, one cannot forget that despite its lofty pretensions to and declarations of planning and coordination of economic development, that CARICOM is essentially a trading community, with very few other functional links among its members. Essentially, therefore, the next section of this chapter will review the performance of intra-regional trade in terms of determining the incidence of gains and losses.

4.2 Intra-Regional Trade

A quick glance at Table 4.1 reveals that by SITC headings, fuels and lubricants; foods, beverages and tobacco; miscellaneous manufactures; and chemical products together account for 94.1% of intra-regional exports. Thus, excluding fuels and lubricants, which are largely petroleum products coming essentially from Trinidad and Tobago, the other major headings which comprise agricultural and industrial products make up 56% of total intra-regional exports. Bearing in mind the disparities in the levels of development and production structures of the members.
of the grouping, it would appear at first glance that the larger territories with an embryonic manufacturing sector, and a viable agricultural base, are more likely to benefit from the freeing of intra-regional trade in terms of increased exports, employment and income effects and the like. Theoretically it can be argued that if the products imported by the less developed members of the grouping are cheaper than similar products from third parties, that there may be a net welfare gain to those LDCs from membership in the grouping. This is not the case, however, for regionally produced manufactures are often more expensive than extra-regional imports (not in any way unexpec-
ted). Indeed, as Ramsaran has noted, the soap controversy of last year between Guyana and Trinidad and Tobago arose firstly, because the soap from the latter country was high cost as compared with extra-regional sources; and secondly, because it was being produced by an MNC presumably using largely imported inputs, which somewhat distorted the area of origin criteria upon which eligibility for common market treatment is decided.

As will be shown later, the more advanced industrial and agricultural structures of the MDCs do place them in a position to take advantage of the opportunities for increased trade.

It might also be mentioned that Trinidad and Tobago, by virtue of the fact that it is the most significant producer of petroleum and petroleum products in the region (Antigua also produces a small quantity of petroleum) benefits greatly from the regional demand for these products which comprises 38.1% of total intra-
Looking at the breakdown of intra-regional exports by countries between 1970-76 (Table 4:2) it must be noted that consistently throughout the period the MDCs provided an increasing percentage of these exports rising from 93.5% in 1970 to 98.1% in 1976. What is of crucial importance in this regard, however, is Trinidad and Tobago's share in this trade which rose from 53.3% to 62% in 1975. Certainly much of the increase between 1973-74 can be attributed to increased prices for Trinidad and Tobago's petroleum and petroleum products, as indeed the almost 100% increase in the value of that country's exports to the region would tend to indicate. This is not to underestimate the value of the latter's manufacturing exports to the region, which as will be discussed later are quite sizeable. It must also be noted that the remaining MDCs, Barbados, Guyana and Jamaica supplied on average, 9%, 15% and 15.5% respectively of regional exports. As has already been hinted, the LDCs have fared rather badly in terms of intra-regional exports. Their total intra-regional exports increased slowly over the period in money terms growing by about 5.2%, while their actual percentage share of intra-regional exports decreased after 1974. Thus despite a three-fold increase in intra-regional exports over the period from USSM 85.8 to USSM 260.5, the LDCs have failed to share appreciably in this increase. The money value of their exports has increased (presumably the real value also,
although figures are not readily available to substantiate this, but they are no closer to narrowing the trade gap between themselves and the MDCs.

In terms of intra-regional imports (Table 4.3) the pattern of polarization has once again continued. The MDCs accounted for a rising share of imports between 1970-76, increasing from 67.3% in 1970 to 83.1% in 1976. This phenomenon can be largely explained by the rise in price of petroleum exports from Trinidad and Tobago, which go predominantly to the MDCs. A closer look at Table 2 will reveal that in 1974, Trinidad and Tobago’s intra-regional exports shot up from US$M 76.9 in the previous year to US$X 140.9. Again, Table 4.4 which represents Trinidad and Tobago’s trade balance with the other MDCs shows that between 1973-74 the increases were almost totally attributable to the oil price increases of that period. It must be borne in mind that the MDCs are the main consumers of that country’s petroleum and petroleum product exports to the region. Thus all that can be said is that the intra-regional imports of the LDCs have increased slowly from US$M 26.7 in 1970 to US$M 36.2 in 1976. This is indeed a slow rate of increase and is certainly a reflection of the limited absorptive capacity of the LDCs as well as the fact that the MDCs can more readily find markets among themselves rather than in the LDCs. Of course the historical trade patterns and limited transportation and communications links as noted in Chapter 4
are also a great constraint to the development of trade between the MDCs and the LDCs.

It is, however, when one juxtaposes intra-regional imports against exports that a more revealing picture unfolds. Table 4: 5 which summarizes the balance of trade figures of the individual MDCs and the LDCs shows that Trinidad and Tobago is the only country which experienced a favourable balance over the period 1970-76. As regards the other MDCs, they (with the exception of Jamaica for 1970-71) experienced mild deficits until 1973 and progressively more serious trade imbalances between 1974-76. As was noted above, this deterioration of the balance of trade situation among the MDCs was coincidental with a tremendous increase in Trinidad and Tobago’s favourable trade balance over the same period. As Table 4: 4 reveals however, even if one excludes petroleum, the pattern (with a few yearly exceptions.) for that country still continues. It is this rather inequitable distribution of the gains of integration following the freeing of regional trade (a trend which was present even before integration) which accounts for many of the present strains in the integration movement. As for the LDCs they have been in deficit since 1970, although it must be noted that in 1975 their deficit increased inordinately, increasing by approximately 50% between 1974-75. This is largely a reflection of the increased prices for manufactures and other products from the MDCs which the LDCs have had to pay. It is clear, to summarize
what has been said so far, that Trinidad and Tobago is the net beneficiary of the increases in the value of intra-regional trade (not simply petroleum). Secondly, that the MDCs have been dominating both intra-regional imports and exports. And finally, that the LDCs along with Jamaica, Guyana and Barbados have been experiencing growing deficits in their intra-regional trade balances over the period under consideration.

Any analysis of the costs and benefits of intra-regional trade in gross form without examining some of the types of goods traded and how they contribute to development within the region, is likely to be barren and inconclusive. This is especially so since the various member countries enter into an integration grouping primarily to promote their development, however narrowly that development may be conceived. Any respectable theory of integration among Third World countries always stresses the gains to be had from economies of scale in an enlarged market, greater efficiency through increased competition within the region, the relative protection from competition from third parties through a regional CET, thus promoting the growth and expansion of infant industries within the region. Thus the sought after gains from integration lie in the realm of the development of industries within one's borders in an assured and protected market. The flow of manufactures is therefore a good indication of how the members of a grouping perceive the salience of costs and benefits within the regional grouping. Unfortunately for the observer interested in this
available. Table 6 which is a matrix of trade in manufactures for 1971 is therefore offered as a gross indication (and merely an indication) of the flow of trade in manufactures within CARICOM. This must be seen against the background of the manufacturing GDP of the MDCs as revealed in Table 6 of Chapter 1. Again, the consistency of trade flows between 1970-76 would seem to indicate that the relative position of manufactures has not changed substantially over the period, in terms of the major exporters to the regional market.

The matrix (Table 4:6) reveals that of total trade in manufactures defined as SITC headings 5-8, EC$M 79.9 of a total of EC$M 80.6 (or 99.1%) of exports came from the MDCs. What is more instructive, however, is the fact that Trinidad and Tobago accounted for some 61% of this total with Jamaica the next largest exporter of manufactures to the region accounting for 23% of these exports. In terms of imports of manufactures the LDCs imported some 99.2% of their total regional imports from the MDCs and a mere 0.8% from among themselves. Of the total regional imports of the LDCs of some EC$M 24.8, 71% came from Trinidad and Tobago, while Barbados the next important regional exporter to the LDCs contributed 11.7% of the regional imports of these territories. The LDCs provide a mere 0.9% of total intra-regional imports. This contrasts vividly with the MDCs which provide 99.1% of total intra-regional exports and account for 69.2% of intra-regional imports. Thus the MDCs are both the major regional importers and exporters.
although they export more to, than they import from the LDCs. This in large measure explains the unfavourable trade balances noted above which the LDCs have experienced over the period 1970-76.

However, in terms of understanding which of the member countries were actually gaining from the export of manufactures, a brief consideration of the individual figures for the MDCs reveals that the two largest exporters of manufactures were Trinidad and Tobago and Jamaica respectively, exporting ECSM 65.9 and ECSM 52.9. What is, however, more revealing is the fact that Trinidad and Tobago sent 75.6% of her manufacturing exports to regional markets while Jamaica sent only 33% of her total manufacturing exports to her regional partners. The admittedly incomplete data in Table 4.7 would seem to confirm this trend, for firstly, the data for Jamaica reveals that the value of her manufacturing exports to the region was well below 50% of her total manufacturing exports between 1972-76, while the value of Trinidad and Tobago's manufacturing exports to the region was not far below the value of her total exports to the region (except for the period 1974-76 when the gap widened because of the increased prices for her petroleum exports to the region). This phenomenon has already been hinted at when it was observed that some of the MDCs already possessed relatively substantial manufacturing sectors (relative to the other members of the grouping) when CARIFTA was initiated in 1968. Thus what has occurred is that they (in particular
Trinidad and Tobago and Jamaica) have been able to maintain their lead in terms of intra-regional exports of manufactures.

Returning to Table 4.6 Trinidad and Tobago supplied 70.9%, 74.6% and 86.2% of the regional imports of Barbados, Guyana and Jamaica, respectively. This trend, however, has led to certain problems in terms of the perception of benefits from the regional grouping. Thus over the last year or so as a consequence of the increase in prices of many of their imports and the ensuing balance of payments problems, Jamaica and Guyana have attempted to impose import restrictions which have affected manufacturing imports from Trinidad and Tobago. 8

In 1976 when that country extended a loan of some US$123 77 to Jamaica (as part of a balance of payments support loan of some US$128 86 which was provided by the other three MDCs) it was with the expressed understanding that the latter would use the funds to continue her level of imports (mainly manufactures) from Trinidad and Tobago. 9 However, this undertaking has not been honoured (at least in full) by the Jamaican government and this has brought forth charges from Trinidad and Tobago of violation of the CARICOM Treaty by Jamaica (and Guyana), pressures from the Trinidad and Tobago government from its manufacturers who are seeing inventories piling up, and finally threats of retaliatory action against Jamaican and Guyanese imports into Trinidad and Tobago. In passing, it must be noted that the types of products affected by the import controls were
motor cars and other motor vehicles assembled in Trinidad and Tobago under licensing agreements, consumer durables (radios, television sets, stereo sets, electrical appliances, typewriters and the like), and canned fruits and foods mostly produced under licensing agreements from foreign multinationals. This latter point assumes importance when as Ramsaran noted, Guyana and other countries have argued that these products do not fulfill the criteria for eligibility for area treatment under the CARICOM rules of origin arrangements and that they are therefore entitled to impose restrictions on their importation.10

The issue of the imposition of import controls (a perfectly legitimate step Jamaica and Guyana have argued since Article 28 of the Common Market Annex does permit such action subject to notification of all concerned, under conditions of acute balance of payments problems) exposes three important problems in the integration experience under CARICOM. Firstly, the fact that there is so little coordination of policies among the various component states. Secondly, and of crucial importance, the fact that so much of regional production still remains in foreign hands and the problems this poses for the adoption of a regional policy towards the control of foreign investments, since for those benefitting (or who hope to benefit) the type of controls necessary to really benefit the region, along the lines of the famous Decision 24 of the Andean Group,
are anathema. And thirdly, the fact that the region exports and imports so little to and from itself (in short the import and export dependence noted in Chapter 1) means that the region as a whole is extremely open and subject to deleterious external influences.

What the above expresses is the fragility of the integration process based upon the expansion of trade, and the fact that the performance of intra-regional trade depends to a large extent on the export and balance of payments performance of regional economies in the wider world economic system. In short, that continued external dependence in its present unmitigated form is a grave obstacle to regional economic integration based solely on increasing the level of intra-regional trade. For it has been observed that in times of crisis, the response has invariably been in terms of what is necessary to protect one's own economy. Regional considerations become subordinate to national ones and the members of the group become insular. There is often the possibility that their response will be to seek such external ties which will guarantee them aid and assistance to battle their economic problems. Within the context of the traditional responses of the governing elites (as was discussed in Chapter 2) this is only to be expected, which once again raises the fundamental question as to what can be expected given the present type of leadership. Appeals to external actors and agencies only serve to increase the level
of external dependence of these countries and lead to further disarticulation and conflict within the regional grouping.\textsuperscript{11} It is not too much to say that CARICOM is likely to go in this direction unless its members can pursue an integrated and coordinated process of development which stresses, not expansion of intra-regional trade in products produced within national borders by interests committed to a laissez-faire philosophy, but comprehensive industrial and agricultural planning on a regional scale by institutions and agencies committed to the development and integration of the region.\textsuperscript{12} It is this aspect of 'positive' integration which is so crucial and which is necessary if the region is to throw off or lessen its level of external dependence. This issue will, however, be discussed more fully later on. The next section will discuss the performance of the corrective and distributive mechanisms so far implemented under the CARICOM agreement, in terms of the benefits they have provided and the distribution of those benefits.

4.3 Corrective and Distributive Mechanisms within CARICOM

As has already been mentioned in Chapter 3, the CARICOM treaty made provision for certain functional institutions designated "Associate Institutions", whose functions were specific and designed to further the process of integration and development within the region. Many of these institutions such as the CDB, the CIC, and the West Indies Shipping Corporation (WISCO) have been in operation and have made limited contributions to regional integration and development. In addition to the above institutions there was also the Agricultural Marketing Protocol
(AMP) and the Oils and Fats Agreement (OFA) which were two arrangements existing under the CARIFTA agreement (the OFA was in operation since the late 1950's), and which were continued under the CARICOM agreement. Finally, there is the Caribbean Food Corporation set up in 1976 to administer the Regional Food Plan. These are the main functional institutions and arrangements under the Caribbean Common Market. The following sections seek to examine exactly how these have functioned in terms of the benefits they have provided and how exactly these benefits have been distributed. The discussion lays no claim to be exhaustive and is merely designed to illustrate the point that these functional institutions have failed in any appreciable way to promote regional development and economic integration. This is not to underestimate whatever contributions they have made but merely to put that contribution into focus. The more crucial question which will be addressed after the survey of the institutions is, what factors have prevented them from playing a vibrant role and whether these obstacles can be surmounted within the present structure and conception of the integration process. Chapter 3 already anticipated somewhat the answer to the above question when it was argued (albeit from a theoretical point of view) that these corrective and distributive mechanisms were still expected to operate within a laissez-faire framework and thus do not really attack the distributional problems of integration among developing countries which require a "dirigiste" approach.
4.3.1 The Caribbean Development Bank (CDB)

The CDB began operating in 1970 as a regional development bank. Its membership includes not only CARICOM but other Caribbean and extra-Caribbean countries. Thus Venezuela, Colombia, Canada, and the United Kingdom are members of the Bank holding shares in its share capital and possessing votes on its Board of Directors. The U.S.A. has also extended sizeable loans to the Bank but is not a member. Table 4:8 represents a summary of the distribution of the loans approved by the Bank during the period 1970-76. These totalled some US$113.5. Of this sum only 45% had been disbursed up to December 31, 1976.

This large discrepancy between approvals and disbursements has been attributed to the fact that firstly, the Bank does not fully finance projects, and as such applicants are expected to procure counterpart financing from other sources. The discrepancy thus represents the difficulty most of the members have in procuring counterpart financing. Secondly, the low level of disbursements represents the fact that despite the fact that a loan might be approved, the recipient country may not be in a position to take it up immediately since especially as regards the LDCs, the absence of skilled personnel and technical expertise is often a constraint to getting approved projects off the ground. A third explanation of this discrepancy is the possibility that some projects may have a long disbursement period in which case approval or commitment of a loan in a particular year will not necessarily mean disbursement in
than same year, but perhaps over a number of years. In an incisive study of the experience of the LDCs within CARICOM, Goodwin and Lake noted with reference to the lending policies of the Bank that:

The procedures for approving and disbursing funds, the terms and conditions of its loans are all tailored to suit its borrowers. They but merely reflect the terms and conditions under which the Bank raises its capital for financing the projects submitted to it.

The above quotation refers to the fact that the Bank has to bargain on the open market for loan funds and as such is constrained to adopt internationally acceptable standard development banking procedures.

During the period 1970-76, of the total of "hard" and "soft" funds disbursed by the Bank, 63% of this total went to the LDCs, while taking "soft" funds separately, some 75% went to the LDCs. This distribution pattern is commendably consistent with the role of the Bank which is especially to aid the development of the LDCs. Table 9 which reviews the distribution of CDB commitments between 1972-74 reveals that of the total commitments of US$M 119.4 during the period (this discrepancy when compared to Table 8 can perhaps be explained by the fact that an approved loan may subsequently for a number of reasons be withdrawn) some 38% went towards agricultural and industrial projects. Goodwin and Lake presented figures (Table 10) which show that between 1972-75 some 80% of approved
loans went towards infrastructure and services. While recognizing the need for infrastructure, the authors seem to argue that more specifically production-oriented projects would have been more beneficial. They thus argue that, "It must be remembered, however, that infrastructure is developed to service the other sectors, it is not a substitute."

By and large, however, the main criticism levelled against the Bank is the fact that it has too closely followed the principles of standard developing-banking, insisting on a strict interpretation of viability and using metropolitan standards of evaluation in its approval of projects for financing. This is perhaps a function of two factors. In the first place (as mentioned above) the Bank is dependent on external sources for its funds, which has served to constrain it to "respectable" loan practices to attract such funds. In the second instance, the Bank was not originally conceived as an integration Bank but a development institution concerned basically with considerations of viability. In this connection it was seen solely as providing a service to whoever approached it provided of course that they satisfied the Bank's criteria for viability. The pattern of approvals noted in Tables 4.9 and 4.10 is a direct reflection of the above point as well as the fact that most LDC governments have concentrated on infrastructural projects (ports, roads etc.) as opposed to production-oriented projects. This is perhaps quite understandable given the need for such
facilities in the LDCs, although Goodwin and Lake seem to place the blame more on the lending policies of the Bank.

Another charge levelled against the Bank is that it is not sufficiently integrationist in terms of the types of projects it finances. This is not an argument as to what the Bank is, but as to what it ought to be, since it is well recognized that the Bank is a development as opposed to an integration institution. Thus there are those who argue that if the Bank is to really contribute to development within the region, it can only do so by adopting an integration approach and by financing more regionally based production oriented projects. Certainly the 12.5% of its funds (see Table 4:8 which went towards regional projects (i.e. projects undertaken by two or more regional members) seems to bear out this point.

By way of extenuation it can certainly be argued that this is a reflection of the lack of interest among regional governments to pursue such regional projects. Under the Bank's second president, William Dumas, there has certainly been a definite effort to push such projects by going out into the field and identifying such projects as it considers of a regionally developmental nature. In sum, to be critical and yet fair, it must be noted that the Bank's charter and sources of funds certainly constrain the flexibility with which it can evaluate loan applications submitted to it. In terms of its ability to promote development within the LDCs, however, it is severely limited since those countries are in the need of some
infusions of high risk capital, which the Bank has so far been incapable of providing.

4.3.2 The Caribbean Investment Corporation (CIC)

The CIC which was set up in 1974 was devised to promote tourism development and the establishment of industrial and agro-based industries in the LDCs. The Corporation's share capital was to be acquired exclusively in the MDCs, with 60% equity contribution by the MDC governments and the remaining 40% of a total of US$1.4 by the private sector of the region. Despite its lofty aims, however, the CIC has failed to make much of an impact. During 1975 and 1976, it provided investment funds amounting to US$300,000 and US$500,000 respectively. The distribution of these funds was 47% to manufacturing, 29% to tourism and 24% to agriculture. Granted, it had only been in operation for some two years (up to December 1976, at which point the discussion stops for lack of data), however, already two significant problems were evident. Firstly, the private sector of the MDCs was rather reluctant to provide its share of the loan funds preferring to invest at home, where the investment climate (because of the more severe structural and other problems of the LDCs) was more attractive. Secondly, the MDCs were not prepared to extend any considerable sums for promoting projects in the LDCs. To a certain extent this is understandable since they all (except perhaps Trinidad and Tobago) have problems as regards the availability of
investible capital. Quoting a 1974 Report of the Corporation, Goodwin and Lake brought out the point that the available resources of the Corporation are scarcely sufficient to enable it to function effectively.\textsuperscript{16}

However, returning to the above point as regards the reluctance of the private sector to invest in the LDCs, this reluctance has two aspects. In the first instance it stems from the unwillingness of the private sector of the region (including the foreign-owned MNCs) to subject itself to the degree of state participation which the joint approach of the Corporation implies. The second aspect refers to the point noted above that the private sector sees the LDCs as a poor substitute for investing in the larger MDCs. This in turn raises fundamental questions as to the desirability of leaving development to the private sector and market forces, since it would seem that their locational criteria are basically incongruent with the distributional desiderata of the CARICOM integration process. Again, as has been noted, a corporation with a share capital of US$M 1.4 is hardly likely to touch the barest surface of the development problems of the LDCs. In short, the CIC is obviously sadly undercapitalized, its conception misguided, both militating against its ability to serve as an agent of development among the LDCs.
4.3.3 The Agricultural Marketing Protocol (AMP) and the Oils and Fats Agreement (OPA).

As was mentioned before these were two of the compensatory mechanisms in the old CARIFTA agreement which were carried over into CARICOM. Essentially the AMP was designed to guarantee a market at fixed and remunerative prices for the agricultural products of especially the LDCs. The MDCs were constrained to accept the surplus agricultural produce of the LDCs and prices were to be fixed biannually. The OPA along similar lines restricted the importation into the region from third countries, of vegetable oils and byproducts, in deference to the oil producing members of the grouping. These two schemes, however, suffered from three major drawbacks. Firstly, the agricultural production structures in the LDCs (and the MDCs also as noted in Chapter 1) were not flexible enough to take advantage of these possibilities for increased sales. Secondly, in terms of the marketing aspects of the protocols, there was often deficient market communication as regards surplus and deficit markets which hindered the free flow of products. Thirdly, transportation links, especially between LDCs and MDCs (as noted in Chapter 1), were not adequate enough to assist in the flow of products within the region. The above observations point to a major obstacle as posed by the structure of the regional grouping. And that is that unless comprehensive regional planning to cover production, marketing and transportation is worked out and coordinated from a regional perspective, that such inter-
governmental arrangements (in the sense of agreements between governments insistant on maintaining independent approaches to production and distribution) will ultimately fail to promote integration and the economic development of the region. As was noted in Chapter 1 the problems of the agricultural sector in the CARICOM countries are broadly similar and their physical resources so limited as to necessitate the pooling of national resources to promote regionally oriented development within the grouping.

4.3.4 The West Indies Shipping Corporation (WISCO)

The history of this shipping line has already been reviewed in the section dealing with transportation in Chapter 1. Following the creation of the Corporation the governments agreed on a five year plan of investments which was to see the replacement of the four ships then operated by the Corporation by more efficient vessels. Indeed, by the end of 1978 one of these vessels had already been purchased with a loan obtained from the CDB. One of the original problems of the Corporation was, however, the question of the itinerary of its ships, and the fact many of the smaller islands did not possess adequate port facilities. This is nevertheless a problem of the whole region which calls for a coordinated assault. In all fairness it should be noted that individual governments have been attempting to improve their port facilities. By and large, however, the past year has witnessed the stalling of many regional shipping
plans. According to reports, the Trinidad and Tobago government has entered into arrangements with an extra-regional company to form a shipping line, albeit not to ply regional waters. This can, however, be seen as part and parcel of the process whereby the region can become even more disarticulated as a result of the intrusion of extra-regional actors. This is obviously reminiscent of the situation as regards the regional aluminium smelters which were to be jointly owned by the governments of Guyana, Jamaica and Trinidad and Tobago. Upon the decision of the Jamaican government to enter into parallel agreements with the governments of Mexico and Venezuela (which subsequently fell through) to exploit Jamaica's bauxite resources, and despite assurances from that government that the agreements it had signed in no way impinged on its regional commitments, the Trinidad and Tobago government nevertheless decided to withdraw from the regional scheme and to develop its own smelting facilities. However, as was noted in Chapter 1, WESCO because of its limited carrying capacity and the lack of physical facilities in many of the LDCs has not as yet been able to play a vibrant role in terms of furthering the integration process in the region and improving the communications facilities within the region.

4.3.5 The Caribbean Food Corporation (CFC)

This Corporation was established in 1976 to undertake the implementation of the regional food plan agreed to by the
The impetus to form the Corporation came from the severe balance of payments problems consequent on the steep price increases of the post "oil crisis" period. The Caribbean Food bill of ECS 1 billion in 1974 forced the realization on regional governments that the region was importing too much of its food. As was noted in Chapter 1 this is very much a consequence of the type of political economy that has evolved over the past decades - a political economy characterized by underdevelopment and external dependence for its markets and food requirements. The Food Plan stressed joint equity participation by two or more regional governments in projects of an agricultural or agro-industrial nature in the territory of one or more regional member(s). It was hoped that these projects would be financed in part by the CDB. Essentially, however, the member governments were to contribute to the initial share capital of the Corporation. It would seem, however, that the regional governments were rather tardy in supplying their shares of this capital (or so the Trinidad and Tobago government has argued) presumably because of the economic difficulties most of them were and still are facing. Again, so far only one project, a corn and soyabean project located in Guyana and jointly financed by the governments of St. Kitts-Nevis-Anguilla, Trinidad and Tobago, and Guyana has gone into operation. As a consequence of this poor showing the government of Trinidad and Tobago (which is one of the few solvent governments in the region) has set up its
own agricultural development corporation to push a local agricultural development programme. This dismal performance is yet another indication of the effects of external forces on the region and the fact that in times of crisis the "logical" reaction seems to be particularism, regional disaggregation and continued external dependence.

4.4 Summary and Conclusion

The discussion in the preceding sections has attempted to bring out the fact that the pattern of distribution of benefits within CARICOM has so far been a rather inequitable one. By and large it has been argued that this is so because of the disparate levels of development of the member countries, and differences in resource endowments as between MDCs and LDCs, as well as the fact that some of them because of their more advanced stages of development are better able to take advantage of and benefit from the market type arrangements which form the basis of the CARICOM Treaty. More fundamentally, however, it has been argued that precisely because of the disparities in the levels of development and resource endowments of the constituent members of the grouping, that the laissez-faire, free trade approach that has so far characterized attempts at Caribbean integration, is intrinsically incapable of promoting balanced and equitable development within the region. In addition to this it has also been argued that if integration is to lead to development within the region then the conception of integration
has got to be radically changed. More specifically, as was noted in terms of the experience of the LDCs, to leave development to market forces is to relinquish any desire to promote balanced growth and equitable distribution. Thus implicitly, any desire to achieve the above desiderata can only be accomplished within the framework of a regionally coordinated approach to development. Indeed, this was the basic thesis of Chapter 1 and thus it need not be elaborated here.

In Chapter 3 it was observed that the relevant sections of the CARICOM Treaty dealing with the coordination of development policies were rather weak to the point of creating no appreciable framework for regionally directed action and thus promoting very little in terms of such actions. In like manner the section of this chapter dealing with functional institutions which require coordinated action on a regional scale has revealed the fact that these institutions have so far been incapable of functioning to bring benefits to all, either because of the fact that their conception was limited as in the case of the CDB and the CIC, and/or because of the limited support given to them by regional governments as in the case of WISCO and the CFC. This perplexing discrepancy between the enthusiasm of regional governments for such schemes and the dismal reality of the failure of these schemes to operate effectively, is perhaps explicable by the discrepancy that exists between the declarations of regional politicians (as noted in Chapter 2).
and their actual performance when put to the test. By way of explaining this queer phenomenon this writer would like to return to the analysis of Caribbean history, society and political culture as presented in Chapter 2. Indeed, there is a striking continuity in the present performance of CARICOM and the course of Commonwealth Caribbean politico-economic history over the last few decades. Thus it would seem that the colonial dependence of the colonial period has given rise to a neo-colonial dependence of the post-independent period with very little changes in the political and economic life of the region. To be fair, some regional governments and governing elites are waking up to the realities of the situation. However, to summarize the crucial issue (or the dilemma) facing CARICOM, it can be said that unless the consciousness emerges that external-dependence is undesirable and should be lessened, and more importantly, unless the political will emerge to pursue the type of economic integration which will promote real development as defined in Chapter 3, then it is hardly likely that Caribbean economic integration will proceed any further or that there will be an equitable distribution of the benefits of CARICOM.
NOTES:


3. Ibid., p. 29.

4. The Common Market Annex contains a set of complicated regulations governing the conditions under which a product produced within the territory of one member of the regional grouping using imported inputs may qualify as a product fully or partly originating within the region and thus not subject to any import duties upon entry into the territory of another member.


6. See the discussion on the objectives of CARICOM as contained in Chapter 3 above.

7. This is the basic argument that is generally found in the tradition theory of Customs Unions. See Jaber, T.A., "The Relevance of Traditional Integration Theory to the Less Developed Countries." Journal of Common Market Studies, Vol. 9 (March, 1971).

8. These gains from manufacturing, while they cannot be quantified in this chapter for lack of data consist of the increases in income, employment, G.D.P. and the creation of other linkages consequent on the increased economic activity generated by the growing demand and market for manufactures.


14. ibid. p. 27.

15. ibid. p. 30.


CHAPTER 5
SUMMARY AND CONCLUSION: THE PROSPECTS OF CARICOM

The preceding four chapters which form the body of this thesis have attempted to investigate the specific context, the motivating forces, the obstacles and the results so far of Caribbean integration. The discussion has been divided into two parts, for it has been recognized that it is pointless to discuss the Caribbean Community and Common Market (CARICOM) without due regard to the politico-economic and cultural context within which it was conceived and is expected to operate. Thus the first part of the thesis dealing with the politico-economic and cultural development of the region has been given prominence. The second part which specifically looked at the structure of CARICOM and its economic performance to date is considered as truly an offshoot of the type of political-economy described in Part I of the thesis. Thus it follows that the prescriptions which this writer has put forward and will put forward in the following pages have their bases not in the integration attempt as it has unfolded to date but in the analysis of the political-economy of the region which this writer has made.
As noted in the introduction to the thesis, the emphasis of the study especially as it pertains to the distribution of gains from integration, has been overwhelmingly an economic one. But this writer must emphasize that despite the economic bias of the study, the 'community' component of the acronym "CARICOM" does involve a commitment to foster closer cultural ties between the member-countries of the present grouping and also the wider Caribbean region. As has been explained previously, the literature on this aspect of the Community's relations is rather sparse and inaccessible to this writer.

Again, this writer wishes to note that although he has concentrated overwhelmingly on the interplay of forces internal to the CARICOM grouping, the crucial part that external actors have played and can play on the course of the integration movement is implicitly recognized throughout the study. Indeed, this writer would argue that the self-reliant strategy inherent in a thorough-going programme of integration is precisely what is needed to reduce the traditional influence of external forces on development within the region. To put it somewhat differently, unless the region integrates as a strategy to promote the development of its component states and territories, it will continue to experience the underdevelopment, the external dependence and the openness to external influences which have historically been its lot.

To return, however, to the first task of this chapter, which is to summarize the basic conclusions of the preceding
This extract of the text reads:

"This reluctance of the leader to express the contradiction which need not be further discussed, more fundamentally, however, of collective action have been already described in Chapter 1 and as outlining elsewhere in this thesis. The need for this type of reasoning of integration and coordination of developmental policies is necessary. By "necessary machinery" I mean a viable pro-development region to develop the necessary machinery to foster regional development. I mean the situation has been the reluctance of the leader to ensure that this situation has been the key real development problem of the region. In a very real sense these two have been the major social and essential in terms of setting up to solve the major Social and that the integration experience to date has been rather unsuco.

The above four points summarize the basic conclusions.

Countries are in no position to take advantage of them.

That it is politically dangerous to consider this would be the situation. The overall situation has been attributed to the fact of the development of integration or significant expansion of the development of the Treaty have not made any major gains in terms of the process, which the idea despite the special benefits of the process, with the idea despite the special benefits even if the market machinations of the grouping have been the main concern which are economically strong enough to take advantage essentially free trade nature of the grouping, such member.

(6) Finally, Chapter 4 brought out the fact that because of the benefit of such development, understanding this development of the difference is based on the understanding of the key role of the grouping.
Chapter 1

(1) The historical experience of the CARICOM countries—a history of colonialism and politico-economic dependence—has given rise to certain structural defects in these economies which are now in need of thorough-going structural transformation to create an internal dynamic and thus to foster balanced and self-sustaining economic growth and development. It was further argued that given the low levels of development, and the scarcity of capital, technology, skilled personnel and natural resources, that the countries of the region would benefit from integration and the coordination of development policies.

(2) The present governments and governing elites have internalized a system of values and aspirations which are incongruent with the economic realities of the region (as summarized in Chapter 1), and in some cases in conflict with the socio-economic needs of the total society. Thus the policies they are willing to support in respect to integration and development do not go far enough in terms of the real needs of the broad masses of the societies.

(3) The present structure of the CARICOM grouping as shaped by the Treaty of Chaguaramas, and in particular the relevant sections of the Treaty dealing with the coordination of development policies and promoting development in the poorer LDCs, are weak (because of the laissez-faire conception of integration) and thus create no appreciable framework for regional action.
four chapters, these can be stated as follows, starting with Chapter 1:

(1) The historical experience of the CARICOM countries—history of colonialism and politico-economic dependence—has given rise to certain structural defects in these economies which are now in need of thorough-going structural transformation to create an internal dynamic and thus to foster balanced and self-sustaining economic growth and development. It was further argued that given the low levels of development, and the scarcity of capital, technology, skilled personnel and natural resources, that the countries of the region would benefit from integration and the coordination of development policies.

(2) The present governments and governing elites have internalized a system of values and aspirations which are incongruent with the economic realities of the region (as summarized in Chapter 1), and in some cases, in conflict with the socio-economic needs of the total society. Thus the policies they are willing to support in respect to integration and development do not go far enough in terms of the real needs of the broad masses of the societies.

(3) The present structure of the CARICOM grouping as shaped by the Treaty of Chaguaramas, and in particular the relevant sections of the Treaty dealing with the coordination of development policies and promoting development in the poorer LDCs, are weak (because of the laissez-faire conception of integration) and thus create no appreciable framework for regional action
leading to the development of all and the equitable sharing of the benefits of such development.

(4) Finally, Chapter 4 brought out the fact that because of the essentially free trade nature of the grouping, such member-countries which are economically strong enough to take advantage of the market mechanisms of the grouping have been the main beneficiaries of the process, while the LDCs despite the special provisions of the Treaty have not made any major gains in terms of the development of industries or significant expansion of trade. This latter situation has been attributed to the fact that it is pointless granting concessions if the would-be recipients are in no position to take advantage of them.

The above four points summarize the basic conclusions of Chapters 1 to 4. Taken together they point to the fact that the integration experience to date has been rather unsuccessful in terms of helping to solve the major social and developmental problems of the CARICOM region. In a very real sense this failure has been the failure of the leadership of the region to develop the necessary machinery to foster regional development. By "necessary machinery" is meant a viable programme of integration and coordination of development policies as outlined elsewhere in the thesis. The need for this type of collective action has been amply described in Chapter 1 and need not be further discussed. More fundamentally, however, this failure of the leadership exposes the contradictions which
have developed within CARICOM society during the course of its historical evolution. As has been brought out in Chapter 2, there is a glaring contradiction or incongruence between the ideas, habits and aspirations of the dominant elements of the society and the broader social and developmental needs of the total society. The total society needs to be assured of basic social amenities, employment opportunities, decent incomes, and in general a richer quality of life. For this to happen, however, the total product of the CARICOM society needs to be increased and a simultaneous programme of redistribution needs to be implemented. In terms of increasing the total product, the relative scarcity of resources of the individual countries (whether it be poverty in terms of land, skilled labour, capital, technology, natural resources, or all of the above) demands that they combine their resources on a regional level. In the second instance, a programme of redistribution implies that the society henceforth would cease to operate in the interests of the privileged few and would instead begin to cater for the needs of the disadvantaged majority.

The preceding observations lead logically to the question "what of the future?" Essentially what is being asked here is whether or not the contradictions noted above can be resolved so as to allow the integration movement to develop and to benefit equitably the member-countries of the region and their peoples. More specifically, whether the dominant elites will change sufficiently (or otherwise be forced to change) to accommodate
the needs of the total society. The crucial issue is to be seen in these terms for it is this writer's firm conviction that the long-run future of CARICOM is intimately bound up in the future actions and attitudes of its present dominant groups. If these groups can change their attitudes then it is possible that they can promote the type of integration and development which this writer considers as necessary and crucial. But can they change their attitudes? Perhaps they can. There is the growing recognition among many, and especially among middle-class intellectuals and regional technicos of the need for a strong and closely-knit regional grouping. Many regional governments are also recognizing the need to implement regionally-oriented development projects. The Regional Food Plan and the proposed Caribbean Multinational Corporation are examples of this recognition.

On the other hand, however, there are also certain negative signals which have been evident over the past two years. Thus in 1977 the CARICOM Council of Ministers failed to agree on a previously worked-out arrangement whereby eligibility for common market treatment would be decided on the basis of the extent of regional value added (transformation criteria) on imported materials, rather than the old system of the "process list" whereby certain foreign products were automatically considered as locally-produced and thus made eligible for common market treatment. Again, there has not been a Conference of Heads of Governments since 1975 which is considered indicative of the serious conflicts and jealousies which characterize
the relationship between many regional leaders. The failure to agree on a unified approach to dealing with future foreign investments; the inability to implement any further projects under the Caribbean Food Corporation allegedly because of the failure of members to subscribe their respective shares of the capital of the Corporation; and, the import restrictions imposed by Jamaica and Guyana, the consequent curtailment of intra-regional trade and the serious strains this has produced in the relationship between the major CARICOM partners, all point to serious problems within the regional movement and seriously undermine its chances of success.

Thus at best the situation is rather unclear. At the moment the omens are contradictory producing hope on the one hand and despair on the other. The recent adverse swing in the terms of trade for most CARICOM countries (except the petroleum-producing economies) has certainly produced many problems which have had detrimental effects on the integration movement. Certainly, it is hardly likely that Jamaica and Guyana would have imposed import restrictions which have affected intra-regional trade had it not been for their balance of payments problems. On the other hand the rather strong and unsympathetic reaction of Trinidad and Tobago underscores the growing divisiveness and insularity which have certainly been a feature of intra-CARICOM relations over the past few troubled years. It is not too much to say that the present difficulties require a great deal of sympathy, understanding and commitment to the idea of Caribbean economic unity on the part of the
present leadership of the Community if it is to survive let alone deepen the level of integration achieved to date. Thus the most this writer can say is that on the basis of history and his analysis of the present leadership it is not too much to be pessimistic as regards any fundamental changes over the next five years; although one cannot help but be hopeful that the longer term will see a realization of the hopes and needs of the broader masses of the people.

Finally, it is perhaps apposite to consider the possibilities and possible consequences of a widening of the integration grouping to include other Caribbean countries. It is also this writer’s firm conviction that this is a task of the future which is hardly likely to be seriously considered before the next five years. This view rests on two basic premises. Firstly, the problems of the grouping as presently constituted scarcely encourage its members to give much thought to widening it to include others who will most likely increase its problems. Secondly, the countries most often considered as future candidates for admission - especially Cuba and the Dominican Republic - because of the size and strength of their economies, are likely to pose similar problems of distribution as presently encountered within CARICOM, unless the present members can so deepen their relationship as to insulate themselves from the problems of being within a common market with such giants as the above two. In short, the present grouping needs to deepen
the nature of its internal relationships and develop production structures resilient enough to protect it from these stronger economies before it can seek to expand to include them.

Widening the CARICOM grouping is, however, not simply to be seen in terms of its present members being in a position to accommodate others. There is the question as to whether others would like to join. Certainly in the early 1970's many other Caribbean countries expressed an interest in joining the grouping. Surinam, Haiti, the Dominican Republic all expressed interest in increasing the level of trade with CARICOM countries within the context of a common market. Cuba, while generally interested in the Caribbean region as a whole, never expressed any firm desire to become a member of the grouping although many speculated on this possibility. The French islands on the other hand, because of their special status as French départements by and large saw little benefit in joining the CARICOM grouping. One is tempted to wonder, however, whether the initial interest expressed by the above non-CARICOM members of the region still exists today, given the obvious and well-publicised problems which now face the grouping. Certainly, it is not too much to argue that the grouping will once again have to prove itself as a viable concern before the rest of the Caribbean will renew its interest in joining.

However, this is not to be taken as pessimistically as it sounds. The wider Caribbean region stands to gain from the
expansion of relations between and among its component members. The more advanced economies can be of enormous assistance to the less developed ones. Cooperation in shipping and marketing the region's products; joint efforts in regional production; and coordination of external economic policies, all hold possibilities of advantage to those concerned. Thus increased cooperation and perhaps integration (although this would be a monumental task to achieve) hold much advantage for Caribbean countries. Some have argued that the ideological diversity of the region will pose problems in the path of any such attempts. They foresee a possible conflict between leftist Cuba, and rightist Puerto Rico, Haiti or the Dominican Republic. Certainly this is quite possible, but the wider international system has shown that ideology is no barrier to economic interaction between the capitalist West and the socialist Sino-Soviet orbit. In like manner it can be hoped that the necessities of national survival will promote greater regional interaction and co-operation between countries of ostensibly conflicting ideological positions.

In conclusion, this writer will repeat that what the CARICOM region needs is a thorough-going, production-oriented integration movement which has the basic needs of the people in mind. This can, however, be achieved only when the orientation of the present leadership of the region is sufficiently transformed to act in the interests of the needs of the
majority. History seems to indicate that this is a vain hope, yet necessity demands that it be fulfilled. Whether history or necessity will win out is one of those imponderables. To rephrase an old and ominous-sounding cliché, however, right is on the side of the masses and might lurks closely behind.
<table>
<thead>
<tr>
<th>Country</th>
<th>Area (sq. km)</th>
<th>GNP Market Price (US$/1975)</th>
<th>GNP Per Cap. (US$ 1975)</th>
<th>Pop. (000s)</th>
<th>Agri. as % of GDP</th>
<th>Exports as % of GDP</th>
<th>Imports as % of GDP</th>
<th>Agric. Exports as % of GDP</th>
<th>Tourism as % of GDP</th>
<th>Agric. Export Total as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGUA</td>
<td>441.6</td>
<td>60</td>
<td>840</td>
<td>71</td>
<td>3.85</td>
<td>63.95</td>
<td>138.25</td>
<td>11.18</td>
<td>3.043</td>
<td></td>
</tr>
<tr>
<td>BARBADOS</td>
<td>429.9</td>
<td>350.4</td>
<td>1410</td>
<td>246</td>
<td>7.42</td>
<td>25.86</td>
<td>70.96</td>
<td>8.02</td>
<td>24.67</td>
<td>31.12</td>
</tr>
<tr>
<td>PAPA</td>
<td>215,000.0</td>
<td>400.0</td>
<td>510</td>
<td>770</td>
<td>30.26</td>
<td>88.06</td>
<td>76.56</td>
<td>50.14</td>
<td>NA</td>
<td>63.94</td>
</tr>
<tr>
<td>TRINIDAD</td>
<td>11,424.0</td>
<td>2270.0</td>
<td>1110</td>
<td>2,042</td>
<td>7.66</td>
<td>26.86</td>
<td>38.46</td>
<td>7.24</td>
<td>4.463</td>
<td>27.34</td>
</tr>
<tr>
<td>NIDAD/TOBAGO</td>
<td>5,128.0</td>
<td>2170.0</td>
<td>2000</td>
<td>1,082</td>
<td>5.71</td>
<td>88.86</td>
<td>74.36</td>
<td>5.76</td>
<td>4.58</td>
<td>6.463</td>
</tr>
</tbody>
</table>

**Sources:**
1. Forestry, Fishing and Quarrying, 1975
2. Refers to Sugar alone.
4. Wheat, 1973
5. 1974
6. 1975
7. Tourist Expenditure, 1975
8. Tourist Expenditure, 1974
10. Bananas, Nutmeg, Mace, and Citrus, 1974

**Notes:**
- Refers to Sugar alone.
- Wheat, 1973
- 1974
- 1975
- Tourist Expenditure, 1975
- Tourist Expenditure, 1974
- Bananas, Cocoa and Citrus, 1974
- Bananas, Nutmeg, Mace, and Citrus, 1974
- Bananas, Arrowroot, Nutmeg and Mace, Sweet Potatoes and Citrus, 1974

**Sources:**
- World Bank Atlas, 1977
- Economic Activity in CARICOM Countries, 1976
- ECTA/CARIC 77/5, U.N., 1977
### TABLE 1.2

**DISTRIBUTION OF LAND HOLDINGS**

<table>
<thead>
<tr>
<th>MDGs (Including Guyana)</th>
<th>Number '000s</th>
<th>Percent</th>
<th>Acres Less Guyana '000s</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 acres</td>
<td>208.8</td>
<td>73.7</td>
<td>274.7</td>
<td>13.1</td>
</tr>
<tr>
<td>5 to less than 25 acres</td>
<td>65.8</td>
<td>23.2</td>
<td>505.6</td>
<td>24.1</td>
</tr>
<tr>
<td>25 to less than 100 acres</td>
<td>6.6</td>
<td>2.3</td>
<td>209.2</td>
<td>10.1</td>
</tr>
<tr>
<td>More than 100 acres</td>
<td>2.2</td>
<td>.8</td>
<td>1104.9</td>
<td>52.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>283.4</td>
<td>100.0</td>
<td>2094.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**ECU**

<table>
<thead>
<tr>
<th></th>
<th>Number '000s</th>
<th>Percent</th>
<th>Acres '000s</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landless</td>
<td>4.5</td>
<td>7.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less than 25 acres</td>
<td>55.4</td>
<td>90.8</td>
<td>147.0</td>
<td>42.9</td>
</tr>
<tr>
<td>25 to less than 50 acres</td>
<td>.5</td>
<td>.8</td>
<td>18.2</td>
<td>5.3</td>
</tr>
<tr>
<td>More than 50 acres</td>
<td>.6</td>
<td>1.0</td>
<td>177.3</td>
<td>51.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61.0</td>
<td>100.0</td>
<td>342.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**BELIZE**

<table>
<thead>
<tr>
<th></th>
<th>Number '000s</th>
<th>Percent</th>
<th>Acres '000s</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 acres</td>
<td>5.2</td>
<td>77.6</td>
<td>56.3</td>
<td>2.4</td>
</tr>
<tr>
<td>20 to less than 100 acres</td>
<td>1.1</td>
<td>16.4</td>
<td>96.0</td>
<td>4.1</td>
</tr>
<tr>
<td>More than 100 acres</td>
<td>.4</td>
<td>6.0</td>
<td>2191.0</td>
<td>93.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6.7</td>
<td>100.0</td>
<td>2343.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Freeholds only

### CARICOM COUNTRIES

Production and Export of Main Agricultural Commodities 1966

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in Mil. Long tons)</td>
<td></td>
<td>1.23</td>
<td>1.30</td>
<td>1.27</td>
<td>1.19</td>
<td>1.14</td>
<td>1.20</td>
<td>1.30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.11</td>
<td>1.11</td>
<td>1.12</td>
<td>1.03</td>
<td>0.98</td>
<td>1.01</td>
<td>0.94</td>
</tr>
<tr>
<td>Bananas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000 , Long tons)</td>
<td></td>
<td>386.8</td>
<td>358.8</td>
<td>336.7</td>
<td>349.8</td>
<td>275.6</td>
<td>252.2</td>
<td>247.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000, Long tons)</td>
<td></td>
<td>146.0</td>
<td>186.1</td>
<td>151.0</td>
<td>123.9</td>
<td>132.5</td>
<td>146.3</td>
<td>106.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>108.1</td>
<td>100.0</td>
<td>94.2</td>
<td>74.2</td>
<td>60.1</td>
<td>72.6</td>
<td>58.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74.0</td>
<td>53.7</td>
<td>62.3</td>
<td>59.1</td>
<td>45.4</td>
<td>49.6</td>
<td>64.7</td>
</tr>
<tr>
<td>Citrus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Mil. Lbs)</td>
<td></td>
<td>585.7</td>
<td>517.8</td>
<td>513.6</td>
<td>478.6</td>
<td>464.5</td>
<td>512.5</td>
<td>545.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>142.2</td>
<td>135.1</td>
<td>116.8</td>
<td>116.4</td>
<td>102.5</td>
<td>110.3</td>
<td>99.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24.3</td>
<td>26.1</td>
<td>22.7</td>
<td>24.3</td>
<td>22.1</td>
<td>21.5</td>
<td>18.2</td>
</tr>
<tr>
<td>Cocoa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Mil. Lbs)</td>
<td></td>
<td>29.4</td>
<td>26.3</td>
<td>31.4</td>
<td>25.4</td>
<td>32.2</td>
<td>24.8</td>
<td>39.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.5</td>
<td>17.5</td>
<td>22.4</td>
<td>19.4</td>
<td>23.1</td>
<td>16.9</td>
<td>21.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>66.3</td>
<td>66.5</td>
<td>71.3</td>
<td>76.3</td>
<td>71.7</td>
<td>68.1</td>
<td>71.1</td>
</tr>
<tr>
<td>Coffee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Mil. Lbs)</td>
<td></td>
<td>13.0</td>
<td>14.1</td>
<td>17.3</td>
<td>12.0</td>
<td>11.3</td>
<td>14.7</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.2</td>
<td>7.0</td>
<td>6.0</td>
<td>9.4</td>
<td>6.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>64.7</td>
<td>58.3</td>
<td>53.1</td>
<td>63.9</td>
<td>60.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Caribbean Regional Study, Vol. 3: Agriculture
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>X</td>
<td>44.1</td>
<td>46.0</td>
<td>60.0</td>
<td>52.4</td>
<td>43.7</td>
<td>44.5</td>
<td>41.7</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>34.8</td>
<td>37.2</td>
<td>36.0</td>
<td>43.5</td>
<td>48.4</td>
<td>57.5</td>
<td>62.0</td>
<td>72.9</td>
</tr>
<tr>
<td>Guyana</td>
<td>X</td>
<td>92.9</td>
<td>97.0</td>
<td>107.3</td>
<td>116.4</td>
<td>119.8</td>
<td>117.2</td>
<td>137.8</td>
<td>142.3</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>35.4</td>
<td>37.3</td>
<td>37.3</td>
<td>39.7</td>
<td>42.6</td>
<td>42.4</td>
<td>47.9</td>
<td>43.2</td>
</tr>
<tr>
<td>Jamaica</td>
<td>X</td>
<td>146.2</td>
<td>154.4</td>
<td>149.6</td>
<td>159.8</td>
<td>151.8</td>
<td>150.8</td>
<td>156.6</td>
<td>172.2</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>109.4</td>
<td>119.7</td>
<td>128.9</td>
<td>135.2</td>
<td>154.4</td>
<td>185.3</td>
<td>209.2</td>
<td>246.8</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>X</td>
<td>61.8</td>
<td>58.4</td>
<td>60.9</td>
<td>78.3</td>
<td>80.9</td>
<td>82.9</td>
<td>87.6</td>
<td>87.5</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>98.0</td>
<td>100.2</td>
<td>97.0</td>
<td>96.5</td>
<td>117.1</td>
<td>120.5</td>
<td>144.4</td>
<td>138.1</td>
</tr>
<tr>
<td>EDCs</td>
<td>X</td>
<td>345.0</td>
<td>355.8</td>
<td>367.8</td>
<td>406.9</td>
<td>396.2</td>
<td>395.4</td>
<td>423.7</td>
<td>442.2</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>277.4</td>
<td>294.4</td>
<td>299.2</td>
<td>334.9</td>
<td>362.5</td>
<td>405.7</td>
<td>463.5</td>
<td>501.0</td>
</tr>
<tr>
<td>ECAN</td>
<td>X</td>
<td>44.6</td>
<td>42.1</td>
<td>40.6</td>
<td>43.8</td>
<td>56.8</td>
<td>40.7</td>
<td>37.6</td>
<td>35.0</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>39.0</td>
<td>44.2</td>
<td>44.2</td>
<td>48.0</td>
<td>58.3</td>
<td>66.2</td>
<td>72.8</td>
<td>80.0</td>
</tr>
<tr>
<td>Belize</td>
<td>X</td>
<td>14.1</td>
<td>17.2</td>
<td>17.6</td>
<td>21.8</td>
<td>22.2</td>
<td>24.6</td>
<td>27.2</td>
<td>29.4</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>11.2</td>
<td>12.5</td>
<td>12.9</td>
<td>16.3</td>
<td>17.1</td>
<td>22.3</td>
<td>25.5</td>
<td>28.1</td>
</tr>
<tr>
<td>Total</td>
<td>X</td>
<td>403.7</td>
<td>415.1</td>
<td>427.0</td>
<td>472.0</td>
<td>475.2</td>
<td>460.7</td>
<td>488.5</td>
<td>506.6</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>327.6</td>
<td>351.1</td>
<td>356.3</td>
<td>399.2</td>
<td>437.9</td>
<td>494.2</td>
<td>561.8</td>
<td>609.1</td>
</tr>
<tr>
<td>Regional Balance</td>
<td>X</td>
<td>+76.1</td>
<td>+64.0</td>
<td>+71.7</td>
<td>+72.8</td>
<td>+37.3</td>
<td>-23.5</td>
<td>-73.3</td>
<td>-102.5</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>+64.0</td>
<td>+71.7</td>
<td>+72.8</td>
<td>+37.3</td>
<td>-23.5</td>
<td>-73.3</td>
<td>-102.5</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Sections 0, 1 and 4 SITC (Food and Live animals, Beverages and Tobacco, Animal and Vegetable oils and Fats).

**SOURCE:** Caribbean Regional Study, Vol. 3: Agriculture
### TABLE 1.5

**XDCs - Production and Imports of Selected Commodities, 1972**

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Production</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmilled corn</td>
<td>million lbs.</td>
<td>27</td>
<td>402</td>
</tr>
<tr>
<td>Unmilled wheat</td>
<td>&quot;</td>
<td>-</td>
<td>361</td>
</tr>
<tr>
<td>Flour</td>
<td>&quot;</td>
<td>N.A.</td>
<td>252</td>
</tr>
<tr>
<td>All Meats</td>
<td>&quot;</td>
<td>147</td>
<td>91</td>
</tr>
<tr>
<td>Beef</td>
<td>&quot;</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>Eggs</td>
<td>million</td>
<td>270</td>
<td>36</td>
</tr>
<tr>
<td>Milk</td>
<td>million lbs.</td>
<td>158</td>
<td>314</td>
</tr>
<tr>
<td>White Potatoes</td>
<td>&quot;</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>Onions</td>
<td>&quot;</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Peas and Beans</td>
<td>&quot;</td>
<td>20</td>
<td>42</td>
</tr>
<tr>
<td>Animal Feed</td>
<td>&quot;</td>
<td>450</td>
<td>220</td>
</tr>
<tr>
<td>Rice</td>
<td>thousand L Tons</td>
<td>129</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: [Caribbean Regional Study, Vol. 3: Agriculture](#)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>26.6</td>
<td>27.7</td>
<td>29.0</td>
<td>31.4</td>
<td>33.8</td>
<td>37.0</td>
<td>39.0</td>
<td>6.6</td>
<td>11.4</td>
<td>12.2</td>
<td></td>
</tr>
<tr>
<td>Guyana</td>
<td>40.3</td>
<td>41.7</td>
<td>40.7</td>
<td>41.1</td>
<td>43.4</td>
<td>42.2</td>
<td>45.0</td>
<td>1.9</td>
<td>9.0</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>Jamaica</td>
<td>282.7</td>
<td>295.6</td>
<td>304.5</td>
<td>228.3</td>
<td>316.5</td>
<td>370.2</td>
<td>391.6</td>
<td>5.6</td>
<td>12.4</td>
<td>13.2</td>
<td></td>
</tr>
<tr>
<td>Trinidad</td>
<td>136.1</td>
<td>171.5</td>
<td>170.9</td>
<td>182.4</td>
<td>196.8</td>
<td>215.7</td>
<td>224.6</td>
<td>8.7</td>
<td>6.5</td>
<td>9.4</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>485.7</td>
<td>536.5</td>
<td>515.1</td>
<td>483.2</td>
<td>620.5</td>
<td>665.1</td>
<td>700.2</td>
<td>6.3</td>
<td>9.9</td>
<td>11.5</td>
<td></td>
</tr>
</tbody>
</table>

1Excluding sugar mills.


Source: Caribbean Regional Study, Vol. 4: Industries
TABLE 1.7
PERCENT DISTRIBUTION OF TOTAL WORKING POPULATION BY INDUSTRIAL GROUP: 1970

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>100</td>
<td>29.1</td>
<td>1.5</td>
<td>11.4</td>
<td>6.9</td>
<td>0.8</td>
<td>8.8</td>
<td>3.9</td>
<td>24.8</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trinidad</td>
<td>100</td>
<td>15.7</td>
<td>5.2</td>
<td>13.4</td>
<td>9.1</td>
<td>2.6</td>
<td>12.7</td>
<td>7.0</td>
<td>50.0</td>
<td>4.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guyana</td>
<td>100</td>
<td>29.0</td>
<td>4.9</td>
<td>15.0</td>
<td>4.5</td>
<td>0.7</td>
<td>10.8</td>
<td>4.9</td>
<td>28.1</td>
<td>2.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barbados</td>
<td>100</td>
<td>16.2</td>
<td>0.4</td>
<td>14.6</td>
<td>12.7</td>
<td>1.3</td>
<td>14.4</td>
<td>5.5</td>
<td>30.5</td>
<td>4.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LDC Total</td>
<td>100</td>
<td>21.9</td>
<td>2.9</td>
<td>14.3</td>
<td>7.6</td>
<td>1.2</td>
<td>10.6</td>
<td>5.0</td>
<td>27.0</td>
<td>6.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belize</td>
<td>100</td>
<td>35.6</td>
<td>0.1</td>
<td>14.6</td>
<td>9.3</td>
<td>1.0</td>
<td>8.4</td>
<td>4.6</td>
<td>23.1</td>
<td>3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lucia</td>
<td>100</td>
<td>39.3</td>
<td>0.0</td>
<td>8.9</td>
<td>11.8</td>
<td>1.9</td>
<td>11.7</td>
<td>4.0</td>
<td>21.3</td>
<td>1.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grenada</td>
<td>100</td>
<td>33.2</td>
<td>0.1</td>
<td>7.9</td>
<td>16.0</td>
<td>1.2</td>
<td>12.8</td>
<td>4.2</td>
<td>12.8</td>
<td>4.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Vincent</td>
<td>100</td>
<td>29.0</td>
<td>0.2</td>
<td>7.8</td>
<td>16.1</td>
<td>1.0</td>
<td>14.1</td>
<td>3.6</td>
<td>23.7</td>
<td>0.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominica</td>
<td>100</td>
<td>39.2</td>
<td>0.0</td>
<td>7.8</td>
<td>9.7</td>
<td>1.7</td>
<td>9.8</td>
<td>11.6</td>
<td>10.1</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antigua</td>
<td>100</td>
<td>30.7</td>
<td>0.2</td>
<td>11.5</td>
<td>13.3</td>
<td>1.7</td>
<td>9.8</td>
<td>11.6</td>
<td>25.2</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Kitts-Nevis</td>
<td>100</td>
<td>31.1</td>
<td>0.0</td>
<td>10.4</td>
<td>9.6</td>
<td>1.8</td>
<td>11.4</td>
<td>1.6</td>
<td>25.2</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montserrat</td>
<td>100</td>
<td>20.1</td>
<td>0.4</td>
<td>5.4</td>
<td>23.1</td>
<td>1.5</td>
<td>11.6</td>
<td>5.4</td>
<td>30.5</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LDC Total</td>
<td>100</td>
<td>32.0</td>
<td>0.1</td>
<td>9.8</td>
<td>12.0</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Not applicable, Not Stated or Not Elsewhere-classified.

| TABLE 1.7a |
| TOTAL WORKING POPULATION BY INDUSTRIAL GROUP: CARIFTA STATES, 1970 |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Working Population</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jamaica</td>
<td>193,176</td>
<td>7,826</td>
<td>71,261</td>
<td>34,158</td>
<td>3,855</td>
<td>43,456</td>
<td>19,093</td>
<td>122,173</td>
<td>66,806</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>230,536</td>
<td>36,087</td>
<td>11,961</td>
<td>31,005</td>
<td>5,912</td>
<td>29,306</td>
<td>16,228</td>
<td>46,094</td>
<td>9,211</td>
</tr>
<tr>
<td>Guyana</td>
<td>159,333</td>
<td>46,201</td>
<td>7,856</td>
<td>23,860</td>
<td>7,162</td>
<td>1,123</td>
<td>17,199</td>
<td>7,772</td>
<td>3,388</td>
</tr>
<tr>
<td>Barbados</td>
<td>63,982</td>
<td>13,621</td>
<td>302</td>
<td>12,256</td>
<td>10,679</td>
<td>1,113</td>
<td>12,095</td>
<td>24,547</td>
<td>3,708</td>
</tr>
<tr>
<td><strong>LC Total</strong></td>
<td><strong>967,027</strong></td>
<td><strong>280,657</strong></td>
<td><strong>27,748</strong></td>
<td><strong>138,352</strong></td>
<td><strong>73,748</strong></td>
<td><strong>12,003</strong></td>
<td><strong>102,056</strong></td>
<td><strong>47,710</strong></td>
<td><strong>261,580</strong></td>
</tr>
<tr>
<td>St. Lucia</td>
<td>31,465</td>
<td>11,207</td>
<td>37</td>
<td>4,596</td>
<td>2,918</td>
<td>299</td>
<td>2,658</td>
<td>1,151</td>
<td>7,267</td>
</tr>
<tr>
<td>Grenada</td>
<td>26,583</td>
<td>10,416</td>
<td>18</td>
<td>2,153</td>
<td>3,129</td>
<td>495</td>
<td>3,103</td>
<td>1,078</td>
<td>5,653</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>25,950</td>
<td>8,615</td>
<td>32</td>
<td>2,068</td>
<td>11,169</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dominica</td>
<td>18,799</td>
<td>6,085</td>
<td>46</td>
<td>1,632</td>
<td>2,539</td>
<td>191</td>
<td>2,519</td>
<td>910</td>
<td>6,354</td>
</tr>
<tr>
<td>Antigua</td>
<td>10,577</td>
<td>7,720</td>
<td>6</td>
<td>1,545</td>
<td>1,906</td>
<td>184</td>
<td>2,772</td>
<td>704</td>
<td>4,652</td>
</tr>
<tr>
<td>St. Kitts-Nevis</td>
<td>12,369</td>
<td>4,223</td>
<td>8</td>
<td>1,486</td>
<td>321</td>
<td>1,826</td>
<td>2,116</td>
<td>7,448</td>
<td>186</td>
</tr>
<tr>
<td>Montserrat</td>
<td>3,769</td>
<td>759</td>
<td>15</td>
<td>203</td>
<td>672</td>
<td>55</td>
<td>438</td>
<td>204</td>
<td>1,151</td>
</tr>
<tr>
<td><strong>LC Total</strong></td>
<td><strong>159,408</strong></td>
<td><strong>51,066</strong></td>
<td><strong>203</strong></td>
<td><strong>15,622</strong></td>
<td><strong>19,197</strong></td>
<td><strong>1,771</strong></td>
<td><strong>14,753</strong></td>
<td><strong>7,092</strong></td>
<td><strong>35,648</strong></td>
</tr>
</tbody>
</table>

1/ Not applicable, not stated or not elsewhere classified.

Source: Census, 1970.

### TABLE 1.8

**JAMAICA AND GUYANA - OUTPUT OF MINING AND REFINING**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite</td>
<td>'000LT</td>
<td>13,276</td>
<td>14,986</td>
<td>11,125</td>
<td>10,146</td>
<td>Bauxite</td>
<td>2,326</td>
<td>2,128</td>
<td>2,738</td>
<td>1,542</td>
</tr>
<tr>
<td>(mined)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Alumínα</td>
<td>234</td>
<td>302</td>
<td>320</td>
<td>247</td>
</tr>
<tr>
<td>Alumínα</td>
<td>'000LT</td>
<td>2,466</td>
<td>2,806</td>
<td>2,240</td>
<td>1,595</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gypsum</td>
<td>'000LT</td>
<td>365</td>
<td>265</td>
<td>236</td>
<td>245</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Petroleum Products**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>1973</th>
<th>1974</th>
<th>1975</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel oil</td>
<td>'000 imp. gal.</td>
<td>228,556</td>
<td>212,142</td>
<td>174,501</td>
<td>155,952</td>
</tr>
<tr>
<td>Gasoline</td>
<td></td>
<td>78,476</td>
<td>60,050</td>
<td>62,164</td>
<td>66,893</td>
</tr>
<tr>
<td>Kero &amp; Jet</td>
<td></td>
<td>49,571</td>
<td>45,325</td>
<td>35,180</td>
<td>33,693</td>
</tr>
<tr>
<td>Diesel</td>
<td></td>
<td>79,674</td>
<td>60,713</td>
<td>75,685</td>
<td>64,428</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Domestic Imports</th>
<th>$J.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite</td>
<td>79.6</td>
<td>134.7</td>
</tr>
<tr>
<td>Alumínα</td>
<td>147.8</td>
<td>346.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Crude Production</th>
<th>Crude Imports</th>
<th>Crude Exports</th>
<th>Refinery Throughput</th>
<th>Refinery Output</th>
<th>Natural Gas Sales (Million cubic metre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>51.2</td>
<td>107.1</td>
<td>14.4</td>
<td>144.3</td>
<td>138.9</td>
<td>930.1</td>
</tr>
<tr>
<td>1973</td>
<td>60.6</td>
<td>102.2</td>
<td>23.5</td>
<td>141.7</td>
<td>135.8</td>
<td>948.7</td>
</tr>
<tr>
<td>1974</td>
<td>68.1</td>
<td>95.5</td>
<td>31.8</td>
<td>130.8</td>
<td>127.1</td>
<td>898.7</td>
</tr>
<tr>
<td>1975</td>
<td>78.6</td>
<td>58.1</td>
<td>43.9</td>
<td>65.7</td>
<td>82.9</td>
<td>846.3</td>
</tr>
<tr>
<td>1976P</td>
<td>77.7</td>
<td>84.8</td>
<td>44.4</td>
<td>147.6</td>
<td>86.31</td>
<td>774.11</td>
</tr>
</tbody>
</table>

*P = Preliminary

*R = Revised

1/ Data for January-September.


*Source: Economic Activity in Caribbean Countries - 1976. ECLA/CARIB, 77/5*
<table>
<thead>
<tr>
<th>Country</th>
<th>Volume of Bednights Thousands</th>
<th>Percent Share in CARICOM Bednights</th>
<th>Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>3,262</td>
<td>51%</td>
<td>43%</td>
</tr>
<tr>
<td>Barbados</td>
<td>1,368</td>
<td>21 MDCs</td>
<td>22 MDCs</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>630</td>
<td>10% = 82%</td>
<td>12% = 77%</td>
</tr>
<tr>
<td>Grenada</td>
<td>455</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Antigua</td>
<td>181</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>148</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>135</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Montserrat</td>
<td>125</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>St. Kitts/Nevis</td>
<td>81</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Dominica</td>
<td>59</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total CARICOM</strong></td>
<td><strong>6,445</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Caribbean Regional Study, Vol. 6a: Tourism
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Tourist ('000)</td>
<td>Estimated Expenditure (US$ Mill)</td>
<td>No. of Tourist ('000)</td>
<td>Estimated Expenditure (US$ Mill)</td>
<td>No. of Tourist ('000)</td>
<td>Estimated Expenditure (US$ Mill)</td>
<td>No. of Tourist ('000)</td>
<td>Estimated Expenditure (US$ Mill)</td>
</tr>
<tr>
<td>Barbados</td>
<td>222</td>
<td>69.6</td>
<td>231</td>
<td>76.3</td>
<td>222</td>
<td>77.3</td>
<td>224</td>
<td>82.5</td>
</tr>
<tr>
<td>Jamaica</td>
<td>418</td>
<td>127.5</td>
<td>433</td>
<td>133.3</td>
<td>395</td>
<td>128.5</td>
<td>328</td>
<td>107.4</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>127</td>
<td>59.2</td>
<td>127</td>
<td>61.9</td>
<td>133</td>
<td></td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>Sub-total:</td>
<td>767</td>
<td>256.3</td>
<td>793</td>
<td>271.5</td>
<td>750</td>
<td>(205.8)</td>
<td>(691)</td>
<td>(182.9)</td>
</tr>
<tr>
<td>Grenada</td>
<td>33</td>
<td>11.9</td>
<td>45</td>
<td>6.1</td>
<td>21</td>
<td>7.2</td>
<td>25</td>
<td>6.3</td>
</tr>
<tr>
<td>Belize</td>
<td>51</td>
<td>n.a.</td>
<td>48</td>
<td>n.a.</td>
<td>37</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>West Indies-Associated States</td>
<td>176</td>
<td>17.3</td>
<td>180</td>
<td>16.3</td>
<td>168</td>
<td>n.a.</td>
<td>177</td>
<td>n.a.</td>
</tr>
<tr>
<td>TOTAL CARICOM:</td>
<td>1,027</td>
<td>(285.5)</td>
<td>1,036</td>
<td>(293.9)</td>
<td>976</td>
<td>(213.0)</td>
<td>(895)</td>
<td>(196.2)</td>
</tr>
</tbody>
</table>

n.a. = not available

1/ Data for January to November.
2/ Data for January to July.

Source: Official publications of the various States; and data supplied ECLA by Tourist Offices.

SOURCE: Economic Activity in Caribbean Countries - 1976
ECLA/CARIB 77/5
<table>
<thead>
<tr>
<th>Country</th>
<th>Amount Leakage</th>
<th>Source of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>42c</td>
<td>(G. Doxey, 1970)</td>
</tr>
<tr>
<td>Bermuda</td>
<td>30c</td>
<td>(Cambridge Research Institute, Mass. 1971)</td>
</tr>
<tr>
<td>Cayman Islands</td>
<td>30c</td>
<td>(not known)</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>21c</td>
<td>(Economic Associates - Puerto Rico)</td>
</tr>
<tr>
<td>Jamaica</td>
<td>24c</td>
<td>Central Planning Unit, Jamaica, 1970</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>(50c-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(35c-40c</td>
<td>other accommodation (Llewellyn-Davis, 1972)</td>
</tr>
</tbody>
</table>

Source: Caribbean Regional Study, Vol. 6a: Tourism
TABLE 1.13
THE DEVELOPMENT OF WISCO FREIGHT COSTS AND REVENUES

<table>
<thead>
<tr>
<th>Year</th>
<th>Tonnage</th>
<th>Revenue '000</th>
<th>Revenue per Ton</th>
<th>Average operating cost per Ton</th>
<th>Income from operations per Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>46,134</td>
<td>1,255</td>
<td>26.56</td>
<td>16.16</td>
<td>10.40</td>
</tr>
<tr>
<td>1969</td>
<td>47,182</td>
<td>1,341</td>
<td>28.40</td>
<td>19.48</td>
<td>8.92</td>
</tr>
<tr>
<td>1970</td>
<td>49,949</td>
<td>1,420</td>
<td>28.43</td>
<td>24.77</td>
<td>3.66</td>
</tr>
<tr>
<td>1971</td>
<td>56,860</td>
<td>1,546</td>
<td>27.18</td>
<td>24.10</td>
<td>2.26</td>
</tr>
</tbody>
</table>

SOURCE: Caribbean Regional Study, Vol. 5: Transportation
TABLES TO CHAPTER 4
### TABLE 4.1

**CARICOM: PERCENTAGE COMPOSITION OF INTRA CARIBBEAN EXPORTS**

**BY SITC HEADINGS AND BY COUNTRY, 1974**

(Percentages)

<table>
<thead>
<tr>
<th>Nomenclature</th>
<th>CARICOM</th>
<th>Antigua &amp; Barbuda</th>
<th>Belize</th>
<th>Dominica</th>
<th>Grenada</th>
<th>Guyana</th>
<th>Jamaica</th>
<th>Montserrat</th>
<th>St. Kitts &amp; Nevis</th>
<th>St. Lucia</th>
<th>St. Vincent &amp; Grenadines</th>
<th>Tobago</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4-6) Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>(4-1) Food, Beverages &amp; Tobacco</td>
<td>26.0</td>
<td>16.6</td>
<td>37.0</td>
<td>22.1</td>
<td>43.4</td>
<td>40.0</td>
<td>78.0</td>
<td>21.6</td>
<td>71.2</td>
<td>66.0</td>
<td>3.7</td>
<td>17.2</td>
</tr>
<tr>
<td>(4-2) Raw Materials</td>
<td>2.7</td>
<td>0.1</td>
<td>1.0</td>
<td>77.6</td>
<td>94.5</td>
<td>1.6</td>
<td>1.2</td>
<td>0.6</td>
<td>0.0</td>
<td>8.3</td>
<td>40.9</td>
<td>61.0</td>
</tr>
<tr>
<td>(4-3) Fuels &amp; Lubricants</td>
<td>58.1</td>
<td>58.5</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17.8</td>
</tr>
<tr>
<td>(4-4) Chemical Products</td>
<td>12.6</td>
<td>-</td>
<td>13.9</td>
<td>6.3</td>
<td>5.9</td>
<td>5.4</td>
<td>7.2</td>
<td>6.8</td>
<td>2.1</td>
<td>2.4</td>
<td>3.6</td>
<td>0.1</td>
</tr>
<tr>
<td>(4-5) Machinery &amp; Transportation Equipment</td>
<td>3.2</td>
<td>0.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(4-6) Miscellaneous Manufactures</td>
<td>19.4</td>
<td>15.0</td>
<td>47.3</td>
<td>8.0</td>
<td>7.1</td>
<td>10.3</td>
<td>15.6</td>
<td>15.0</td>
<td>36.7</td>
<td>23.8</td>
<td>11.7</td>
<td>0.8</td>
</tr>
</tbody>
</table>

\(\text{1/ Data for 1975}\)
\(\text{2/ Data for 1974}\)

**Source:** Caribbean Community Secretariat. *A Digest of Trade Statistics of Caribbean Community Member States*. Georgetown, Guyana; September 1976.

**Source:** The Latin American Integration Process, Institute for Latin American Integration, 1976.
## Table 4.2
### CARICOM Countries

### Intra-Regional Trade: 1970-1976

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>8.3</td>
<td>9.6</td>
<td>12.1</td>
<td>14.4</td>
<td>18.4</td>
<td>19.6</td>
<td>22.8</td>
</tr>
<tr>
<td>Guyana</td>
<td>12.6</td>
<td>17.0</td>
<td>18.1</td>
<td>20.1</td>
<td>29.7</td>
<td>44.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Jamaica</td>
<td>13.6</td>
<td>15.8</td>
<td>19.2</td>
<td>24.5</td>
<td>32.3</td>
<td>33.0</td>
<td>43.2</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>45.7</td>
<td>55.0</td>
<td>63.0</td>
<td>76.9</td>
<td>140.8</td>
<td>159.7</td>
<td>161.5</td>
</tr>
</tbody>
</table>

**SUB-TOTAL (MDC's):**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grenada</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
<td>0.5</td>
<td>n.a.</td>
</tr>
<tr>
<td>Belize</td>
<td>0.8</td>
<td>0.9</td>
<td>n.a.</td>
<td>2.1</td>
<td>3.0</td>
<td>1.5</td>
<td>n.a.</td>
</tr>
<tr>
<td>West Indies Associated States</td>
<td>4.7</td>
<td>5.4</td>
<td>7.8</td>
<td>6.4</td>
<td>11.6</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

**SUB-TOTAL (LDC's):**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(5.6)</td>
<td>(6.4)</td>
<td>n.a.</td>
<td>9.1</td>
<td>15.0</td>
<td>(2.0)</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

**TOTAL CARICOM:**

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85.8</td>
<td>(103.8)</td>
<td>n.a.</td>
<td>145.0</td>
<td>232.8</td>
<td>(258.3)</td>
<td>260.5</td>
</tr>
</tbody>
</table>

---

- n.a. = not available
- E = Estimate
- 1/ January to August
- 2/ Excludes St. Vincent
- 3/ Excludes Montserrat

**Source:** Annual Overseas Trade Reports; and data supplied ECLA.

**SOURCE:** Economic Activity - 1976 - In Caribbean Countries. ECLA Office for the Caribbean; ECLA/CARIB 77/5, July 1977
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>13.5</td>
<td>15.3</td>
<td>19.0</td>
<td>21.8</td>
<td>35.2</td>
<td>35.4</td>
<td>41.0</td>
</tr>
<tr>
<td>Guyana</td>
<td>18.9</td>
<td>20.6</td>
<td>24.6</td>
<td>38.7</td>
<td>67.3</td>
<td>73.6</td>
<td>48.51</td>
</tr>
<tr>
<td>Jamaica</td>
<td>9.1</td>
<td>13.4</td>
<td>29.3</td>
<td>35.3</td>
<td>71.5</td>
<td>94.4</td>
<td>63.8</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>13.4</td>
<td>16.3</td>
<td>21.4</td>
<td>20.5</td>
<td>30.1</td>
<td>42.1</td>
<td>53.7</td>
</tr>
<tr>
<td><strong>SUB-TOTAL (NDC's):</strong></td>
<td>54.9</td>
<td>65.6</td>
<td>94.3</td>
<td>116.3</td>
<td>204.1</td>
<td>245.5</td>
<td>207.0</td>
</tr>
<tr>
<td>Grenada</td>
<td>5.0</td>
<td>5.7</td>
<td>6.0</td>
<td>5.9</td>
<td>5.7</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Belize</td>
<td>2.4</td>
<td>2.7</td>
<td>2.8</td>
<td>3.6</td>
<td>3.7</td>
<td>3.1</td>
<td>n.a.</td>
</tr>
<tr>
<td>West Indies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20.8</td>
<td>33.8</td>
<td>n.a.</td>
</tr>
<tr>
<td>Associated States</td>
<td>19.3</td>
<td>22.2</td>
<td>24.9</td>
<td>20.8</td>
<td>33.8</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>SUB-TOTAL (LDC's):</strong></td>
<td>26.7</td>
<td>30.6</td>
<td>33.7</td>
<td>(29.5)</td>
<td>43.2</td>
<td>36.2E</td>
<td>36.2E</td>
</tr>
<tr>
<td><strong>TOTAL CARICOM:</strong></td>
<td>81.6</td>
<td>96.2</td>
<td>128.0</td>
<td>145.8</td>
<td>247.5</td>
<td>281.7E</td>
<td>333.2E</td>
</tr>
</tbody>
</table>

**SOURCE:** Economic Activity - 1976 - In Caribbean Countries, ECLA Office for the Caribbean, ECLA/CARIB 77/5, July 1977
### Table 4.4

**TRINIDAD AND TOBAGO'S TRADE BALANCE WITH OTHER MDCs, 1970 to 1976**

(TT $mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jamaica</th>
<th>Guyana</th>
<th>Barbados</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>2.5</td>
<td>20.1</td>
<td>7.7</td>
</tr>
<tr>
<td>1971</td>
<td>8.5</td>
<td>19.9</td>
<td>7.3</td>
</tr>
<tr>
<td>1972</td>
<td>14.2</td>
<td>22.1</td>
<td>14.3</td>
</tr>
<tr>
<td>1973</td>
<td>21.7</td>
<td>38.2</td>
<td>16.8</td>
</tr>
<tr>
<td>1974</td>
<td>67.2</td>
<td>76.8</td>
<td>39.9</td>
</tr>
<tr>
<td>1975</td>
<td>80.5</td>
<td>84.5</td>
<td>32.4</td>
</tr>
<tr>
<td>1976*</td>
<td>15.5</td>
<td>124.8</td>
<td>36.2</td>
</tr>
</tbody>
</table>

* provisional.

**Sources:** CSO, Quarterly Economic Reports, various issues. Annual Trade Reports.

### TRINIDAD AND TOBAGO'S NON-OIL TRADE BALANCES

WITH OTHER MDCs 1970 TO 1976

(TT $mn)

<table>
<thead>
<tr>
<th>Years</th>
<th>Barbados</th>
<th>Jamaica</th>
<th>Guyana</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3.9</td>
<td>2.1</td>
<td>1.3</td>
</tr>
<tr>
<td>1971</td>
<td>10.3</td>
<td>2.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>1972</td>
<td>8.9</td>
<td>1.3</td>
<td>1</td>
</tr>
<tr>
<td>1973</td>
<td>15.7</td>
<td>7.9</td>
<td>10.5</td>
</tr>
<tr>
<td>1974</td>
<td>15.6</td>
<td>9.8</td>
<td>10.5</td>
</tr>
<tr>
<td>1975</td>
<td>17.2</td>
<td>20.4</td>
<td>1</td>
</tr>
<tr>
<td>1976*</td>
<td>11.0</td>
<td>-9.3</td>
<td>2.9</td>
</tr>
</tbody>
</table>

* provisional.

**Sources:** Annual Trade Reports, Central Statistical Office.

TABLE 4.5
CARICOM COUNTRIES

INTRA-REGIONAL TRADE BALANCE: 1970 - 1976

(US$ Mill)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>-5.2</td>
<td>-5.7</td>
<td>-6.9</td>
<td>-7.4</td>
<td>-16.8</td>
<td>-15.8</td>
<td>-18.2</td>
</tr>
<tr>
<td>Guyana</td>
<td>-6.3</td>
<td>-3.6</td>
<td>-6.5</td>
<td>-18.6</td>
<td>-37.6</td>
<td>-29.6</td>
<td>-16.5</td>
</tr>
<tr>
<td>Jamaica</td>
<td>+4.5</td>
<td>+2.4</td>
<td>-10.1</td>
<td>-10.8</td>
<td>-39.2</td>
<td>-51.4</td>
<td>-20.6</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>+32.3</td>
<td>+38.7</td>
<td>+41.6</td>
<td>+46.8</td>
<td>+110.7</td>
<td>+117.6</td>
<td>+101.8</td>
</tr>
<tr>
<td>LDCs</td>
<td>-21.1</td>
<td>-24.2</td>
<td>N.A.</td>
<td>-20.4</td>
<td>-17.2</td>
<td>-34.2</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Source: Compiled from Tables 2 and 3 above.
## Table 4.8
CARIFPTA Matrix of Trade in Manufactures (SITC 5-8, at f.o.b. values), 1971 (US$ m.)

<table>
<thead>
<tr>
<th>Importer(s)</th>
<th>ECCH</th>
<th>Bollize</th>
<th>Total</th>
<th>Barbados</th>
<th>Guyana</th>
<th>Jamaica</th>
<th>Trinidad</th>
<th>Total</th>
<th>Total</th>
<th>Non-CARIFTA</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exporter(s)</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
<td>IDCs</td>
</tr>
<tr>
<td>ECCH /a</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Bollize /a</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Total IDCs</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
<td>0.3</td>
<td>4.3</td>
<td>5.0</td>
</tr>
<tr>
<td>Barbados /a</td>
<td>2.9</td>
<td>2.9</td>
<td>2.9</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>1.3</td>
<td>1.3</td>
<td>9.3</td>
<td>14.2</td>
</tr>
<tr>
<td>Guyana /a</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>1.8</td>
<td>1.8</td>
<td>6.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Jamaica /a</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>9.8</td>
<td>9.8</td>
<td>34.5</td>
<td>52.9</td>
</tr>
<tr>
<td>Trinidad /a</td>
<td>17.5</td>
<td>0.1</td>
<td>17.6</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>12.5</td>
<td>12.5</td>
<td>65.9</td>
<td>160.0</td>
</tr>
<tr>
<td>Total IDCs</td>
<td>24.5</td>
<td>0.1</td>
<td>24.6</td>
<td>14.1</td>
<td>14.1</td>
<td>14.1</td>
<td>14.1</td>
<td>24.5</td>
<td>24.5</td>
<td>24.5</td>
<td>130.0</td>
</tr>
<tr>
<td>Total CARIFTA</td>
<td>24.7</td>
<td>0.1</td>
<td>24.8</td>
<td>14.2</td>
<td>14.2</td>
<td>14.2</td>
<td>14.2</td>
<td>24.8</td>
<td>24.8</td>
<td>24.8</td>
<td>136.0</td>
</tr>
<tr>
<td>Non-CARIFTA /d</td>
<td>138.1</td>
<td>39.8</td>
<td>177.9</td>
<td>123.6</td>
<td>123.6</td>
<td>123.6</td>
<td>123.6</td>
<td>162.6</td>
<td>162.6</td>
<td>162.6</td>
<td>162.6</td>
</tr>
<tr>
<td>Grand Total /d</td>
<td>162.9</td>
<td>39.9</td>
<td>202.8</td>
<td>137.8</td>
<td>175.6</td>
<td>695.3</td>
<td>505.1</td>
<td>1513.8</td>
<td>1716.6</td>
<td></td>
<td>212</td>
</tr>
</tbody>
</table>

*a/ Partially estimated.

*b/ Excludes SITC 672-01: Precious and Semi-Precious Stones (including synthetic).

*c/ Excludes SITC 5109030: ammonium compounds; SITC 52102000: tar oils, etc.

*d/ Total imports were estimated from c.i.f. import figures divided by a factor of 1.1 to reach estimated f.o.b. values; non-CARIFTA f.o.b. import values were derived as the difference between total imports thus estimated and imports from CARIFTA.

Source: Volume IV

<table>
<thead>
<tr>
<th></th>
<th>JAMAICA (J$ M)</th>
<th>CARICOM Exports &amp; Total Exports 1972-76</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Export</td>
</tr>
<tr>
<td>1970</td>
<td>179.6 (1970)</td>
<td>NA</td>
</tr>
<tr>
<td>1971</td>
<td>200.6 (1971)</td>
<td>NA</td>
</tr>
<tr>
<td>1972</td>
<td>233.1 (1972)</td>
<td>47.3</td>
</tr>
<tr>
<td>1973</td>
<td>299.4 (1973)</td>
<td>48.5</td>
</tr>
<tr>
<td>1974</td>
<td>378.6 (1974)</td>
<td>63.8</td>
</tr>
<tr>
<td>1975</td>
<td>455.3 (1975)</td>
<td>70.9</td>
</tr>
<tr>
<td>1976</td>
<td>539.1 (1976)</td>
<td>82.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TRINIDAD &amp; TOBAGO (TT$ M)</th>
<th>CARICOM Exports &amp; Total Exports 1972-76</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Export</td>
</tr>
<tr>
<td>1970</td>
<td>318.8 (1970)</td>
<td>124.0</td>
</tr>
<tr>
<td>1971</td>
<td>419.0 (1973)</td>
<td>NA</td>
</tr>
<tr>
<td>1972</td>
<td>487.0 (1974)</td>
<td>226.6</td>
</tr>
<tr>
<td>1973</td>
<td>555.0 (1975)</td>
<td>242.4</td>
</tr>
<tr>
<td>1974</td>
<td>693.0 (1976)</td>
<td>282.8</td>
</tr>
</tbody>
</table>

## TABLE 4.8
CARIBANK: NET LOANS GRANTED BY COUNTRY, 1970/1976
(in thousands of current US$)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua</td>
<td>-</td>
<td>404.6</td>
<td>668.1</td>
<td>1,059.5</td>
<td>191.6</td>
<td>856.6</td>
</tr>
<tr>
<td>Bahamas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Barbados</td>
<td>-</td>
<td>1,624.0</td>
<td>1,182.4</td>
<td>924.0</td>
<td>-</td>
<td>3,245.0</td>
</tr>
<tr>
<td>Belize</td>
<td>1,526.5</td>
<td>726.9</td>
<td>1,774.5</td>
<td>10,079.6</td>
<td>1,621.7</td>
<td>3,521.6</td>
</tr>
<tr>
<td>Virgin Islands (Br)</td>
<td>-</td>
<td>100.0</td>
<td>-</td>
<td>199.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cayman Islands</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dominica</td>
<td>650.5</td>
<td>3,292.0</td>
<td>1,236.3</td>
<td>3,203.6</td>
<td>1,366.1</td>
<td>668.2</td>
</tr>
<tr>
<td>Grenada</td>
<td>237.7</td>
<td>1,423.1</td>
<td>314.8</td>
<td>1,458.0</td>
<td>1,247.6</td>
<td>247.7</td>
</tr>
<tr>
<td>Guyana</td>
<td>-</td>
<td>-</td>
<td>1,171.9</td>
<td>2,336.8</td>
<td>1,906.8</td>
<td>1,768.6</td>
</tr>
<tr>
<td>Jamaica</td>
<td>1,102.1</td>
<td>-</td>
<td>6,274.5</td>
<td>4,400.0</td>
<td>4,399.6</td>
<td>634.8</td>
</tr>
<tr>
<td>Montserrat</td>
<td>193.9</td>
<td>-</td>
<td>42.0</td>
<td>584.9</td>
<td>139.1</td>
<td>100.0</td>
</tr>
<tr>
<td>St. Kitts-Nevis Anguilla</td>
<td>439.4</td>
<td>-</td>
<td>518.2</td>
<td>1,635.4</td>
<td>212.8</td>
<td>1,156.7</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>877.3</td>
<td>3,164.3</td>
<td>2,077.1</td>
<td>3,212.6</td>
<td>2,942.5</td>
<td>648.1</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>694.0</td>
<td>168.0</td>
<td>900.4</td>
<td>572.8</td>
<td>1,215.4</td>
<td>1,590.0</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>-</td>
<td>993.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Turks and Caicos Islands</td>
<td>-</td>
<td>137.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Regional Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,942.9</td>
<td>6,916.8</td>
</tr>
<tr>
<td>TOTALS</td>
<td>5,783.2</td>
<td>11,971.4</td>
<td>17,673.4</td>
<td>31,610.1</td>
<td>23,705.7</td>
<td>22,819.2</td>
</tr>
</tbody>
</table>

* Including 630 thousand dollars granted in 1970.

**Source:** CARIBANK, Annual Report 1975, Bridgetown, Barbados, February 1976.

**Source:** The Latin American Integration Process, Institute for Latin American Integration, 1976.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Amount</td>
<td>No.</td>
<td>Amount</td>
</tr>
<tr>
<td>Agriculture &amp; Processing</td>
<td>11</td>
<td>1,694</td>
<td>27</td>
<td>3,600</td>
</tr>
<tr>
<td>Agricultural Credit Institut.</td>
<td>11</td>
<td>3,120</td>
<td>12</td>
<td>3,220</td>
</tr>
<tr>
<td>Industrial Estates &amp; Plants</td>
<td>7</td>
<td>2,311</td>
<td>10</td>
<td>2,864</td>
</tr>
<tr>
<td>Small Industrial Credit Inst.</td>
<td>7</td>
<td>1,275</td>
<td>9</td>
<td>1,575</td>
</tr>
<tr>
<td>Hotels &amp; Tourist Facilities</td>
<td>2</td>
<td>1,227</td>
<td>6</td>
<td>1,713</td>
</tr>
<tr>
<td>Airports and Ports, Sea Transport</td>
<td>4</td>
<td>5,130</td>
<td>6</td>
<td>5,637</td>
</tr>
<tr>
<td>Roads and Bridges</td>
<td>2</td>
<td>2,006</td>
<td>6</td>
<td>5,214</td>
</tr>
<tr>
<td>Water Supply</td>
<td>4</td>
<td>3,068</td>
<td>4</td>
<td>3,068</td>
</tr>
<tr>
<td>Electr. Power &amp; Communication</td>
<td>2</td>
<td>2,216</td>
<td>2</td>
<td>2,216</td>
</tr>
<tr>
<td>Student Loans</td>
<td>3</td>
<td>300</td>
<td>6</td>
<td>600</td>
</tr>
<tr>
<td>Residential Mortgages</td>
<td>1</td>
<td>3,000</td>
<td>.</td>
<td>3,000</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>25,377</td>
<td>88</td>
<td>32,875</td>
</tr>
<tr>
<td>&quot;Hard Loans&quot;</td>
<td>26</td>
<td>13,027</td>
<td>40</td>
<td>44,162</td>
</tr>
<tr>
<td>&quot;Soft Loans&quot;</td>
<td>30</td>
<td>12,350</td>
<td>56</td>
<td>18,263</td>
</tr>
</tbody>
</table>

---

* Exclusive of loans previously included but not taken up by borrowers: 3 for Agriculture in the amount of $207,000 and 1 for Water Supply in the amount of $650,000.

** The number of loans exceeds the number of projects because some projects are supported by both a "hard loan" and a "soft loan".

*** Excludes guarantee of a loan of DMI 100,000 to one borrower which was previously included.

### TABLE 4.10

**LOAN APPROVALS 1972-1975**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries (including Industrial Estates)</td>
<td>US$ 6,646,696</td>
</tr>
<tr>
<td>Agriculture (including agriculture, infrastructure, meat packing and marketing facilities)</td>
<td>9,927,232</td>
</tr>
<tr>
<td>Hotel</td>
<td>1,662,232</td>
</tr>
<tr>
<td>Infrastructure &amp; Services (including student loans)</td>
<td>18,802,190</td>
</tr>
<tr>
<td>Estimated Total Approvals</td>
<td>US$37,040,352</td>
</tr>
</tbody>
</table>

**SOURCE:** Goodwin and Lake, "The LDCs in Integration Schemes," op. cit., p. 27.
### APPENDIX I.1

**Area Balance on Merchandise Trade: 1969-1975**

(PGS Mill.)

<table>
<thead>
<tr>
<th></th>
<th>1969</th>
<th>1970</th>
<th>1971</th>
<th>1972(^1)</th>
<th>1973(^2)</th>
<th>1974(^3)</th>
<th>1975(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK</strong></td>
<td>-193.3</td>
<td>-271.7</td>
<td>-293.4</td>
<td>-264.1</td>
<td>-210.9</td>
<td>-174.1</td>
<td>-102.8</td>
</tr>
<tr>
<td><strong>USA</strong></td>
<td>91.3</td>
<td>104.8</td>
<td>3.9</td>
<td>17.3</td>
<td>201.3</td>
<td>2,104.3</td>
<td>1,572.5</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>21.8</td>
<td>80.0</td>
<td>73.2</td>
<td>195.9</td>
<td>126.6</td>
<td>37.4</td>
<td>128.9</td>
</tr>
<tr>
<td><strong>Latin America</strong></td>
<td>-406.7</td>
<td>-332.9</td>
<td>-201.5</td>
<td>-226.6</td>
<td>-299.1</td>
<td>601.6</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>EEC</strong></td>
<td>-103.7</td>
<td>-156.5</td>
<td>-175.5</td>
<td>-175.0</td>
<td>-233.9</td>
<td>-120.5</td>
<td>211.2</td>
</tr>
<tr>
<td><strong>Other Caribbean</strong></td>
<td>79.7</td>
<td>87.4</td>
<td>99.1</td>
<td>99.4</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>-647.8</td>
<td>-866.7</td>
<td>-1,106.5</td>
<td>-1,345.1</td>
<td>-1,067.7</td>
<td>-291.0</td>
<td>-344.2</td>
</tr>
</tbody>
</table>

**Note:** Exclude intra-area trade, as well as data for the Bahamas.

n.a. = not available

1/ Exclude data for Belize.

2/ MDC's only.

3/ Included in "Others".

**Source:** Derived from Table XI of the Statistical Appendix:

**APPENDIX I:2**

**Trinidad & Tobago**

**Overseas Trade Indices and Terms of Trade**

(Base weighted. Base year 1964 = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Exports</th>
<th>Imports</th>
<th>Terms of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
<td>Unit Value</td>
<td>Volume</td>
</tr>
<tr>
<td>1970</td>
<td>126.2</td>
<td>109.1</td>
<td>128.0</td>
</tr>
<tr>
<td>1971</td>
<td>124.0</td>
<td>122.8</td>
<td>147.5</td>
</tr>
<tr>
<td>1972</td>
<td>126.8</td>
<td>124.8</td>
<td>142.9</td>
</tr>
<tr>
<td>1973</td>
<td>125.9</td>
<td>162.8</td>
<td>146.4</td>
</tr>
<tr>
<td>1974</td>
<td>135.4</td>
<td>435.6</td>
<td>195.9</td>
</tr>
<tr>
<td>1975</td>
<td>106.8</td>
<td>547.6</td>
<td>128.8</td>
</tr>
<tr>
<td>1976</td>
<td>118.5</td>
<td>595.8</td>
<td>155.4</td>
</tr>
</tbody>
</table>

(Including SITC Section 3 - Petroleum)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Exports</th>
<th>Imports</th>
<th>Terms of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
<td>Unit Value</td>
<td>Volume</td>
</tr>
<tr>
<td>1976</td>
<td>158.0</td>
<td>108.6</td>
<td>124.5</td>
</tr>
<tr>
<td>1977</td>
<td>174.0</td>
<td>113.4</td>
<td>165.5</td>
</tr>
<tr>
<td>1978</td>
<td>184.7</td>
<td>119.1</td>
<td>164.8</td>
</tr>
<tr>
<td>1979</td>
<td>173.9</td>
<td>172.0</td>
<td>178.0</td>
</tr>
<tr>
<td>1980</td>
<td>222.6</td>
<td>200.2</td>
<td>271.4</td>
</tr>
<tr>
<td>1981</td>
<td>120.3</td>
<td>310.1</td>
<td>211.5</td>
</tr>
<tr>
<td>1982</td>
<td>105.3</td>
<td>312.6</td>
<td>218.9</td>
</tr>
</tbody>
</table>

1/ Net terms of trade is derived from dividing domestic export unit value index by the import unit value index and multiplying by 100.

2/ Income terms of trade is derived from multiplying the net terms of trade by the export volume index and dividing by 100.


BCLA/CARIB, 77/5
### Appendix 1:3

**CARICOM COUNTRIES**

#### Percentage Contribution to GDP at Factor Cost

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry &amp; Fisheries</td>
<td>8.0</td>
<td>9.3</td>
<td>9.8</td>
<td>(6.8)(^1)/</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>12.7</td>
<td>18.1</td>
<td>18.6</td>
<td>16.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>16.2</td>
<td>15.6</td>
<td>15.1</td>
<td>15.2(^2)/</td>
</tr>
<tr>
<td>Construction</td>
<td>9.3</td>
<td>8.6</td>
<td>8.5</td>
<td>7.3(^3)/</td>
</tr>
<tr>
<td>Transportation &amp; Distribution</td>
<td>22.7</td>
<td>19.8</td>
<td>19.4</td>
<td>16.8(^4)/</td>
</tr>
<tr>
<td>Government</td>
<td>12.3</td>
<td>12.0</td>
<td>12.3</td>
<td>13.9</td>
</tr>
<tr>
<td>All Others</td>
<td>18.7</td>
<td>16.6</td>
<td>16.4</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note: Exclude data for the West Indies Associated States.

\(^1\)/ Provisional, \(^2\)/ Revised, \(^3\)/ ECLA's estimates.

Source: Derived from Table I.

### CARICOM COUNTRIES

#### Annual Percentage Change of Gross Domestic Product by Sectors

<table>
<thead>
<tr>
<th>All Sectors</th>
<th>1973-74</th>
<th>1974-75</th>
<th>1975-76(^1)/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry &amp; Fisheries</td>
<td>52.0</td>
<td>25.9</td>
<td>n.a.</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>66.1</td>
<td>23.1</td>
<td>-10.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25.9</td>
<td>16.2</td>
<td>n.a.</td>
</tr>
<tr>
<td>Construction</td>
<td>20.5</td>
<td>18.6</td>
<td>n.a.</td>
</tr>
<tr>
<td>Transportation &amp; Distribution</td>
<td>13.7</td>
<td>17.9</td>
<td>n.a.</td>
</tr>
<tr>
<td>Government</td>
<td>27.5</td>
<td>23.1</td>
<td>15.8</td>
</tr>
<tr>
<td>All Others</td>
<td>16.4</td>
<td>18.1</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>30.0</td>
<td>19.4</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Note: The growth rates for the years 1975 & 1976 appear low in this Table compared with rates calculated elsewhere from figures in East Caribbean dollars (EC$). This is mainly due to the conversion of all the national currency figures into US dollars and the fact that in 1975 & 1976 several countries unified their currency from the deteriorating Pound Sterling and established fixed parity rates with the US dollar.

n.a. = not available. \(^1\)/ Data relate to MDC only.

Source: Derived from Table I.

**SOURCE:** Economic Activity in Caribbean Countries - 1976.
### Appendix I:4

#### CARICOM COUNTRIES

#### INDEXES OF PRODUCTION, EMPLOYMENT, PRODUCTIVITY AND AVERAGE EARNINGS IN MANUFACTURING

#### TRINIDAD & TOBAGO

<table>
<thead>
<tr>
<th>Domestic Production (Manufacturing output)</th>
<th>All Employees</th>
<th>Production Workers only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>1971</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1972</td>
<td>104.8</td>
<td>106.3</td>
</tr>
<tr>
<td>1973</td>
<td>108.9</td>
<td>112.8R</td>
</tr>
<tr>
<td>1974</td>
<td>115.6</td>
<td>110.0R</td>
</tr>
<tr>
<td>1975</td>
<td>119.0</td>
<td>111.5</td>
</tr>
</tbody>
</table>

**Note:** Data exclude ship and boat building.

R - Revised

**Source:** Quarterly Economic Report, October to December 1975; and Economic Indicators, October to December 1975, Central Statistical Office, Trinidad.

**Source:** Economic Activity in Commonwealth Caribbean Countries - 1975, ECLA/POS, 76/6, 1976.
### APPENDIX 1:5

**CARICOM COUNTRIES**

**CONTRIBUTION OF AGRICULTURE TO G.D.P. 1973-76**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>GDP</td>
<td>Agri.</td>
<td>GDP</td>
<td>Agri.</td>
<td>GDP</td>
<td>Agri.</td>
<td>GDP</td>
<td>Agri.</td>
</tr>
<tr>
<td>Barbados</td>
<td>216.0</td>
<td>25.3</td>
<td>11.7</td>
<td>264.2</td>
<td>34.4</td>
<td>13.0</td>
<td>310.4</td>
<td>49.0</td>
</tr>
<tr>
<td>Guyana</td>
<td>271.0</td>
<td>50.0</td>
<td>18.4</td>
<td>388.1</td>
<td>116.4</td>
<td>29.9</td>
<td>450.0</td>
<td>145.0</td>
</tr>
<tr>
<td>Jamaica</td>
<td>1927.4</td>
<td>140.9</td>
<td>7.3</td>
<td>2476.7</td>
<td>178.3</td>
<td>7.2</td>
<td>2924.6</td>
<td>222.3</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>1203.4</td>
<td>60.5</td>
<td>5.0</td>
<td>1612.3</td>
<td>91.6</td>
<td>5.7</td>
<td>2013.2</td>
<td>113.8</td>
</tr>
<tr>
<td>Sub-total</td>
<td>3617.8</td>
<td>276.7</td>
<td>7.7</td>
<td>4741.3</td>
<td>420.7</td>
<td>8.9</td>
<td>5698.2</td>
<td>530.1</td>
</tr>
<tr>
<td>Grenada</td>
<td>33.6</td>
<td>6.5</td>
<td>19.3</td>
<td>31.9</td>
<td>7.9</td>
<td>24.8</td>
<td>37.2</td>
<td>10.7</td>
</tr>
<tr>
<td>W.I. Associated States</td>
<td>169.1</td>
<td>N.A.</td>
<td>-</td>
<td>191.4</td>
<td>N.A.</td>
<td>-</td>
<td>118.0</td>
<td>N.A.</td>
</tr>
<tr>
<td>Belize</td>
<td>62.1</td>
<td>14.7</td>
<td>23.7</td>
<td>82.6</td>
<td>24.3</td>
<td>29.4</td>
<td>94.7</td>
<td>29.2</td>
</tr>
<tr>
<td>CARICOM Total</td>
<td>(3882.6)</td>
<td>(297.9)</td>
<td>(7.7)</td>
<td>(5047.2)</td>
<td>(452.9)</td>
<td>(8.9)</td>
<td>6028.1</td>
<td>570.0</td>
</tr>
</tbody>
</table>

**SOURCE:** Economic Activity in Caribbean Countries - 1976

ECLA/CARIB, 77/5, 1977.
APPENDIX II

NOTES TOWARDS A THEORY OF INTEGRATION FOR DEVELOPING COUNTRIES

It is not proposed in this section to enter into an elaborate discussion of a relevant theory of integration for LDCs. Instead, it merely seeks to scan the barest outlines of a relevant theory suitable to the needs and aspirations of the developing world. First of all any theory must bear in mind the parameters of the area to which it is to be applied. In terms of the Third World these parameters are essentially the primary preoccupations of these societies. In this writer's view these are development (in its widest sense); the lessening of dependence; and the guarding of national sovereignty. These are the three things which most Third World societies wish to attain or maintain. The theory must therefore take these into consideration.

In terms of the first pre-occupation of developing countries, any respectable theory of, or approach to integration among LDCs must recognize the explicitly developmental aims of most countries in joining integration movements. To be successful it must therefore be in a position structurally as well as institutionally to provide those benefits and fulfill those aims in an equitable manner. It was on this basis that the
argument was made that the structure of CARICOM was incapable of fulfilling the developmental aims of its members. An integration movement relevant to the Third World must be specifically production oriented, stressing the coordinated use of regional resources and an equitable distribution of the benefits accruing from such a strategy of development. Countries no less than individuals are attracted by material benefits and in like manner will support a regional grouping which can provide such benefits.

On the second preoccupation, that of lessening of dependence, any relevant theory of integration among LDCs must explicitly recognize that ties of dependence are in an overwhelming sense a constraint, both on the ability of LDCs to initiate a viable course of development, and on their ability to attain any such type of broad and meaningful development. Thus the theory and approach to integration must seek to establish mechanisms to reduce the effects of such ties of dependence. In this, special attention needs to be paid to the question of controlling the impact of external forces, agents and actors. It was for this reason that Mytelka and Axline recommended a strict and comprehensive regime for the control of foreign investments in LDCs and indeed saw the establishment of such a regime in combination with a greater degree of functional cooperation and regionally coordinated planning as attaining the most viable form (type 3) of economic integration among developing countries. The lessening
of external dependence creates the conditions for both increased integration and more regionally oriented growth and development.

The third pre-occupation, that of guarding of national sovereignty, is not necessarily inimical to the aims of integration. The traditional theories of political (and economic) integration - the Federalists, the Transactions theories, the Functionalists and the Neo-Functionalists - have all assumed that the end product of the process of integration is some enlarged unitary state, whether it be a federation, a confederation, a security community or any such political community. In this writer's view, however, there is no necessary congruence between economic integration and loss of political sovereignty. A specifically production oriented integration movement with mechanisms to specifically reduce dependence and the openness of the region, still leaves much latitude for the exercise of sovereignty at the state level. Increased coordination of policies and programmes does not necessarily mean the immersion or drowning of specifically national sensibilities. Thus as Brewster put it:

The meaningful question at the present time for the Caribbean as for most of the economic groupings of the less developed countries of the world, must be how to promote transnational economic development, whilst minimizing infringement of State sovereignty.

The experience of the ASEAN countries and the Andean Group would seem to indicate that it can be done. It would therefore seem that loss of national sovereignty is not a necessary accompanying
factor consequent on economic integration (a denial of the spill-over concept) although from a purely speculative point of view under such conditions the retention of such sovereignty would have little intrinsic value. Thus in conclusion it can be said that political integration is not necessarily inevitable, nor need not be a crucial consideration in any theory of integration among less developed countries.

---

FOOTNOTES:


2 Brewster, op. cit., p. 284.
SELECT BIBLIOGRAPHY

BOOKS AND MONOGRAPHS:


Brewster, H. and C.Y. Thomas, The Dynamics of West Indian Economic Integration, University of the West Indies, Mona, Jamaica, 1967.


Munroe, T. and R. Lewis (ed.), Readings in Government and Politics of the West Indies, University of the West Indies, Mona, Jamaica, 1971.


ARTICLES AND CONFERENCE PAPERS:


DOCUMENTS AND REPORTS:


Caribbean Regional Study, Vols. 1, 3, 4, 5, 6a and 7, Report No. 566a, IBRD; June 1975.


NEWSPAPERS AND MAGAZINES:


The Trinidad Express, Tuesday, March 8, 1977, Trinidad and Tobago.

The Barbados Advocate, Tuesday, Jan. 25, 1977, Barbados.