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DEVELOPMENT PLANNING IN THE CARIBBEAN

A Review of 1950 to 1975

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UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

DEVELOPMENT PLANNING IN THE CARIBBEAN ^{1/}

A Review of 1950 to 1975

by Max B. Ifill

For the Caribbean, the 1950's was the era of political renaissance. The end of global conflict in the previous decade had left Britain, the major imperialist power in the area, a much weakened state struggling for its own economic survival. Its marginal Caribbean markets could have made little contribution to its recovery, therefore a shift to a political strategy which made the islands more responsible for their future was most expedient. Self-government packets were therefore dispensed in the area both collectively and severally. The French-speaking colonies stirred by the spread of revolutionary ideologies made attempts to establish a Caribbean identity, a movement which conflicted with the interest of metropolitan France. The larger countries in the Caribbean chain which had already freed themselves from European imperialist rule, but had through external influences achieved little control over their political and economic destinies, revolted against what they regarded as authoritarian leadership and sought to establish regimes with greater popular support. The climate of Caribbean consciousness was also felt in the Dutch possessions and domestic politics took on new dimensions which soon led to internal self-government, and eventually to independence.

These political developments in the Caribbean established a climate in which for the first time in its history, there was fertile ground for belief that the future condition of the people could be determined by the wills of themselves and their leaders. A reflection of this newly found confidence is evident in this statement, "Independence has meant the assumption of complete responsibility for our own affairs. This is the first major test

^{1/} The term "development planning" always has a political dimension, a fact which has not been ignored in this paper.

of how we, as Jamaicans, will carry out the responsibility which we have freely assumed in order to fashion our country in the mould of our own deliberate work, and not as others wish us to be. This right and the exercise of it, in the final analysis, is the essence of Independence." ^{2/}

It is in the field of economic and social action that this new found confidence most revealed itself. The traditional economic role of the region as suppliers of agricultural commodities to metropolitan Governments and purchasers of food, industrial and manufactured goods, was seen as a consequence of foreign domination; and it was increasingly felt that by deliberate and planned action, Caribbean peoples could attain more satisfactory living standards. This, however, could not be done if world market forces were allowed to operate freely. Planning was therefore, seen as a necessary tool for achieving those economic changes which seemed desirable if political power was to be made meaningful. The following extracts from a speech made by the most dominant political figure in the English-speaking Caribbean in the past quarter of a century, speak for themselves. ^{3/}

"Planning is a good thing."

(It is) "an instrument of economic development and social change."

"The purpose of planning is to impart discipline and enthusiasm to the pursuit of the development effort of both the public and private sectors of the economy. Externally, its purpose is to enable the developing nation to exercise a greater degree of control over its external environment."

"Planning is from start to finish, a political process."

From the late 1950's, therefore, Caribbean Governments began preparing documents entitled variously, "Development Plans" or

^{2/} Foreword: Jamaica Five-Year Independence Plan 1963-1968

^{3/} Excerpts from "The Purpose of Planning", a Paper delivered by the Rt. Hon. Eric Williams at the University of Sussex in 1969 and published in "The Crisis in Planning", by Faber and Seers.

"National Plans", all of which were intended broadly to determine the future course of socio-economic growth. The purpose of this paper is to look back over the past quarter of a century at the plan documents of Caribbean Governments for appreciation of their main characteristics. The approach is global, so that there will be no reference to the policies of specific Governments.

PLAN STRATEGY AND PURPOSE

With assumption of responsibility for future of their countries, Caribbean Governments had choices open to them in their attempts to improve socio-economic conditions. But these have to be seen against a background of what they conceived as their political options. Looked at in retrospect, only one Caribbean state, quite early in the 1960's opted for a clean break in its political orientation and made fundamental changes in both internal and external economic relationships. It recognized the exploitative characteristics of historical metropolitan ties, and opted for a managed economy which gave the state supreme control over investment, supply, demand and distribution. It terminated the dominance of private and foreign ownership of means of production and, following retaliatory action by its dominant trading partner, shifted its trading relationships mainly to other states with centrally planned economies. The historical antecedents which culminated in this drastic reorientation were unique and since the country's political will and sense of national purpose and determination were not duplicated anywhere in the Caribbean, its development experience should be seen more as an aberration, emerging from those circumstances, than as an indication of what was feasible in the area as a whole.

Of far greater moment for our analysis is the politico-economic course pursued in the rest of the Caribbean. It reveals greater reluctance of other Governments to change external relationships and therefore they did not threaten the existing traditional framework. They sought, instead to manipulate it to their advantage. Internally they accepted the domestic economic power structure which had developed during colonial times and

which was the lynch-pin to the exploitative metropolitan system. These states did not explicitly declare preference for a neo-colonial policy but since they did not deliberately set out to change old politico-economic dependence, they in fact, had little room for manoeuvre. They adopted as policy, the same capitalist system of metropolitan powers which they had claimed was responsible for their under-development, and sought to apply it through traditional international economic structures.

Their economic strategies, therefore, have to be viewed against the limitations accepted by these Governments of their power to change traditional political structures, or more realistically, to introduce political variables which would have given them greater economic flexibility.

There were three important variations which it was thought would turn the scales in their favour. First, state power was used in such a way as to encourage and foster the development of an industrial sector which would reserve the domestic market for internal production. Secondly, since it was argued that regional shortage of investment capital hindered growth, foreign capital was invited on attractive terms not only to meet domestic and regional market requirements, but to manufacture for foreign markets. Thirdly, it was held that since the region had a labour wage advantage, it was economically feasible to import raw materials from the industrialized world and export finished products to industrialized markets. The orientation was therefore towards a view that the sub-region could become a "Western Hong Kong." ^{4/}

^{4/} The view of unlimited markets in the industrialized world still dogs development thinking despite trade barriers erected against manufacturing imports from LDC's as the following quotation by Professor Arthur Lewis demonstrates: "There is a limit to the amount of tea or cocoa or coffee that the rich countries will buy, but with exports of manufactures from LDC's standing only at 8% of world trade in manufactures in 1975, potentially unlimited growth is available in this area to LDC's over the next decade or so ... " Extract from Janeway Lecture by Professor Arthur Lewis on the "Evolution of the International Economic Order", published in Finance and Development, September 1977 / Volume 14 / Number 3.

This was essentially a mercantilist policy with state power promoting not merely a monopoly of domestic and regional markets, both of which are small, but also assuming unlimited penetration into foreign markets in accordance with new regional industrial potential. There was in this an implication that the sub-region could establish an economic hegemony while retaining political independence. This strategy was expected to create a modern industrial sector which would attract under-employed from traditional primary sectors and contribute to overall increase in productivity. The indicators of success were the real rate of economic growth and number of new jobs provided.

Planning was therefore, for these Governments, an exercise in creating the appropriate climate for a controlled capitalist system to flourish without undesirable threats from outside which would prohibit growth, but at the same time unrestricted entry into foreign markets was envisaged. A long list of legislative concessions bear testimony to the eagerness with which these Governments sought to make their policies a success:

- a. Pioneer industries ordinances - the first of which were passed in 1950 - gave generous tax and duty concessions, and accelerated depreciation allowances applicable at the end of tax exemption periods.
- b. Protective trade barriers were erected to prevent unfair competition, and infant industries were sheltered from competition.
- c. Hotel Development Acts were passed which effectively attracted foreign capital and expertise into the tourist industry.
- d. Specific legislation was passed - cement, bauxite, nitrogenous fertilizer, petrochemicals; housing - to meet individual industry needs.

PLANNING ORGANIZATION

This new approach of conscious deliberate legislative action to accelerate the pace of economic growth was accompanied by a movement for creating new Governmental institutions, since it was

felt that the traditional administrative system was too slow and cumbersome for rapid decision-making. Governments, therefore set up development boards and corporations as parastatal entities thus providing vehicles in which both public and private sectors could be represented. By this mechanism, established business and commercial interests would be integrated into the industrialization exercise, and a safe climate created for both domestic and foreign investment.

Local investors welcomed the entry of foreign capital. Most of them had acquired wealth through commerce and trading, and having little manufacturing know-how, they eagerly sought ties with foreign manufacturers who had expertise, franchises and markets. Furthermore, the local private sector felt it was less likely that the doctrine of the sanctity of private capital would be threatened by divergencies which could lead to conflict with major world powers interested in preservation of the traditional international economic order. These factors helped to set in motion, a process of industrialization which was regarded as the key to an economic breakthrough for the sub-region.

In some cases, Governments established national planning commissions comprised of ministers and technocrats under the chairmanship of heads of Governments. Economic planning units functioned as secretariats to these commissions and were charged with the major task of preparing medium term plans for periods of three to seven years. The most commonly used time-span was five years, which coincided with the average tenure of a Government. National planning agencies were established by law in some territories, but the more usual practice was to create economic or central planning units as part of the technical and administrative machinery in Ministries of Planning and Development. There was always a close tie between planning agencies and units on the one hand, and heads of Governments on the other, who in most cases functioned either as chairmen of national commissions or as responsible Ministers. Development policy was in all cases under control of heads of Governments. There were also subsidiary organizations which had important roles to play in plan achievement. The most important were National Central Banks,

Agricultural Development Banks, Workers' Banks, Development Finance Corporations, Industrial and Agricultural Development Corporations, Agricultural Development Banks, Prices Commissions and Industrial Courts.

THE PLANNING PROCESS

Plan preparation has been primarily an activity performed by Governments for management of public sector expenditure, and for establishing a climate which would inspire confidence in the private sector. The actual preparation of a plan usually took many months during which information on proposed investment for the plan period was in some cases collected from the private sector. Though most plan documents dealt solely with public sector investment, most of which was infrastructural, some of them also indicated proposed private sector production targets. There were no formal links between Governments and other elected representatives in national legislatures during plan formulation and preparation, so that plan documents were often more representative of political party policy than of national. After completion, however, these documents were presented in legislatures for debate.

The role of the public in the planning process is of particular significance for it illustrates the extent to which a Government sees development as an exercise dependent essentially for its success on human involvement and participation. The Caribbean Governments whose planning methods are being considered here, did not have structures for achieving mass participation in plan formulation and preparation. There was undoubtedly awareness of the importance of citizen involvement as can be seen from these quotations: "Democratic planning is a co-operative process involving the participation of every layer of Government and of Society as well as of every individual citizen. Only to the extent that this conception is grasped and acted upon can national economic planning be fully successful in this country." ^{5/}

^{5/} Trinidad and Tobago Draft Second Five-Year Plan 1964-1968; Chapter 11, paragraph 56.

"... but every person, man or woman, must be prepared to work hard, and make a full contribution to the programme, so that all other objectives may be successfully achieved." ^{6/}

But since the planning process was conceived in sectoral and not in regional terms, citizen participation could only be effected through interest groups. This was formalized in at least one case where a National Economic Advisory Council was established. It consisted of members selected by the Business Advisory Council, the Labour Advisory Council, and two other persons selected by the Government from interest groups. This Council did not, however, participate in plan preparation, it was a consultative body to which the draft national plan was submitted. The fact that the role of organized labour was only consultative is very important, for it sets the tone for labour's attitude towards development effort. Since there was no change in domestic economic relationships, organized labour continued to operate as a countervailing force against the owners of capital, both private and public, whom they see as main beneficiaries in the existing system of production. Labour's attitude has been more exploitative than co-operative.

Non-involvement of the citizenry at both formal and informal levels in plan preparation has been a characteristic feature of plan process throughout the region. There has been more planning for, than planning with the people, and consciousness of the importance of mass involvement did not result in creation of mechanisms for its achievement. Planning has been in essence from the top down. The citizenry has not been required to identify with the planning process; but it has been encouraged through exhortation to co-operate on the grounds that development programmes will improve its lot.

In most cases, medium term plans were prepared against broad long term perspectives such as "the full utilization of our human and natural resources together with our capital resources so as to

^{6/} Jamaica Five-Year Independence Plan 1963-1968.
Message from the Prime Minister.

yield to the broadest segments of our society, such levels of living as are commensurate with modern requirements of human dignity." ^{7/} Annual budgetary provisions continued as usual, and projects from medium term plans were implemented through annual budget provisions. The practice of preparing medium term indicative plans has at times given way to short term annual budgetary exercises.

In plan preparation, Governments viewed their economies in sectoral terms. This was largely because of the continuation of a ministerial system which allotted portfolios on the traditional basis of state provision of services. This made formal linkages essential for efficiency, and called for high levels of management and ministerial co-ordination to avoid waste, maintain schedules and obtain satisfactory levels of productivity. Inadequate administrative and managerial techniques may well have played a significant role in the disillusion which developed among Governments in the early 1970's and which led to a shift from medium term planning to annual budgetary programming.

One feature of particular significance is the little importance which has been placed on the regional approach in national planning. Mention was made of the importance of this approach in at least one plan document, but no machinery was created to put it into operation. The absence of a regional perspective, combined with concentration on sectoral origin of macro-economic variables to the exclusion of their locational origin, has in no small measure contributed to the large population movements from rural to urban areas. For no Government developed a mechanism for treating rural population clusters as socio-economic entities in themselves which were focal areas for development. Absence of a rural development strategy has placed heavy burden on inadequate urban infrastructural services, and by increasing urban unemployment has contributed considerably to social problems.

^{7/} Chapter I, paragraph 3, Trinidad and Tobago Draft Second Five-Year Plan, 1964-1968.

While Governments were always conscious of the importance of physical planning, little attempt was made in the earlier planning periods to weld allocation and use of space into comprehensive programming. During the 1960's, however, legislation was passed by some Governments which imposed controls on land use. Later on in the decade, physical planning was adopted with greater enthusiasm and many Governments sought assistance from international agencies to prepare plans for urban development.

The exercise of preparing medium term plan documents has served many purposes. It has performed the important function of periodically focussing attention of policy makers, at both political and technical levels, on socio-economic needs of their countries; and has injected rationality into programmes emanating from individual ministries. The documents which emanated from these exercises were important for establishing credibility on the international scene and securing bilateral and international loans. They provide useful information about economies and some reveal high levels of technical competence. They are, however, mainly indications of what Governments would have liked to happen, but there were inadequate mechanisms for achieving quantifiable goals. After plan preparation, therefore, the scene shifted from planning units to relevant ministries which took on the task of implementing agreed projects while planning units functioned mainly as plan co-ordinators and economic secretariats for their Governments. Planning units in fact had little planning capacity, and arrangements for research and for data collection during plan execution to facilitate monitoring, evaluation and revision were often inadequate or non-existent. The plan documents themselves reveal a paucity of data on domestic agricultural and other traditional production, and give the general impression that there was no long term consideration of the type of quantitative data which should be provided by statistical services for development of the domestic economy.

PLAN CONTENT

Development planning has been seen primarily as an exercise in marco-economics. The approach has been to express hopes and

aspirations, assess national physical resources, evaluate gross domestic product on the basis of sectoral contributions, indicate projected ministerial expenditure in the public sector, provide inducements for the private sector and to project attractive growth targets through the plan period. ^{8/}

Quite apart from the content of these plans, however, there is the question of their orientation. Plans prepared in the 1950's and 1960's never saw the human economy as an important spring-board for conceptualization of development effort. But there was awareness at least in one country of the undesirable effects of the type of industrialization which was taking place. It's Third Five-Year Development Plan states, "The technology used in Trinidad and Tobago is inappropriate to our conditions of excess labour because it is introduced from the developed countries where there is generally a shortage of labour, which has consequently to be economized upon by combining much capital with little labour." ^{9/}

Labour was important as a human resource which had to be trained, and for whom health facilities had to be provided; educational facilities were important for the young and for provisions of trained professionals and managerial personnel, but what has been lacking is the vision of man and his needs as being central themes in development. So that side by side, with increasing production and rising productivity from technological advances, there was also rising unemployment. The more recent plans show awareness of the under-utilization of human resource which has accompanied impressive growth rates and there are many pious hopes that the problem will in due course be solved as the

^{8/} The following statement by Professor Arthur Lewis is not an unfair comment on many plans prepared in the Caribbean sub-region: - "The figures in a Development Plan indicate expectations, aspirations and intentions but are not binding commitments. This ... is one reason for the irresponsible tendency to use grossly inflated figures, intended to impress the reader, without committing the writer. " Chapter 1, page 20, Development Planning by W. Arthur Lewis. Unwin Paperback edition.

^{9/} Chapter 1, paragraph 17, Trinidad and Tobago Third Five-Year Plan, 1969-1973.

modern industrial sector expanded. Not surprisingly, the problem has remained and is today the major socio-economic one facing the Caribbean sub-region.

Planned expenditure patterns reflect ordering of national priorities. The level of capital expenditure on economic overheads, such as transport, communications, electricity, water, drainage and reclamation is high in all plans. In some cases, planned expenditure in these fields accounted for more than 50% of capital provisions. Expenditure for improvement of human capital - education, training, health, housing and water - ranks second in importance, and is between 25% and 40% of total expenditure. The main productive area in which Governments made direct contributions to the volume of production and thus to the whole development programme, was in the field of agriculture. The proportion of capital expenditure allotted to this and allied sectors such as forestry and fisheries ranged from as low as 2% in one territory to 33% in another. The evidence indicates that at least in one case, early development programmes did not put much weight on agricultural development. For example, the first development plan for one territory only allotted 2.2% of its capital expenditure to agriculture, but in the second and third plans the proportions allotted were increased to 15% and 16% respectively. On the other hand, another territory allotted 33% of its capital expenditure in its First Five-Year Plan to agriculture, but the second plan provided for 18% of capital expenditure in this sector.

Investment in agriculture and allied services over the whole planning period was substantial, yet an examination of this sector of the sub-regional economy shows falling long term production trends in the main export crops, inability of domestic food production to expand sufficiently to meet rising demand, and ever rising imports of food which nullify gains in foreign exchange achieved by exports of tourist services and manufactured goods. It has become increasingly clear that capital investment, credit facilities and past land settlement schemes have not solved long term Caribbean agricultural problems. One Government, in summing

up the performance of its agricultural sector in its Third Five-Year Plan, stated, "On the whole, except in 1968 (when a number of favourable factors operated) the overall performance of the agricultural sector has not been particularly distinguished since 1962." ^{10/}

In early national plans, little attention was paid to sub-regional aspects of planning by individual Governments, but in 1968 a Caribbean Free Trade Association (CARIFTA) was formed by the English-speaking countries. The movement for joint sub-regional action grew rapidly and in 1973, a Caribbean Common Market (CARICOM), superseded the Free Trade Association. Since its formation, CARICOM has played an important role in furthering economic integration of its signatories in the sub-region. The agricultural marketing protocol of CARIFTA was revised and taken into the CARICOM arrangements which were supplemented by new tariff structures introduced with a view to increasing sub-regional production and trade, particularly in agricultural commodities. Within recent years, all Governments have attempted to further sub-regional co-operation particularly in the field of agriculture. A Caribbean Integration Fund (agricultural projects) which was started in 1974, has funded a CARICOM Corn Soya Company and a Caribbean Food Corporation. The English-speaking sub-region has therefore, moved from a strictly national perspective of development to a wider concept of interdependence between member states.

THE OUTCOME ^{11/}

Examination of the results of development effort shows that attempts to diversify sub-regional economies were successful. Scores of new factories were established and numerous new products were locally manufactured. There were significant increases in contributions of manufacturing sectors to Gross Domestic Products. Many new skills were developed in the sub-region and the numbers of persons employed in manufacturing rose considerably. At the same time, taking the sub-region as a whole, the number of persons employed in agriculture fell. Expansion in the tourist sector has been most impressive. The number of hotel

^{10/} Page 404, Trinidad and Tobago Third Five-Year Plan, 1969-1973.

^{11/} See Addendum "A Case study of Development in CARICOM."

beds has risen substantially and so too has the number of tourists.

These achievements have only been made possible by greater dependence on Capitalist Developed Countries ^{12/} which have been suppliers of food, machinery and raw and semi-processed material for industry. Even in the case of Trinidad, with its domestic petroleum resources, growth in the petroleum sector has been largely due to imported crudes. The increased dependence of the sub-region for physical industrial inputs has been accompanied by greater reliance on foreign managerial and technical services. An analysis of sub-regional domestic export trade shows, however, that there has been relative decline in domestic exports to the Capitalist Developed Countries, and that the significant increases in trade in these exports have occurred within the sub-region itself. Though traditional metropolitan markets are absorbing a smaller proportion of sub-regional domestic exports, growth and the level of economic activity in the sub-region are now more dependent on imports from Capitalist Developed Countries than in the past. These countries have in fact, been the real beneficiaries of sub-regional development effort.

Structural changes in the sub-region have been at the expense of agriculture. Not only has the contribution of this sector to the GDP declined, but the volume of production of many commodities has fallen. With respect to the main export crops in the sub-region rates of growth have lagged behind those of world production, and though there have been increases in agricultural production for domestic consumption, these have not been sufficient to meet increasing demands for food. As a result, the sub-region is more dependent on foreign supplies of food than it was a quarter of a century ago.

NEW APPROACHES TO DEVELOPMENT

The decade of the seventies brought with it, a new awareness of the problems of development. By that time some Governments had

^{12/} The United States of America, Japan, Canada, Australia New Zealand, EEC and EFTA Countries.

gone through the exercise of preparing two or three medium term plans, but no Government felt satisfied that it was on the correct track and that time was the only factor to achieving goals set in the early 1960's. Unemployment in Trinidad and Tobago rose from 12% in 1970 to 17% in 1973. In Jamaica, an unemployment rate of 17.2% in 1969 rose to 22.4% in 1973. Increasing unemployment, particularly among school-leavers, and public discontent fed on the one hand by conspicuous consumption of new money-making classes, and on the other hand, by economic pressures of high inflation and low real wages on the mass of the working population, made Governments less concerned with the long and medium term and more interested in finding immediate answers to current problems.

These pressures were strengthened in 1973 when for the first time, primary producers of an essential raw material - petroleum - were able, through their cartel, OPEC, to demand higher prices from consumer countries, thus turning, at least, in the short run, the terms of trade in their favour. For those countries in the sub-region which depended on imports of fossil fuels for energy supplies, a completely new variable was injected into the development equation. Since their capacity to purchase oil depended now more than ever on foreign exchange earnings, they were forced to conserve their reserves and find new definitions for non-essential imports. Even supplies for industries carefully fostered during the 1950's and 1960's became increasingly difficult. Furthermore, the concept of import substitution now took on new meaning. Whereas before, this was interpreted mainly to mean replacing foreign manufactures by locally assembled ones, now the emphasis was on substitution of local food for foreign.

These economic developments were reinforced by a growing consciousness that the unemployment problem which had proved insoluble, was in some way related to the fact that too many decisions about internal production were in the hands of foreign investors and therefore Governments had little power to control the direction of their economies. Two CDCC Governments, Jamaica and Guyana, which were most affected by these events, have worked out new development strategies. It was quite clear to them that development policy of

the 1960's based on massive injection of capital investment and rapid growth on the assumption that the "trickle down theory" would ensure an even spread of the benefits from growth, did not work as had been expected; that Governments could no longer limit their involvement in the development process to passing legislation which would provide incentives for private investment; and that they had to play more positive roles in determining use of foreign reserves. Both these countries opted for a "basic needs strategy" and a development policy of self reliance. ^{13/}

This approach places greater emphasis on development of the internal economy to meet domestic needs and gives less weight than earlier plans to investment policies based primarily on free market demand. It therefore challenges traditional capitalist relationships and introduces a more critical attitude towards foreign investment and imports. ^{14/}

The fundamental impact of a basic needs cum self-reliance policy on the Caribbean sub-regional economy cannot be overestimated. Traditional dependence on foreign supplies of food must, in any such development strategy, give way to creation of national and regional food system in which land and water production are seen through an ecological perspective as providing a base for cyclical flows within the economy, in the process of which, labour is employed to sow, produce, harvest, transport, grade, process, market,

^{13/} It is important to note that the U.K. has now adopted "basic needs strategy" as the key in its aid policy. Possibly of greater significance, from an international point of view, was the statement by U.S. Senator Ribicoff before the Second (Economic) Committee of the U.N. General Assembly in October 1978, in which he called for world co-operative effort to overcome the worst aspects of absolute poverty by the year 2000 and assure self-reliant growth to developing countries.

^{14/} The pioneering efforts in self-sufficiency of the Castle Bruce Farmers' Cooperative in Dominica is an example of what can be attempted in the Caribbean sub-region. This project received assistance from the Inter-American Foundation, an independent agency of the U.S. Government, established in 1969 to finance non-Governmental development projects in Latin America and the Caribbean region.

distribute and feed an ever-growing sub-regional population, with on-going techno-economic research supporting activity in an agro-economic industrial sector. Such a deliberate policy to expand internal economies in the sub-region within an intra-regional trade context, will call for development of indigenous inter-island transport, which will of itself, offer new avenues for regional technological development and employment. Within the individual territories themselves, commercial food sectors now oriented to purchase and distribution of foreign foods, will have new roles to play. For a food and nutrition policy based on domestic economic activity can only blossom and bear fruit to its full potential if current activities of traditional foreign food suppliers are subordinate to national production strategy.

Development policy with such orientation attacks root causes of poverty and malnutrition in the sub-region. It terminates an historical bias of agricultural production which has prevented the sub-region from developing industrial and service sectors founded on the basic human need of feeding its population. It will also require regional consideration of the status of land as a productive resource in the Caribbean economy and hasten the application of policies which will salvage land from the collapsed plantation economy. ^{15/}

If successful, it will in the long run make a valuable contribution to improving the quality of life of the mass of the population in these countries, though its adoption has, in the short term, affected economic and political relationships, both internally and externally. Within the sub-region, the integration movement has been temporarily adversely affected, since foreign exchange restrictions have made the domestic markets of both Jamaica and Guyana less accessible to other sub-regional manufacturers.

Both these countries which are now trying a more positive than indicative approach to planning are operating on short term plans while at the same time preparing medium term ones. Their success in

^{15/} See "Land-Man Relationship in the Caribbean", by Max B. Ifill for an examination of this problem.

the long run will depend on many factors, some of which are not economic, but their achievements will be minimal if they fail to develop a planning capacity. It is this weakness in the past, more than any factor, which prevented sub-regional Governments from recognizing the high social cost of early development strategy and taking steps to correct it.

During the past quarter of a century, billions of dollars have been spent in developing countries in trying to hasten their entry into a developed industrialized world and the Caribbean sub-region has had its fair share of such investment. Some member countries of the CDCC can show impressive growth rates, and those which entered the second half of the century without a modern industrial structure now have industrial and manufacturing complexes and a vastly increased labour force familiar with new skills and techniques. These achievements have been accompanied by increasing mal-distribution of income and high levels of unemployment.

The blind pursuit of growth in an economy without concern for the distribution of wealth which results from growth, has a high social and human cost. But there is still a body of opinion which holds that, "the development effort should be directed towards the twin objectives of rapid growth and of reducing the number of people in absolute poverty as rapidly as possible". ^{16/} On the basis of past Caribbean experiences, there is need to question the advisability of seeing growth as the end purpose of development effort. Should not a desirable rate of growth be conditioned by more equitable distribution of national product? If the aim is to reduce poverty, then the approach should be to determine how to establish production and distribution systems which will eradicate poverty, while at the same time only permit levels of sectoral growth which will not nullify the advantages of better distribution. In order to do this, Caribbean countries have not only to prepare plans, but also, and more importantly, to develop planning capacity so that they can evaluate changes as they occur.

^{18/} See page 1, paragraph 3, World Development Report 1978
The World Bank, August 1978.

ADDENDUM

A CASE STUDY OF DEVELOPMENT IN CARICOM

After a quarter of a century of development effort in the English-speaking Caribbean, it is fitting to examine the outcome. In this study, attention is focussed mainly on Barbados, Guyana, Jamaica, Trinidad and Tobago.

One of the main aims of planning was to diversify economies in the sub-region, to make them less predominantly agricultural and more industrial. Table 1 shows indicators of economic change for Trinidad, Jamaica and Barbados, which among CARICOM countries exerted greatest effort to encourage an inflow of capital to develop manufacturing and tourist sectors.

In Trinidad, the contribution of the manufacturing sector to Gross Domestic Product rose from 6.0% to 7.5% between 1966 and 1976. A dominant petroleum sector in this economy obscures growth in manufacturing, a clearer picture of which is presented by the fact that, at constant prices, factor cost rose from \$86 million in 1966 to \$209 million in 1976 - a 143% increase, which is higher than the 94% increase at constant prices of the GDP over the period. In 1966, 18.8% of persons with jobs, were in the manufacturing industrial group. This figure had risen to 20.0% by 1976, and the total number of persons employed in the sector has increased by 15.7%. This expansion in manufacturing was matched by a relative decline in the agricultural sector, where contribution to GDP fell from 6.2% to 3.4%, and the number of persons with jobs in the sector fell both absolutely and relatively, the latter fall being from 22.3% to 15.2%. In tourism, the number of visitors in 1976 was 77% higher than in 1970.

Data for Jamaica show that the manufacturing sector contributed 16.5% of GDP in 1969 and 18.1% in 1976. It made the largest single contribution to the GDP from 1974 to 1976, thus replacing the dominant role of distributive trade during the previous five years.

Data on employment in the sector are not available for the early 1960's, but in 1972, 12.7% of persons with jobs were employed in the manufacturing industrial group. The number fell to 11.0% in 1976. The contribution of the agricultural sector to the GDP rose from 7.2% in 1969 to 8.2% in 1976, fluctuating between these two points in the intervening years, and there were both absolute and relative increases in the number of persons with jobs in this sector. In the latter case, there was an increase from 33.6% in 1972 to 35.0% in 1976. Of the three territories under consideration, Jamaica was the only one in which the agricultural sector showed expansion both in its contribution to GDP and employment. In tourism, the number of hotel beds increased by 300% between 1960 and 1976. In the ten year period, 1966 to 1976, there were wide fluctuations in the number of visitors but the trend was upward, the figure in the latter year being 43.6% higher than it was in the former.

GDP data for Barbados are for a period of only three years, 1974 to 1976, during which contribution of the manufacturing sector to GDP rose from 10.8% to 13.3%. In 1970, 13.4% of persons with jobs were in the manufacturing group, but by 1976, the number had risen to 15.2% and the total number of persons employed in this sector had increased by 23%. In the agricultural sector, contribution to GDP was 13.5% in both 1974 and 1976. This was a significant decline from an estimated contribution of approximately 20% in the early 1960's. The number of persons with jobs in agriculture also fell to 9.8% of all persons employed in 1976, from 21.3% in 1970. The tourist industry recorded great expansion with the number of visitors in 1976, being 183.6% higher than 79,104 of 1966. The number of hotel beds in 1977 showed an increase of 33.5% above the 1972 figure.

On the basis of trends in capitalist developed economies it is held that an important indicator of development is decline in the proportion of the labour force employed in agriculture, both absolutely and relatively. This certainly occurred in Trinidad and Barbados at the same time that the industrial and tourist sectors were expanding. But it is interesting to note that contribution of

TABLE 1

Basic Indicators of Structural Change in
Trinidad, Jamaica and Barbados between 1960 and 1976

Item	Unit	Trinidad (a)		Jamaica (b)		Barbados (c)	
		1966	1976	1969	1976	1974	1976
1 Gross Domestic Product at Factor Cost and Constant Prices	National \$million	1432.1	2799.8	1951.2	2076.2	577.4	597.3
2 Contribution of Manufacturing sector to GDP	"	85.5	209.3	323.4	376.2	62.1	79.3
3 2 as % of 1	%	6.0	7.5	16.5	18.1	10.8	13.3
4 No. of Persons with jobs in Manufacturing Industrial Group	Numbers	57400 (d)	66400(d) (1974)	79584 (1972)	75000	11200 (1970)	13800
5 4 Above as % of all persons in jobs	%	18.8	20.0	12.7	11.0	13.4 (1970)	15.2
6 % Contribution of Agricultural Sector to GDP	%	6.2	3.4	7.2	8.2	13.5	13.5
7 % of Persons with Jobs in Agriculture, Forestry, etc. Industrial Group	%	22.3	15.2	33.6 (1972)	35.0	21.3 (1970)	9.8
8 Number of Visitors	Numbers	88530 (1970)	156680	228141 (1966)	327706	79104 (1966)	224314
9 Increase in No. of Visitors	%	77.0		43.6		183.6	
10 No. of Hotel Beds	Numbers	n.a	n.a	4282 (1960)	12858	7518 (1972)	10037 (1977)
11 Increase in No. of Hotel Beds	%	n.a		300.0		33.5	

(a) Base year for GDP data: 1970

(b) Base year for GDP data: 1974

(c) 1960 data based on current factor cost: 1976 data on base year 1974

(d) Includes quarrying and mining.

Sources:

Trinidad: Gross Domestic Product Report; International Travel Reports; Labour Force Statistics SLF & LF1-6

Jamaica: Statistical Abstract 1972 and 1976

Barbados: Economic Reports 1972 and 1976.

the agricultural sector to GDP in both territories also fell during the decade ending in 1976. In the case of Jamaica, however, growth pattern was apparently more broadly based. The relative contribution of both the industrial and agricultural sectors to GDP increased and at the same time employment in the latter sector rose both absolutely and relatively. This suggests that within the Caribbean sub-region, increases in agriculture in the indicators under consideration are fully compatible with increases in the industrial sector. This is most likely because there are always large pools of under and un-employed which can become productive if the agricultural sector can be reorganized from its plantation structure to accommodate them.

Structural change in sub-regional economies was not intended as an end in itself, but as means of attaining some measure of independent economic decision-making power, consonant with new political status. It is therefore important to examine developments in international trade during the period under consideration.

Table 2 shows the relationship between domestic exports of chemicals and manufactured goods and total domestic exports for Jamaica, Barbados, Trinidad and Guyana in 1958 and 1974. In the first year, these categories of domestic exports were respectively 6.3%, 1.1%, 13.8% and 3.9% of total domestic exports in the four territories under consideration. In 1974, the corresponding percentages were, 18.1%, 28.2%, 51.2% and 4.3%. Trinidad's outstanding achievement from 13.8% to 51.2% is due mainly to its chemical exports but the growth in its export of manufactured goods is also impressive. Barbados recorded the most rapid rise in these exports, and Jamaica also shows clear evidence of growth in the industrial sector. These three territories in the sub-region all had very active industrialization agencies with well developed programming to attract foreign investment. The Guyana figures present a fitting contrast, and at the same time highlight the successes achieved in the other countries. Guyana never developed a comparable industrialization programme and this is reflected in the modest increases from 3.9% to 4.3%. Insofar

TABLE 2

Comparative Data Showing Relationship between
Domestic Exports of Chemicals and Manufactured Items and
Total Domestic Exports in Specified CDCC Countries

Item	£'000 Jamaica		\$'000 Barbados		\$'000 Trinidad		\$'000 Guyana	
	1958	1974	1958	1974	1958	1974	1958	1974
SITC 5 Chemical	511	9,671	246	4,867	2,755	137,938*	1,107	3,996
SITC 6 Manufactured Goods - Classified	572	11,158	129	5,883	4,960	24,780	1,456	6,141
SITC 8 Manufactured Goods - Miscellaneous	431	9,753	181	24,291	2,297	32,146	225	6,691
1. Total	1,514	30,582	556	34,991	10,012	194,864	2,788	16,828
2. Total Domestic Exports**	24,190	169,397	35,498	124,215	72,652	380,759	71,254	391,534
1. as % of 2.	6.3	18.1	1.6	28.2	13.8	51.2	3.9	4.3

* 85% increase in 1973 Domestic Exports.

** Excluding mineral fuels, lubricants and related materials (SITC 3) for Trinidad, and crude materials, inedible except fuels (SITC 2) for Guyana and Jamaica.

Source: Data compiled from Overseas Trade Statistics for specified countries.

as export data accurately reflects structural changes in sub-regional economies, it is clear from this evidence that an important development aim of these Governments was achieved.

Table 3 shows what proportion of domestic exports of chemicals and manufactures went to Capitalist Developed Countries^{1/}. These are the economies which contributed much of the investment capital, financing, machinery and (with respect to manufactured goods) raw material, for industrial development in the sub-region. In 1974, 16.9% of Jamaica's domestic exports of chemicals and manufactures went to these economies, 43.2% of Barbados' domestic exports and 67.5% of Trinidad's. Proportions of domestic exports of the last two countries which went to these industrialized countries were very high. Item 6 in the Table shows however, that each of the three countries had high negative trade balances in the commodity trade under consideration. There is a direct relationship between growth in domestic exports and in imports of chemical and manufactured goods. The more these categories of goods are exported, the more will they have to be imported. The only variation in this pattern applies to Trinidad because of its domestic chemical resources. In recognizing the success which these three countries had in their industrialization policies, therefore, it is important to note that there was an accompanying adverse trade balance because of heavy dependence on foreign supplies of raw material and machinery upon which the success was based.

Comparative data on total domestic exports of English-speaking CDCC countries in 1960 and 1974 are shown in Table 4. In the first year, 83.3% of these exports went to Capitalist Developed Countries, while in 1974 their share had fallen to 74.1%. Domestic exports to CARICOM countries on the other hand rose from 9.8% in 1960 to 15.8% in 1974. There were also increased exports to Centrally Planned Countries while exports to the rest of the world remained at approximately the same level. The data show that while the English-speaking sub-region does most of its domestic export trade with Capitalist

^{1/} United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

TABLE 3

Comparative Data on Trade in Specified SITC Items
between Capitalist Developed Countries (CDC) and Specified
Caribbean Most Developed Countries (MDC) in 1974 *

National \$'000

Item	Jamaica	Barbados	Trinidad and Tobago
1 Domestic Exports to CDC			
SITC 5	1274.8	94.1	92558.8
SITC 6	3395.2	1325.2	29.1
SITC 8	489.7	13710.9	3866.4
2 Total Domestic Exports of SITC 5 + 6 + 8 to CDC	5159.7	15130.2	131454.3
3 Total Domestic Exports of SITC 5 + 6 + 8 to all countries	30582.0	34991.0	194864.0
4 2 as % of 3	16.9	43.2	67.5
5 Net Imports of SITC 5 + 6 + 8	306088.0	150130.0	496576.2
6 Visible Trade Balance 3 - 5	-275506.0	-115139.0	-301711.1

* Capitalist Developed Countries (CDC) are: United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

Source: Compiled from National Overseas Trade Reports 1974.

TABLE 4

Domestic Exports of English-speaking CDCC Countries by Destination

Item	1960		1974	
	EC\$ '000	%	EC\$ '000	%
Exports to -				
1. Capitalist Developed Countries	749,823	83.3	4,458,112	74.1
2. Centrally Planned Countries (Excluding Cuba)	401	0.0	103,255	1.7
3. Exports to the CDCC and other Caribbean Countries	88,544	9.8	951,458	15.8
4. Other	77,687	8.6	505,025	8.4
5. Total Domestic Exports	<u>899,708</u>	<u>100.0</u>	<u>6,017,850</u>	<u>100.0</u>

Capitalist Developed Countries are: - United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

Total Domestic Exports exclude ships' stores and bunkering.

Source: Based on Table 17, "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM, Georgetown, Guyana.

Developed Countries, its earnings from this source fell proportionally during the fifteen years under consideration. The global picture of domestic export trade in Table 4 further modifies the gains shown in Table 2. For though percentage increases in total domestic exports of chemicals and manufactures between 1958 and 1974 is impressive, and domestic exports of these commodities to Capitalist Developed Countries in the later year were relatively high, yet these gains were insufficient to increase the share of total domestic exports to Capitalist Developed Countries. In fact it is domestic exports within the sub-region itself which have shown significant relative increases. Since however most gains in domestic exports derive from imports of raw material and machinery from the Capitalist Developed Countries, it is these countries which have been the real beneficiaries of development policy in the period under consideration.

Within the sub-region itself, total intra-CARICOM domestic exports rose from EC\$65.3 million to EC\$454.7 million between 1960 and 1974. Table 5 shows that this was due mainly to growth of trade in machinery, manufactured goods, petroleum products and chemicals. With 1960 as base year, the indices for these SITC sections in 1974 were respectively, 2497, 740 and 2021, 885 and 733.

TABLE 5

Value Indices of Aggregated Domestic Exports in
Intra - CARICOM Trade by S.I.T.C. Section in 1974

1960 = 100 (a)

SITC Sections	0	1	2	3	4	5	6	7	8	9	Total
1974 Indices (b)	492	622	143	885	527	733	740	2497	2021	188	704

(a) Excludes Antigua and Dominica

(b) Excludes Grenada, St. Kitts-Nevis-Anguilla, St. Vincent

Source: Based on Table 15 in "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM

TABLE 6

Balance of Intra-CARICOM Trade of
Jamaica, Guyana, Barbados, Trinidad & Tobago
1960 - 1974

Year	Jamaica	Guyana	Barbados	Trinidad & Tobago
1960	- 12760	+ 4499	- 3491	+ 25006
1961	- 13336	+ 1440	- 2490	+ 28649
1962	- 10909	+ 2206	- 4015	+ 31216
1963	- 13703	+ 189	- 4196	+ 31045
1964	- 9111	+ 1362	- 3807	+ 26558
1965	- 2074	- 3340	- 2473	+ 27445
1966	+ 4869	- 5935	- 1345	+ 32738
1967	+ 2215	- 4594	- 1370	+ 33206
1968	+ 7247	- 5868	- 5463	+ 43343
1969	+ 9711	- 8420	- 7306	+ 56465
1970	+ 8022	- 12584	- 9805	+ 64717
1971	+ 6286	- 7261	- 11225	+ 75966
1972	- 21830	- 11537	- 13310	+ 79801
1973	- 21000	- 35434	- 14629	+109077
1974	- 79959	- 76175	- 34521	+227266

Source: "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM.

Table 6 shows however, that only Trinidad had a favourable balance of trade throughout the period because of its superior domestic resources. For the other territories, a favourable balance of trade was more difficult to achieve because of their weaker resource position and the similarity of manufacturing industries in all countries. In the protected CARICOM market, their economic position vis-a-vis Trinidad inevitably became comparable to the economic position of the whole sub-region to the Capitalist Developed Countries.

Table 7 shows what changes occurred in agricultural production during the period under consideration. Using average production during 1952/53 to 1956/57 as a base, indices for average world production of sugar, cocoa beans, coffee green, grapefruit and bananas during 1974/76 were notably higher than indices for production of these commodities in the sub-region. Rice production

TABLE 7

Comparative Data on Volume Indices of Production of
Main Agricultural Commodities in CDCC Countries

1952/53 - 1956/57 = 100

Commodity	English-speaking CDCC Countries Indices	All CDCC Countries Indices	World Production Indices
	1974/76	1974/76	1974/76
Sugar	115	99	203
Cocoa Beans	6	9	18
Coffee Green	9	10	17
Grapefruit	103	152	202
Bananas	103	85	272
Rice	181	228	168

Source: Based on data in FAO Production Yearbooks 1976 and 1967

was exceptional, having increased by 81% in English-speaking countries and 128% in all CDCC countries, while world production increased by only 68%. ^{2/}

Table 8 shows more clearly the decline in relative production of the main export crops in English-speaking CDCC countries. Whereas in 1952-57, average production of sugar was 3.1% of world production, in 1974-76 it was 1.8%. Corresponding production figures for other main agricultural exports are: cocoa beans 1.7% and 0.5%; coffee 0.2% and 0.1%; grapefruit 3.1% and 1.6%; bananas 2.0% and 0.8% and rice 0.8% in both periods. These data show that production of main agricultural export commodities from the sub-region declined over the 20 year period.

Table 9 shows production of some locally grown food for domestic consumption in CARICOM MDC's. Data on Trinidad show that during the period 1969 to 1974, total production increased by 53% and there was a 47% increase in per capita production. In Jamaica, comparable figures from 1968 to 1974 and from 1974 to 1977 were increases of 96% and 80% for the first period and 26% and 16% in the second period.

In Guyana for the period 1966 to 1973, there was a 23% increase in total production and a 9% increase in production per capita. In the case of Barbados, which is predominantly a one-crop export-oriented economy, there was a 1% fall in total production and a 3.8% decline in production per capita.

Although the whole thrust of growth effort during the period under consideration was directed towards manufacturing and tourist development, food crop production in the agricultural sector expanded to meet increasing demands for food though there was little re-organization of main productive factors away from the traditional plantation system. It is likely that much of this expansion was

^{2/} It is interesting to note that the market for rice is sub-regional while all the other commodities are sold to extra-regional markets, in fact, despite increases in production, the English-speaking countries of the sub-region were collectively net rice importers in 1974/76.

TABLE 8
Comparative Data on Production of
Main Agricultural Commodities in English-speaking
CDCC Countries

Commodity	Unit	Production in English-speaking CDCC Countries		World Production		Relationships	
		1952/56 1	1974/76 2	1952/56 3	1974/76 4	1 as % of 3	2 as % of 4
Sugar	1000 metric tons	10,267	11,782	329,969	671,420	3.1	1.8
Cocoa Beans	100 "	137	80	8,279	14,800	1.7	0.5
Coffee Green	100 "	57	50	25,227	42,770	0.2	0.1
Grapefruit	1000 "	59	61	1,895	3,821	3.1	1.6
Bananas	1000 "	280	288	13,812	37,506	2.0	0.8
Rice	1000 "	154	280	200,735	338,013	0.08	0.08

Source: FAO Production Yearbooks - 1967 and 1976.

TABLE 9

Food/Population Relationships based on Estimated Production of
Locally Grown Food Available for Domestic Consumption in
Specified English-speaking CDCC Countries *

Country	Year	No of Crops	Estimated Crop Production 000 lbs	Estimated Meat Production 000 lbs	Estimated Total Crop & Meat Production 000 lbs	Pop. Estimate 000	Est per Capita Production lbs	% Change
Trinidad	1969	20	117,188	36,081	153,989	1,025	150	+ 47.3
	1974	20	176,300	59,359	235,659	1,067	221	
Jamaica	1968	27	325,743	13,025	338,768	1,852	183	+ 80.3
	1974	27	638,821	23,551	662,372	2,010	330	+ 15.8
	1977	27	756,206	42,570	798,776	2,090	382	
Guyana	1966	10	160,916	13,280	174,196	676	258	+ 8.9
	1973	10	189,894	25,059	215,043	766	281	
Barbados	1970	15	50,600	12,947	63,547	240	265	- 3.8
	1976	15	44,849	18,127	62,976	247	255	

* See Appendix 1 for sources.

at the expense of crop production for export. ^{3/}

Table 10 shows how failure of the sub-region to develop its own agricultural potential to meet increasing food demands which arose from overall growth, resulted in increasing dependence of supplies of food from Capitalist Developed Countries which were also supplying the raw material and machinery for development. Between 1958 and 1973, the volume of per capita food imports from these countries increased in Trinidad by 27% and in Guyana by 2%. Between 1958 and 1974, comparable increases in Jamaica and Barbados were 86% and 36% respectively.

The evidence indicates quite clearly that the acceptance by the CARICOM MDC's of the traditional capitalist world economic order as a vehicle for development has made them increasingly dependent on Capitalist Developed Countries and reinforced the self-same metropolitan system which was originally responsible for their subordinate role in the world economy. Whereas before they exported agricultural raw material and imported food and manufactures, they now export less agricultural commodities, supply less of their food needs and import raw materials, machinery and more of their increasing food requirements. ^{4/} At the same time, they have been unable to capture sufficient markets in Capitalist Developed Countries to amass foreign resources which could finance raw material purchases for industrial sectors they have painfully developed. The following quotation aptly sums up the position these four countries find themselves in, though Trinidad with its petroleum resources may superficially appear exempt. -

"... for the first time for centuries, the underdeveloped countries are becoming industrial sites for manufacturing countries on a vast and growing scale. Concomitantly, the new international division of labour entails a growing fragmentation of the production processes into a number of various partial operations performed worldwide at different

^{3/} It is important to note that in the case of livestock, much of expanded production was based on imported inputs.

^{4/} In 1974, Trinidad had to purchase foreign currency to the value of TT\$193m to pay for food imports from Capitalist Developed Countries.

TABLE 10

Food/Population Relationships based on Imports of Food
From Capitalist Developed Countries (CDC) * by
Specified English-speaking CDCC Countries

1958 and 1973

Country	Year	Food Imports from CDC 000 lbs	Population Estimates 000	Imports per Capita lbs	% Change
Trinidad	1958	286,386	801	358	+ 26.8
	1973	479,845	1,058	454	
Guyana	1958	125,274	529	237	+ 1.7
	1973	184,286	766	241	
Jamaica	1958	369,957	1,582	234	+ 85.9
	1974	859,041	1,976	435	
Barbados	1958	88,892	230	387	+ 35.7
	1974	127,535	243	525	

* United States of America, Australia, New Zealand, EEC and EFTA Countries.

Source: Overseas Trade Reports.

production sites ... Even if a high percentage of the industrial production were relocated from traditional locations to new sites in the developing countries, given the existing structure of the world economy, the effect would still be that only a relatively small proportion of their population would be directly integrated into this process. This process does not have the potential to abolish unemployment and underemployment in the developing countries; it only has the potential of absorbing a small part of the hundreds of millions of unemployed and this for the lowest possible wages; in consequence, the majority of the unemployed mass is degraded to the position and conditions of the industrial reserve army." ^{5/}

Traditional metropolitan relationships have historically been such a dominant force in international trade that success of development growth policy in the sub-region was only possible if premised on the ability of the sub-region to continue, without limit, being a market for raw material and machinery from the Capitalist Developed Countries and on increasing penetration of domestic markets in those countries with manufactures based on foreign raw material. In cases, where these conditions ceased to exist, development policy has had to be reconsidered.

^{5/} Folker Froebel/Juergan Heinrichs/Otto Kreye: "Export-oriented Industrialization of the Developing Countries: Dependent and Uneven Development", Max Planck Institut zur Erforschung Lebensbedingungen der Wissenschaftlich-Technischen Welt Starnberg.

APPENDIX 1

Sources for Table 9

1. Unpublished data supplied by Ministry of Agriculture and, Quarterly Economic Reports for production of rice paddy, tomatoes, cabbage, cucumber, lettuce, melongene, ochro, watercress, other green vegetables, pigeon peas, blackeye peas and bodi peas, other peas and beans, corn, yams, tannias, cassava, dasheen, eddoes, sweet potatoes, plantains, beef, poultry, pork, sheep and goats.
2. Jamaica Production Statistics, 1977 for rice, plantains, peanut, corn, pumpkins, carrots, cabbages, peas and beans, turnips, cucumbers, okra, egg plant, escallion, thyme, tomato, lettuce, cho-cho, cauliflower, peppers, beetroot, watermelon, celery, sweet and irish potatoes, yams, tannias, dasheen, cocoa, onion, cassava and poultry meat.
3. Guyana Annual Statistical Abstract - 1974 for rice, ground provisions, plantains, bananas, corn, cabbages, blackeye peas, pineapples, tomatoes, beef, pork, mutton, goat and poultry meat.
4. Central Bank of Barbados Annual Statistical Digest - 1976 for string beans, pumpkins, beet, bananas, plantains, sweet potatoes, yams, tomatoes, cucumbers, cabbages, pigs, cows and calves, goats and sheep, poultry, eggs and milk.

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